

Distributors Say their Net Incomes will Increase in 2007

According to a newly released Tornado e-Poll, nearly 75 percent of the jansan distributors asked believe that their net incomes will be up in 2007. However, almost 63 percent indicate that they expect profit margins to stay about the same over the next few years.

These and other jansan distributor-focused questions are part of an online survey conducted by Tornado®, Chicago, IL the first week of April 2007. Approximately 100 jansan distributors responded to e-mailed invitations to take the survey, which has a margin of error of plus or minus 5 percent.

One way 75 percent of the respondents plan to increase net incomes is by expanding into new territories, increasing the geographical area that their companies serve. Additionally, to improve the bottom line, more than 62 percent indicate they will examine their current product line and “eliminate those [products] with small or very little profit margins.”

As to the continuation of mergers and acquisitions within the industry, half believe they will continue “at the same speed” as in the past 10 years; the other half believe they will continue into the foreseeable future “but at a far slower rate.”

Growing Market and Buying Habits

The distributors were also asked what market they believe will grow the most for jansan distributors in the coming years. These were their responses:

- Healthcare 37.5 percent
- Education 25 percent
- Office facilities 12.5 percent

The other markets mentioned were the industrial and retail sectors that received about 12 percent of the responses.

“The survey also asked distributors about the buying habits of their customers, specifically regarding floorcare equipment,” says Mike Schaffer, president/CEO of Tornado. “They said that more than 87 percent of their customers inquire about larger floorcare machines such as ride-on equipment.”



Additionally, Schaffer says that 62 percent responded that their customers also look for larger floorcare machines that can “fit into tight, hard-to-maneuver places.” The remaining respondents say this is not a concern of their end-user customers.

As with earlier Tornado e-Polls, the distributors were asked if their customers most often select expensive, moderately priced, or least expensive jansan equipment. When it comes to floor machines, nearly 13 percent say their customers select “high-end, more expensive machines,” while more than 85 percent say their customers look for moderately priced machines.

“In previous surveys, it was also revealed that most end-user customers select midrange-priced jansan tools and equipment over the most or least expensive products, Schaffer says.

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