



Spring 2007 End-User Survey Open-Ended Responses

On

Value of Manufacturer Brands and Non-Branded Acceptance Level

Industrial Contractors

- Problems with brand names i.e. GE: example: I purchased a panel board loaded with breakers for \$500. After the install the customer required a HVAC feed out of the panel the change order called out for a 3 pole circuit breaker. Our cost was an additional \$375 for one circuit breaker- on top of that no price difference would have occurred if we had purchased the panel with the breaker installed originally. That is a prime example of a brand name manufacture sticking it to the customer. It is extremely common for this type of thing to occur. As a contractor we must remain competitive, which is impossible if we form alliances with brand names.
- Branding is an important measure of future support; ultimately we need products which minimize call backs for both warranty costs and customer satisfaction.
- If the quality is not good I will not buy it again!!
- We have already cut our profit margins with low bidding practices. So now we want to keep driving the price down with cheaper equipment?
- Management will buy junk material and I have to install it.
- There really are not any benefits to unbranded items. We are forced to use these when distributors don't have the name brands. Greed is certainly involved by all parties because if your competitor uses these products they will always get in a lower bid. So we are forced to explore using these items and hope nothing goes wrong. The instruction and labeling is clearly not American. Blame the folks in Washington for sending good US jobs overseas and breaking the Unions
- We value our reputation as a quality contractor and therefore demand the same from our suppliers.

Overview: Industrially-oriented installers favor brand name products as a measure of quality, although lack of pricing competitiveness can provide opportunities for less expensive lines.

Commercial Contractors

- Manufacturer brands have been around a long time and have established a good and consistent quality product. Generic products generally don't stay in the market long enough.
- A good relationship with supplier.
- My first concern is American made. Then an American company.
- Private label could give you an advantage promoting your company
- I always use manufacturer brands. It is easy to keep track of inventory. Electricians use popular name and numbers to make out their daily time and material sheets. Makes billing less searching for information to do bills.
- Quality in electrical work is paramount
- Reliability of manufacturer brands and warranty
- I am willing to pay a little more for products made in the USA every thing else being equal, but still purchase many items from outside the USA when they are not available here. I will not purchase from China, North Korea, etc. if possible. Their "private" manufacturers I believe are tied directly to their military and just as threatening (eventually) to my freedom as are the Taliban, etc.
- Inspectors are more concerned in the last 5 years or so about UL labeling, and Code acceptance such as grounding materials and exposure requirements to weather AIC ratings and using difference manufacturers breakers as replacements

- We would try different brands if they proved reliable. We would rather pay more for the reliable product.

Overview: Commercial contractors are concerned about product quality and would prefer to "buy American" if price was comparable. Additional name brand manufacture benefits include warranty coverage and population of information in contractor billing/estimating systems.

Residential Contractors

- Yes, I do prefer brand items but turn the other way sometimes because of price. When it comes to overall reliability of an electrical system, it's not always the manufactures brand that justifies the reliability but how the system was installed. The listing is more important. Never install unlisted equipment. If it's listed, I will most always use the lower cost item, and if that item is manufactured by private label or otherwise I could care less. Tired of supporting high priced equipment brand name manufacturers. I purchase, design, deliver, and install all services provided by my company. I have actually taken time to order online to save \$15.00 on a ballast that a national distributor wanted \$97.00 for. I have actually purchased, for example, relays and micro switches in electronic stores with the same physical and electric specifications at a cost of 30 to 40 times less than what the distributor or manufacturer was quoting. Many customers do not follow through with projects they would like to have accomplished because of cost. It's not the labor charges with my company, ITS THE MATERIAL COST.
- There are some unbranded products such as recessed fixture trims that appear to be identical to a branded product. We will not pay for a brand name lamp or bulb if we can find a lower priced alternative that will give satisfactory results.
- I don't want to pay a premium for a name brand that's of less quality than generic. (i.e. Lithonia)
- The substitution of materials, while acceptable when they are comparable, is a concern. Rexel for example is becoming more oriented towards private label products. We on the other hand are searching our other distributors for the product that we want and splitting orders to insure that the product that we want and specify is the product that is delivered and used on the job site, not necessarily the lowest priced, private label brand.
- There are a lot of new and improved products available but distributors only carry what sells the most. If you want this new product, it will have to be a special order item and no one can wait. Some contractors only install what they can get on hand at a supplier and what they can make the most profit on.
- In this period of unstable prices using non-branded product brings some stability to keeping our cost in line with our estimate.

Overview: Residential contractors are the most apt to purchase private label products due to price benefits. The contractors do not perceive product quality differences and the homeowner/customer does not know the difference. Pricing benefits enable contractors to earn jobs and retain project profitability.

Multi-Focused Contractors

- The higher the importance to safety the product is i.e. breakers, the more I look for a dependable name brand. I don't care who makes wire staples or straps but I need to know that my company will not install anything that could hurt someone.
- Product that I specify are because they have quality and easy to install
- Buy American because the job you save might be your own.
- Off-shore and unbranded products are, in my opinion, an added liability for the contractor as well as an unsuspecting client. We try to sell our service and experience in an effort to compete against others who deal on price alone. It's the consumer, who thinks he/she is getting a quality installation for a quality building that suffers in the end, when unbranded products are used.
- all installed products must meet required specifications

- Historically it seems that with branded products there is a cost attached to the name or that they have a feature not offered by other manufacturers that is not always necessary.
- Manufacturer's reps don't seem to be able to provide accurate information for the products they rep. They like the commissions but make me find the needed information or provide me with inaccurate information.
- WHERE QUALITY IS EVIDENT UPON PHYSICAL EXAMINATION; BRAND IS UNIMPORTANT. MORE COMPLEX COMPONENTS REQUIRE STRONG MANUFACTURER SUPPORT.
- The product needs to be UL listed.
- The quality of the national brands is dropping. If unbranded products could prove to be superior then I would give them a serious look.
- We are a service only company and rely on using the best products. We also are very partial to products manufactured here in the US, i.e. Juno etc... Relationship, price, service, location, availability, and manufacture all play a very significant role in choosing a supplier and may at times change in order of importance.
- American manufacturing has to do even better now, than in the past. I won't buy Chinese made inferior products, but if an American company sells me a product now made overseas and it's an inferior product, I'll drop that manufacture from my list and shop by quality. If one day I can't find a quality made product, I'll shop by price.
- We installed several hundred electronic ballasted wrap-arounds about three years ago. Almost all of the ballasts have failed, some in 6 months. Hardwired surge protector still working, major brand, Lithonia, no help from anyone!
- As long as the product is a quality product, I have no objection to installing it whether brand name or otherwise. Generally, I am used to brand names because of past use. If I find a product that simplifies my install without compromising craftsmanship, I will ask for that product again.
- Brands must be contractor friendly and come with sales support and customer service as well as being the right price
- I believe in finding a product that does what you need, at a fair price, and will usually continue to buy that product. I am also interested in any new product that will cut down on work/installation time.
- We have used specific brands for a number of years with no warranty problems. In cases where a problem arose the distributor and manufacturer rapidly resolved the problem due to our long relationship.
- I choose what works and grudgingly accept the bad stuff.
- The quality of manufacturer brands has declined in recent times. More and more they are made in Mexico and China. Many manufacturers do not stand behind their products like they once did.
- Manufacturer reputation and quality of product
- We have a "spend it where we make it" philosophy.
- Combining the benefits of a manufacturer brand package we get: contractor recognition by being a recognized contractor we can share in the input of new products, industry direction and stability. As well as getting quality products, manufacturer reputation, pricing, overall long term commitment. Unbranded products are unstable, nonproductive and a short term easy way out. I recommend to all my competitors. Bottom line is no one goes into business and makes substantial investments with the intentions of stopping within a few years so why would you invest in short term companies with the possibility of long term liabilities.
- I use national brands because that is what many of my customers require and I sell the added value. I also want to be protected if there is a failure.
- I have noticed the products no longer are of the high quality as 10 to 15 years ago no matter what the brand - noticed most brands now made overseas. Brands that used to be the best are about the same as non brands - on certain products
- To us it is all about quality and reliability. Make in USA a second and the price.
- I have serious quality concerns with unbranded electrical products and will not purchase or install them.

- I know that many products have the same components but have a lower price due to "name brand" versus generic. Unless it is critical to quality, I will buy generic to save money.
- Listing, availability, warranty and product support are the most important. At times a "Lowe's" brand under counter light or wall mounted bathroom-residential style is used because it is available now, not in a couple of days when only a couple are needed to finish a project. There has been a lot of pressure on larger projects to buy containers of lighting fixtures, wire etc from overseas. The pricing is easily obtained and is generally 25% of the pricing (on similar products) from normal channels. The Asian manufacturers are now major exhibitors at Lightfair and other trade shows that combine education with purchasing/product exposure.
- The service from most of the agencies has declined over the years. It has been more productive to direct project communication on specifications directly to the manufacturer with the distributors handling only the paper work on larger project orders. The distributors are "rewarded" for their support on the daily needs that they stock with a 5-10% markup of non-handled project packages (lighting/gear/lighting control/devices/bulk cable-feeder purchases). I do not know why any company would supply products none of the local inspectors would approve. No label or listing...no approval on your permitted installation. If the products are listed, there is no reason not to use them.

Overview: Multi-focused contractors are typically commercial/industrial or commercial/residential. Of importance is that a high percentage of their work is in the commercial construction market. While there is a preference for name brands due to quality, reliability, warranty and product liability coverage, due to pricing, an increasing number of contractors are willing to install non-branded products as long as the product is UL listed and will pass inspection. Contractors also lament that name brand product quality has declined over the years as has the sales support from local salespeople.

Industrial/Institutional/Influencers

- I am not as knowledgeable regarding private branding as I perhaps should be. The temptation to look at other sources becomes greater as availability and lead times continue to increase. What source is available to review the quality of the off brands? I have had distributors not tell me, even when I asked, when their product was made in China, under the brand name of a formally US made product. He was afraid I would not purchase the compressor if I knew it was made in China.
- I choose the brands that are best for the job, but sometimes get overridden by supervisors for prices of cheaper product that I know aren't going to last in the application, but have to use it anyway
- We need to keep our equipment running, downtime must be kept to a minimum
- Most of the time they're just as good and of the same quality or better. There is always a risk, but the difference in cost usually makes up for the risk.
- Quality of a product has to be adequate to ensure we don't have unacceptable rate of call backs. As long as the items are of equal quality price and availability become the deciding factors.
- I like to use specific brands but do not have a problem purchasing what is required when needed. I would, though, like to see switch & receptacle manufacturers start offering a large selection of colors ... I feel the consumer would pay to have matching decor in their homes ... outlets similar color to wall paint/paper. I think this would be a gold mine for manufacturers and installers.
- Manufacturer brands are easier to deal with any warranty issues.
- Down time costs money, more than the amount I might save by skimping on material
- I work in Hollywood on movies and TV productions, brand names of equipment and supplies is very important even if the "known" products are of a lesser quality than something new or better. It has taken years to bring in something new. Once a product and a purveyor have proven themselves you can't keep stuff on the shelves.
- I prefer name brands for service and dependability.

- My main concern is the quality of the private label brand or unbranded component.
- I order OEM for the machinery and other supplies that have worked best for my needs.
- Longevity and availability are a major concern for my company. The manufacturer's history plays a role in our purchasing decisions.
- Our specs always include the language "or equal" when specifying a product. It attempts to eliminate sole source purchasing and encourage competitive pricing.
- Too many brands are sacrificing their reputation by sending inferior parts made in India, China, etc. running thread nuts and bolts, - these products come to the job now and don't measure up to what they used to do. They just look the same.
- Service rules!
- It concerns me that companies, which are looking to save money, are going to private label manufacturers. I've found companies offering branded mcc components, yet their company doesn't meet the UL specifications to do so and aren't authorized to purchase the branded companies components, even though they say they are providing those components. Unfortunately, we still have to teach and sometimes at great cost, that lower price doesn't always mean a cost savings.
- We have recently purchased light fixtures (industrial) that were generic. Large savings over Killark or Appleton etc.
- My company is located off shore. We don't have regulations about this problem. As a contracting firm, we buy good materials to avoid future problems. This is why only two persons can make a decision for buying materials.
- Our reputation, which in no small part includes the reliability of the equipment we specify, hinges on specific performance for the client. Those materials which we specify and use in our projects should, as a minimum, match our reputation for quality performance.
- We specify proven products in order to provide a durable, reliable project to our clients. Non branded products may cost less but may not last or perform as well over time compared to the branded product specified.
- Have had no problems.
- Generally specify products around manufacturer brands to establish product requirements. Will consider unbranded products after review of substitution submittals.
- I place less importance on the quality of brand name products versus unbranded for secondary (not system critical) products, like cable ties, wire pulling lubricant, etc. Where the quality of brand names is more important is in the critical system materials (lamps, ballasts, switchgear, wiring devices).
- As a specifying engineer I specify products that are not tied to a specific supply house. Many times the substitute is not an equal product and I am not part of the review process.
- Sometime I think the owners need to be educated on quality and the value of products as opposed to looking at cost first.
- In my work for the government, I am not able to specify a specific manufacturer for anything. I am only able to list in the specifications the items that I want, and the contractor is supposed to provide a product that meets those requirements. If the non-branded item will meet the requirements in the spec (UL listing is typically the minimum), then I am forced to accept it.

Overview: Industrial and institutional customers are willing to try non-branded products that are UL listed or non-critical systems. Respondents segment themselves in two camps - either willing to try/use or focused on name brands for quality and support issues. In a number of instances, specs that are written "or equal" are moving to non-branded products presuming specs are adhered to. This movement is due to price considerations.

Disclaimer:

The views expressed by these open-ended responses are the views of individuals who responded to an online survey conducted by Channel Marketing Group and Allen Ray Associates from February 15 – April 15, 2007. These views do not express the opinions of Channel Marketing Group or Allen Ray Associates. The authors synthesized the input for the overviews. Any manufacturer references are the sole experiences and observations of the individual respondents.