

STATEMENT ON FINANCIAL SUPPORT OF DISTRIBUTOR TRADE SHOWS

Reports from all parts of the country which indicate that distributor-sponsored open houses and trade shows to which manufacturers representatives are assigned "shared" financial responsibility are causing confusion and concern among its members. They is an increasing burden that manufacturers representatives are called upon to bear in the financial support of distributor open houses and trade shows.

The proliferation of such distributor sponsored and produced shows in which local manufacturers representatives are invited to participate and are charged a pro-rata share of the cost of such distributor programs, has been of growing concern to manufacturers' agents.

While it was emphasized by the manufacturers' agents that such distributor-promoted trade shows are valuable opportunities for all segments of the industry to develop important and timely contacts with the end-user customer, the total cost of such shows, manufacturers' agents, should be borne by the distributors producing them, in as much as they are considered to be promotional and marketing objectives enjoyed by, and rebounding to, the distributor sponsoring them.

To openly request such direct financial aid from manufacturer's representatives, in the form of table or booth space accommodations, or other expressions of monetary support, places the representative in a compromising position in his trading area and, in fact, raises the question of a breach of business ethics if the same considerations are not offered, equally or in kind, to all other competing distributors in the local trading area.

However, manufacturers representatives should continue to make the services of their manufacturers -and themselves and their people -available for such distributor open houses and trade shows, according to their own individual policies with respect to displays, literature, samples, manpower, etc., which by themselves constitute very valuable and substantial contributions to such distributor programs.

In no manner should the expression of this sincere concern be construed as an effort to interfere with, or be in opposition to, policies of manufacturers and their representatives as they may relate to sales meetings, contests and other promotional and in-house marketing activities which they carry on as a cooperative effort with their distributors.

All manufacturers representatives are urged to actively support and lend their assistance to industry trade shows which benefit the total cross-section of all segments of the food service industry in a given trading area. Such support of these industry wide product exposure programs is in the best interests of all distributors and their manufacturers.