

Retailer responses on pricing differences between Canada and US

Amazon:

“We obsess over the things we believe customers will always care about – low prices, vast selection, and fast delivery – and work hard to provide all three, all the time for our Canadian customers shopping on Amazon.ca.”

Kaan Yalkin, Amazon spokesperson

Toys “R” Us:

“There are a variety of global factors that determine pricing for our products – everything from the exchange rate, taxes, import fees and other factors which vary from country to country. This sometimes results in price differences in our various international markets including Canada and the U.S. As a specialty retailer focused on toys, our goal is to provide customers outstanding value and service in addition to a competitive price on the products we offer. Furthermore, to give customers even more confidence in shopping with us, we offer price match against competitors in the same countries.

Clint Gaudry, vice-president of marketing and store planning, Toys “R” Us Canada

Walmart:

“There are many factors that can influence the price of an item on a particular day in a particular market. For context, our approach to pricing starts with our commitment to save our customers money so they can live better. To do this we lower the everyday low price for products across our offering on an ongoing basis. Our everyday low price (EDLP) approach saves our customers money on their basket of merchandise regardless of when they shop with us.

Retail prices are mainly driven by three factors: cost to produce and transport the product; cost to offer the product (cost to sell); and local market price competition. Walmart Canada and Walmart U.S. set retail prices for their respective customers. (Prices are not set by Walmart Inc. for all markets where Walmart operates.)

The "costs to sell" the Pampers or Gerber products do not account for the price difference you noted. While we don't know the price (at the time) of those items at other retailers in the local area, the price differences between those products offered in US stores vs Canadian stores are most likely the result of local competitive pricing and/or different wholesale costs.”

Alex Robertson, senior director of corporate affairs, Walmart Canada

Manufacturer responses

BabyBjorn - Original Baby Carrier, black:

“BabyBjörn does not have a pricing policy in North America. Retailers decide their own prices.”

James Haluska, senior vice-president of sales and marketing, BabySwede LLC

Britax - 2017 B-Agile Stroller, Black

“Canada and the U.S. have different pricing policies for most, if not all products, which is related to the different styles of marketing and consumer behaviors in both countries. Most MSRPs on manufactured goods are higher in Canada based on the difference in markets.”

“When it comes to discounting, Canadian retailers are left with very little margin after accounting for what it costs them to get the product across the border to get U.S. products up there.”

Shileen Cruz, Britax

Playtex Baby - Playtex Diaper Genie Refills for Diaper Genie Diaper Pails 270 Count (Pack of 3)

“The retail price for Playtex Baby products sold in stores and online in Canada and the US is determined by our retail partners. For clarity, this means that the retail price for Playtex Diaper Genie Refills is set by the retailer, not by Playtex Baby.”

Playtex Baby

Nestle - GERBER Pasta Pick-ups Chicken and Carrot

“The Canadian food industry is a highly complex business with a multitude of factors affecting the final cost of individual products. These factors include: transportation, warehousing, packaging, energy, taxes, Canadian regulatory requirements, commodity and other ingredient prices, bilingual labelling, selling expenses, currency and marketing costs.”

Nestle Corporate Affairs

Infantino - Textured Multi Ball Set

“Infantino strives to offer value-based pricing for parents and families. Our Canadian pricing is determined by exchange rates and the needs of our retail partners. This particular item’s MSRP in the United States is \$9.99. The MSRP in Canada is C\$9.97. Some retailers may offer it for more or less depending on their current pricing strategies.”

Melinda Jensen, product and brand manager, Infantino

Pampers - Swaddlers 88 CT Diapers - Size 3

“Thank you for your inquiry regarding Pampers. In regards to your question, pricing is at the sole discretion of our retail partners.”

Laura Dressman, Procter & Gamble, Baby Care Communications

VTech Go! Go! Smart Wheels - Police Station Playset

VTech Touch & Learn Deluxe Activity Desk

VTech Sit-to-Stand Learning Walker-Frustration Free Packaging

VTech phone conversation with Marketplace (excerpt)

“We determine all our suggested retail pricing about a year prior to launch. For example, Christmas 2018 next year, we’ve already started our discussions retail pricing back in July and August.... A lot of things that determine the price are done a year out.

An item sold at \$24.99 is sold much better at \$19.99 and come spring when we look at pricing again, our buyers will say, “you know this item you quoted or your suggesting for next year for \$24, maybe we look at \$19.” And then there’ll be a little bit of negotiations, and they work with smaller margins and we work with smaller margins and figure it out at that time.

The exchange is one of the three factors. I try to work within the exchange. A lot of times, it’s actually more than exchange because I don’t have the same transfer costs...from the factory... It cost more money.

A lot of times, the minimum order quantities from the factory, I’m a smaller market. The US will buy 100,000 pieces, I will only buy 10,000 pieces. The cost for 100,000 pieces could be \$10, the cost for 10,000 will probably be more because I have smaller quantities it’ll probably be \$12.

And I have bilingual boxes, so I have to have separate production runs for all my gift boxes, my manuals all those other stuff that goes into my finished good products because in Canada there are different requirements, different testing requirements as well so there are additional costs.

I’ll probably add another 5% - 8% to account for all these other differences... to bring it into Canada... it’s usually the exchange factor plus 5% to 8%.”

Gordon Chow, president VTech

*****not all manufacturers responded to *Marketplace*