

Selling Quality To Improve Your Bottom Line

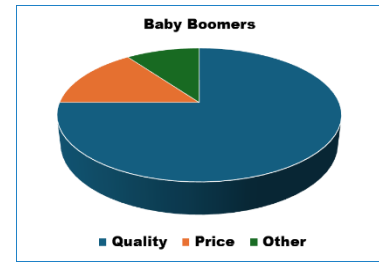
A common objection I hear is “our customers only purchase based on price.” But a recent survey shows that quality is critical to 51% of customers and price is critical to 30% only (1) (as much as they try to make you feel otherwise). For Baby Boomers that number increases to 75% (2). So, accepting their price statement will likely lead to disappointing your customers (causing them to go elsewhere) and limit your potential sales & profits (both in terms of the current sales and in terms of repeat business).



I have always felt that selling on price would get me in to trouble, so I researched this to see what professionals have to say. Here is what I found out:

Builds trust with your customers.

We all know that RVers purchase from sources they trust. Potential sales are often lost when a customer doesn't trust a dealer's Parts Department. But when customers trust you, it creates a loyalty that practically ensures the customer will come to you first for the parts and accessory needs (3). One dealer told me “The customer bought (an item) and it broke quickly. They blamed me for the failure and refused to ever buy from us again.” Low quality cost this dealer money and eliminated future purchases from that customer.



Word-of-mouth is the most powerful influence on potential customers. Campers develop a trust with each other that is powerful. After all, if they feel comfortable enough to walk around the campsite in their PJs, they must be trustworthy. So, if they detail a positive experience (due to the product being quality), that influence will be strong. But imagine the campsite conversations when the customer learns that a dealer could have sold them a high-quality alternative for only 5% - 10% more.

Increase profitability.

It is well known that higher quality products lead to higher net profits. (4) This happens for several reasons:

- Increased sales prices: Customers are willing to pay more for greater quality.
- Increased margins: Although quality product cost more to manufacture, they do not cost more to ship, store and market. Therefore, the increased price typically outweighs the increased cost, leading to more profit dollars. (5)
- Increased overall sales: Because of the positive impact on the dealer's reputation, customers will sing your praises to potential customers, and they will return for future products instead of going to a different dealer or purchasing online. (6)
- Decreased expenses relative to returns: One source says that handling a return cost a minimum of \$20 (between exchanging the product, tracking the item until it is returned to the suppliers, actually sending it to the supplier, and tracking it to make sure you are reimbursed), but can be significantly higher depending on the product. (7) Selling quality products drastically reduces those costs.

Differentiate from competitors

What makes your dealership different from others in your area? If your Parts Department sells the same items they do, customers will not see a difference.

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Selling a higher quality product with unique features will highlight how your facility cares for your customer's experience. And that gives you a clear advantage over any competitor. (8) This type of differentiation is what makes Tesla, BWM & Mercedes stand out in a sea of auto brands. People can buy a Ford at a lower price, but what if it only costs an extra 5% to buy a BMW? With cars that is unrealistic, but with aftermarket products, which is typically the case.

When you have the reputation of selling quality for only a couple of percent more, customers will certainly turn to you for their parts & accessories purchases.

Conclusion:

I'm sure you have heard customers say they only purchase on price. Typically, customers have spent a decent amount of money on their RV and care deeply about it. Additionally, these customers are typically more affluent than the public in general. I've talked to many retail customers and have routinely found that they want quality products, but at the best costs for that item.

Their request for a lower price is due to today's easy access to price comparisons online. They want to make sure they are not paying too much for anything they buy (quality or not). To avoid this, go out of your way to sell products covered by a MAP policy (click here to read our article about Selling MAP products).

Ultra-Fab:

Ultra-Fab wants to help improve your bottom line. That is why we only sell quality products. This is easily seen by our always having the longest warranty. We also improved features that are exclusive to Ultra-Fab whenever possible, which also improves your reputation (ensuring repeat business).

For more information on how Ultra-Fab can help grow your sales and especially your profits, feel free to check out our dealer website (ultra-fab.com/dealers) or contact Raymond Padgett (404.754.8928 or raymond@ultra-fab.com).

Our quality products and improved / exclusive features are just two more ways that Ultra-Fab shows we are determined to help you make more money.

