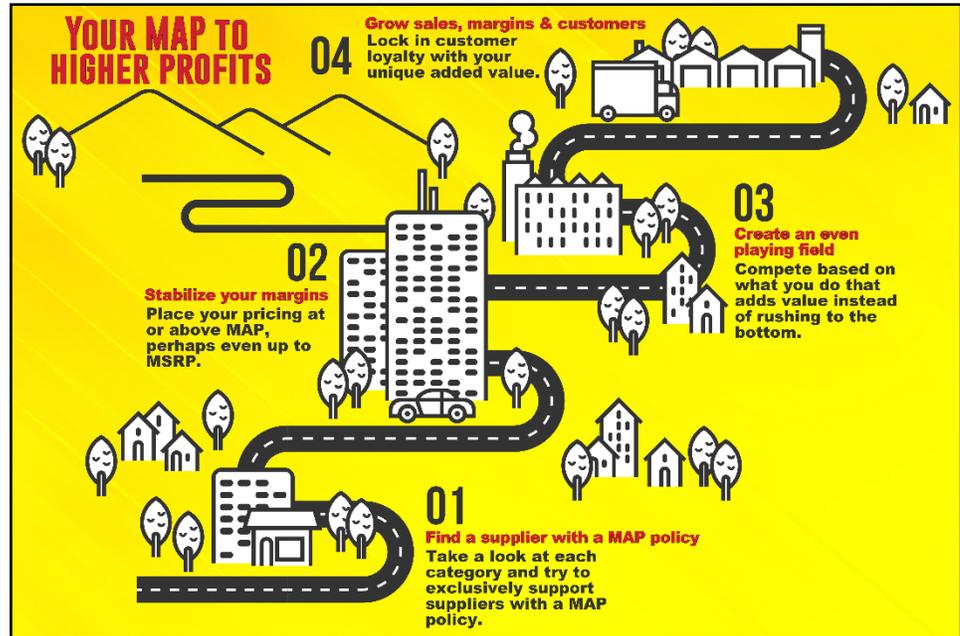


Your MAP To Higher Profits

It's well established that 75% of Baby Boomers prefer to purchase quality products. Obviously, customers want a great price on those products, but quality is king. But with the advent of online sellers (some of whom use predatory pricing), many dealers have decided they must compete on price. This race to the bottom can make profitability difficult to find. But we have a MAP that can guide you to an equal playing field, true profitability and a great relationship with your customers.



Offering products with MAP (Minimum Advertised Price) policies can do all these things. If you support MAP suppliers, they will support you with these benefits:

Profit Margin Stability

There's no war like a pricing war. Even if you win, you lose money. But a good MAP will take you out of the war and to a peaceful destination.

- **Get the Sale:** Have you ever seen a customer come into your facility, see a product on your shelf, scan it with their phone and buy it online? Or have they asked you to lower your price because of what they saw online? Obviously, this is unfair because (1) you bear the cost of stocking and displaying the product and, (2) you bear the cost of training your staff on operating the department and on the specific item.
- **No compromised price:** If customers look up a product on the internet and find it at MAP (or even close), you can easily compete without compromising your price. You may not even have to settle for MAP, you usually can get MSRP (or close to it) since you have the product available immediately.
- **Restrictions:** Some find MAP restrictive, and it is. Those restrictions are designed to help everyone. As one source states "While MAP policies may seem restrictive, the truth is they are designed to sustain revenue and margin potential for all parties involved". [\(1\)](#)

Equal playing field

It's just not fair. Playing any game where someone has an unfair advantage is frustrating and not reasonable. But MAP pricing keeps it fair.

- **Protecting the little guy:** Imagine a 5', 90lb man fighting Mike Tyson. Creating a level playing field evens out that difference and allows you to compete (not sure how the fight with Mike could get leveled out but ...). An online article put it best when it said "When everyone is required to advertise product at the same minimum price, smaller retail partners aren't forced out of the market by larger ones with deeper pockets. This means

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healthy competition among retailers, which is good for innovation and customer service”.

(2)

- **Allows you to compete on what makes you special:** This makes sense as it means each reseller must compete based on what sets them apart. Things like (1) having a well-trained staff, (2) providing additional details (physically or online), (3) providing superior customer service and, (4) displaying product in a way that draws attention to the advantages of the product (see our article on signage, displays and planograms). Under those terms you can compete with anyone.

Customer trust

Not being competitive gives your customer a negative impression of your company. But sticking with MAP suppliers helps you build trust.

- **Trust that you price all items fairly:** When one item is perceived as high-priced customers assume all your products are priced high. But if they feel you are pricing fairly, they will return to you for future purchases.
- **Trust that you value their business:** When customers feel you are competitive with online sellers, they know that you value their business. They feel you will make less profit in serving their needs, but with MAP pricing you will not have to make less profit.
- **Trust that you are providing quality products:** Manufacturers of inferior products don't typically have MAP pricing. It's difficult to control pricing when your product doesn't stand out. They want a race to the bottom. But suppliers of quality products want to avoid the race to the bottom and keep the value of their products.

Conclusion

Whether you sell in a dealership, an independent resell outlet or online, it makes sense to prioritize suppliers with MAP policies because they protect your margins, ensure you get rewarded for what your company brings to the customer relationship and protects your reputation as well as the customer's trust. You will likely increase your gross sales, and you will almost certainly increase your profit. As one dealer told me "I like MAP as it means everyone from Amazon to the dealer next door has the same price. But I win almost every time because of my service. It only makes sense."

And most MAP suppliers have great planograms allowing you to control your margins across a full array of products (click here to read our article about using planograms).

Ultra-Fab

Ultra-Fab has a MAP policy to protect your margins. It's a battle, and it may not ever be perfect, but it has improved our online pricing dramatically. By choosing Ultra-Fab can compete effectively.

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 MAP policy is an important way that Ultra-Fab shows we are determined to help you make more money.

