

Seabee

Bulletin

FROM PERSONAL PLANE DIVISION OF REPUBLIC AVIATION CORPORATION

DISTRIBUTOR BULLETIN NO. 33

December 3, 1946

THE PRICE INCREASE

It took less than two days at the Cleveland Aircraft Show to be sure that the 20% increase in the price of the Seabee was generally acceptable to the public; that distributor quotas were not likely to need revision downward and that most of our dealers would sell at least the number they had contracted for.

All agreed that some sales would be lost because of the increase but as Tex Rankin put it: "It really means that we won't sell the planes we wouldn't get anyway but we can sell all you can hope to give us."

Republic's production schedule for 1947 stands at 5,000 and each of our distributors will continue to be tendered the percentage of each month's production that his quota is to 5,000.

THE DISCOUNT QUESTION

Whatever importance you may attach to a percentage of profit, I believe you will agree that what really counts is how many dollars you make on a sale and how many sales you make. If you were to get 30% on each airplane you sell but you don't sell any, your bank balance doesn't change.

It is equally true that if you made only 10% on a sale but turned your investment ten times, you would make 100% on your money.

When we priced the Seabee at \$6,000 instead of \$6,333, it was not because we wanted to deny you an extra \$333 to divide with your dealers but because we were apprehensive of pricing ourselves out of our market and so hurting you even as it would hurt us.

Given reasonable continuation of present material and labor costs, we expect to make normal profits on the Seabee at \$6,000 when we have quantity output from production tools. We are not contemplating further advances as some of our eager competitors are telling you. We shall be happy to increase your dollar profits i.e. your percentage on \$6,000 when conditions permit.

Meanwhile you have a selling job to do with your dealers to show them that they are now making more money on Seabee sales than they originally expected to make and that it is dollars in the cash register that count and not percentage.

On what other plane do they make the profits you offer them on the Seabee?

On the 1st Five Seabees	\$750 each.... or \$3,750 total
On the 2nd Five	875 each.... or 4,375 total
On the 3rd Five	1,000 each.... or <u>5,000</u> total
Total profit on Fifteen	\$13,125

If the dealer needs only one demonstrator, his investment with you starts at \$5,250. If he sells it as one of his first five sales his profit of \$3,750 is 71% on his investment. For his second five sales, his demonstrator costs him \$5,125 and his profits total 85.3%.

Beyond ten his demonstrator costs \$5,000 and his profits of \$5,000 for selling five total just 100%.

How many other planes would he have to sell to make the same money and how easy are they to sell? Dollar profit times turnover is all that counts.

LESSONS LEARNED

The price increase brought Republic the heaviest dealer and customer mail in many months and here are some of the lessons learned from it:

1. That many customers have never had a demonstration and some have never even seen a Seabee even though they have had orders in for many months.
2. That some dealers have never had a demonstration and that many have never had more than one or two visits from any distributor's representative in one whole year that they have held a Seabee franchise.
3. That some dealers are so sure that their customers will not pay \$6,000 for the Seabee that they won't even ask them to do so.
4. That some dealers have solicited their own customers to switch from the Seabee to cheaper airplanes more readily available.
5. That some dealers believe that any customer who asks for return of his deposit should get it by return mail, no questions asked - no solicitation to reconsider - no attempt to resell.
6. That some distributors appear to think likewise.

Gentleman: Has the profession of selling fallen to such a low ebb that we merely take orders that are thrust upon us? Do we value a dealer outlet so little that we return his contract and his money because his spirits are low? Do we value customers so little that we don't even call on them to express appreciation of their business or to explain the values of our product! Do new customers come so easy!

A SUGGESTED PROGRAM

Phone every dealer at once to report to you by telephone or telegraph collect every request he receives for cancellation of a Seabee sale. Tell him to ask for a few days delay; to stall actual acceptance and return of deposit until you can come to his assistance.

Now take your Seabee and book it solid to demonstrate to every customer in your territory. Go to the bad spots first, the weak dealers, the most neglected areas. Work fast for every sale you reconfirm at the new price means \$1,250 to you if it is a direct sale or \$500 to you if it is a dealer sale.

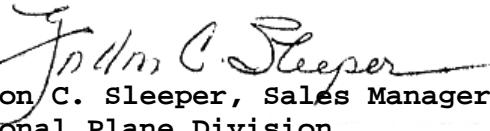
Can you make money any faster in any other way than by reselling every customer in your territory?

Sure it's the dealer's job to keep his own customers but right now it's your \$500 and some of your dealers aren't so hot as salesman.

And don't think a dealer isn't worth saving. You'll need every outlet come spring. He reaches lots of people you don't know. What's more, you don't want Republic to think that your dealer organization collapses on the first breath of real selling.

Let's not be softies. Selling is a rugged business but it pays off. Remember life insurance. Every interview starts with the prospect saying: "no. I don't want any!" Yet life insurance salesman sell several billion dollars of life insurance every year.

What do you say? Let's go!


Gordon C. Sleeper, Sales Manager
Personal Plane Division

P. S.

The enclosed Dealer Bulletin No. 9 goes to all registered Seabee dealers today. If you want more copies they are yours for the asking.