

# Would You Rather Profit \$30K or \$15K? Sure You Would, and We Can Show You How!

*Many retailers struggle with how and where to price hot tubs and swim spas.  
We can assist in a better understanding of what drives this decision and how  
it will benefit your bottom line—SIGNIFICANTLY!*



1.800.451.1420

## **Simple Math and How To Get There**

Do you want to sell less units at a higher profit or more units at a lesser price for an overall increase to your bottom line? So, what happens if you sell 10 units at \$3,000 profit each, OR 3 units at \$5,000 profit each? It is obvious, your profit from 10 sales equals \$30K, and although your per unit profit may be higher on selling 3 units, the total profit is only \$15,000. And that isn't the whole story! When you sell more units, you have more customers on the street advertising your product and good name! You have MORE customers buying accessories and chemicals, which is again more profit for you!

## **What is "Suggested List"?**

Suggested List is just that. A "suggested" price for the unit, although very rarely that is what the customer ends up paying, and they know that. Every industry uses suggested list as a reference, and rarely price their products at that level. A smart retailer will use suggested list to indicate product quality while applying discounts and "specials" to get to where they feel comfortable with what their customer is willing to pay.

## **Why Doesn't PDC Spas Set a Price Range?**

Many manufacturers do just that! And while it would be easier for PDC Spas to provide a maximum and a minimum price, we believe it would tie our retailer's hands and limit your potential profit. You have to understand what your customer base is willing to pay in your market, who your competition is and find a healthy balance for return. If we set a low price, you are tied at sale time and unable to cut a deal to close the sale. If we demand a maximum price be honored, you lose out on what could be more money in your pocket. While often easier to price products when a manufacturer decides for them, many retailers discover that their flexibility is limited, and thereby their income.

## **What Do I Include in My Price?**

The unit ONLY! Many retailers believe they are ahead of the game when they "throw in" installation, delivery, chemicals, cover lifters, etc. WRONG! You just convinced your customer these "Free" services like installation and delivery are of NO value. Customers leave your store remembering the total of the quote, NOT the total of the product. When they shop your competition, you risk your "inclusive" total being compared to a product ONLY total at your competitor's. Now you are the higher priced store, and guess who gets the sale? Not You!

Let the customer compare product price to product price, then use these valuable services and accessories to show your own worth and close the sale. Put a value on your services and reputation—you win in the end!

This also applies to signage. Print ONLY the product price, that is what customers remember.

## **Do You Know Your Market? Your Competition?**

Being knowledgeable on both of these levels is imperative to your pricing decision. If you are in an area where the economy is strong and income attractive, you may be able to demand a higher price, but not always higher than your competition. If your product stands above your competition in quality and features, you have a reason to charge more. However, to charge more just because you may be able to get 1/3 of your customers to pay, the totals do not add up! Refer to the headline here; simple math. Sell more at a lower mark-up and you make more money. Stay ahead of the game, be aware of your competition, their product, features, sales and offers. Secret shoppers are a great tool to help you stay informed and stay ahead.

## **What Makes a Sale a Sale?**

Customers need to know there is a real discount when a sale is advertised. If the savings is nominal, they have no reason to pull out the cash NOW. Many will wait, maybe price shop, and probably not be back for the next "sale". There has to be a reason to drive traffic to your store and everyone loves saving a buck! Use the suggested list price then add discounts for an attractive end price. Don't forget, that end sale price has to be better than the last time they were in your store "just looking". Leave enough room in your everyday price, so that you can offer a truly attractive "sale" price when needed. Again, your advertising budget is the same whether you draw 10 customers to your store or 30. During a sale, lower your price and sell more volume! The advertising cost per sale decreases, your revenue and profit climbs and you just took customers out of the market that could have bought from your competition.

*Follow Your Customers from First Visit to Closing!  
Use the Wish List and refer to it often. Add these shoppers  
to your emails and personally call when you are having an  
event. These leads are valuable and have the highest closing  
rate, if you stay in front of them.*

