

TOP 5 WAYS TO STRENGTHEN RELATIONSHIPS WITH MANUFACTURERS

DEALERS SELL THREE THINGS: PRICE, QUALITY AND SERVICE. BY WORKING CLOSELY WITH YOUR MANUFACTURER PARTNERS, YOU CAN ADJUST WHEN BUILDERS DEMAND ONE OF THE THREE.

TAKING ADVANTAGE OF SALES DEALS

+ GROSS MARGINS

SAMPLE SITUATION:

Consider a manufacturer offers you a 10% discount. Compared to the non-sales cost, you can either pass through the discount to your customers or keep it for yourself.

	ORIGINAL QUOTE (NO SAVINGS)	PASS THROUGH \$100 SAVINGS	KEEP \$100 SAVINGS
MATERIAL COST	\$1,000	\$900	\$900
MARKUP	20%	20%	20%
GROSS PROFIT	\$200	\$180	\$300
SALES PRICE	\$1,200	\$1,080	\$1,200
GROSS MARGIN	16.7%	16.7%	25%

Source: ForConstructionPros.com

GAINING VOLUME & BUNDLING PRICING

HISTORICAL VS. POTENTIAL ←

Inspect your past performance and forecasts to place larger orders. Talk to your sales rep about ways to increase order volume for tiered pricing or to purchase more products and services from the same manufacturer.

LEVERAGING INCENTIVES & REBATES



TRIAL OF NEW PRODUCTS

Nearly half of retailers and manufacturers (49%) use rebates to promote new products or services. Take advantage of this price break to trial new offerings, like LP WeatherLogic® Air & Water Barrier.

CO-MARKETING & PROMOTIONS

\$38

- Email marketing has been shown to be one of the most cost-effective options because its average ROI is \$38 for every \$1 invested.
- Partnering with a manufacturer can help you share some of the costs to develop content and stretch your audience size as you combine your email lists.

ONSITE DEMOS & TRAININGS



Let customers touch, hold and use products at site product demonstrations or trainings. An example is the LP House Party, an interactive mobile display and experience that educates and increases product knowledge onsite at dealerships and distributors.

