

**(Note:** This update contains a number of very important updates and should be read carefully by all of our reseller partners. *The information in this email as well as the linked information is covered under your Non-Disclosure Agreement and should be kept confidential.* )

## **Re-Evaluating Marketing of 3D-Fuel Products**

Things are headed in the right direction for 3D-Fuel, yet we may have missed the mark on our marketing plans. Our original plan was to sell to you, the resellers, and for you to promote 3D-Fuel products on websites, using online advertising to bring customers to your websites and stores to purchase them. This traditional method of promotion has worked for thousands of products over the years. However, it has not produced the results that we, or you, have desired.

The issue may be that neither we, nor you (the resellers) have had the marketing funds to fully advertise the products the way they need to be in order to achieve our mutual success in the market. As a result, the buying public has been led to other (often lower-quality) brands and are purchasing on mass-market online stores. Our research shows that a great deal of the 3D Filament being purchased is being purchased in this manner.

### **We Need and Appreciate our Resellers**

We realize that we need resellers to fill a number of niches for the users. Each reseller has a customer base on whom they depend for sales. That base needs to be made aware of 3D-Fuel and its benefits.

**Dealers** play a very important part in this relay of information and should profit from their efforts. In addition, many resellers have their own websites where they sell and promote 3D-Fuel products. We applaud the efforts made to do this and feel it is a great way for resellers to expand their customer base. We see these two methods (direct and web sales) as the primary sales methods for our reselling dealers.

**Distributors** have a base as well that often includes other reselling dealers. Distributors, who purchase large amounts of filament (pallets at a time) in order to receive the best pricing available, are able to two-step the products on to other resellers with enough profit margin for both to play the reselling game. Distributors may also have large redistribution channels through which they sell, offering them a way to move more 3D-Fuel product efficiently. We depend on distributors to work in this way to achieve success for both 3D-Fuel and themselves.

### **3DomFuel should do more to promote the 3D-Fuel brand**

Up until this time, we thought we could let the Dealers and Distributors promote the product and get it out into the hands of the public at large. However, we are seeing now that it is not that simple. We need to work harder as a manufacturer to see that the products are available to the larger public sector.

3D-Fuel products need to be represented in a uniform, well-planned and executed way on all the major sales platforms. In order for this to happen, 3DomFuel needs to be the one that sets all that up. We need to make sure that the public can find our products regardless of where they are searching. By doing so, we will create more demand, more product awareness, and more “pull” strategy that brings people to you asking about 3D-Fuel. It also provides us an opportunity to tell the “3D-Fuel Story” so that users know about our quality and value.

***“If you’re not evolving, you’re dying.” – Marcus Lemonis, TV’s “The Profit”***

With this understanding, we have decided to “evolve” and make some changes to the way we do business. Some of you may be affected more than others, but in general, it should not have a large impact on you. Here are some things you’ll need to know about the new program:

### **What is NOT Changing?**

1. **Your reseller agreement has not changed.** We still support you, we still expect you to do the same things outlined in that agreement, and we will still do the things we have promised in the agreement.
2. **Your pricing has not changed.** (Unless it has gone down.) We have agreements with most every reseller at a pricing tier based on the quantity they have agreed to purchase. You will continue to be able to buy on our website from that pricing for the immediate future.
3. **Your offerings have not changed.** We still offer the same great lines of filament and as a 3D-Fuel reseller; you still have access to all of them.
4. **Your programs have not changed.** You can still purchase as little as one spool of filament and even have it drop shipped to your customer. You can purchase larger quantities and receive better pricing. You can pretty much continue to buy and sell as you have been doing.

### **What HAS Changed?**

1. **3DomFuel will begin to list 3D-Fuel products on a number of channels to help promote the 3D-Fuel brand** and to increase sales of 3D-Fuel products. Specifically, we will be selling on Amazon, eBay and other large distribution systems.
2. **We will now re-evaluate reseller agreements on a six-month basis** to assure that the relationship is healthy and that the reseller is an active and qualified reseller.
3. **You will now be able to purchase at wholesale through Amazon.** Although we will offer retail pricing to the public, we will offer quantity discounts to Business Accounts. These prices will not be visible to the general public.
4. **3DomFuel will actively Advertise 3D-Fuel Products.** This means 3D-Fuel will have better name recognition and more people will be asking for 3D-Fuel products.
5. **Those who seek to grow their businesses will have opportunities with 3D-Fuel.** We are seeking distributors in various countries and geographic areas. If you feel you could qualify and operate as a distributor, then we would like to speak with you.

### **What does this all mean? How is this going to affect my business?**

We have done a lot of research, soul-searching, brainstorming and dreaming to figure out the best way for us to proceed that has the least impact on our partners and helps us all become more successful. The changes we’re making are ultimately to help define each of our roles in the business and to find ways for each to succeed in their role.

### **Step One: Determine your role**

**Are you a dealer?** A dealer promotes 3D Printing, 3D Filament and 3D-Fuel products and sells upwards of 50 spools per month. If you are buying less than 50 spools of filament per month from 3DFuel, then you are actually a part-time dealer or end-user. No offense intended, but a true dealer who promotes, sells printers, recommends filament, and offers it for sale on their website should be selling

more than 10 spools per week. If you fall into this category, and stay there, then in six months, you will be moved to being a Business Buyer on Amazon. Dealers that maintain purchases of 50 spools or more on average will be able to continue to purchase directly from us and will receive slightly better pricing.

**Are you a distributor?** If you consider your self to be a distributor, but you rarely buy more than 100 spools per month, or average less than 100 per month, then you are probably a good dealer. A distributor has a reseller base to which they sell, each of whom purchase 10-50 spools of filament per month. That means a distributor can easily sell 300 spools per month with 10 average resellers under them. In our case, we are looking for a few VERY KEY Distributors who will be located where they can do for 3D-Fuel what we do in our own back yard. In general, we need a distributor every place Amazon has a separate website (each country). If you want to be this in your country, contact us. We will be filling this role for now in the countries where we have locations.

**Are you a discount buyer?** Maybe you had intended on buying a lot of filament, growing your business, and developing your website to the point that you sold 100's of spools of filament each month... but it just hasn't panned out. Don't despair! We still want to help you be successful. That's why we're not making any changes for up to six months! You still have time to grow your business and get to the level that lets you do even more. Just talk with us; let us know what your plans are. Bounce ideas off of us and let us offer suggestions. Maybe we can help!

### **But you said you would not compete with us! What about that promise?**

Actually, the reseller agreement does not say anywhere that we would not be in competition with you as a reseller. It is inevitable that we will occasionally come across customers who want to pit us against each other in order to get better pricing or just to make us mad. It happens. In general, we sell at retail pricing to allow other resellers to have a fair chance in the marketplace. We would rather sell big boxes of filament or pallets of filament than to have to deal with individual customers. We really had hoped that would work, but it did not pan out that way. Sales are not where we want and need them to be in order to become the supplier that you, as a reseller, need us to be.

Although it will not be our first choice, we will sometimes sell products online at prices under retail. We will do this to generate demand and establish product momentum. Usually, these will be "Sale" prices, and retail will be our general pricing. But in order to get attention away from the other brands, we may occasionally sell below MAP pricing to get the consumers to try 3D-Fuel filament. (Note: All current resellers are still bound to their agreements to not advertise below MAP. You can sell at any price you like, just not *advertise* a lower price. This policy is clearly stated in the agreement.) We do not plan to "cheapen" the value of 3D-Fuel and will hold pricing up whenever possible. But we will not mislead you either, we may have to compete to get momentum for our brand name and thereby, generate sales for you as well.

### **What if I am already selling on Amazon or want to?**

At this time, we are not limiting anyone who wants to sell on Amazon. However, in the research we've done, we have found that it may not be in your best interest to sell on Amazon. Profits are very slim. (See the latest email newsletter update for more information on selling on Amazon.)

## More on 3D-Fuel and Amazon

We have a plan in place that makes purchasing on Amazon easy for you and new buyers as well.

1. **We will be listing our products for sale, in general, at retail price for most buyers.** That means you can still offer a very small discount if you need to in order to get your customers to keep buying from you.
2. **We will offer a simple “buy 2 or more and save” discount.** This is similar to the suggestion we mentioned for you to use in our update newsletter. It will be probably 5-10%. Just enough to get them to buy more.
3. **We will offer a business discount.** If you are a registered business on Amazon, we will offer a slightly lower price (\$2-3 or about what the quantity discount is) so you “feel” like you’re getting the better price when you buy.
4. **We will be offering quantity discounts to businesses.** If you, as a business buyer on Amazon, or any other business buyer want to buy in case quantities, we’ll have a sliding discount offering. We feel this will be to a limited number of users, mostly to dealers and resellers, but you’ll be able to buy from Amazon as well, and if you have Amazon Prime, get free shipping! (We will actually be paying the shipping.)
5. **If you prefer to buy through Amazon, we have the ability to give you specific pricing.** We do not see a big use of this, but just know we can work with you in a number of ways.
6. **We will be moving a lot of our inventory to Amazon.** So, when you buy from our website, or for drop shipping, the package may come from Amazon. Amazon does not put pricing in any of their packages. Just the addressed shipping slip. This will provide 7-day-a-week shipping for your customers if you drop ship, and will probably get product there faster since Amazon ships from all over.

## So... where am I supposed to sell?

**Actually, your best opportunities are right next to you.** When you sell a product based on its value and quality, you get full price for it and make good money. Don’t stoop to the practice of offering a discount on 3D-Fuel products just because someone can buy a Chinese spool for less. **PROVE its value to them.**

**Offer them a money back guarantee.** If they TRULY don’t get good results, help them. Then, if they can’t use it, or don’t like it, you can give them a refund and use it yourself. You know it is good filament. They will probably love it and come back for another color! You will not give many refunds. And you’ll make more money on every spool you sell.

**“When you sell based solely on price, everybody loses.”**

Just tell people about the great results you get from using 3D-Fuel products. Paint word pictures telling them about the jams you used to get and how you don’t get them anymore. Tell them how you rarely lose a partial print due to using poor filament. Then, sell them up to WorkDay PLA or Pro PLA if they have need for their better quality features or function from their 3D Filament.

Use this same method to tell your customers about 3D-Fuel products via email, on your website, and at Maker Shows and events. Your client base will grow and because you tell them about it, keep them informed, and work with them when they have issues... they will return to buy from you again and again as long as you keep it in stock.

## **Stocking Product Produces Sales**

If you are a retail operation, or operate a website, **the best thing you can do to increase sales is to stock inventory.** Not just a sampling, a few of everything. Otherwise, you cannot sell people more than one spool of anything. When you have inventory, it means you are **invested** in the product. You certainly don't want it to sit on the shelves. You want to tell your customers about it. Get them involved. Challenge them to try it. If a customer is in your store and wants Blue filament, if you don't have blue filament, they will not buy from you. On the other hand, if you do have blue filament in stock, they may buy that and something else. You will sell more if you stock filament. And customers love to look at all the possibilities with all the color options showing on a shelf!

## **We want to provide you with support**

Sometimes support comes in the form of answering questions, providing literature to print, giving advice, and making recommendations. But sometimes it can be business advice, suggestions on direction for your business, or recommending resources for you to take advantage of. We're not just here to sell you filament, we want you to be successful.

## **Zig Ziglar is famous for saying:**

***“You can have anything you want in this life, if you'll just help enough other people get what they want!”***

We believe in that statement and if we all do that, we'll be able to quote Zig's most famous statement:

**“I'll See YOU at the TOP!”**

If you have any concerns, questions or comments about anything in this update, please contact your representative or email us at [sales@3domfuel.com](mailto:sales@3domfuel.com). We will be happy to discuss any issue.

The 3DomFuel/3D-Fuel Team