



WE MAKE JEEPS ROCK

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## 2017 Price Changes

Dear customer:

Effective January 1, 2017, Omix-ADA will be adjusting its prices. In general, most items will see a 5% price increase, though others will be reduced or unchanged. We estimate the blended average is about 4%. The adjustment is partly to account for changes in costs of manufacturing, however the primary need for these adjustments is to support the rising operational costs of business. Many of us are aware of the increases in carrier fees (again over 6% for 2017), health insurance fees (in our case it is over 65% for 2017), payroll, and other normal costs associated with running a growing business.

A secondary reason for these adjustments is that we are entering a new era where manufacturers must dedicate significant resources to address counterfeiting and illegitimate knock-off products in third-party marketplaces. Omix-ADA recognizes the importance to protect your and our business from those products which rob you and us of sales. This requires tremendous investing in legal resources and lending our support to any legislative efforts to curb these threats. We also must invest in increased branding and marketing efforts to stay visible for consumers who seek to purchase genuine branded products. We are in this together, and we greatly appreciate your support.

### **LRAP ADJUSTMENT**

We are pleased to inform you that we will adjust our LRAP values along with these prices, now rounding our formula (Jobber less 10%) UP to the next highest \$.99. In the past, the formula was rounded DOWN, which thinned margin on lower-priced items. For example, on an item with \$9 jobber, the LRAP will now move from \$7.99 to \$8.99, bringing LRAP almost right up to Jobber. This should create much better margin for you on these low-ticket items.

### **TRUCK FREIGHT FEES**

Omix-ADA is making an adjustment to truck-freight items for dropship and stock orders below the freight free threshold. While our core freight program will continue into 2017, we are establishing a flat shipping rate for items that are delivered via truck on those select orders. These values will be found in a new column on the Jobber File called "Freight Fee", and they will override the simplified freight calculation. This will allow us to lower prices for many of these items for 2017. Customers may use their own 3<sup>rd</sup> party truck carrier when drop-shipping these products to avoid these freight charges. Just simply provide us the account information and we will be happy to use it when we process your orders.