

**APOGEE**

**PEAK OF FLIGHT**

**NEWSLETTER**

## Survey Results: What Is Apogee?

By Tim Van Milligan

I'd like to thank everyone that responded to my little survey in last week's issue. If you recall, the question was: "What is your first thought when they hear the words: "Apogee Components."

I then gave some options:

1. Rocketry design software
2. Expert rocketry knowledge
3. Competition motors
4. Rocketry books
5. Rocket design guidance
6. Building supplies
7. small rockets
8. Tim Van Milligan
9. Unique rocketry products
10. Other (fill in the blank)

Before I get to the results, I think I'll share why I did this little survey.

You may not have noticed, but Apogee Components is constantly evolving. Over the years I've added and subtracted a lot of different products. To be honest, I'm looking for that best combination of products that yields the greatest return for the least amount of effort. My ideal business would be selling something that costs nothing to produce; but that I can charge a hefty price ("Pet rocks" are one product that would be close to that ideal item). Therefore I'm continuing to experiment by adding or deleting items.

As an example, you may recall from a few weeks ago I put up for sale my helicopter hubs. The reason was that they were taking too much of my own personal "time." They are great items, but they are labor intensive to produce. And I have found some other products that I think could replace the money I lost by selling them off; with less personal effort on my part.

The problem with replacing old items is that it is possible

to confuse the customers. You see, every business has its own unique persona. You may have heard the term: "Unique Selling Position" (USP). This is that thing that sets you apart from all other business. It is why you spend your money with vendor X instead of vendor Y -- even though they may sell identical products.

If a business has a "unique selling position" that is related to one product, and they discontinue it -- that would be a disaster. In a few minutes, you'll find out what products Apogee can never discontinue. Because if I discontinued them, customers would have lost the mental connection he/she has to Apogee Components. It is as if you unplugged the electricity to a light bulb. No matter how hard you try, you can't make the light work without the juice flowing to it.

Likewise, because of Apogee's unique selling position, there are certain products that I can't add to the product line. People don't think of Apogee selling fiberglass nose cones for 10 inch body tubes. So if I came out with such a product, it would gather dust as it sat on my shelves.

I've made a lot of mistakes in the past trying to sell items that don't fit the mental picture people have in their minds when they think of Apogee. Even though they were all excellent items, people couldn't associate them with Apogee Components. For example: high power kits. Do you remember the Retro Rocket Works models? They were fantastic kits. But nobody bought them from Apogee.

Again, this is one reason I won't be coming out with a B14-0 rocket motor. When you think of that product, the name "Apogee" doesn't pop into your mind. See the related article at: <http://www.apogeerockets.com/education/newsletter03.asp>

The thing about the "unique selling position" is that the manufacturer doesn't control it. The customer controls what it is to them. That is why I had to do the survey. I needed to know for certain what people perceive as Apogee's USP. If I stray from that, I'm in trouble. Either cutting my throat if I were to discontinue the wrong item, or spending money fool-



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ishly on products that won't sell for me. But if I add the right products, then I'll be confident of remaining in business next year.

### **How does all this benefit you?**

First, it would be bad for to customers if a company went out of business if they strayed too far from their unique selling position. When a company goes out of business, that means there are fewer outlets for someone to buy their rockets from. So there is less pressure for other manufacturers to keep their prices down. The more companies, the bigger the variety of choices, and the lower the prices. That's good for you!

Another way you may benefit is if you created a neat rocketry product, and would like to sell it. By knowing the unique selling positions of different vendors, you can approach the right one with an offer. It doesn't make sense to approach Apogee Components if you want to cut a deal on 10 inch diameter fiberglass nose cones. But if you have a book, or a piece of software; then coming to Apogee does make a lot of sense.

In the same way, I as a manufacturer can cut deals with other manufacturers that don't have products close to mine. For example, right now I'm looking for another vendor to fill a need of some of my customers. Every so often, I get a teacher or cub scout leader that is looking to bulk purchase "cheap" kits and motors. Since price is the biggest issue for them, they feel disappointed that I'm unable to cut them any deals. I hate to disappoint customers. But unfortunately, since Apogee is such a small manufacturer, my prices can't be cut any lower to allow for bulk purchases.

But there may be another manufacturer or vendor that would like this business. I could then offer the customers the option of specifying the vendor with the products they could buy cheap. In return, that vendor would cut me in a small slice of the profits for sending him a customer with cash in his hand. These are called affiliate programs. I would be an affiliate of that company that would sell the bulk items to those custom-

ers.

By the way, I'm also looking for a similar deal for altimeters. I get occasional requests for them too.

### **Survey Says...**

The results of my little survey showed that #3 (competition motors) and #1 (rocketry design software) were the top two choices. Statistically, it was a dead heat.

What was interesting to me was that I recognized a lot of the names of the respondents. Those people that were long-term customers tended to choose #3.

Of the people that I didn't recognize (either they never purchased from Apogee, or they made their first purchase within the last two years), their choice was more likely to be #1: Rocketry design software.

The conclusion I can draw from this is that it is possible to change a company's unique selling position. But it takes a really, really, really long time. Ever since I bought Apogee Components from Ed LaCroix, I've been trying to mainstream the company. Being a "competition" company is great, but the customer base is pretty small compared to all other aspects of rocketry.

Basically it means that I can be of service to a larger group of people. That's cool.

### **About the Author:**

Tim Van Milligan is the owner of Apogee Components (<http://www.apogeerockets.com>) and the curator of the rocketry education web site: <http://www.apogeerockets.com/education>. He is also the author of the books: "*Model Rocket Design and Construction*," "*69 Simple Science Fair Projects with Model Rockets: Aeronautics*" and publisher of the FREE e-zine newsletter about model rockets. You can subscribe to the e-zine at the Apogee Components web site, or sending an email to: [ezine@apogeerockets.com](mailto:ezine@apogeerockets.com) with "SUBSCRIBE" as the subject line of the message.

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