

You Cannot Magically Create A Buyer...

You can create a compelling sellers' position

As a kid, I used to do magic as a hobby. My stage name was Mr. Mystery, Master of Magic, Mirth and Mystification! I worked birthday parties and celebrations pulling rabbits out of hats and levitating my 3rd grade assistant. It was all about illusion - creating the appearance of things that really were not... redirecting one's view of things. Nice stuff for an evening of entertainment!

There is, however, no such thing as the illusion of a buyer. A buyer is real or not real, and try as we all might to create a buyer, it is impossible to pull one out of thin air. So what do you do in an environment when buyers choose to sit back and wait for what they feel may be better pricing? Waving a wand is not the answer. Instead, create a selling proposition that is compelling to the reluctant buyer, not magically using smoke and mirrors, but with a combination of benefits of the specific aircraft that you are selling and a price which combines the specific aircraft with the current market. This builds differentiations that create compelling reasons to get up off of the sidelines and make an offer.

As an aircraft sales professional, I always feel that people hire us to sell their plane for top dollar of the day. Defining that accurately is critical to a successful relationship with my client and ultimately the sale. This attention to detail has never been more important as you work to create the benefits statement and not focus solely on price or availability as a selling motivation.

There is no way we could create an accurate benefits statement without really understanding the plane. In fact, because so often items are incorrectly stated or omitted, when we take on a new listing we always send one of our technical representatives to the aircraft

to build from scratch the specification package used to market it. There is no way to correctly set an asking price without a full understanding of the plane. Just using price to differentiate your offering from the next is a never ending battle.

One must know when to say 'yes' or 'no' to an offer that is price-driven and without the intimate knowledge of the aircraft and its surrounding market, you would be lost. Good photographs that depict what will be seen if viewed is also an integral part of the benefits and selling position package. Sometimes pictures look terrible and other times the pictures actually look better than the plane. If a prospect travels to see a plane based on the cosmetics and the pictures do not accurately represent the offering you will start negotiating against yourself immediately.

With that in mind, in terms of price, these are very interesting times. If you have been in this industry for many years, the times are not completely surprising. Sellers are trying to grasp the current market and buyers are trying to figure out if prices will be falling and to what levels. Since sellers are obviously reluctant to just arbitrarily lower asking prices, what occurs is a 'wait and see' attitude on both sides.

In the past few years the prices were driven up by lack of supply. For example, if you wanted to buy a Gulfstream G550, you sat on the sidelines, money in hand, and tried to be the first to get an offer to a seller. Often the seller received multiple offers on day one, and by day two was contracting for the sale. Sellers wrote the play book and delayed deliveries were common. Whatever it took to lock up the plane was the buyer's attitude. In many categories of planes there was only one plane at a time for sale. This brought about tremendous frustration among buyers. No one

even looked at the configuration. Forward galley, aft galley. One lav or two? It didn't matter.

Today, however, as the inventory levels creep up, the aforementioned benefits of the offering play a bigger role in the buyer's decision-making process. The good news is that there is absolutely no shortage of buyers, but if there are plenty of buyers, why are there so few sales? What does the buyer want to motivate them to get off of the sidelines? Price! A seller can't expect to capture the frenzy pricing of just months ago, even with a global market, and sellers must combine benefits with realistic pricing.

I do not in any way mean that prices will drop like a rock. I do mean that the premiums paid for many aircraft may have to roll back for buyers to feel confident enough to step up. There is no way that a seller can come into a market with an opportunistic attitude and expect to attract a buyer.

Also, buyers who are only coming to the market because they feel opportunistic may be disappointed as well. It is the healthy middle ground that will support the weight of a transaction in today's market.

So ladies and gentlemen, for my next trick, I would like to pull a buyer off of the sidelines. Please watch closely as I create an opportunity of success. I will take this airplane and describe it accurately, and then I will look around and compare it to the other offerings and price it accordingly. Finally, I will demonstrate to the buyers that my client acknowledges the market conditions. Then presto changeo, we have a sale! Pretty slick trick!

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