

Speaker 3: Vice President of Sales and Marketing, RV Group, who spoke the morning after the product planning manager for motorized products

[OPEN WITH VIDEO]

[AD LIB INTRO]

As you heard last night, we've spent an unprecedented amount of time and money learning about what customers want in a motor home. Based on that information, we spent even more time and money redesigning the American Coach for 2004.

I think we can all agree that the result of all the time and money spent is a motor home that will really give us all something to talk about.

But here's the thing...

The all-new 2004 American Coach is not going to do any of us any good if the sales volume doesn't live up to our expectations. To ensure that it does, we will surround it with the right programs, services and support for you and your customers.

Let me give you an analogy...

Selling motor homes is kind of like selling a computer. The hardware is the motor home itself — the chassis, the box, the décor, the slide outs — every option that goes into it to make it complete.

The software is in the programs and services that support the product — things like a warranty, a customer call center, high-tech service facilities, customer communications programs, the marketing, the advertising.

The hardware is important; there is no doubt about that. As a company, I think you can agree, we've done one helluva job with the hardware part of '04 American Coach... better than anyone else in the industry!

[PAUSE FOR RESPONSE— GET THE HEADS NODDING]

Like [NAME] said, we welcome a side-by-side comparison with anyone out there!

And you heard it over and over again last night — we really listened to our customers — and other manufacturers' customers — and designed the 2004 American Coach based on their input.

In other words, we have a targeted value proposition that cannot be matched. We are giving customers exactly what they want in a motor home.

Now, back to the computer analogy...

[NAME] mentioned some industry-first programs that we are considering... programs like free maintenance for new American Coach buyers and a certified-used Fleetwood program. He also mentioned the incredible amount of money we are investing in improving our manufacturing facilities, our service centers, in training and also in our marketing communications programs.

This, I believe, is where we will now excel – it's the software that surrounds the all-new American Coach.

We are already engaged in the most powerful, the most strategically integrated, the most cutting-edge sales, marketing and advertising program we have ever conducted as a company — unprecedented for us AND unprecedented for the motor home industry as a whole.

This will be, when all is said and done, a full year's campaign, one that started in April of this year and will extend into 2004.

It will include:

- A national advertising campaign
- Customer retention programs
- A pre-launch web site
- A post-launch web site
- Training for our salespeople
- Training for our dealer network
- An outbound direct marketing customer acquisition campaign
- An unbelievable test-drive initiative
- A lead-generating plan... And more!

Before I go into all the details, let me just point out that with this campaign, our primary objective is NOT just to push our Coaches ONTO your lots; it's to help you sell them OFF your lots with a high level of profitability for you!

I think we can all agree, reaching that objective will result in a win-win situation for all of us!

[PAUSE FOR RESPONSE]

On April 1, 2003, a few select American Coach dealers were asked to come to our Decatur plant to get an idea of just what we were up to in terms of the 2004 American Coach. We had you tour the plant and to see for yourself the incredible innovations we had designed into this product.

At the end of April, we implemented an incentives program that would help you lower your inventories of the '03's. We've supported you throughout this transition period — in fact, we supplemented your profitability — with over two million dollars in incentives.

What you may not know is that, between May 25 and July 4, we stopped American Coach production, so we will make no revenue whatsoever on the '03's. But we feel that strongly about getting them off your lot to make room for the '04's.

And we're right on track. As of May 25, American Coach shipped the last of its '03 inventory.

Now, on to advertising...

This is the first time in a while that we are conducting a national advertising campaign.

I hope you have already seen our ads in the June issues of Motorhome magazine and FMCA magazine. This is actually the first of three different ads, and is meant to be a teaser; our intent is to pique the interest of not only our current owners but prospective customers as well.

This ad is also intended to drive traffic to our pre-launch, web site.

The intent of this pre-launch site is to get people excited about what we are doing... get the buzz started. In other words, to give them something to talk about and to capture customer leads.

The Flash intro leads to an online form for people to fill out for more information. There is also an 800 number on the ads and the web site. Qualified leads will, of course, be given to you, but we also have something else in mind for them, which I will get to in a minute.

Also in June, we are conducting our training sessions — here with you today — [NAME] and [NAME] will be up here a little later this morning to go over everything you and your staff need to know to successfully sell the 2004 American Coach.

But also, earlier this week, we conducted internal training sessions with our own salespeople and, starting next week, we embark on a seven-city national training tour to train all of your salespeople.

In this way, everyone will have the same story when it comes time for selling the '04 American Coach.

As you may know, we are planning our big public launch of the 2004 American Coach on July 17 at FMCA's 70th International Convention in Buffalo, New York. We will have approximately 30 demo Coaches at the convention for customers to check out, test drive and even purchase.

By that time, our second of three ads will be running in the July issues of Motorhome and FMCA. The intent of these ads is to continue to drive traffic to the pre-launch web site, allowing us to capture even more leads.

In August, our third and final ad will run in Motorhome and FMCA Magazines. If you can't read the headline from where you are sitting, it says "American, with Liberty and Options for All!"

As we all know, it is less expensive to retain current customers than it is to acquire new customers. Certainly Fleetwood, in general, and American Coach, in particular, have always enjoyed a high rate of repeat business.

And maybe we can all do well just selling to repeat buyers...

But as [NAME] made clear yesterday, the market for motor homes is growing by leaps and bounds... faster than most other consumer markets. And we at Fleetwood intend to take a bigger slice of the new pie than our competitors do.

And that means investing in more than just these three ads to attract new customers to the American Coach brand.

To that end, we have a few initiatives planned...

In September, our outbound direct marketing campaign begins.

We are going to take all those names we collect from the web site and the 800 number and combine them with our database of current owners — I estimate about 20,000 names in all. These people will each receive a personal invitation by mail to come into your dealerships to take a test drive.

The invitation will include a compelling premium offer —an offer our audience can't refuse— as an incentive.

At this point, you may be asking yourself, *so how are people going to take a test drive, John?*

Well, I'll tell you...

Each and every one of you is going to have a demo model of the 2004 American Coach on your lot.

[PAUSE FOR EFFECT]

A DEMO THAT WE PAY FOR.

[PAUSE FOR EFFECT]

That's right. Fleetwood is going to foot the bill for all the expenses involved in having a demo on your lot.

[PAUSE FOR EFFECT]

Each of you will have the exact same demo — our best-looking model — with the same interior and exterior design and all the same options.

AND, each demo will be identical to what is seen in the magazine ads, the direct mail piece, our main web site and all of the new brochures...

THAT, folks, is what integrated sales and marketing is all about!

From August to October, we will have demos at all industry events — the 35th Annual RV & Camping Show in Harrisburg, Pennsylvania, in September, the 50th Annual RV show in Pomona, California, in October, plus a few others throughout the fall — in order to reach new prospects.

During this time, we will continue to collect leads — from these events, from our 800# and from our web site — which we will continue to qualify and forward to you.

As for customer retention programs, later this week, we will be meeting with chapter presidents from various motor home owners clubs to introduce them to the all-new 2004 American Coach, get them excited about what we've got, and ask them to share the excitement with their members.

We are still working to finalize our plans for the January through April 2004 period... What I can tell you is that it will account for fully 60% of our total dedicated 2004 American Coach marketing budget. So be ready!

The goal of this entire integrated marketing and advertising plan is to create a deafening buzz about the all-new '04 American Coach, such that customers — both current and new — will be lining up at your door to buy them.

In fact, we intend to make the buzz about this product so loud, customers will feel DRIVEN to order soon; in other words, they'll be less inclined to negotiate over price and options, and your profitability will reach new heights.

How does that sound to you?

[PAUSE FOR RESPONSE]

Here at Fleetwood, we are working hard to earn a reputation for being the manufacturer that best supports the dealer... the manufacturer that really takes your needs into consideration as we plan and execute our programs.

In the RV Group we are taking that concept to heart.

We let you know early on what we were planning in terms of the 2004 American Coach.

We supported you through the transition period, even supplementing your profitability at the expense of our own.

We brought all of you here this week to learn more about successfully selling the '04 American Coach.

We invested heavily in an integrated sales, marketing and advertising plan that will drive customers into your dealership and drive RVs off your lot.

We've done our part, now we are looking to you to do yours.

After all, the more throughput you experience, the more profitable we all are.

Help us give them something to talk about by writing 50-100% of sales into the pipeline.

We're ready with the product; we're ready with the programs, and we're ready for the demand, as [NAME] is about to tell you.

[NAME] is the general manager of our Decatur plants where the '04 American Coaches are being built. [NAME], please come up here...