



“Cheap and Good”

By Daniel H. Chinitz

I used to have this crazy customer come in all the time and demand “cheap and good.” He wanted quality products along with our good service but at the lowest possible price. Business was great back then so it was fun to laugh while telling him to take a hike.

Now it’s not so funny. The market is very competitive so one’s natural reaction is to close every potential order, no matter how crazy the client or how low you have to go. Here’s a great question to ask the next price-oriented customer that walks through your door: “Is price your *only* buying factor?”

Ok, perhaps you should preface that with a few others questions first but the point is that price is an incredibly important buying factor with every customer in this competitive economy. But should it be the *only* consideration? If you agree, then perhaps get rid of all your staff, stick a low price on every item and let the clients punch in their order themselves into a kiosk. Of course payment in full upon ordering should also be required.

However, if you disagree, then I have this follow up question for you: Are your people trained to discuss the price issue at the beginning of the sales process (before a lot of time is invested)? Do they even bring it up at all? This article is why they should.

As you know, after the client is quoted a price, most will immediately wonder if that is the best number they can get out of you. They are certainly pondering if they can do better elsewhere. And you know where elsewhere usually is; it’s the World Wide Web right in the convenience of their smart phone and right in front of you.

Here’s the bottom line: Discuss this topic from day one with clients, do not hide from it. Customers need to know all the benefits on buying from you besides getting a good price. These would be all those other buying factors.

If you know they are going to check your price out anyway (and they will), why not let them know what your price includes? After all, if you do include many important services, and you probably do, why are you keeping it a secret? You know that those internet guys are never going to “out service” you, but does your client know that? Sure, you can tell them that your service is better, but does the client really appreciate the importance of that? Do they realize that they *need* those services that you include?

I doubt it. Yet the person who knows the least about buying the product (the customer) is controlling the sale over the person who knows the most about the product (you). They need to truly understand that you have built these services into the price because you know they need them.

Assuming you “sell service,” meaning that you are not just a low price, low service outfit, consider this idea to help you compete with the price choppers: Have a meeting with all your fellow sales staff and ask them this question: “What do we offer our clients besides the product?” Or, “Why should anyone buy from us?” And make sure you have someone taking notes because lots of discussion and ideas about your services should start flying around the room. Write them all down; don’t edit any out at this point. Here are a few that might come up at the meeting:

**We educate our customers on all the best items our industry has to offer and help them select the best ones based on their budget and requirements.*

**We buy direct from the manufacturer so we can properly service what we sell.*

**We return all phone calls by the end of the business day.*

**We deliver everything right to your door with our own drivers who are polite and wear booties on their shoes so they won’t bring dirt into your home.*

You might surprise yourself with how many points your staff comes up with. Now start the editing process to get them down to your top 10 or 12. Next, have them professionally printed up, framed and hung in your conference room. Let the world, or at least your clients, know everything you bring to the table. They need to *see* that your pricing is not just for the product; that you include services that they *need*. After all, we are not selling a small item that can be thrown in the back of their Volvo to be brought back to the store when it doesn’t work right. Our products are permanently installed in the home. The decision making process must be done right and they need your expertise and service before, during and after the sale.

Plus there is another benefit to putting what you do in writing for everyone to see. When a client says they can get it cheaper online, you can bring them over to your list of services on the wall that are included in your price and ask them if that internet company also includes all these services in their low price. If not (obviously they don’t), you can now explain again *why they need these services*. It’s all about low price versus value.

If they are still skeptical, tell them you would be happy to match that internet price if they will look at your list of services and tell you which of them they feel they do not need. “Let’s make this apples to apples.” After all, if you don’t have to return their calls until it is convenient for you, which could be never, that saves you time and money.

Bringing up the price issue before they leave your place also gives you a better chance that they will come back to discuss the pricing after they shop it. Not discussing it when they are in your showroom increases the chance that they will just order online and never see you again. The goal is to make the client *nervous* to buy it elsewhere. You want them to *want* to buy it from you. So when they come back in to talk, you get another shot at helping them to understand why your service is worth the extra money.

Now this won't work every time, of course. Some clients will listen, smile and still make price their only buying factor. So it is smart to try to bring that out at the beginning of the sales process. Others love to play the "competition card" thinking you should be grateful for their presence and therefore willing to give it all away for nothing. But with all your value-added services right there on the wall, you have a better shot at them understanding the value of doing business with you.

Otherwise, it will just come down to what's "cheap and good."

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