

## Price Is Always An Issue, But Not Always A Problem

I got a panic phone call from one of my clients last week.

“I have an appointment this morning,” she said. “I sent an e-mail yesterday to confirm it, and I asked if there was anything in particular I should do to prepare for the meeting. I got a response late last night – ‘be prepared to lower my printing cost.’ I think this is one of those ‘Price Monsters’ you talk about!”

As I hope you’ll remember, I think you should let the Price Monsters — people who make all of their buying decisions based strictly and only on who offers them the lowest price — be someone else’s customers. They have a definite tendency to be more trouble than they’re worth. But I wouldn’t assign this buyer to that category just yet. First, I want to know if this is a price issue or a cost issue. One is a problem. The other may well be an opportunity.

### Preconceived Notion

Printing salespeople tend to have a preconceived notion about the importance of price. I’ve often been told — by salespeople — that price is all buyers care about. What I’ve always found interesting is that the falsity of that concept is contained in most salespeople’s own experience. Consider this, you almost certainly have customers who give you orders when you don’t have the lowest price. And even if you are the lowest, isn’t it likely that the buyer could find an even lower price by inviting more printers to quote? Yes, there are Price Monsters in the world, but the evidence suggests that they’re a small percentage of buyers.

Now, there is a difference between a Price Monster and a smart buyer, and smart buyers do tend to talk about the importance of price in their buying decision. Why? Because no one wants to pay more than they have to for any product or service. And “have to” is connected both to the value of the product/service and the courage of the seller.

It’s that courage that’s most important to this discussion. Here’s something that smart buyers know. *You can often intimidate a seller into lowering the price. All you usually have to do is complain about the price.* It’s a fact that most salespeople cave in quickly at the first sign of a price objection. They take the path of least resistance, which is to lower their quote. Victory to the buyer.

### Price vs. Cost

I hope you’ll also accept that price and cost are not the same. Sure, lower prices will produce lower overall cost, but simply lowering a price is not the only way to accomplish that.

When my client read the words “be prepared to lower my printing cost,” she interpreted that as Price Monster behavior. I encouraged her to look at it as an opportunity instead, and we crafted a strategy that started with a “macro” conversation about the role printing played in the buyer’s business. She asked questions about the purpose and performance of the printing. She asked questions about quantities and ordering intervals. She looked at samples of various items and asked questions about sizes and color configurations and paper choices. She spent almost an hour with this buyer, and left with a great deal of information, all of which prepared her to return several days later with some concrete ideas on how to lower this buyer’s overall printing cost. The indications are that my client can save him 3-5% over a year’s time, *without* discounting her normal prices. Victory to the seller *and* the buyer!

### Bottom Line

The bottom line for today is that price is often an issue, especially if you’re dealing with a smart buyer who’s using it as leverage. But it’s not always a problem and sometimes it’s the exact opposite — an opportunity. If you just have the courage to explore that possibility, you’ll get more wins!