

Your Price Is Too High!

Here's a scenario that I think is all too common in quick printshops. A customer comes in and asks "What would the price be for 1000 of XYZ?" The owner or manager or counter salesperson goes to the computer or the price book and comes back with a price. The customer says, "Gee, that price is a little too high." So the owner or manager or salesperson says one of two things, "Well, I'm sorry but that's the price," or, "Well, I can probably 'sharpen my pencil' at least a little bit."

One of those answers has a good chance of costing you business. The other one has a good chance of costing you money. And neither one represents the best way to handle a customer's price objection. What is the best way? I think it's to look that customer straight in the eye and tell him why he should buy it from you anyway, even though your price might be higher than his expectations, or higher than a competitor's.

And I predict that you're going to get one of only three answers. Some people will say that your explanation is all well and good, but your price is still too high! Those people won't buy from you. Others will say, "Gee, I never thought about all that," and they will buy from you and they'll pay your price. Still others will say, "Well, it never hurts to try," and they too will pay your price.

Two of those possibilities represent victories for you. Only one of them represents a loss. And even that one is the loss of only a battle, and not the whole war. The customer who you don't alienate with a "take it or leave it" attitude might still be a source of business for you, even if you don't get this particular job.

Take It Or Leave It

A few months ago, I wrote about using pricing as a "market force" to encourage problem customers to take their business somewhere else. (Either that, or to bring the prices they were paying to a point where you were willing to tolerate their problem behavior!) I want to emphasize that I'm not talking about that same situation here. I'm not talking about difficult or obnoxious customers today, but about "regular" people who express an objection to your quoted price on a particular job.

A "take it or leave it" attitude can be really insulting. And even though it works sometimes—or at least it appears to work because you get the order—I still believe very strongly that you're a lot better off working to create "warm" situations with your customers rather than "cold" ones. You can't deny that "take it or leave it" is a "cold" approach, no matter how nicely you might say it.

And what do I mean by "appears" to work? It's been my experience that some of the people who decide to "take it" only do so because they're under pressure of some sort, usually time pressure to get something printed. If they have more time on the next print job, they might very well go looking for a printer with a warmer attitude. I know that I would!

Walking Dollars

Here's another thought. Have you asked yourself recently why you went into this business in the first place? You did it to make money, right? I don't think a selling strategy that might alienate and chase perfectly good customers out of your store is especially consistent with that objective.

Whenever a customer walks into your shop, I want you to realize that this is a person with money to give you. In fact, I encourage you to visualize a dollar sign with feet attached to it! The generally accepted deal between a customer and a supplier is that if you can meet their needs, you get to keep their money.

The reality is that sometimes, you have to work a little harder than at other times to convince them that it's going to take more money than they might have thought to meet those needs. But I maintain that it's worth the effort, especially when two of the three likely reactions represent victories for you!

Two Issues

There are really two issues involved in defending your prices by telling people why they should give you the order in spite of their initially stated price concerns. The first issue is that there have to be valid and compelling reasons why people should pay a premium to do business with you. Now, what might those reasons be?

The specifics are likely to be a little bit different with every shop, but the benefits of doing business with you are probably going to be found in some expression of better quality, better service, or greater expertise. But here's the key point that I want you to understand. Any printer can claim to produce better quality, or to provide better service than his or her competitors. And beyond that, every printer generally makes those claims. In a competitive situation,

it's not enough to just say it, you have to be able to prove it, or at least to provide some compelling evidence in support of your claims.

You might remember an article I wrote a while back about selling quality control rather than quality. That strategy is highly applicable here. A solid quality control program is your customer's best guarantee of quality printing. And with all due respect to quality control guru Phil Crosby who wrote a book some years ago called "Quality Is Free," quality is not free! At least, quality control is not free. Solid quality control has a cost attached to it: the cost of employing the best people and providing all of the training they need; the cost of owning and operating and maintaining the most appropriate equipment for the work your customers need done; the cost of taking the extra time when it's required to make sure the job is done right!

And quick printer can promise quality, but not every quick printer realizes that what you really have to convince people of is your ability to do it every time, every day. Here's what I think represents the bottom line on this particular issue. If I challenge your prices and you can only tell me that I'm paying for the quality I get from your shop, I'm going to ask myself if I can get the same level of quality from some other printer at a lower price. And if you're a realist, you know that I almost certainly can. But if you successfully address the risk I might be taking if I decide to explore that option, you're giving me something serious to think about. And that's what often will lead to the comment, "Gee, I never thought about all that."

That usually results in the victory of having that person pay your price and feel good about it, having reached the conclusion that there is a good reason to pay a little bit more to do business with you.

Sell Every Job Twice

The second issue in defending your prices is found in the old adage about selling every job twice. The idea is that you sell each job to your customer, and when the job is completed you "sell" it again by touching base with the customer and reminding him—or her—of what a great job you just did. The second "sell" reinforces the special value of doing business with you.

The strategy of selling every job twice is itself based on another old adage: Never assume! If you want your customer to know anything about your company, you have to tell him! You can't assume that he'll find out in any other way. That's true as a part of the challenge of selling each customer everything that you could be selling him, and not losing sales opportunities because, "I didn't know you could do that." It's especially true when you're faced with the challenge of defending your prices.

Playing Games

Now to the third likely response to standing up to a price objection: "Well, it never hurts to try." I think this is the situation where defending your prices is most directly profitable. Because anyone who would say this in response to your handling of the situation was only playing a game with you in the first place.

As I tell quick printers in my seminars, objecting to the first price you're given is one of the primary strategies they teach you in buyer's school. They actually teach people to make a big deal about price just to try to intimidate the salesperson. And you'd better realize this...it very often works!

You probably learned in a psychology class somewhere along the line that any behavior which results in a reward tends to be repeated. If "investing" in those five words—your price is too high—saves you money a few times, you're going to keep on doing it! And if you as the seller give in to the buyer who challenges your price because "it doesn't hurt to try," you're a philanthropist, not a business person. You're giving your money away!

Negotiation

I think most quick printers consider negotiation a dirty word. It falls into the category of "things we hate to have done to us." But I'd like you to realize that negotiation is a two-way process, and you don't always lose. In fact, that's exactly what talking about here, a negotiation in which two of the three likely scenarios represent a victory for you.

Your customers—and your prospects—are allowed to tell you when they think your prices are too high. They are also allowed to try to "win" a lower price from you. That's simply the way the game of business is played. But you're allowed to stand up to their stated price objections, and that's how you win at this game.

I've had more than a few quick printers tell me that they don't want to play the negotiation game. "I don't have the time for it," they say. Or, "I didn't go into business to haggle with people." Those tend to be the attitudes of the "take it or leave it" printers.

Perhaps another quick printer's attitude—a very successful quick printer—will give some of you a different perspective. "It's just selling," he told me, "and selling usually comes down to one of two things. You have to defend your prices, and be firm but not antagonistic with the ones who try to play games with you, and you have to explain things to the people who really do think that your price is too high. You don't help yourself by chasing people out of the store, that just ends the game immediately with you the loser."

“Now, you don’t always win at selling,” he continued. “But when you do, you win money! And I like that!”

I like that too, and I like the idea that this article might better equip you for the next situation in which a customer or prospect tells you that “your price is too high.” Don’t give your money away by simply giving in, and don’t chase their money away with a “take it or leave it” attitude. Start a *conversation* (Do you like that word better than *negotiation*?) by telling them why they should buy from you anyway, and see what happens next.

I think that’s far and away the most appropriate strategy when two of the three likely responses represent victories—and more money—for you!