



HOW TO SELL AGAINST LOWER PRICED COMPETITION

- 5 WAYS TO BEAT
PRICE-CUTTING COMPETITORS



A WHITEPAPER BY THE BROOKS GROUP

“You must determine your competitive advantage and use it to differentiate your product, or you will be seen as selling a commodity.”

You must sell your product or service on the basis of some competitive advantage.

That advantage will boil down to one or a combination of 5 fundamental things:

- Price
- Quality
- Service
- Delivery
- Sales Effectiveness

1 Price as Your Competitive Advantage

ONE FACET OF YOUR COMPETITIVE ADVANTAGE COULD ACTUALLY BE A PREMIUM PRICE.

It is true that a few people and businesses really do buy products and services based solely on price. And we know that many salespeople (maybe you) face customers who say the only important thing is price.

But, our research clearly shows that price is virtually never the primary reason a person buys anything. It is seldom even the secondary reason. Usually, it's a third consideration at best. Many salespeople might say, “If you don't think people buy on price, why don't you follow me around on some sales calls. Why, just yesterday I had a prospect say to me that there are only three important things when he buys:

“The first one is price, the second one is price, and the third one is price.”

We know your prospects will tell you that – because they are trying to get you to cut your price. But customer buying behavior belies their words. In fact, many people get nervous even thinking about buying something that is low-priced.



Indeed, an analysis would likely show that there are more people who actually buy products or services on the basis of the price being high than there are on the basis of the price being low. You've probably even heard people who contemplate making a purchase saying,

"The only thing that really worries me about this deal is that the price seems so low."

If you don't think people buy based on high price, let's consider another example. Would you go to the low-price bidder for your own, personal brain surgery?

Probably not.

Price Makes A Statement About Credibility

If we told you we had a brand new Rolls Royce parked out front that we'd let you have for \$87,000, the first thing you'd ask us is, "What's wrong with it?" And the second thing is, "Do you have title to it?" because you probably couldn't believe that we would offer to sell you a new Rolls Royce for \$87,000 unless something was wrong with it or if it was stolen property. Price does make a statement. A statement not only about the quality of what you are selling, but also about the very advisability of even buying it.

THIS IS IMPORTANT: If your price is too low, the prospect thinks there may be something wrong with it.

Now, let's look at the flip side. If we told you we had a new Rolls Royce we'd sell you for \$600,000, what would you say? You'd probably say something like, "Really? What makes that car worth \$600,000? I want to see that car right now." TRANSLATION: "Tell me, show me, sell me on why I, or anyone, would pay you \$600,000 for that (or any) car."

AGAIN, PRICE DOES MAKE A STATEMENT: A VERY STRONG STATEMENT.

Just as people will believe you when you tell them your products/services are cheaper (and they will believe that in every sense of the word—in price, quality, and value), they will also believe you when you say your products/services are higher priced (again in every way—price, quality, and value).



Salespeople who sell at premium prices know that they can use a high price to make a credibility statement about their product or service being better; that is, if it costs more, it probably is worth more. And they know that by acknowledging that their price is higher than their competitors' prices, they trigger a "the hell you say" response in their customers that creates the most receptive, responsive atmosphere in which to sell their product.

2 Quality as Your Competitive Advantage

LOW PRICE IS ONLY ONE WAY FOR YOU TO COMPETE. AND IT'S ALSO THE DUMBEST THING TO TRY TO COMPETE ON FOR CUSTOMERS.

If you want to earn a serious income as a salesperson, you'd better learn two things:

- **The first is to compete on something other than low price**
- **The second is that the only aspect of virtually any product or service that is extremely important to every prospect is quality**

How important and viable, as a competitive advantage, is the quality of your product or service? It's very important. In some cases, it can be the most important reason your prospect buys.

Selling Quality

Selling quality is easy. But only if you have quality and you know what it is. The real truth is that virtually everybody does have quality. Unfortunately, not everyone knows what quality means—and consequently they have a tough time selling it.

MOST SALESPEOPLE WILL TELL YOU THAT QUALITY MEANS "BEST."
QUALITY DOES NOT MEAN BEST.

Quality means conformance to standards and expectations—to your prospect's standards and expectations. Quality means the right stuff; not the best stuff. Quality is the correct stuff for your prospect's requirements and needs, not the best stuff made.





The word quality and the word best are not synonymous. For example, what is a quality tire for your car? The only way to answer that question is to ask several questions:

- What are you going to use the car for?
- Are you talking about an Indy 500 tire?
- Are you talking about a racing slick?

Perhaps you are talking about a snow tire. Go out and buy the best racing slicks you can get, put them on your power-traction wheels, and see how fast you can accelerate in six inches of snow. Or put racing slicks on your front wheels and see how fast you can stop on wet pavement, going downhill. You might say that you bought the “best tires money could buy,” but you’ll be disappointed in their performance under those conditions.

Quality does not mean best.

If quality means best, then why do we always have to define quality? Why does the mail-order catalog say “good quality” baseball glove, “better quality” baseball glove, and “best quality” baseball glove?

The catalog could just as easily describe its “good quality” glove, its “lesser quality glove,” and its “the worst quality glove ever stitched together.” But they are all quality gloves. Each one meets a specific set of customer standards and expectations.



3 Service as Your Competitive Advantage

How important is service in selling your product? It can be the one, single thing that makes or breaks your sale. Service is incredibly important. And the good news is that it is easy to compete on service, because very few businesses really (we mean, really) want to compete on service.

Most businesses are run by the people who work in a business, and most people run businesses for themselves. As a consequence, they often treat the customer as an unnecessary inconvenience.

Salespeople Should Personify Customer Service

Many salespeople don't seem to understand that they, in fact, must personify customer service. In most business organizations, the only person the customer ever talks to, perhaps the only person the customer ever sees, is the salesperson. Often, when something goes wrong, the only person that the customer can go to is their salesperson. Unfortunately, most companies have all sorts of barricades preventing the customer from talking to anyone other than that salesperson (unless, of course, they have an exceptionally good customer service department).

SALESPEOPLE WHO ARE SUCCESSFUL AT SELLING AT PREMIUM PRICES KNOW THAT NOBODY PAYS BIG BUCKS FOR EXCUSES—NOBODY!

No prospect or customer wants to put up with a bunch of half-baked excuses as to why things that were promised did not occur, and they certainly won't tolerate being aggravated and inconvenienced by slipshod performance on the part of their vendor. A smart salesperson assumes total responsibility for (and takes personal accountability for) bird-dogging or otherwise pestering those in their organization to ensure the promises made to prospects and customers are fulfilled.



4 Delivery as Your Competitive Advantage

One thing that you can compete on successfully, consistently, and long-term is delivery: Your ability to put your product or service offering in your customer's hot little hand, when and where he needs it.

DELIVERY IS ABSOLUTELY THE ONE THING YOU MUST BE COMPETITIVE ON IF YOU WANT TO SELL AT A HIGHER PRICE THAN YOUR COMPETITOR.

In many industries, a company's ability (or inability) to deliver a product or service in a timely, agreed-on manner can literally make or break it.

Have you ever wondered why your customers go to all the trouble of explaining to you that they can get the very same thing that you sell at a lower price somewhere else? If they can really get it cheaper somewhere else, why don't they just go there and get it? Why do they waste all that time telling you, "I can get it cheaper from the other guy?"

One reason is because they really can't—and they are misrepresenting the price or your competitor's ability to deliver the product or service offering on time, and/or it really isn't the same stuff. What they are really saying is that they want everything you can give them, but at a lower price. But they also want your ability to deliver, your investment in inventory, your way of doing business, your service, your quality, your people, and your investment in machinery and equipment.

When prospects tell you they can "get the same stuff from someone else, for less money," you always want to silently ask yourself this essential question: "Then why are they even talking to me?" Because if they really can get the same stuff down the street, right now, for less money, why are they bothering to talk to you?



5 Sales Effectiveness As Your Competitive Advantage

How significant is your capability and willingness to sell?

Our experience tells us that they often make all the difference in getting a sale. The real truth is that many salespeople really don't like selling. In fact, a lot of salespeople think selling is just a notch above ambulance chasing. The truth is, lots and lots of the salespeople we've assessed fundamentally don't approve of selling as a profession—and our educated guess is that about 90 percent of the general population doesn't approve of selling at all.

Salespeople sell things to people.

Most people have a certain degree of antipathy towards selling, especially when it's done aggressively—and salespeople do, too. A lot of salespeople think the old “shucks, golly, gee whiz, I don't imagine you'd want to buy this” approach to selling is too strong—let alone telling a customer that he needs, wants, and can afford your product or service and ought to buy it.



Conclusion

THE FUTURE OF PROFESSIONAL SELLING: THE DAYS OF “CLOSING” ARE COMING TO AN END

In addition to willingness, the capacity to approach prospective customers in a professional, positive way, on their own terms, will be the currency of sales success in the very near future. In fact, those days are here.

Today's buyers are in control of the sale. Period. And the more control they have, the less patient they will be with fast-talking salespeople who are focused only on getting the sale. Quite frankly, buyers want to avoid dealing with a salesperson until they absolutely have to.

Salespeople in today's marketplace are going to need to be students of their craft. Salespeople who are intellectually lazy and who still “wing it” on sales calls aren't going to be in a position to bring value to the buyer. If a salesperson can't bring anymore value than what the prospect can get on their own (on the Internet, in catalogues, etc.) then there's absolutely no reason for them to meet with you.



Key Takeaways:

- Allow price to be your competitive advantage—a higher price can make a statement about credibility.
- Provide a high quality solution by first determining a prospect's requirements and needs.
- Quality customer service can make or break a sale.
- Delivery is absolutely the one thing you must be competitive on if you want to sell at a higher price than your competitor.
- Successful salespeople must be intellectually curious and always looking for new ways to bring more value to the customer.

About The Brooks Group

With nearly 40 years of industry experience, The Brooks Group achieves sustainable sales culture transformation for clients by delivering targeted training that becomes operationalized by threading into an organization's existing systems.

The Brooks Group takes a holistic approach to practical culture shifts and focuses on customized "street smart" sales and sales management programs, with a high level of relevance and practicality for the individual learner. Training gets reinforced with an industry-leading cloud-based sales and sales management coaching platform.

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