

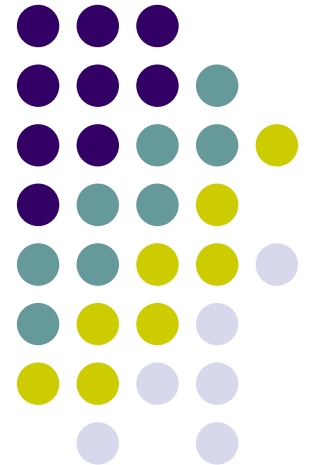
# How To Compete With Internet Pricing:

Lose the Sale ... or Lose  
the Profit?

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**“I can buy this down the street  
for \$200 - \$2000 less ....**





# Your Answer Is?

- That's a great price, why don't you take it?
- Hey, maybe I should be buying from them!
- When do you need it?
  - Can they ship it today?
- What does their price include?
  - Are these the same benefits that we offer?
- How are you going to use the instrument?
- All of the above

# Buyers Make Good Liars ... If You Let Them ...



- Intimidate you into ...
  - Lowering your price
    - Immediately!
- Denigrate your product
  - Calling it a commodity
  - That can be bought anywhere
- They have been told that all prices are “negotiable!”



# Sales People May Signal ...



- They believe their own prices are too high!
- They – like you – are price shoppers
- That – under pressure – they will willingly lower the price



- “Starting today, companies either will let customer demands drive business models, or they will get driven out of business.”

*The Customer Revolution: How to Thrive When Customers are in Control – Patricia B. Seybold*

# E-markets conserve something of real value...



- A customer's time!
  - Make it easy for them to make product decisions

# What do customers value most?



1. Knowledgeable salespeople
2. Quality products
3. Product availability
4. Tech support
5. Ease of doing business
6. Product performance
7. Follow-through
8. Acquisition price



# Commit yourself to seeing business processes and products



- As if you were the customer



# How to compete successfully



- Planning
- + People
- + Proposition
- = Price that Prospects are Prepared to Pay for your Products
  - And Produce a Profit

# Planning



- You do not compete against “The Internet”
- You have specific competitors
  - You must know them better than they know their own business
  - How do their strengths and weaknesses compare to yours?
  - What kind of customers are they able to attract?
    - Are these the same customers that you have / want?
  - Determine your action plan

# People



- If customers only purchased on price you would not need a sales staff
- You must commit to continuous sales training
- 75% of sales people cut the price when the buyer raises a price objection! \*
  - Are they working for a commission or working to make you a profit?
  - Are they more sensitive to pricing than your potential customers?

\* *“Crush Price Objections” – by Tom Reilly*

# Re-think how you demo product



- Involve the prospect in the sale from the first 5 seconds
- Tactile involvement leads to the feeling of ownership

*“The Sales Bible” – Jeffrey Gitmore*



# Understand “Ownership”



- The simple act of “owning” an item, however briefly, increases our personal attachment to it
  - And our valuation of it
- Once you own something, the idea of giving it up becomes a potential loss

# Proposition



- Why should people do business with you rather than with someone else?
- “You cannot succeed if you try to tell your competitor’s story better than they can.”
  - It’s almost impossible to out-yell someone with the same story.”
    - *“All Marketers are Liars” - Seth Godin*

# Price People are Prepared to Pay for Your Products



- “People only see what they are prepared to see.”
  - *Ralph Waldo Emerson*



# And Generate a Profit



- “The lesson? I have to pay more heed to pricing our product so that we make a profit, and worry less about whether we’ll lose business.”
  - *Fortune Small Business Magazine – May 2005*