

Can You Prove It?

In most competitive situations, there is one winner and at least one loser. When three quick printing companies are asked to quote on a particular project, the usual ratio is one and two. The winner, though, is not always the one with the lowest original price quote. It's often possible to "steal" an order away from that printer after all of the quotes have been opened.

Undercutting

You may think you're about to read an article proposing a strategy of undercutting an original quote. That's not at all what I have in mind for today, although both printing customers and printing salespeople will tell you that it's very common for a salesperson with what turns out to be a higher bid to ask for an opportunity to "meet or beat" the lowest original quote. The majority of printing customers, however, will tell you that they find the strategy offensive.

"I'm sure there are buyers who enjoy playing one printer off against another one after the quotes are in to get lower prices," one printing buyer told me once, "but I don't have either the time or the inclination to play that kind of game. I want the printer's best shot at my project right at the start, and if he tells me just a short time later that it wasn't really the best price he was willing to offer me, it doesn't do much for my willingness to trust him about quality or service or anything else."

Legal Issue

The strategy of attempting to undercut the winning bid will often blow up in the salesperson's face. And not only is it risky on moral and ethical grounds, it might also be illegal! When I worked as a sales rep for Moore Business Forms early in my selling career, every salesperson in the company was briefed every year on the provisions of the Robinson-Patman Act. Not only were we briefed, but we were also required to sign a statement of understanding and compliance!

Robinson-Patman was put into law in the 1930's, and one of its key provisions is that a company can legally "meet but not beat" a competitor's quote after the results of original bidding are made known. The law was enacted as a means to defeat price-fixing tactics which were common at the time, and to prevent unfair price competition.

Better Strategy

In my opinion, there's a much better strategy for this situation anyway. It's a strategy that allows you to stay on the "high ground" legally and ethically, and it's also a strategy that allows you to get the order without lowering your price to the lowest bid level and diminishing your profit margins. The only downside of the strategy is that it doesn't always work!

But then, of course, you have to realize that there is no single strategy in selling that works every time on every customer. You might consider that statement as a corollary of a point I try to make in the *PRINTSELLING* Seminar...that you simply can't sell to everyone!

So what is this strategy? Rather than asking to lower your price to match the lowest bidder, tell the buyer *why he or she should buy from you anyway*, even if your price is higher than the "best" price he or she seems to have been offered! In other words, tell the customer or prospect why you are a better supplier, and worthy of a higher price.

Compelling Reasons

The single most important thing you must understand in order to make this strategy work for you is that whatever you say in defense of your prices must be compelling and believable. It can't be a shallow statement like: "You'll get better quality and/or service from my company." Anyone can say that...and just about everybody does! There is nothing in that shallow—and unsupported!—statement to differentiate you from any other printing company, and you have to be able to show that you are different as a start to showing that you are better and worthy of a higher price.

So the question you must ask yourself is: How can I present quality, service, and the other benefits of doing business with my company along with *evidence* to support my claims? How can I *prove* that everything I say to defend my prices will turn out to be true, and just as importantly, will really make me a better choice than the lowest bidder?

How do you do that? I've had a lot of success in asking two specific questions to set the stage for my presentation of benefits. First, I like to ask the buyer what would constitute "perfect performance" from the printer on the job in question...what level of quality, service, and responsiveness would make him/her completely happy.

Next, I like to ask this compound question: What could go wrong, and what kind of problems would result for you if any part of the “worst case scenario” developed?

The Risk Factor

The object of these questions, of course, is to emphasize the risk factor. If there's no risk, there's a lot less reason for anyone to consider a higher price. If every printer in the game can provide the desired level of quality, service and responsiveness, the buyer *should* buy from the one with the lowest price. I know that I would!

But if I have any reason to worry that the lowest bidder might disappoint me—and cause problems for me!—we have a completely different story. I think every responsible printing buyer will admit to you that a good price on a bad print job or a blown delivery is a bad deal.

In my experience, most printing buyers try not to think about the fact that there is at least some risk in every project. Bringing those risk factors to the surface can set the stage for a much more compelling argument that paying your prices might very well minimize their own personal risk.

Prove It

But remember, it's not enough for you to say, “Well, my price might be higher, but you'll get better quality from me...or better service.” The buyer who's concerned with the risk factor doesn't want promises, he wants proof!

So the real issue is this: How can you provide evidence to support the claim that there's no risk—or at least less risk—in buying from you? What can you say that takes you beyond simply asking the buyer to trust you.

(Quickly...what is your first response when a salesperson says “trust me” to you? If you're at all like most people, your tendency is to do exactly the opposite. So please consider this important element of my overall personal selling philosophy: You should never expect anything that doesn't work *on you* to work *for you*!)

Testimonials

One of the best ways to provide evidence that you're worthy of a customer's trust—and a higher price—is to draw current customers into the convincing process. It's one thing when a salesperson says “trust me.” It's another thing altogether when a third party—another printing buyer—lends credence to your claims by saying, “This salesperson made all the same promises to me, and then kept them! I trust him/her, and you can too!”

A testimonial like this can be in the form of a letter or a “real-time” reference. Of the two, the “real-time” reference is probably the most compelling. It's accomplished by inviting your prospect to get in touch with your customer, typically by phone, fax, or E-Mail. The obvious drawback is that this might represent an intrusion to your customer, whereas writing a testimonial letter is a one-time activity that usually can be accomplished at the customer's convenience.

You should make this particular decision on a case-by-case basis. If you have customers who really do like you enough that they'd be willing to accept an occasional intrusion, by all means, ask for permission to have prospects call them. If you're not sure that's appropriate, a testimonial letter still provides a great deal of ammunition. And remember, you don't have to wait for satisfied customers to write you unsolicited testimonial letters. When you have a satisfied customer and a strong relationship, it's perfectly acceptable to ask.

Quality Control

Many printing salespeople show samples as a means to demonstrate the quality of their work. Those salespeople are making a fundamental mistake, because printing buyers know that printing salespeople hand-pick the samples. All those beautiful samples prove is that you got it right *once*, they don't say anything about a company's day-to-day quality.

Day-to-day quality is really a function of quality control, and that's what you should stress when you're asking a buyer to pay more to do business with you.

A salesperson with a written description of his/her company's quality control procedures has a lot more to sell with than a salesperson with a portfolio of beautiful samples. The quality control procedures let that salesperson say, “This is how we guarantee that every job we ever print for you will look every bit as good as our hand-picked samples. This is why we're worth a higher price!”

The print job doesn't always go to the lowest bidder. Every successful printing salesperson knows that. What every printing salesperson doesn't know how to “de-commoditize” printing. If you've learned something about that today, I think you're on your way to greater selling success.