

## What if you Can't Blame Price?

Just recently, I was doing a presentation for a group of CEOs and key executives in the Northeast. During the period before I began my session, I was meeting a few of the attendees and, like I often do, got into a “confrontational coaching session.”

The attendee was a sales manager for a company that sells a commodity (home heating fuel-oil) to the residential homeowner. He and I were in a conversation which got into the importance of new sales due to the inevitable loss (attrition) of customers each year. He stated that his company brought in about four thousand new customers each year and HAD to because they LOST about four thousand customers each year! Whoa.....! Who can afford to lose four thousand customers a year?

“*WHY?*” I cried! What in the world could cause thousands of customers to leave every year? He stated that ALL of these customers left due to price. You see, they were the highest price in the market, justified, no doubt, by high levels of service.

Each of us has a justification as to why we lose a customer. In fact, many times, we own or work for a company that *chooses* to be a higher priced company with a higher priced product in the marketplace. In doing so they/we have made a choice to *bring MORE to the table* than our competitors—to add more value! We cannot simply MAKE more money, we must *do things to EARN* that additional margin and thus *EARN that raise!* Too many times, as I suspect with this company, the additional “service” offered is simply lip-service!

Back to my story: I stopped this young man from going any further and asked him to re-answer my question (“WHY do they leave?”) with a new rule imposed (my favorite rule): He could not that say PRICE is why they left! Although he fought to continue to go back to the PRICING issue, I simply would not let him. I gave into the fact that a certain percentage (cross-industry standards of 3 years ago said 17%) of customers buy or leave based primarily upon price. I figured that left more than 3000 customers—homeowners who, at least once, had said “I trust you and your company and I am willing to take a chance on you” had left for something *in addition to or other than PRICE!*

By then, several other attendees of the same session were settling in and starting to pay attention to our dialogue. Some of these attendees were also customers and past customers of this gentleman’s company. They also started challenging him on the “*WHY ELSE do they leave?*” line of questions. It started to get a little defensive, a little heated, and a LOT interesting! You see, he HAD to listen to some of these people. They were his current and past customers. They were telling him—yelling at him—that they did not choose to come to his company OR leave his company because of PRICE! They told him that they came because of SALES (and thus, due to the promises that were made by sales) and they left because of sales (and thus, due to the promises either made by another company’s sales rep or the promises NOT KEPT by the original company!) What an eye opener for ALL of us!

Let me get to the lesson here: We can look at many ways to improve the IMPACT of your sales approach out there. We can address all of the ATTITUDE, SKILL SETS, and ACTIVITIES of your salespeople. We can review prospecting, lead generation, lead pursuit, presentation, negotiation, objection management, closing and follow-up skills BUT, we need to look at HOW we deliver on what it is that we promise as well. We need to look at HOW we truly differentiate our product and service *in the minds of our customers*. A personal inventory is the hardest one to take. But it must be done! Do you and your people, through all of your processes and policies, truly stand out and WALK THE TALK of the sales and marketing promise. If not, don't blame price!

Where are the customer killers in your business? Remember that every time someone chooses to "do business" with you or your company, they receive an experience. Is it always as promised? Is it always as expected? Here are a few ways that your customers and mine try to "do business" with us:

- When they call BEFORE we are officially open....what does THAT sound like?
- When they call 10 minutes after we are officially closed...what does THAT sound like?
- When the phone is answered LIVE...what does THAT sound like?
- When they have a question...how easy is it to get an answer?
- When they have a return...how easy is it to process?
- When they have a problem or a complaint...how easy is it to get the right ears to listen?
- When they want to check on the status of an order...
- When they have a referral....
- When they want to re-order....
- When the driver delivers the order...
- When they want to ADD something to an existing order.....
- When they want to speak to their rep and the rep is not available....
- When they get put on hold.....

Listen to me: It is rarely ONLY a price issue. Often times, your service and deliverables are so much like the competitions (in the mind of the customer) that all the customers have to rely upon is what IS different...the competition's price! If you don't stand out in their minds, you have to stand out in their wallets.

So.....go back to the office today and ask your team (EVERYONE WHO TOUCHES THE CUSTOMER) the question. "When we lose, why do we lose?" And make sure that you impose the "you can't say price rule." Be brutally honest with yourself. By the way, if you're digging doesn't turn up some issues, ask the same question to one of your customers that left.