

Sell Value, Not Price!

By Tom Reilly, author of Value-Added Selling

Add value, not cost. Sell value, not price!

This has been our motto for the past 30 years. It prompted me to write my first book on Value-Added Selling in 1984.

Selling value is the number-one obstacle that salespeople face. It is challenging but not impossible. Big box superstores, category killers, and discounters of every stripe are attempting to re-define the concept of value by using the word value as a euphemism for cheap. A solution that fails to perform for a customer is lousy value, regardless of the price. To sell value, let's begin with an understanding of value—what it is not and what it is.

Value is not bloated, feature-rich products. Value is not layers of services that a company offers. Value is not a cheap price. Price is a product feature—like size, color, packaging options, etc. Why allow yourself to have a sale derailed over a product feature when the real issue is value? This reminds me of the famous Mark Twain quote, “Never argue with a fool, onlookers may not be able to tell the difference.” Salespeople that allow themselves to be sucked into a price debate think no differently from the person who raises the price issue.

Value is an outcome, the result of your solution. Value is return on investment, yield, or the impact of your solution on the customer's world. Price affects this outcome no more or less than any other product feature. Salespeople lose the value argument when they get lost in the weeds of price justification. Like price-shoppers, they lose sight of the real purpose of a solution—to create something of value for the customer.

The value of something is determined by what customers sacrifice measured against the outcome of the solution. Sacrifice includes price and ownership costs. Outcome includes what the solution does and how it affects the customer. If the outcome of the decision is greater than the sacrifice, it is great value. If the sacrifice is greater than the outcome, it is lousy value. Price is a piece of the sacrifice, not the whole of it. At the heart of buying decisions, customers want great value, not just cheap prices. Salespeople, who find themselves arguing over price versus selling their value, must heed the advice in Proverbs: “Answer not a fool according to his folly, lest you be like him yourself.”

Author byline: Tom Reilly is a professional speaker and author of twelve books. Tom is literally the guy who wrote the book on *Value-Added Selling* (McGraw-Hill, 2010), the book that started the value selling revolution. For more information on Tom's presentations, training, and products, visit his website www.TomReillyTraining.com or call his office, 636-537-3360.

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