

Focusing on Value, not Price

Selling a premium priced product to economic buyers





About the Customer

Our customer is one of the world's largest wholesaler of technology products and services assisting most Fortune 1000 customers. With sales over \$43 billion, it delivers a full spectrum of global technology and supply chain services to businesses around the world. They are a global organization with a workforce nearly 30,000 people strong and are a trusted name in their market with decades of dependable relationships with their clients.



The Challenge

Our client had a new software solution that had been on the market for more than a year. This new software was considered by the experts in the market to be superior to the competitors' products in every way imaginable. By using this software, their customers could: cut project management time by 50%; Increase employee job satisfaction; Increased staff productivity and job satisfaction; and Improve marketing efforts to target new customers. In fact, when our client brought the product to market they were sure that the steep price (nearly three times that of its competitor) was justified – in fact, some customers had even told them that the price was well worth it. In reality, after the product was launched, salespeople in our client's organization were struggling to overcome price objections presented by their customers. In fact, most of the salespeople had convinced themselves that the product was priced too high and efforts to position its value and not just the price, began to wane. This trend crept into all review discussions, and the Sales Leadership felt that despite a far superior product the sales team was not equipped to look beyond the tactical discussion of pricing.



The Solution

We ensured that salespeople could justify the price of their solutions by translating business process improvement to real economic value. We developed a value selling solution that focused on turning their marketing message value to measurable economic impact. Besides, the sales team learned how to identify other critical decision criteria their customers were using beyond price. Armed with this information, we taught the sales team how to influence that decision criterion that directly correlated to the economic value of their new software. The result was a renewed energy and success rate around this one product, and a diminished impact of price sensitive buyers on other product lines as well. Helping sales reps learn the other critical decision criteria beyond price was a necessary step in selling value. We have seen that too often sales reps only focus on the benefits articulated by Marketing, but lacks the ability to adequately quantify that value in ways that help their customer improve their business results. Our solution was designed to help the current sales team realize how value drives business decisions and not price alone.



Results and Return on Investment

The move to focusing on economic value instead of price helped our customer create a niche for their product, and they saw an immediate jump of 30% in their ASP (average selling price). This renewed positioning helped the product maintain its share in tight markets also and helped safeguard against cutting costs or jeopardizing future positioning in down markets.