

Sell Value or Pay the Price

Your customers will pay more money if they perceive a real value in what you offer them



STEVE FERRANTE
Contributing Editor
steve@saleawayllc.com

Tire and auto service businesses lose substantial dollars in revenues and profits each year because their sales and service people do not effectively sell the value of their product and service offerings. If you have employees regularly interfacing with customers in a sales capacity, it's a safe bet your business is not immune to this situation.

Ask yourself: Have you ever had a prospective customer request a discount, postpone an order, or worse, cancel purchasing from you? Well, then it's a good bet they don't understand the true value of our offerings.

Wait a minute, you say, no one wins them all. You're right, but those who effectively sell value win more often, and make customers feel better about their purchases in the process.

Any coach will tell you that a strong defense is the best solution against a good offense. That was certainly the case in this year's Super Bowl. The reality for most tire and auto service organizations is that their customers have a better system (defense) than they do of selling them on their value (offense).

In every industry, a business offers a product or service for sale. Airlines offer transportation, auto dealerships offer vehicles, restaurants offer food, hotels offer rooms.

So what separates one business

from another and makes a customer choose to do business with one company as opposed to that company's competitor?

In some instances, the deciding

This level of service is the quality of the overall experience delivered to the customer. Understanding how to consistently deliver an extraordinary customer experience separates



JetBlue Airways is a good example of a company that's figured out the value equation. The airline focuses on the customer experience making sure their customer wants to do business with them more than the competition.

factor may be price, that is, one company offers the same product at a lower price than another. Yet, in the majority of cases, the factor that will ultimately influence a customer to choose to do business with one company over another is the level of service that company provides.

world-class companies from the rest.

According to Harris Interactive, a market research firm, 86% of consumers will pay more for a better customer experience. That's a very compelling statistic, but for that to materialize in your business, customers must see, feel and experience the added value.

Perception Is Your Reality

In the case of selling anything, it is the customer's perceived value that matters, is essential and vital – not the sellers' perception.

**UNDERSTANDING HOW TO CONSISTENTLY DELIVER AN
EXTRAORDINARY CUSTOMER EXPERIENCE SEPARATES
WORLD-CLASS COMPANIES FROM THE REST.**

The value equation is clear-cut: If your business and the service you provide are perceived to be extraordinary, then the customer will be willing to pay a premium. If your business and service are perceived to be ordinary, the customer will want the lowest price.

The customer's perception of your employees and how your employees then execute business can add or decrease the value of your customer relationships and success.

JetBlue Airways, who was recently named Customer Service Champions by J.D. Power, has figured out the value equation. From the beginning they understood that, to the average consumer, airfare is airfare (much like a tire is a tire). Without a clear, positive differentiation between themselves and competitors, they would default to commoditizing their services with customers, focusing on getting the lowest price.

"We knew if people liked the experience of air travel more, if the whole experience of interacting with our company was better, then we could levitate above a commodity business," said David Neeleman, founder of JetBlue Airways.

To sell value, JetBlue focuses on the customer experience and makes sure customers simply like doing business with them better than the competition. When one flies with JetBlue, a few of these clear, positive differentiators include:

- 1) More leg space in coach-class.
- 2) Satellite TV monitors on the

rear of each chair for in-flight entertainment.

3) Friendly and emotionally intelligent staff.

The satellite TV monitor improves the customer experience by personalizing entertainment for each individual, as they can choose from a wider range of channels. A one-size-fits-all movie could not accomplish that. And of course, more leg space is better for passenger comfort.

Last, it's not that other airlines do

not have friendly employees, but JetBlue trains its employees to convey friendliness, whereas most other airline employees just go through the motions without any extra effort.

Consider this value scenario: Let's say it costs \$625 to travel on JetBlue from Boston to Dallas and the same \$625 to travel from Boston to Dallas on United Airlines. On JetBlue, you receive the aforementioned benefits of more leg space, a friendly staff and your choice of television enter-

→ TAKEAWAYS

• CUSTOMERS WILL PAY A

PREMIUM FOR PRODUCTS PER-

CEIVED TO BE EXTRAORDINARY

• AT BUSINESSES SEEN AS

ORDINARY, CUSTOMERS WANT

THE LOWEST PRICE

• FOR DEALERS, SELLING IS NOW

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tainment on the flight. On United, you receive less leg space, no television and an indifferent staff. Which one is worth more to you? This is a no-brainer, as one would naturally opt for JetBlue. They might even be willing to pay a bit more in price for the added values.

Selling Value

The big question on every prospective customer's mind is this: What's in it for me? They only want what they perceive and believe will help them. When we neglect to answer this, we move away from building value with potential customers.

This is particularly important to understand in tire and auto service transactions where potential customers are turned away by technical features and functions they don't understand or perceive to be unnecessary.

All too often, salespeople leave it up to the customer to determine what they want, but it's the salespeople who should be the experts, not the customer. This situation is especially apparent when the cus-

tomers requests replacement tires that may not be the best choice for their driving style or ride comfort preferences, but they did a lot of research online.

To effectively sell value, salespeople need to engage the customer in a proper discovery process first to uncover what is important to them and why.

It is only with this understanding that the salesperson can effectively communicate value and tailor a presentation to fit the needs of each individual customer. By incorporating this consultative diagnostic approach, the buyer-seller relationship is strengthened by properly positioning the sales person as a consultant.

In addition, salespeople need to know their value-area advantages. This means they need to know the areas that your product, service or business is better than competition offerings to compare for the customer. When these value-area advantages are not incorporated into the sales process, salespeople focus only on the discussion of price.

It's About Delivering More

This is one of the most important aspects of selling value: Always provide more, not the same (and certainly not less), than the competition.

You see this value proposition all the time in the marketing and advertising of products. You pay an additional 59 cents for that "value meal" at a fast food restaurant to upgrade a 12-ounce soda to a 36-ounce one and your fries are now super-sized.

Your business should be the same way. It's OK for customers to pay a bit more for your services; you just need to ensure they always receive more service, care or value for their extra money. ■

Steve Ferrante, CEO of Sale Away LLC, is the producer and host of the Pinnacle Performance sales and customer service training program for the tire/auto service industry. He can be reached at 866-721-6086 ext. 701 or steve@saleawayllc.com.

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