

# The Business Monthly

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## It's Not All About Price



By Carolyn West Price

How often have you wondered, "Why does everything boil down to price?"

It seems that, regardless of the state of the economy, people shop price and forget the important

process of comparing apples to

apples. If it's cheaper, they jump. Much to their dismay, however, sometimes they truly get what they pay for. Or, if they've been used to a certain level of service, but hop to a cheaper competitor, they are suddenly disappointed that the level of service they took for granted is not there, and they're wondering why.

So, how do you compete without going head-to-head with deep discounts and price wars?

There are still many ways to differentiate your product or service from that of your competitors, but the key is to get the chance to do so. The first place to begin is with shoring up the business you already have.

Entrench yourself with your current clients. Make sure they perceive the value in your relationship by emphasizing relationship, not transactions. Provide value-added services or information that doesn't cost you a lot, but is useful. If you are a technology-oriented company, such as an answering service or cell phone provider, why not provide "tips" via e-mail or post cards to help clients better utilize the services they are already buying from you?

Offer "client-only" specials, events, add-ons that make it a no-brainer to stick with such a good and appreciative vendor. Hand-written notes, personal calls, birthday or anniversary of service gifts are all ways to de-emphasize price. Also, long-term contracts are growing up in popularity. Yes, you're reducing your price in exchange for a commitment, but that's different from just being beat up on price with nothing in exchange.

Now think about the rest of your target markets. How do you best reach these folks? What vehicles are appropriate for you to reach them that don't tarnish your image? If you're a high-end service or strictly business-to-business, then coupon packs just won't do. But, if you are a consumer-oriented service, you may want to consider them if they don't reflect negatively on your image or aren't inappropriate for your demographic target. If coupon packs aren't appropriate, think of print or broadcast (cable, network TV, radio) advertising. Whatever you do, budget enough to ensure you can repeat your message.

Also, don't skimp on your image. Invest in having a professional graphic designer create the pieces that represent you. We can all recognize the do-it-yourselfers. Do you want to be labeled as a company too cheap to invest in its image? That doesn't mean you have to break the bank with quality design and copy that has a "call to action." Don't over do it, either, by making your materials look so good that people say, "Ah, that's where my fees are going...to those slick marketing pieces."

Another suggestion is to add public relations to your agenda. Too many companies overlook the incredible power of the

press and the long-run benefit of being perceived as a credible media resource. In addition, there's the community service side of PR that says to people that your company gives back to the community. People like doing business with those who are true players in the community. (Toot your own horn for doing so, too.) Press releases that are not self-serving, but announce something newsworthy, run for free in most papers.

Components of PR that you should definitely consider to reinforce your credibility, especially in times of price shopping, are seminars and workshops. Even if hundreds of people don't mob your event, you've had the opportunity to promote it (visibility), and to invite clients and referral sources. And, for those who do come, you're the expert providing information to them, making price much less of an issue. Plus, by attending an event and meeting a company honcho, a relationship is begun, and the attendees don't even realize it.

A final note (only because of space limitations, not for lack of ideas): Look again at your entire marketing plan and the messages that you deliver to the market — from the way your vehicles look to the attitude of the receptionist who answers the phone, to the hours of operation. After "auditing" the entire shopper experience, you'll see that price doesn't have to be an issue if you've demonstrated a difference from the very first encounter.

*Carolyn West Price is president of IMPACT Marketing & Public Relations, Inc., in Ellicott City. She is a member of the practitioner faculty at Johns Hopkins University and can be reached at (410-461-9398 or [www.MilkYourMarketing.com](http://www.MilkYourMarketing.com)*