

This Free E-Book is brought to you by [Natural-Aging.com](http://Natural-Aging.com).

**100% Effective Natural Hormone Treatment**  
**Menopause, Andropause And Other Hormone Imbalances**  
**Impair Healthy Healing In People Over The Age Of 30!**

**How to Outsell a Competitor Who Slashes Their Price to Win**

**By Dave Stein**

**How to Outsell a Competitor Who Slashes Their Price to Win by Dave Stein**

Back in March 2003, in my e-Zine, I featured an article entitled, Selling Against Goliath. In the article I offered some coaching to smaller companies who regularly compete against the big guys.

The article was very well received, in fact it was reprinted in many sales publications. However a number of my subscribers and clients have come back to me with a question: I'm the Goliath. How do I compete against the smaller, more agile David out there who drastically discounts to win business? Red Alert. First of all, once you learn that one of your competitors in a deal has "bought" business in the past at a price you could not (or would not) meet, your alert status should immediately shift to orange (if not red).

Remember, early in evaluation cycles prospects may say that price is a consideration, but not first on their list. Later on, once they have ignored or devalued any unique capabilities that your product or service can provide—to the point where they "can see no measurable difference between your offering and your competitor's,"—price gets elevated to the number one consideration. We've all seen it happen. By that point its generally too late to remedy the situation. You're trapped. So recognizing potential situations early on where a buyer will buy on price must become second nature.

Here are some recommendations that will point you in the right direction:

·Qualify. In any competitive sales situation you have to monitor the prospect's decision criteria like a pilot checks her instruments—ever-vigilantly. During the course of an evaluation decision criteria often change. In fact, aren't we often the ones who attempt to effect that change to gain competitive advantage?

Among the most critical of all decision criteria these days is price. What are the key evaluators', buyers', recommenders' and decision makers' requirements and expectations with regard to price today. If you are just getting engaged with a prospect and their number one decision criteria is price, you (or your management) will have to decide whether it's even worth competing. Clearly, knowledge of your competitor's historic actual selling price will be critical in this decision. So will an understanding of your prospect's recent buying patterns with regard to price.

Buyers focused on price de-emphasize or entirely ignore factors such as:

- Supplier product or service quality
- Supplier viability
- Supplier post-sales support capabilities

## How to Outsell a Competitor Who Slashes Their Price to Win

- Post sales costs (contributing to total cost of ownership)
- The knowledge and experience a vendor can bring forth
- Areas of additional value that you may be able to provide above and beyond what they have specified
- Quality of vendor personnel
- References

Address the issue head on and early. "Is your company going to make a decision based entirely or substantially on price?"

And please, make sure you are asking these questions of, and selling to, decision makers. All this matters very little to the people at lower levels in organizations.

·Educate yourself. Here are just some of the questions for which you need answers to outsell a competitor that dramatically discounts to win business:

- Is their discounting tactical or, in the case of some very successful companies, strategic—a key

component of a go to market strategy supported by their business plan? (It's hard to compete against Sam's Price Club on price...)

- When do they offer these drastic discounts and under what conditions? How do they dilute the value of what you are selling in the prospect's eyes?

·How well do they deliver post sales service?

·How often do they issue new products or upgrade their services?

·What is the satisfaction level of their customer base?

·What is their financial position? If they are publicly held, look at their P&L, Balance Sheet and Cash Flow Statement for the most recent quarter and going back in time. If they are privately held, get your CFO to create a pro forma set of financial statements that might "represent" what that competitor's financial position might look like.

·What do you know about their human assets? Look into staff and executive attrition rates, quantity and quality of SMEs (subject matter experts), levels of staffing, support hours, etc.—anything that will point toward discount-caused reduced margins impacting operating effectiveness.

·Look at their corporate culture. What do they value? Integrity? Quality? Are they doing the right things for building a long, profitable future or are they highly opportunistic, with little regard to what will happen tomorrow? Can they sustain?

·Uncover what the competition uses to deflect their prospects from exploring the areas listed above. In technology, you'll often find that the lowball competitor has the sexiest demo, for example.

One client did a terrific job of figuring out that their competitor's service and support resources were stretched very thin. A few subtle and well-planned comments to the prospect suggesting they look more deeply into certain "areas" pointed them in the right direction. As a result of a bit of probing, the prospect found that my client's competitor couldn't appropriately support them post-sale. "If they can't bring people to the party now when they are selling to us, it'll only get worse if we become their customer," the prospect told our rep. Bingo.

·Discover and quantify the value. Whether or not you suspect that a low-price competitor will be included in the bidding process, you'll need to quantify the value of your offering—in terms of financial return. When you are competing against a competitor who drastically discounts, it's especially important to get close to the prospect and really understand their requirements. Not only will that enable you to better position your solution, but, more importantly, you'll be able to uncover areas of potential additional value for the customer that can be derived from the differentiators that you are selling. If these differentiators are linked to financial impact for the prospect, they are not likely to

## How to Outsell a Competitor Who Slashes Their Price to Win

become expendable nice-to-haves, eliminated from consideration in what might turn out to be a commodity buy. Even if the prospect doesn't want to or can't invest in that added value now, you've expanded their vision past what your competitor has done and have set yourself up for add-on business later.

- Educate and Position. Winners who are really good at competitive selling subtly but definitively alter their prospect's perception that buying at the lowest price is the prudent thing to do. You can really only do this effectively when you are selling at the appropriate executive levels.

- Talk to the buyer about the challenging business conditions that face all of us, and the natural tendency to buy at the lowest price.

- Talk about companies in the prospect's as well as your own industry who have gone out of business as a result of tactical discounting, and the impact that had on those companies' customers. (You need to do some homework here.)

- Implore the prospect to ask questions of the other contenders that will expose weaknesses that result from tactical discounting. (See "Educate Yourself," above.)

- Educate the prospect on the differences between price, cost and business value and the impact on of those factors on their business. Understand the prospect's own business model, their culture and how they sell to their customers so you can link your approach to theirs. (If they sell a commodity

themselves, at the lowest price, you may have a serious challenge.)

- Immunize the prospect in advance against what will likely be a lowball bid by your competitor. Explain how, when, and why it will happen. Prepare the prospect for what you know will come... Don't just sit there and wait.

- Convincingly reduce what will likely be price differentials into meaningful, real terms. "Since there is typically a five-year life associated with my solution, and it will, admittedly require potentially a \$240k additional investment, I figure that comes to 4k per month, which, you have to agree is less than a rounding error (or full-time employee) in terms of the business value we've been talking about."

- Get creative. If you haven't tried risk-sharing, phased implementations/installations or other creative approaches that will enable you to win the business without discounting, you need to do some brainstorming with your team. Very often a cash strapped competitor who has been discounting to win business falls flat on their face when asked to match such creative selling.

Few of us can afford to sit back and wait for the competition to slash their price and walk away with the business. Understand your customer, your competitor, and your value. Then sell.

©2003 The Stein Advantage, Inc. All Rights Reserved.

For permission to republish this article call or email us. (845) 621-4100

Before founding The Stein Advantage, Inc., Dave Stein was employed in a diversity of executive sales and marketing roles. Dave consultants, coaches, speaks and trains on competitive sales strategies. He is author of *How Winners Sell: 21 Proven Strategies to Outsell Your Competition & Win the Big Sale*. Dave was an early adopter of technology and is a recognized expert on technology sales, marketing, and service. More info: [www.HowWinnersSell.com](http://www.HowWinnersSell.com).

## 12 Ways To Outsell Your Competition!

By Larry Dotson

## 12 Ways To Outsell Your Competition! by Larry Dotson

The keys to outselling your competition is to compare your product to theirs. When you find the differences between products, use your findings to improve your product. Below are 12 things you can compare and improve upon to outsell your competition.

1. Price– Can you offer a lower price? Can you offer a higher price and increase the perceived value of your product? Do you offer easier payment options than your competition?

2. Packaging– Can you package your product more attractively? Do the colors of your package relate to your product? Can you package your product into a smaller or larger package?

3. Delivery– Can you offering cheaper shipping? Do you have a high enough profit margin to offer free shipping? Can you ship your products faster?

4. Benefits– Can you offer more benefits than your competition? Are your benefits stronger? Do you have believable proof that supports your claims?

5. Quality– Is your product built and tested to last longer than your competition? Can you improve the overall quality of your product?

6. Performance– Can you make your product faster at solving your customers problem? Is your product easier to use than your competitions?

7. Features– Can you offer more product features than your competition? Do your features support the benefits you offer?

8. Availability– Is your product always available or do your have to backorder it? Can your product suppliers drop ship to your customers?

9. Extras– Do you provided free bonuses when your customers buy your product? Are your bonuses more

## How to Outsell a Competitor Who Slashes Their Price to Win

valuable than your competitions?

10. Service– Do you offer your customers free 24 hour customer service? Can you provide free product repair? Does your competition make their customers talk to a machine?

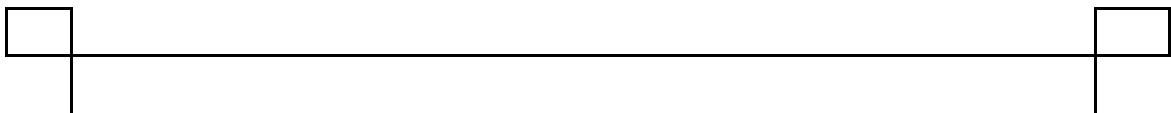
11. Proof– Can you provide more proof than your competition that your product is reliable? Can you provide stronger testimonials or endorsements?

12 Guarantees– Do you have a stronger guarantee than your competition? Do you offer warranties with your product? Do you provide an easier return policy?

Larry Dotson. Get 1239 FREE Internet Business eBooks when you visit: <http://www.ldpublishing.com>  
As a bonus, Bob Osgoodby publishes the free weekly "Your Business" Newsletter visit his web site to subscribe and place a FREE Ad! <http://adv-marketing.com/business>.



**This Free E–Book has been brought to you by [Natural–Aging.com](http://Natural-Aging.com).**



**100% Effective Natural Hormone Treatment**  
**Menopause, Andropause And Other Hormone Imbalances**  
**Impair Healthy Healing In People Over The Age Of 30!**