

with columnist Robert Ciccone



## Tune in to your TV (hint: not television)

*Use Tangible Value to ensure your product will outshine the competition*

**Y**ou are a business owner or sales manager. You keep hearing complaints from customers and your front-line sales team that your prices are too high. You're being asked to match cheaper competitor prices, though your product is demonstrably better. Your advertising is built around "bigger, better, best," but you haven't quantified the claims, and your customers are having trouble justifying your higher price.

It's time for a little "TV" – what I like to call *Tangible Value*.

I'm always talking about the value of a USP – Unique Selling Proposition – to differentiate your products from similar offerings. A USP summarizes why people should do business with you and not a competitor.

Creating a Tangible Value Proposition is another way of coming up with a USP for companies challenged by lower-priced competition or other claims to superiority. When customers have price on their minds, you need to address that issue directly. You need to show, in cash equivalents, why your higher-priced items actually save money over cheaper ones. It is ultimately a question of

initial price versus lifetime cost.

Here's where Tangible Value comes in. TV shifts the equation from lower price to higher value.

Consider the Volvo. It may cost considerably more than an equivalent-class domestic vehicle, but Volvo covers that by telling us that "80 percent of Volvos manufactured in the last 20 years are still on the road." The implication is that your Volvo will run longer and incur fewer costly repairs than its competition. That's a step towards Tangible Value.

But to take this one step further, Volvo could provide actual dollar proof that a Volvo will save you money over a Chevrolet Malibu, for example, through longer life, lower total interest charges, lower maintenance and repair costs, and higher resale value. They could calculate all these savings and translate them into dollar figures showing that the Volvo costs you thousands of dollars less, despite an initially higher price.

That's a Tangible Value – and when a prospect understands the math and is able to see in tangible terms the effect it will have on their wallet, they will be far less likely to go for the cheaper product.

I had talked a while back with a beauty-products company owner about this very topic. They had a pricing challenge with a particular line of hair-removal merchandise. These products were twice the price of their closest competitors, and they were being pressured by everyone – dealers, sales reps and even loyal customers – to lower their prices.

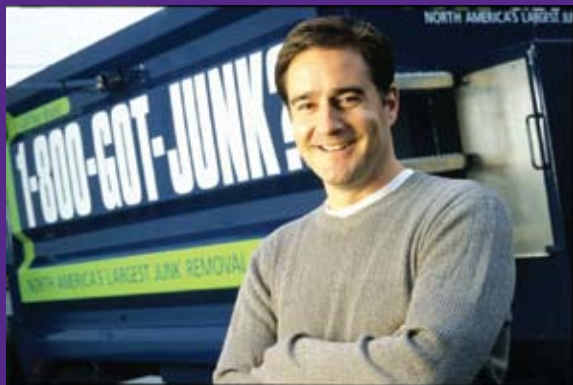
They had a great product, better for many reasons: safety, the superior ingredients that went into manufacturing it, and the final result it achieved. They did a great job at articulating this, both verbally and with their packaging. Their story was missing just one thing. It was missing their Tangible Value Proposition.

You see, besides the other wonderful things that made their product better, it was also superior because the same size package removed much more hair than the competition's product. Once removed, the hair took weeks longer to grow back. If you did the math, you found that their product actually cost less over the life of the package than the competing, lower-priced products. What they needed to do was calculate these savings, and integrate the cal-

culations into all their marketing efforts and messaging.

Maybe you're a manufacturer quantifying how your higher-priced widget will actually save your customer money by increasing their efficiencies and saving them time on service work. Or, a retailer quantifying how your product accomplishes the same as two orders of your competitors' lower-priced product. Or, a consultant quantifying in tangible dollars how much your clients will save on overheads and improved profits as a result of your high-priced consulting. Whatever your business, get out your calculator, do the math, and demonstrate in tangible dollar terms how your higher-priced product is actually the low-cost solution.

*Robert Ciccone is the president and founder of Success Unlimited Sales and Marketing Group ([www.susmg.com](http://www.susmg.com)). He is also the creator of the Marketing for Profit Program, a three-part results program that provides the marketing systems, tools and ongoing support to help participants effectively build, manage and operate a profitable business ([www.susmg.com/MarketingForProfit](http://www.susmg.com/MarketingForProfit)). Robert can be reached at 604-535-2111 or [rob@susmg.com](mailto:rob@susmg.com).*



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