

COLUMN: As The Saws Turn

TITLE: Selling Value against Price

This is certainly not the first time someone has written about the frustrations of trying to sell value against price. We deal with it all the time in this business. I suspect the same issue applies in most every selling situation.

There are some very astute and very successful sales trainers out there that would be more than happy to tell you what to do to sell value, and not get caught up in a price war. Some of them have written books on the topic. Some of them charge a lot of money for their advice. Some of them make a living on their advice. None of them were with me the other day when I really needed it...

We are challenged by a very good client who is trying desperately to maintain his 60-event per year program while the company continues to slash his budget. We have done many things to help him be smarter about booking freight and show services. We have flat-rated most of our internal services to help him budget his events. And we have been very proactive about advance scheduling and multi-show logistics planning.

And then we hit the wall.

A competitor has given him a low-ball proposal to try to get his business. They are offering lower labor rates, lower storage rates and pass-through freight and show services. We know these are not this company's "rack rates". We know we're being pushed up against the wall and forced into a price war.

Our client has said numerous times that we have done a fabulous job of handling his account. We have performed nearly flawlessly in the 12 months we've handled this account. The relationship our account team has with this client is

excellent. But now his management is pushing again to cut expense out of the program.

We have spoken with him on several occasions about the value of the expertise and commitment that he is getting from our account team and from several of our suppliers. He gets it. Unfortunately, his management doesn't.

For the sake of example, let's look at just one element of the total program: freight. Our client knows we are using a carrier that is well connected nationwide, that understands trade show freight – marshalling yards, convention center deliveries, target inbound and outbound times, and avoiding forced freight charges.

He knows that our team is in daily contact with this carrier, obtaining proof of deliveries, pickups and scheduling for the next several days and weeks. If there is a problem, he knows we'll handle it. There is a value to this level of service and we charge for it.

Our competitor is offering to pass through freight charges...to not charge for this added value. But we also know they will not be using a carrier with the same level of expertise, and will not be dedicating as much time and effort to tracking it. We've seen this before. It is high risk for such an active schedule as this one.

Here's the dilemma: We are not in the business to lose clients, but we are also not in the business to lose money. If we cannot convince this client – and his management - that our service has a value that is worth paying a little more for, we risk losing the client. If we attempt to match or beat my competitors' price – which goes completely against my better judgment – we may keep the client, and lose money every time we send him an invoice.

What would you do?

Send me an e-mail at the address below and I will publish your responses in a future column! And don't worry...I'm not going to write a book about it or charge for the advice...

See you on the show floor.

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