

BUSINESS MADE EASY[!]



Episode 75

The Importance Of Matching Value & Price

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Good day, good day and welcome to the Business Made Easy Podcast where we make business easy. Jason Skinner, your host here for another week of the podcast that is all about growing your business, growing your business bottom line and giving you a better life as a result. How are you doing out there? Thanks so much for joining me. If you're new to the show, welcome. I'm glad you found us. Don't forget to hit the subscribe button if you haven't done so already. That'll make sure you get each week's episode as we bring it out to you uh, every Friday. Uh, for those of you joining me again, welcome back. Thanks so much for uh, sticking by and I'm glad you're getting -- I hope you're getting value out of the, the content that we're bringing each week uh, and today's episode will be no different.

We've got a great episode today for you. But before we do, uh, I'd need to tell you about our Facebook group if -- our free Facebook group if you haven't joined already, you can do so over at uh, businessmadeeasypodcast.com/community.

That's businessmadeeasypodcast.com/community free Facebook group there where we're talking all things business sharing ideas, supporting each other on our entrepreneurial, journeys and yeah, just um, just uh, hanging out together and as I say help and support and um, and sharing the wins as well uh, anything that you're doing that's going well by all means and there's also a great community of uh, other resources over there as well. People doing amazing things and I'm always astounded and amazed at um, at what um, what businesses and activities people are actually getting up to because we live in probably one of the best times I think to ever be in business. We've got so much technology and so much going on in terms of uh, freedom of lifestyle and working from homes and you know, that the Internet is just in an absolute game

changer um, for business and, and the tools and, um, and I'm just, just constantly blown away by it you get what I mean. I won't go on about it but it is uh, it is an amazing time to be in business and um, I think if you're in a community type situation like the Facebook group, it does give you uh, ideas and it does give you um, yeah, I guess a head start in terms of knowing what's going on out there and what other people are doing and, and they can help you with it as well which is great. I'm in a number of Facebook groups. Um, I find Facebook groups probably um, as long as you're -- I tend to actually only go in the groups. So, I don't go so much on Facebook itself too much but I find the groups so helpful and um, yeah, just, just that sharing of knowledge out there is pretty amazing. So, I mean, and check it out businessmadeeasy podcast.com/community.

All right today's episode um, last week's episode was all about a story that it sort of happened to me in this week [chuckles] uh, was another lesson and story that I uh, came across during the week and I wanted to share it with you now. Again, I had to get my wife's permission for this one because she doesn't like me complaining about things but this was a really relevant story and I think she'll even agree with this one too because she was actually involved. [Chuckles] She was involved in the actual ins and all of the-, where the story took place but uh, it did highlight a very good lesson to me um, about price and pricing in your business. Um, so often, as business owners, and I'm guilty of this as well. We, we beat ourselves up a lot more about the price of whatever we're charging our customers um, more so than the customer does themselves. We worry about the price -- We worry about how the customer is going to take the price more than the customer is actually worrying about it if that makes sense and there's a number of factors that that happens and I want to go through and flesh out of you to that today to-to try and help you to be proud of what you're charging for your um, your service or products but also to give you some pointers as to why

often problems do arise in pricing and what we can do to it to avoid it and this lesson that I'm going to share with you today, is all about making sure you match your quality and value with the price that you're actually charging because far too many times we'll see um, prices on things or without the actual aligning value, if that makes sense.

So, uh, I'll share with you the story that just sort of highlight what I'm talking about and this happened that we're at the -- we're at the local shopping center here um, on the Gold Coast uh, last weekend. We were walking around and it was a beautiful hot summer's day. The Sun was shining. We were going to go into a movie uh, which was a very good movie by the way, Mary Queen of Scots but another story. Ah, check it out there. And um, we were walking there. We had some time to kill before the movie and we all come around the shopping center. Now, I'm not a big shopping center goer. I don't hang out in shopping centers too often. I am a bit of an introvert in that respect. Uh, so, I tend not to like you know, hanging out in the shopping centers but I was happy there I was -- well this one I'm having a bit of a date and we went for a walk around and we came across this pop-up um, uh, bar if you like, a champagne bar. It was a pop-up champagne bar and it was... it looked beautiful like it was a nice setting. Everything like that right in the middle of the shopping center and there were, there were um, you know, as a particularly nice brand of champagne with -- and they were advertising you know, come in and enjoy a nice cold glass of this. So, we, we had time to kill. So, we thought why not we'll go in and, and do that? So, in we go and we sit down and um, anyway, we waited. We are literally sitting at the table and we must have waited probably five minutes uh, until somebody came and actually served us. When they did they, they hadn't sort of cleaned the table when we sat down. They hadn't sort of cleaned the table from the prior people that had been there. So, the lady gave it a quick wipe over and then through a

couple of menus down on the, on the, on the table which is okay, which I mean it wasn't bad service but it wasn't great you know. It was, it was average if you want to call it that and um, you know, so we looked at the menu and the prices were on there in terms of okay you could have this a glass of this or glass of that glass for this um, or you could have lobs prawn tower lobster rolls and lobster tower rolls. There were all this beautiful food on there as well we weren't there for lunch but we thought we'll just have a glass, a nice glass of this champagne and we looked at the price uh, and then we both looked at each other and I went, "Holy well," it's like uh, that's a lot for a glass of champagne. I mean you probably could have bought a bottle of champagne for that, but we thought I'll look, we're on a bit of a date. We won't care too much about that. We'll just enjoy our time and, and uh, give it a go.

So, so anyway, the lady eventually actually no, no they didn't come over. My wife had to go over to Melissa to go over to the bar and say, "Hey, is this where we order?" And because we're sort of sitting there with our menus down for some time. And the lady said, "No, take a seat and I'll get someone to come over." So, over she comes . Anyway, we're sitting there. We're gonna, we're gonna do -- yeah, we'll do it. That's a bit of fun. So, we ordered the champagne and uh, and anyway, it was one of these new modern sort of champagnes that they do where they do them on ice. We've had them before um, but a lot of the, the champagne companies now are doing a type of champagne which is done over ice and it's great for summer. It's refreshing. It's the middle of the day you know, it's a nice refreshing drink. Anyway. So, out come our drinks and there were like two, two big uh, white goblets, sort of things and they were plastic and we're looking at each other and we're just going -- because we went to cheers each other and click the glasses together and they were sort of thud, thud of plastic. Oh, God. Oh, that's interesting. Um, you know, quite an expensive glass of champagne in a

um, in a plastic uh, glass and plastic cup and um, anyway, I looked... we looked in the, in the, in there because you couldn't see through the white. We looked in and there were four lonely little ice cubes and this was supposed to be a drink poured over ice, four lonely little ice cubes with you know, the, the cups were about quarter of the way full. And we looked at each other and said, "Wow! That's um, that's a real mismatch isn't it?" Like we've got a beautiful setting. Um, we've got uh, a lovely sunny day and as everything was right about that but average service and average product that didn't match the price that they were charging. So, immediately we felt we had been taken you know, ripped off as we say in Australia. But immediately we felt that there was no matching of the value with the price.

Now, here's the lesson with this is that the price for us wasn't the issue at the end of the day. The quality of the product wasn't there to match that price. We were happy to pay the price. The price wasn't an issue to us. We were there on a, on a date. We were there to have a good time. We were just wanting something nice and they could have delivered something nice and a totally different experience could have been a lot-- a clean table for a start, could have been a nice, friendly uh, waitress attentive and on the ball, hair done, nice uniform on to, to match the branding of the, of the um, of the business and nice glasses with crushed ice and and, and a little bit of care taken about the presentation of how that um, glass was, was prepared and then the delivery of it in the follow-up service. That's all that had to happen to make that that total experience different. Now, had that have happened, we would have been going away now saying, "Hey, have you checked out X?" We were -- we went and checked it out the other day, great to go and go and do. Um, we'd be telling people about that situation instead now we're telling people about what didn't happen and why I

wouldn't do it again and don't do it and the price now is the issue because the price doesn't match the product.

So, my lesson there it might what I'm trying to get across here is that we beat ourselves up about the price that we want to charge our customers for products and services, but that's... I really think that we need to focus more as business owners are making sure that our product 'wows' our customer and it does deliver you know, above and beyond expectations. And there's lots of little ways you can do this. Um, one little trick to do um, if you're in a service type business, this applies to you as well one, one thing you could do in the service type business is under-promise and over-deliver. So, if something is going to -- I'm sure I've talked about this before but if something's going to take a week to do, tell them it's going to take a week and a half or two weeks so that you can deliver in a week and wow the customer. That's a lot better than, than sort of add you know, just telling them it's gonna be a week and it's gonna be -- and it turns out to be a week and a half. It has such a huge um, huge impact on the perception of our customer, you know. We might be a great business. We might have great products and services. Our prices might be the best in the market, but at the end of the day, if the customer doesn't get that value match with your price then then it's all irrelevant because you can think it all you like but your customers not and they are the important ones at the end of the day.

So, you know, as humans um, it really is a psychological thing um, in business with, with, with dealing with all. I mean everything's to do with psychology really but as humans, um, it's our perception that is the, is the, is our reality but basically our perception becomes our reality. If we perceive something not to be of value, then, then that is the reality to us. Now that, that um, champagne that was delivered the other day, I know it's an expensive brand of champagne. I

know that. But my perception is that it's, it's, it's no, it was no different to any other champagne that you have because there was nothing else great about it that I would have you know I'm sure I could have got a cheaper champagne and had just as greater experience and paid a fraction of the price and that's the way I'm looking at it now whereas they had an opportunity to, to break, to change my perception to, to shift me to, to justifying that price with, with all the product with the product and the service. So, I hope that makes sense because it really is an important thing and you know, as um, as, as customers of a business and, and people will buy if the value is there. If that perceived value is there and is going to move that customer's world, it's going to change their world. It's gonna make them, take them from a place of pain to a place of pleasure. That's a psychological known in marketing and business that our product needs to take our customers current state and move them and shift them to a better state, to a better place um, to a 'wow.' That's what [inaudible 14:15] is about. Wowing your customer and really putting in that energy and effort to deliver that.

Now, you know, there are a lot of people who either say, "Oh, I can't make it for that price." You know, I can't deliver that for that price. So, I can't add that for that price. The price isn't the issue and, and if you've got to put a bit extra on the price then, then do that. You know, you should do that. I've spoken about this before in previous episodes you know, where you businesses that charge a fee for using your credit card like they penalize you for using your credit card. Now, you're, you're putting a negative on the in the transaction at that point in time. So, the perception of that customer then goes, goes down of your product and service and so, then the price becomes relevant more relevant. So, the more you erode the value, the more you erode that perception in the customers' mind, the more you are you are putting pressure on the price in the customers' mind. Think of it that way I guess. So, you want to take your mind off the price. Focus

on the value. The more you focus on the value for the customer, and the and the and the delivery of the product or service for the customer the better um, the less I guess effect the price is going to have on the customer and that's, that's a way to think of that formula. Focus on the price and it'll be less pressure on the on the, on the price -- sorry. Focus on the value and, and the product -- so, I was a mess-up, didn't I? I focus on the value in the product and the outcome to the, to the client or customer and changing their world, moving their state from pain to pleasure then, then they're not going to be focused on the price and you can charge accordingly for the value that you're providing.

But if you start eroding that, that's when you're going to have client actually starts to question other things and then the prices in the prices on the radar and uh, you've lost, lost at that point. So, I hope that um, makes sense to you because it really was a highlighted example for me um, you know, I know the brand of champagne and it is a good quality brand and but, but their whole product service delivery could have been changed with not too much effort, really not too much effort just to be to care from them, from their um, from their boss or supervisor and um, and training, totally different outcome and I'm sure they would do a lot better business as a result of that and that's what it's all about isn't it? At the end of the day. We're here to do better business and, and, and build our businesses and have better, better customers. One side effect... oh, it's not a side effect. As a sideline to the when you do focus on that value and matching the matching the value with the price, you actually get better relationships with your customers as well because you're helping people. You know you're delivering service and helping people. So, um, it really is it, really is a game changer when you when you change that mindset to that. So, don't think of price, think of value and price accordingly to the value. That's the way I would -- that's the way I would approach that and make sure that value, as I spoke

about last week in episode number 74, you can check that out of businessmadeeasy.com/podcast/episode74. I spoke about um, consistency in this customer service and delivering the customer service. So, these two episodes really do go hand-in-hand together. It's one thing to get the value right and get all that set up but then you need to be able to deliver that on a consistent measurable basis. So, um, yeah, that's a, that's a huge S in there because otherwise you know, um, I don't know if you had a situation before you've gone to say, a restaurant one time and, and everything's 'wow' the first time you're there and then you're all delighted and that's the thing then you go back the next time and you know, the little chocolate that they gave you at dessert last time didn't get delivered this time you know, and you go, "Oh, that's strange." And then the next time we go back and something else is different you know. That's the same sort of thing that I'm talking about here, it erodes, it erodes the value for the, for the customer. So, you need to always if you start something you've got to be consistently delivering it and put systems in place to make sure that you deliver it as well.

All right. I hope that lesson helps you. Um, it's not a lengthy podcast episode this time um, but, but it is an important message and a powerful message that I wanted to share with you um, and make sure that you understand in your business. And I want you to look at, just look at your, your products and services and, and how they're being delivered. Is there some what your packaging is your um, that the method that the service is delivered. Is it the time? Can we improve the time? What way can we improve the value proposition to the customer and you can do that without additional cost. It's just really a matter of training and systems and procedures in a lot of cases. So, all righty. I hope you find that valuable um, and yeah, and put that into place. If you've got any ideas around this, feel free to share them with me. Um, just, just email me at

Jason@businessmadeeasypodcast.com. Um, yeah, basically uh, yeah, check it just to send me an email with um, with what your thoughts are on this topic and whether or not you've been able to find areas in your, your business that I'd love a case study of someone who's actually successfully done this um, that we can share with the community as well. So, um, by all means I know I've seen it done um, in plenty of um, situations in clients that I coach and help, but yeah, I'd love to hear your thoughts and stories and what you've done as well around that topic. Uh, before I go also I just want to thank uh, Diana she -- Diana um, is one of our listeners who left a fantastic review uh, on iTunes in the American iTunes Store. Um, she's getting a lot out of the content and value out of the podcast episode. So, thanks so much, Diana. I really appreciate you um, sharing um, sharing your thoughts and leaving that, leaving that review, taking the time to, to leave that review.

If you are enjoying the show too and you'd like to leave a review, it does really help us out you can do that just by going over to the iTunes Store, look up the Business Made Easy Podcast and um, you know, iTunes and then you just click ratings and review and um, very-very easy to do, but very much appreciated if you enjoy, only if you're enjoying the show though. If you're not enjoying the show [chuckles] then, then that's okay. You don't have to do it. And I'm sorry that you're not enjoying it if you're not [chuckles]. So, I'll do my do my best to improve it make it better for you next time. All righty, that's all I have time for this week, guys. Don't forget to drop me a line at Jason@businessmadeeasypodcast.com. If you've got a business question, I'd love to help you. And until next week, I'm gonna hand you over to Mia and she's gonna take us out. All righty, here's to your success guys. Take us out, Mia.

Thank you for Tuning In

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Thank you again,
I appreciate you!

*Regards
Jason*