

## BEHIND THE COUNTER

### Influence with Ease

## How to Compete with Discounters

Instead of trying to compete with big box stores on price alone, why not try this three-pronged approach?



Jeff Mowatt

**A**s a tire retailer you're no doubt always dealing with pricing pressures. Someone down the street – perhaps one of those big box stores with a tire department – has the same or similar tire for a few bucks less, and you have to decide if you'll stick to your price or try to compete.

My advice is simple: "Don't be better – be different." In other words, don't even try to beat their prices. Instead, be different in these three areas...

### Target different customers

Don't waste your time or money trying to attract bottom feeders. These are customers whose only buying criteria is low price. You might attract them with a sale or discount, but they'll leave you to save a nickel. Let your competitors have them.

The good news is most people do not buy strictly on low price. If that were the case then everyone would live in the cheapest homes, drive the cheapest cars, wear the cheapest clothes, and only dine in fast food restaurants. People typically buy on low price when they perceive no extra value. That leads us to our next area to make your business different...

### Supply different offerings

By definition, big box stores appeal to the masses. They supply stuff that average customers buy. So don't go there. Instead, position your tire business a notch above. Yours is the boutique experience that pro-

### Provide different service

Remember your goal is to target customers who are smart – more interested in quality and value than just buying whatever's cheapest. Contrary to popular opinion, smart customers no longer value information. Before smart customers even contact your business, they've given their smart phones a shake or searched Google.



Still trying to compete with the big box stores?

It takes them less than a second for the search and the information is free. Free is worthless. That means that if your employees are merely providing information to potential customers, they aren't really creating any perceived value – at least not enough to warrant charging a premium.

The question, when it comes to service, is what are customers willing to pay a premium for? It isn't friendliness. Nothing wrong with being friendly, but employees at your discounting competitor can also be friendly. More to the point, your customers already have friends. And they're also free.

What customers do value when it comes

to a tire expert who has analyzed the plethora of options that are available. They want that same person to interpret which of these options might be best suited to their unique needs. And they want that expert to advise them on a few options.

This requires that your employees need to not only know your products and ser-

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vices, but they also need to know which questions to ask customers to clarify their unique needs. They also need to know how to position short-listed options in a way that help customers make smarter, faster, decisions. These are easy techniques I teach in my seminars.

When it comes to customer service, remember – this is business. Customers don't want a buddy. They don't want an informer. They want a trusted advisor. For this, customers will pay a premium. 🍷