

## TRANSCRIPT

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[Intro]

Hello! And welcome to Success Left a Clue, Episode Number 84. This is the podcast where I your host, Robert Raymond Riopel while traveling around the world notices and looks and finds the little insights in little things that are going on, turns them into lessons, turns them into clues and then through this podcast I get to deliver them to you, the listener. So we want to get into Episode Number 84, which is called *Value Versus Price*. And this is a lesson that I learned a while ago. But it was actually re-instilled in me over the last few weeks and it all of a sudden hit me that, you know what, it is a great lesson that I wanted to deliver. So let's dive into this episode, *Value Versus Price*.

And so, what I'm talking about on this is the difference, between this is a big way that rich and successful people seem completely different than poor and unsuccessful people. On podcast 83, the one I just completed recording, whether you've listened to it or not. Being rich versus getting rich. I mentioned this and that's kind of why I'm recording it now. And it's really interesting.

C See rich and successful people, they focus on value. They are willing to pay for the value of something. They do their due diligence or if it's something that they just really want. They don't always go for the cheapest thing. They find the value and they're willing to actually pay for value. Whereas most unsuccessful or most poor people, what they will do is they're main focus will be price, price, price, how can I get the cheapest, how can I get the best deal, how can I make sure that this is what I'm gonna, I paid the least amount I totally can.

And so, they're always focused on price. And there's no bad or good or right or wrong about this because yeah there's times to really get in and get a good deal. And there's times when getting a good deal just makes you feel awesome and that's great. But I want to go deeper into this lesson and why I brought it up. See I'm going to talk about the way I originally learned this, which was years ago. Years ago back in around 1998 when my wife and I were Domino's Pizza franchisees. And in my store, one of our stores was located in Calgary, Alberta. In our store, we we're guaranteed a one-mile delivery area, a one-mile radius around our store.

And in our store in Calgary as an example, in that delivery area, we had 41 competitors. All competing for the same pizza dollars. And so, when we became franchisees and being in a city where there was more than one store, we would have the meetings every couple weeks with all the franchisees. We'd have our city meeting to determine prices, determine advertising, all the stuff that we're going to do. And because we all had so much competition, it was always about what is next special we can do, what kind of pricing can we do to really keep sales up.

You see because if we're running a special, our sales would do awesome. And the moment we weren't doing a special or a sale, all of a sudden one of our competitors or more than one, they would. And so, they would be doing well and we'd flow right down. And so, it was an ongoing battle all the time, ongoing. And I remember a couple of years in, all of a sudden, one of the franchisees basically said, "Look. I'm done. I'm tired with this. I'm tired competing on price. And he laid out in front of us, a statistics. Here's what's been happening. When we do it, here's where our sales go. When we're off of a sale, here's what happens.

He said, so all we're doing is fighting for the people that just want the cheapest pizza. And he had then reminded us that the most expensive part of any kind of business is actually getting a client the first time. So he said, look at how much money we're spending always trying to get brand new customers. Just because we're competing on price, price, price, price. Here's what I propose. He wanted us to turn around and actually raise our prices and not do specials. But actually just blow our customers away with value, the quality of not only the pizza but the quality of the service as well. And I'll tell you what?

We were like resistant. We're like no way. We can't afford for sales to go down, we're making very small margins right now. And he said exactly. Because we're competing on price, our margins are so small. He said temporarily, yes, our sales may go down a little bit. He says, but what we should see is that if we are absolutely delivering value, value, value, we were going to earn customers that will come to us and are willing to pay the price for our pizzas because we are the best. Those are the kind of customers we want. Because then we don't have to keep remarketing. He says what we'll do now is we can send them postcards to thank them for being regular customers as they get to certain levels, which will strengthen them ordering more from us, which will be a lot cheaper than just doing a huge mail of fliers trying to get everyday people who just want the cheapest pizza to come to us.

We made the decision. We did the switch. And sure enough our sales went down. But our profits went up. And all of a sudden, our sales are coming back up and our profits went up. And that was the first time I got that wow. Focus on delivering the value instead of focusing on just price. And then it came back around and I started out with what I teach, what I do around the world. Let's turn it into another part of the lesson. And that's another lesson that I kind of ingrained into people around the world but especially in countries like Vietnam or in countries like India where they love their negotiation, they love to just haggle and get that price down as cheap as possible.

And I posed a question to a couple of audiences like this. I said, how many of you are business owners part time or full time, and they all raised their hands, a number of them. And I said and how many of you love your business to go up and they're all raising their hands. I said well let me teach you a lesson and I brought up this rich people focus on value, poor people focus on price. And I give them that whole example that I just gave you. But then I took it to a deeper level.

I said I'm not just talking about you in your business doing this. But you see ladies and gentlemen. You, as a consumer, you can't be one way in the business and think you're another way as a consumer or vice versa. Be one way as a consumer and think you're another way in the business. See there's a universal principle that says how you do anything is how you do everything. So meaning if you are the consumer, that all you're looking for is the best deal. You want cheap price. You want to haggle. You want to get a deal that no one else gets. You're actually creating the reality where you're attracting to you the clients that want the same thing. You're actually attracting them to you. You're making your life harder as a business owner. Because even if you've got great value and you're standing behind your product, you're attracting the customers that want the deal you're not willing to give someone else.

You want the customers that want just a cheap price. And that means you're going to battle, and battle, and battle just to keep getting customers coming in and ordering from you. So my recommendation is if you want to have a strong business or customers value you, then you focus on looking for the value as a client yourself and be willing to pay the price. Pay the price for the value you're getting. Don't step back and say no, as a consumer, I want cheap but as a business owner, I want to be able to have the best clients and then paying huge prices. It doesn't work that way ladies and gentleman. I hope this makes sense. I hope you get it. I hope you understand. Let it sink in. Listen to this episode a couple times if you need to.

So again, *Value Versus Price*. This is Robert Raymond Riopel for Episode Number 84 of Success Left a Clue. Check us out on our website [successleftaclue.com](http://successleftaclue.com). Make sure you get a hold of my book. Read it. Enjoy it. And always live with passion. Talk to you on the next podcast.

[Outro]