

## Quality, Confidence & Pricing

I used to be concerned with the pricing of my goods and services relative to the market and specifically to my geographically close competitors.

When I say used to, I mean for years. I was always afraid of out distancing me from them in terms of price.

Then something dawned on me that changed my thinking forever. I looked at how I shop for goods and services and related it to how many of my customers probably shop. Everything is relative and you get what you pay for. Sometimes cutting corners will do and other times it won't.

I remember hearing the old adage, when it comes to service you do have choices. You can pick prompt, you can pick quality and you can pick inexpensive, but you can only have two of three.

Hobart has always positioned themselves as offering high quality, prompt service. We have never been the low price leader, but for me personally, I didn't want to be priced so high as to lose business.

However, I took a long hard look at myself and my competitors and decided that, for the money, we offered our customers a real value based proposition. We are good at what we do. We show up quickly in comparison to our lesser staffed competitors.

So if we are better than the rest, we should feel comfortable in charging a price in line with what we provide and more importantly, our margins should be enough to make the investment in quality people and products that we provide and to be able to continue doing so.

I say an add the other day for a well known restaurant that was offering \$4.00 off their Chicken Romano, which is normally priced at over \$20.00 for the meal. I quickly thought, gee that sounds high and then I remembered having that exact meal at the restaurant, paying full price and thinking how good it was and that it

was well worth what I paid for the quality, taste, experience and service I had received at that establishment.

It's like that in any business. If you're good at what you do, if you offer quality and value; you really can charge a premium price, as long as you deliver.

As far as your competitors go, you are doing them a favor by not playing the price game but instead playing the value game. They are going to raise their prices as close to you as they can, thinking they are going to steal some market share from you, but if they can't deliver value, it doesn't matter. Everyone wins, except for the price shoppers who get what they pay for and go for the cheapest they can get.

Be quality conscious and deliver and you will win every time.