

Take the High Road

By considering quality before price, you show that you have the best interests of the customer, your company and the industry in mind.

BY HAL SLATER

When you price the pools your company sells, are you guided by a sense that your prospects will instinctively choose the lowest bid?

Or do you focus on the pool you would build them, keeping price a secondary consideration and thereby end up the high bid?

If your company generally falls into the low-bidder camp, perhaps it's time to consider switching sides.

With sales booming this season and consumer confidence at a 30-year high, there's never been a better time to stand apart from the other bidders by coming out on top.

As the high bidder, you direct the customers' attention to their real long-term goals and interests. You also build a pool that benefits everyone: its owners, your company and the industry.

THE BEST PHILOSOPHY

Professional high-ticket selling requires the builder to understand and develop the needs of the buyer, and to create an environment where quality has a higher priority than price.

Perhaps you see this as easier said than done. Every builder has customers who pressure them to lower their prices — though competition to offer the lowest bid can put pressure on a job as well.

If you see your low-bid pricing strategy as fair, you may wonder why you should change it. Would the \$500 to \$1,000 difference have any effect?

Actually, yes. Most sensible customers would rather have your assurance that you have accounted for everything necessary to deliver a top-quality job than to hear about whatever "discount" you might be able to offer.

High-Ticket Selling: First in a four-part series on selling high-end pools.

Lew Akins, in his *Pool & Spa News* column on building high end pools, recently pitched this concept by offering what he calls the "50/50 Rule."

Basically, it states that if you design a pool to stand out from the pack of bidders on a given job — and talk up beauty and satisfaction rather than price — you have a 50-percent chance of getting the job simply by virtue of being the lone stand-out.

I agree. In fact, I would add that, even from the beginning, customers don't know which pool they will buy: the obvious, low-bid option; or the lucky find — a builder offering a creative alternative. Builders with a consistent high-bid approach can count on winning as many bids as they lose.

Or look at it this way: Which of those two pools would you rather build — the one made attractive by its low price, or the one chosen for its looks and usability?

A DOZEN REASONS

Consider these reasons to be the high bidder:



1. More profits.

A great-looking pool should have a respectable margin of profit. After all, it will take more time and attention.

High margins and profits shouldn't be your motive for building high-end pools, however. They are your reward.



2. A unique selling opportunity.

Because they lack your unique design, the other bidders, and their prices, can't touch you.

Naturally, the issue of confidentiality arises with an original design. Some customers may shop your design around, wanting to see what other builders would envision, and charge, for their yard.

Bide your time. Just remember what Walt Disney said: "I can invent things faster than people can steal them from me."



3. A more pleasant sale.

As the high bidder, you'll address an entirely different sales issue than price.

With your design, the question facing prospects changes from "Who can build us the cheapest pool?" to "Do we want to spend a little more money for something really nice?" That's an easier, and more enjoyable, question to address.



4. The fun of building it.

Builders find creative and exotic pools more fun to design, sell and build. They excite the customer — and become an integral part of the household.

Look for the cloud of sand

Frequently, pool prospects will open the sales interview with a statement to the effect that "We aren't doing anything right away" or "Don't try to sell us anything fancy — we want your lowest price!"

This has the effect of intimidating the seller into underemphasizing urgency or overemphasizing price in their handling of the lead. This could be a mistake. The first question that must be asked is, "Why is this person saying this? If money (price) is all that important, why are they buying a pool?"

As a self-confessed "aqua-nut" — both in regard to pools and natural aquatic settings such as the sea — I scuba dive. In tropical waters, I've noticed that the behavior of the razorfish (*Hemipteronotus paroninus*) resembles the behavior of those buyers.

The razorfish, when threatened, pushes its nose into the sand and uses its tail to stir up the sand and create a protective "cloud" in which to hide. Like the buyer who doesn't want to be shown an eye-popping design or a compelling reason to buy today, this fish reveals its presence by its efforts to conceal itself.

When a person starts telling you that they aren't going to make a decision today despite the fact that it has become an appropriate time to act, it may be the cloud of sand that reveals the presence of a ready buyer.

Don't be dissuaded from moving forward with the sales process, keeping your eyes and ears attuned to any nuance of behavior that may reveal the basis for their warning. Are they telling you about a pending condition that must be resolved first? Or are they telling you that they're ready to buy and, "Please, be gentle."

— H.S.

Why? Original pool designs can affect how residents, their children and even their grandkids use their home and yard. A great design turns an ordinary house into the central homestead of a family that soaks and plays together.



5. Referrals coming your way.

A showpiece pool sells even more great-looking pools through referrals. If you hope to build brand equity into your company and its products, you must be willing to distinguish yourself in some way other than price, so why not beauty?

Doubtless you can think of a builder who does not shy away from price and who seeks out the kinds of projects

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that people will buy despite the expense. If your market lacks such a player, why not seize the opportunity?



5. Fewer problems later on.

As a builder, producing quality must always be your top priority. It makes sense that a pool or spa built only of the finest materials suffers fewer equipment failures, structural defects and the like.

By contrast, a tight budget on a pool project means every available dollar will be directed to steel, plumbing, concrete and the like. If anything goes wrong, no cash remains to accommodate the problem without cutting into the business and harming the customer.

Such a job's builder must base each action and decision on the squeeze between doing the job well and saving a few dollars. Under this scenario, no one can breathe easy until they complete the

job and find that nothing has gone wrong.

Who wants to go into a project where the best possible outcome is "nothing bad happened"? Besides being uninspiring, the low-price strategy hurts the consumer, too.



7. Fewer surprises for the buyer.

Working with a realistic budget allows you to avoid customer disappointment and anger caused by construction costs that exceed the original estimate. It leaves you with the leeway to cover unexpected factors such as increased material costs and site difficulties.

Experience at all levels of contracting

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Should you offer them a choice?

One option that may seem attractive would be to give the prospect a choice between a basic, low-cost design and a higher-cost design incorporating more features.

In actual use, this doesn't work because, to motivate the prospect to act, you must be a convincing advocate for one of the plans. If you really believe in the greater value of the high-end pool design, why would you be willing to help them compromise? Where are your principles?

Without adopting all of the flagrant mannerisms of the artistic diva, take on a bit of the attitude. You are the professional and you want to build what's right for the location. By being wishy-washy on the issue, you're not likely to inspire them to act.

Offering two designs becomes a built-in stall in the sale, which will open the door for competitors. This is where salesmanship begins. Persuade them!

Even if you wanted to be the low bidder, you'd have to make a convincing argument that there's no point in adding all of the extras. If you're going to have to sell, why not make the results worthwhile?

— H.S.

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— from backyard barbecues to stadiums and convention centers — shows that the ability to plan properly offers a better value than does a low final price.

One last reason to seek a realistic budget: Soon-to-be pool owners tend to mentally “spend” all of their available pool budget, figuring in everything associated with the pool from new swimwear and water toys to landscaping. Thus, even the customers who understand from the beginning that the low cost depends upon no surprises will be upset by “unanticipated” cost increases — which always occur.



3. Bragging rights.

Sellers and buyers who overrate price as a factor tend to lack experience.

Most buyers, once they become experienced in dealing with contractors, put low price much further down on their rating scale. They realize that, once the price has been agreed upon, the value of a low price vanishes and quality remains the only issue.



4. No price smoke screen.

Because price is so often considered a “respectable objection,” it’s frequently used to mask real questions or concerns. For this reason, high-ticket selling requires a builder to have a mastery of reading people to reveal and understand these concerns — not to mention the ability to build enough emotion to stimulate action.

Put price negotiation second, or don’t do it at all, because it’s usually counterproductive. Emphasis on price indicates a failure by both the buyer and the seller to clarify real needs, dreams, desires and objectives.



5. More in it for the industry.

Redirecting everyone’s attention toward quality and design

quells the unhealthy obsession with price.

If all sellers refused to lower their standards in order to lower their prices, the subsequent boost in consumer confidence would benefit everyone in the industry.

An emphasis on price, on the other hand, leads to long-term industry decline because it competes with the core buyer motivations of fun, aesthetics and investment value.



6. A chance to do the job right.

Because the nature of the work does not lend itself to absolute cost control, unexpected problems mean that either the customer must pay extra, a corner must be cut or the seller must take a loss.

Whenever any of these occur, it hurts the industry overall. In addition, it creates a state of fear in the seller on the issue of price. By keeping good margins, you can do the job right.



7. No dependence on volume.

Low margins require a high business volume, which anyone in the luxury segment of the economy would find difficult to maintain. This leads to business turnover, eroding consumer confidence in the industry.

History shows that from Rolls Royces to Rolexes, a sustainable product in the luxury segment must demand high margins and earn them through consistent support of image and quality.

FINAL THOUGHTS

For the seller of high-ticket products, I highly recommend taking these two final thoughts to heart:

- The issue is really quite basic and can be eloquently expressed to both the builder and the client with the same simple question: “If you can’t afford to do it right, where will you get the money to do it over?”

- It is important for the seller to be comfortable with the price before

Now that you’re ready to be the high bidder, what will you design? Fulfill your customers’ high-end pool dreams with this formula:

Ask your prospects, “What would you be doing in the pool if it were here right now?” Take the information that this question evokes and combine it with:

- The physical constraints and opportunities presented by the yard and house.
- The prospects’ idea of what constitutes “pretty,” as determined by watching them look through your portfolio.

The pool can then almost design itself.

attempting to persuade the buyer to make the commitment. Remember: If the price bothers the salesperson even the slightest bit, it will absolutely mortify the customer. ■

In the next installment of this series, we’ll explore the art of differentiation,

Let function drive form

If the prospects mention “laps,” for example, you know the pool will have to have some length to it. If they mention “games,” you’ll want a large, shallow area. “Diving” requires a deep end, and so on.

Develop your own principles and standards that show your knowledge and expertise. For best results in sales and customer satisfaction, design to your crews’ strengths as much as possible. For example, if they’re good at rock work, emphasize this in your designs.

— H.S.

that is, how to set yourself apart from other sellers of upscale pools.

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