



When a Pencil Is More Than a Pencil by Martyn Lewis

When we conduct sales workshops, we often put writing pads and pencils on the tables for all of our participants. We buy these pencils in one of the big office stores for around 70 cents each. You know the type - they often come in packs of three, complete with several lead refills that can be replaced and an eraser on the blunt end. I know you can replenish the leads because I buy the refills and use these in both the 70-cent pencils and in my Montblanc pencil. Which gets me thinking.

My wife gave me my Montblanc as a gift a few years ago and it is undoubtedly a lovely writing implement. However I was thinking that I use exactly the same lead refill in both the 70-cent pencil and the Montblanc. So aside from the obvious \$116.30 price spread, what's the difference? I could get 140 of those pencils for the price of the Montblanc.

Let's do a quick feature-to-feature comparison - the type of thing that our prospects do to us all the time.



Feature	70-cent	Montblanc	Advantage
Writing ability	Same lead	Same lead	Draw
Ease of use	Eraser always available	Eraser under cover	70-cent
Color choice	Many colors	3 Colors	70-cent
Availability	Every office store	Selected stores	70-cent
Usability	Take it anywhere, give them away, no concern if you lose it.	Fear of it being lost or stolen, hate to lend it to anyone.	70-cent
Replacement cost	70-cents	\$117.00	70-cent
Storage ability	Has pocket clip	Has pocket clip	Draw

As a result of this objective feature-to-feature to comparison, there is no doubt that we can declare the 70-cent pencil the winner. But wait a minute; why is the Montblanc 150 times the cost and how can that possibly be justified? And furthermore, why do you see so many people using a Montblanc?

Let's apply this analogy to our day-to-day work. Have you ever been in a selling situation where you have been selling the equivalent of the Montblanc and had your prospect arrive at this same objective decision that we've outlined above and cannot believe how much your product or service costs?

And conversely, have you ever been selling the equivalent of the 70-cent pencil and been totally mystified at how your prospect totally disregarded your cost-effective and compelling proposal only to purchase a much more costly offering?

I have, and both ways.



So what is going on here? Well let's just add one more line to our analysis.

Feature	70-cent	Montblanc	Advantage
Prestige	Zero	Lots	It depends

There is a distinct prestige factor associated with owning a Montblanc. I am sure that the Montblanc people themselves will persuasively argue that their pencil not only represents a finely crafted tool - which translates into a certain pride of ownership – but they may even try to make the case that it will be easier to use, is better balanced, has that certain “feel”, all of which will result in a better writing experience. Could be, I suppose, but in the end it really depends on what the buyer wants. Unlike price, where we can definitively say that the 70-cent pencil has the advantage, it totally depends on what the buyer is looking for: what they *value*.

When my wife visited the store to buy that gift, I trust that no matter how persuasive a sales person she may have encountered, I would not – hopefully – have ended up with a three-pack of 70-cent pencils for Christmas. She was looking for a gift that would have special attributes that she knew I would appreciate and value.

The same applies the other way around. I doubt that you will find Montblanc pencils in front of you any day soon at one of our seminars. When shopping for these, I am looking to buy a large number of pencils that work reliably and are inexpensive.

Different expectations, different requirements, and different values.

Although these two items are very definitely pencils, they represent two vastly different value propositions. And remember, the key here is that the value is relevant only when it is of value to the buyer.

To be successful in our selling efforts,
we must understand what *each* individual prospect values,
and then sell our offering to match *that* specific value.

From Martyn Lewis' upcoming book "Sales Wise - an anthology of selling stories, follies, and fables", each with a *relevant* and *timely* sales message. To be published later in 2003. If you wish to be notified of publication date please email us at saleswise@market-partners.com