

## Customers Have More Information than Ever

Written by Steve Marr  
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The free market is a large auction where buyers compete with other buyers and sellers compete with other sellers. Few have such a unique product or service that only they can produce. Even in those instances, we need to be careful that a high price doesn't push buyers elsewhere.

For example, I'm doing a research project and wanted to buy several books. One book was \$75 new, but I found a used copy in "acceptable condition." I really didn't care whether the book was dog-eared or marked up; \$12 was better than \$75. Another book listed for \$25, but I was able to purchase a used one for \$5. Without the information Amazon provided, I wouldn't have been able to make those decisions.

When you click on a product listed in Amazon, you see different sellers and you're able to compare pricing and options. You can also review product reviews and seller reviews. A seller who fails to deliver as promised will receive negative reviews and few or no future customers. We didn't have this information twenty years ago.

Another example is the information we have on car sales. In the past, when we shopped for a used car; we reviewed sales magazines. They provided basic information on asking prices from different sellers. This gave you a reasonable range to help you negotiate a price for the car you wanted to purchase.

Walking into a car dealership then, placed the customer at a significant disadvantage. The car salesman had substantially more information on price and the automobile than the walk-in customer. Even the best negotiator may leave some money on the table unless they have the same pricing information as the salesman.

Today we have services like Carmax, which gives you a fixed price with no haggling. The company operates on thinner margins but builds a large volume. In most situations a buyer may be able to negotiate better because customers understand the price structure better today as compared to the past. Today retail sellers like Kelly, Edmonds, and others have websites telling customers what they should pay for a car. The old sales battles where the sales person sits

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down with the prospective customer and haggles for hours are mostly gone.

Last year I purchased a van for a business and my entire negotiation took about 15 minutes. I researched what I should pay for the van, had the vehicle checked out by my local mechanic who identified what needed to be fixed, and told the salesperson what my price was. All I needed from him was a yes or no. When the sales representative started to negotiate further, I simply repeated that he could either accept my offer or not. If the answer was no, I would just keep looking. The salesperson took the offer.

In business today, we must assume that customers have more information about product and service than ever before. Click on carpet cleaners and you'll see multiple price options; and, in most instances, the pricing is similar. Each carpet cleaner understands that if they push the price higher, the phones will not ring.

Ezekiel wrote, "Let not the buyer rejoice nor the seller grieve." (Ezekiel 7:12b, NIV) As more information is available to both sellers and buyers, there will fewer times when the sellers negotiate higher prices and less disappointment among buyers who fear they could have done better.

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