

# People Rarely Value What They Do Not Pay For

It is a sad but true fact that people rarely value what they do not pay for. Yes, we all love getting something for free and gifts are often very special to us but when it comes right down to it, the things we tend to value the most are the things we purchase ourselves with our hard-earned cash. When you have to work for it and then you have to give up your own money for it, it tends to mean more to you. Wasn't that how most of our parents used allowance to teach us the value of a dollar? Those same principles hold true in the business world.

When it comes to running a business, no matter what type of business you have, this is a very important thing for you to learn and understand. You can take this fact and apply it to your business strategies and tactics to help you determine what works and what doesn't. So often businesses try to reel people in with free promotions but that isn't always the best tactic to take. If you give away your product for free, what is there left to motivate people to purchase it? If you are giving it away, people think it must be inferior in some way. If you have a low priced item, it may be labeled as "cheap" in the minds of prospects. Additionally, many businesses under-price their products and services thinking it will help them make more sales when it is actually much more productive to set a reasonable price that truly shows the value of your product.

People tend to value those things which cost a lot but which they see as a necessity in some way. For example, automobiles are typically an expensive purchase but this is something that most families and individuals really need. There are many things in life that people will pay more for when they feel like they need it rather for personal or business use. Your job as a marketer is to make them see why they need your product. You need to market to their emotions and show them why this is a product or service that is important to them and then you can mark your price higher and people will understand why it is more expensive.

This doesn't mean that you charge more for an item that isn't worth it; buyers have to feel like they are getting value in what they pay for. There are also other methods of gaining attention for your product or service. Depending on what your business does and what your target market is, you can also come up with creative ways to use free items as promotional tools without sacrificing your product. Remember that while people rarely value what they do not pay for, they are still widely attracted to the promise of something for nothing. You can use this to your advantage.

Remember though that you need to learn how to price things for what they are worth. Don't undervalue yourself trying to get the lowest price in the marketplace. You may give something away for free to entice a lead, but have higher and higher priced items on the back end. Don't over price or under price - give more VALUE to the customer than what they are paying for (for instance, customer service, bonuses, additional information). You need to focus on determining a value for what you are selling, marketing that value so that people "get" the value and want it and

perceive a need for it and are willing to pay a bit more than they are comfortable with to get their needs met. It all boils down to emotion and eliciting that emotion in your customers.

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