

Compete on Perception, Not Price

By Reilly Newman

One of the biggest downward spirals businesses fall into begins when they compete on price. You know the feeling. That gravity you feel when you hear a competitor's price or see the sale they are currently running. You jump ahead to the conclusion that they will sell more than you because their price is lower.

This initial assumption is met with anxiety and the fear-driven decision to lower your price in order to compete. Alas, this assumption is not alone! It's quietly accompanied by the belief that the buyer who goes for the lowest price is your buyer as well.

Follow that pressure far enough and you can end up with expectations you cannot afford to meet, margins too thin to sustain the work, and less room to provide the value that made the business worth choosing in the first place.

A low-cost strategy can be a sound business choice when the offer, operations, and economics are built for it. Reactively matching someone else's price is a different decision. Their business may be designed to win a comparison yours should never have entered.

Overall, I believe founders deserve better.

Change the Comparison

When we challenge ourselves not to follow the downward pressure of price wars, we give the business room to stand out. Just because a competitor charges much less for their offering doesn't mean you have to.

Yes, markets have familiar price ranges. When a new player enters, they look around and see what everyone else is charging. You may be guilty of this yourself. The assumption is that all providers are offering the same amount of value.

Sometimes the offers really are comparable. But treating them as interchangeable before looking at the expertise, care, risk, and experience behind them can put a ceiling on your potential.

The remedy is to *compete on perception, not price*. Give buyers a reason to see a meaningful difference before the number becomes the whole conversation.

Three Perceptions to Reframe

The first is your perception of *your business*. Your business is not for everyone, and just because someone can buy does not make them your buyer. Be clear about who benefits most from your work and what you can deliver that matters to them.

Next is your perception of *pricing*. Price is more than a number that covers cost. It also signals value and sets expectations. A higher price can suggest expertise or a better experience, but it can also create skepticism when the evidence is missing. Raising the number does not create the value. The rest of the business has to support what the price asks people to believe.

Lastly, change your perception of *your audience*. Similar to performing on stage, would you want a room full of people who only paid because you had the cheapest tickets? Or a room full of people who see the value in your performance and are there to experience it?

There is nothing wrong with having a budget. The question is whether the audience wants the performance you are offering. Fit gives both sides a better reason to be there.

Give Perception Something to Stand On

Once you have reframed these perceptions, you can address the one you bring to the market. Buyers compare your offering, price, experience, presentation, people, and proof against the other options they have. Your job is to make the difference both visible and credible.

Consider a specialist engineering firm whose proposal looks like any other provider's: a list of services and a fee. If its real advantage is experience with difficult approvals, the proposal needs to show that experience: relevant projects, the people involved, and how their method addresses the buyer's risk. A polished cover alone gives the buyer little reason to reconsider the comparison.

That is the **perception gap**: value exists in the business, but the buyer cannot yet see enough of it. Motif's **Enrich program** addresses that gap through positioning, messaging, and identity, with the scope shaped around what buyers need to understand.

You cannot decide what the audience will believe. You can give them clearer signals, substantiate those signals with evidence, and listen to whether the distinction matters to them.

Competing on perception means giving people more to compare than the price. The number still matters. Now it has something to stand on.

Reilly Newman

Founder of Motif Brands. Reilly works with founders and leadership teams to align how their companies are understood with the value they create.

Continue the thinking

[Pricing Power](#)

[Make your real value visible](#)

[Explore Enrich](#)