

Client Perceptions: The Value of Knowing Non-substantive Needs

By [LawVision](#) on August 21, 2014

In a [recent post](#) on how to deal with fee objections, I posited that the key to navigating pricing pushback lies in understanding true client needs and matching the professional service to those specific needs, rather than just trying to adjust the price. Selling value is not just a matter of adroit pitching; it is about understanding what prospects need and, more important, what they *perceive* as valuable to them. Perception is everything when it comes to placing a value on a service. Valuation rooted in how much time it takes to do the work, how easy it is to perform a task or standard comparisons to market rates may obfuscate an important element of determining value: the prospect's perception of what the result is worth. Uncovering that perception is a fundamental part of needs assessment.

Two examples from the media illustrate this point.

The first comes from a post by [Dan Ariely](#), the famous behavioral economist and best-selling author.

Ariely came across an ad on the website of the magazine the *Economist*. The ad offered three subscription options. The first was for an internet-only subscription for \$59, the second was for a print-only subscription for \$125 and the third option was a combination package, print and internet for \$125. Upon reading the options, Ariely's first thought was ...why would anyone get just the print version when he could have both print and internet access for the same price? When Ariely made the same offer to a test group, the majority of participants chose the package deal.

Ariely's view is that humans rarely value products and services in absolute terms. Instead, we focus on the relative value of one thing over another and estimate value accordingly. "Most people," claims Ariely, "don't know what they want unless they see it in context ... *we don't know what kind of speaker system we like – until we hear a set of speakers that sounds better than the previous one. We don't even know what we want to do with our lives – until we find a relative or a friend who is doing just what we think we should be doing. Everything is relative, and that's the point. Like an airplane pilot landing in the dark, we want runway lights on either side of us, guiding us to the place where we can touch down our wheels.*"

"Context" here is not necessarily about your fees compared to the fees of your competition; it can be about the relative value of your prospect not proceeding with a deal or a piece of litigation, or about the cost to your prospect of constantly wondering if he or she is getting good advice from a lower-cost provider. Or it can be about the cost of having to report to superiors that the company lost money because the prospect hired a less experienced lawyer or a firm that could not staff deep enough to get a favorable result.

Another example of perceived value comes from [a sketch by famous magicians and professional skeptics Penn & Teller](#). An experiment was staged in which diners in a trendy upscale restaurant were presented with a "water steward" who offered a printed menu, much like a wine list, of a variety of apparently high-end imported bottled water brands costing as much as \$7 per bottle.

After the diners comment on the differences in taste and texture, give praise, and pick a favorite, it is revealed that each bottle was filled from the same garden hose out behind the restaurant. Restaurant patrons were willing to pay as much as \$7 a bottle for "L'eau du Robinet" (French for "tap water").

Penn & Teller's experiment highlights the fundamental principle that our perception affects where we place value. This is not a suggestion to deploy trickery and deception on par with selling tap water at overinflated rates. The point is to be aware of how your clients perceive value. What may seem like a simple project to you — something you've done hundreds of times — may be life-changing for your prospect. Having peace of mind knowing that the deal is going to be done right may be a perception that leads to the client placing a higher value on the project than you might expect.

Success lies in probing for something we call *unstated, non-substantive needs*, those needs that are above and beyond the deal the client has asked you to put together or the contract she wants drafted. Further examples include accessibility, open communication, clear explanations in lay terms, getting billings done a certain way, additional business connections by using your firm and access to lawyers who can handle other potential needs.

Uncover those unstated, non-substantive needs and you'll be on your way to creating value for your services that is, in the eyes of your prospects, commensurate with your fee.