

Reduced Fees Often Equals Reduced Expectations

By: Stephen Fairley

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Two weeks ago I [posted some thoughts](#) on how discounting your price can be a path to slow-payment, hassle, repeated requests for reductions in fees and ultimately non-payment. Today I want to expand on those thoughts.

One of the maxims that still holds true today is “You get what you pay for.” In many areas of life, it is true. The cheap toys and tools available in the discount bins at the dollar store often do not have the service life span that higher-quality, and more expensive products enjoy. **That perception is deeply embedded in American consumer culture, so use it to your advantage.**

We have all seen the studies of cars where the price and quality are not always directly linked. Some brands have a reputation for higher quality that is undeserved or based on older thinking, yet they continue to charge prices that seem to be too high for the value received. We have also seen the studies where high quality items were discounted, and the consumer viewed them as inferior to the higher-priced items.

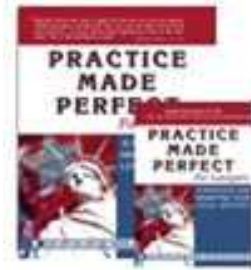
Legal services are much the same way. If you discount your rates, prospective clients are more likely to think your service is of a lesser quality than that of attorneys who do not discount. **Regardless of the quality of the service, the perception will rule the day.**

A recent study highlights this thought process. Baba Shiv, a Stanford neurologist, supplied a group of people with Sobe Adrenaline Rush, an energy drink that was supposed to make them more alert and responsive. Some participants paid full price for the drink, others were offered the drink at a discounted price. The researcher found that those who received the discounted drink consistently solved 30% fewer puzzles than those who paid full price for the drink. The study was repeated, and the results were essentially the same.

The researchers concluded that consumers have a version of the placebo effect. **Because we expect the less-expensive goods to be inferior, they become less-effective, even if they are identical to the more expensive products.** Once this thought process settles in, it begins to affect our behavior as consumers of goods and services.

This is a cautionary tale for professionals thinking about discounting their fees. Once the perception takes root that your services are cheaper, the thought that they are inferior is very likely to follow. Do this at your own risk.

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Stephen Fairley is a nationally recognized law firm marketing expert and has helped more than 6,000 attorneys from hundreds of law firms across the country to discover the secrets of generating more referrals and filling their practice.

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