

## The Myth About Price

In today's competitive business environment, it often seems that the most important aspect of someone's buying decision is price. People constantly ask for lower prices, compare our prices with the competition, and badger us to give them a better deal. Regardless of what you sell, you probably face price objections on a regular basis.

I will never dispute that price is a factor in every sale. However, it is seldom the primary factor. If price was the only reason people bought goods and services, high-end boutiques and companies that sell premium products would not exist.

That means you need to learn how to resist the temptation to offer too much of a discount, too quickly. Here are a few ideas that can help.

Do your research. If you could call on companies then conduct some preliminary research BEFORE you call them. Find out as much about that company as possible. Thoroughly browse their website, ask for a copy of their annual report, and talk to other people in the company if possible. Figure out what problems they are facing and determine exactly how your product or service can help them solve those problems. The more information you have about your prospective customer, the more relevant you can make your sales presentation to their specific situation.

Adapt your presentation. Most sales people try to tell their prospect everything about their product or service during a sales conversation. Instead of taking this shotgun approach, adapt your presentation so that it addresses the specific issues your prospect or customer faces. Remember to focus on the benefits of your product/service, not the features. Too many sales people ramble on about the features of their products and services. But people don't buy features they buy a solution to their problem. Position yourself as an expert and demonstrate to people how your product or service will help them solve their particular problem.

Establish the value of your product/service before you discuss price. The sooner price is brought up in the sales interaction, the more of a focal point it will become and the more difficult it will be to demonstrate your value. When price is presented too early in the conversation, everything that is said afterwards comes across as trying to justify that price. I encounter this regularly in my business because one of the first questions most companies ask me is, "How much do you charge for a presentation?" I have learned to redirect this question until I have fully assessed their situation and presented a relevant solution. If someone insists on an immediate price – and it does happen from time to time – I never get the sale. You need to

increase the value of your product or service in your customer's mind before you actually discuss the dollars associated with it. This does not mean telling your customer everything about your product though. It means taking the time to thoroughly assess their situation and position your offering in a manner that shows them how they will benefit.

Show tangible results. This is particularly important when you deal with C-level decision makers. High level executives seldom care about the details – instead they want a macro view of the solution. I fell into this trap when I was contracted to deliver a train-the-trainer session for a client. The VP dropped by the meeting room and after a few pleasantries I began telling him the details of what his trainers were going to learn. But he wasn't interested in this. All he wanted to know was whether or not we had prepared a detailed outline so his internal trainers could deliver the program consistently across the country. It would have been more effective for me to have said, "Mr. VP, when this workshop is completed your trainers will be able to teach your sales team exactly how to improve their sales. When you combine it with the follow-up program, it means that you will see an increase in your sales." Whenever possible, translate the benefits of your product/service into actual dollars. This approach is extremely effective in reducing price resistance. For example, if a company will save thousands of dollars in operating costs after implementing your solution then a purchase price of several hundred dollars seems worthwhile.

It amazes me how often sales people will automatically drop their price at the first sign of price resistance. However, most consumers, and certainly all corporate buyers, have learned that pushing back will save them money. What's even more interesting is that many sales people offer a discount BEFORE they are even asked. Not only does this affect your profitability, it also teaches your customer that you have price flexibility and conditions them to ask for further price concessions, now and in the future.

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