

Dealing with the Dreaded Price Objection

In the fifteen years I have been working with sales teams I have consistently found that price objections are still one of the most commonly requested programs. In today's commodity-driven world it is easy to fall prey to discounting your product or service in an effort to capture the sale. However, there is a better way to deal with the dreaded price objection.

First, make sure that you invest sufficient time at the front end of the sales process learning about your prospects' current situation, problems, concerns, goals and objectives. Although this sounds basic and fundamental, my experience has taught me that too many sales people skate through this process so they can 'pitch' their product or service. Unfortunately, this is one of the reason they encounter price objections.

Demonstrate the value of your product, service or solution. I know, I know, you've heard this before. However, I still want to challenge you on this. Chances are you spend the first five to fifteen minutes of your sales presentation telling people why they should buy from you or giving them background on your company. This approach is one of the LEAST effective ways to demonstrate your value. If you truly want to accomplish this then you need to tailor EVERY sales presentation so that it addresses the key issues your prospect is facing. Here are two simple steps that will help you modify your approach your presentation.

Step 1: Start every sales presentation or proposal with summary. This summary must highlight their issues, concerns and situation. Focus your attention on demonstrating that you clearly understand their problem, the impact of that problem on their business, the implications of not addressing the problem, and the value to your prospect and his/her company when the problem is solved. This does not mean talking about your product! You are not actually presenting your solution yet. You are simply showing your prospect that you have listened to them and that you understand their situation.

Step 2: Now it's time to present your solution! Start by showing how your product, service or solution will address the issues that you mentioned in your summary. Start at the beginning and make sure that you clearly demonstrate how the prospect is going to benefit from buying your product or implementing your solution. Please note: you don't accomplish this by simply spouting off features and benefits.

I know from experience that many people reading this are still thinking, "I do everything you already

mentioned; how do I actually deal with price objections?" Here are four strategies that might help.

Strategy 1: If someone says your price is too high, ask, "Compare to what?" This will give you their perspective and help you understand why they think your price is too high. You can then respond accordingly.

Strategy 2: Remain silent. Don't say anything for at least five seconds. In many cases, your prospect will make a statement or concession or even withdraw their request. It sounds too easy, doesn't it? Here's the challenge. It's a difficult concept to apply because most people find it difficult to deal with silence. However, if you can condition yourself to become comfortable with these short periods of silence, I will suggest that your results will improve.

Strategy 3: Another strategy is to remove an element of your product or service and then drop your price. Position it like this, "Mr. Big, I can lower my price to (insert figure here) or by this much. Unfortunately, that means I can't include (whatever you plan to eliminate)."

Strategy 4: If these strategies fail to work, you always have the option of walking away from the deal. I have dealt with prospects in the past who were unwilling to compromise and who wanted me to give them such a significant discount that it didn't make sense to move forward. I firmly believe that you need to position yourself mentally so you can walk away from any sale. The best way to achieve this is to ensure that you have enough prospects in your pipeline.

Many price concerns can be addressed when you take the time to follow the sales process. However, take a short cut and I can almost guarantee that you will face price resistance from your customers and prospects.

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Kelley Robertson, author of *The Secrets of Power Selling* helps sales professionals close more sales at higher profits. Kelley conducts workshops and speaks regularly at sales meetings and conferences.



Contact him at 905-633-7750 or Kelley@Fearless-Selling.ca.