

Sidestep price concerns

Six techniques that'll help get customers to look past the price tag to what they value most.

John has been a distributor salesperson for several years. After prospecting a particular company for what seems like ages, he finally gets his foot in the door. But he's apprehensive because he's meeting with the purchasing agent—and he knows he'll get hammered on price.

Before the meeting starts, the agent shakes John's hand, saying, "Tell me what you can do for me—and how much it will cost me." Already, John's being squeezed on price. But John only wants to make the purchasing agent recognize the value of his business solution. The agent, on the other hand, wants to dance around it, saying, "Value's important, but how will you save me money?" In order to land this sale, John has to hear what the agent is really saying.

The following six techniques can help build rapport with midlevel decision makers and prevent them from getting hung up on price.

1. Understand their biggest values.

For any purchasing agent, this issue runs deeper than price or value: People want to feel like they matter. Many do this by exerting what power they have on vendors, and keeping an iron grip on that low price is the most obvious to prove worth. A purchasing agent's biggest values are recognition from boss and colleagues and justification. With a soaring self-esteem, this money-conscious front-line manager thinks, "I've saved my company money! I'm valuable! My job's safe!" He's justified his existence, confirming to everyone he's a keeper.

2. Understand their fears. Most people are satisfied with something average. With fears ranging from leaving their comfort zone to spending more money than the boss wants to getting fired, they're more likely to passively avoid what they don't like than to actively pursue what they want.

3. Understand what they are up

against. Most people want to do a good job and make a decent living, but they also want to clock out at a humane hour and have time for a life outside the office. Meanwhile, they're competing for resources, clamoring for attention, and mired in daily obligations. Consequently, they unwittingly overlook the bigger picture. Show that front-line manager a solution that'll bring the big picture back into focus for him or her. Pitching how his or her company can increase profitability is more meaningful when it directly impacts his or her year-end bonus.

4. Understand their need to feel appreciated. When companies keep a narrow focus on increasing profitability, people can slip below the radar. Many of the workers that salespeople deal with feel overworked and underrespected. All they ask is that they are made to look good. They are looking for a successful salesperson to provide them with solutions that take paperwork off their desks and keep their bosses happy with them.

5. Focus on the lowest total cost. Avoid getting cornered on price by talking about the lowest total cost. Instead of just the up-front, out-of-pocket cost for the company, show how lowest total cost results from on-time delivery, faster time to market, support, quality, peace of mind, ease of use, and reduced downtime, overhead, and labor.

6. Utilize questions to uncover what customers value. Understand what makes customers tick and see what's really driving them. When the words "lowest price" are uttered, don't scamper like a squirrel—instead, ask good questions that go beyond the price issue. This is the way to find out what they really want and why they want it, as opposed to what they're claiming to want.

Here are some questions to add to the arsenal of sales techniques:

- "Share with me the criteria you use when you're selecting a..."

- "When it comes to price, quality, service, delivery, performance, customer support, and ease of use, which matters most to you? Which matters least?"

- "So that I'll best understand your needs, can you walk me through a situation in which your standards for performance were not met?"

- "Assume you're looking at three potential vendors who meet all of your criteria, including price. How would you make your final decision?"

- "What is the most important thing for your customers?"

- "Think back to when you first chose your current product. What were your selection criteria? Based on what you know now, how would those criteria change?"

- "Think ahead to three years from now. What do you anticipate will be most important at that time—the initial price of the product, or the peace of mind you'll have, knowing that you're getting the necessary support long after a purchase was made?"

- "The changes we've discussed would result in an increase in profits. What would you do with that increase in available funding?"

- "You told me that your company has allocated this amount for this product. How was that amount determined?"

Show customers solutions that will help them to solve these problems. Require that they define value based on their specific needs, and it will be much easier to justify a solution as a smarter investment over lower-priced alternatives. Once a prospect's needs are known—inside and out—it's possible for the distributor to present services and solutions as a great value at any price. ■■■

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