

# Every Price Is Too High ...

## ... until the prospect is emotionally involved

By D. Forbes Ley

If you were asked how price ranks in the customer's mind when considering a sale, what would you say? First? Second? Try again.

Many surveys have shown that both private business as well as government rank price only as the sixth-most important consideration.

In today's competitive world, a price objection is the quickest way for a prospect to get rid of a salesperson. Yet top sales professionals in most every industry are seldom the ones with the lowest price. Why?

### *Value vs. price*

Often, price is more of a problem in the salesperson's mind than the prospects. Top sales professionals have learned that most customers start out price-conscious. And value is the emotional combination of price, quality and service. Your role is to influence customers as to why they are better off with the benefits and the values your company offers.

### *Strategies you can use*

Here are strategies used by top salespeople to lessen the influence of price on a sales decision.

- 1. What's in it for me?** The prospect is always asking, "What's in it for me?" The answer to this is not features, but rather benefits and reasons to buy. Rarely is any one- feature worth the price, but it is possible that one benefit is worth the price.
- 2. Cost-benefit ratio.** The prospect's buying decision will be based on perceived value in relation to price. Values or benefits are not in the product but in the prospect's mind. The salesperson has little control over price, but does have control over presenting the prospect with enough reasons to buy.

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### **Insights Into Price Objections**

- ❑ Rarely is price the only deciding consideration.
- ❑ A price objection can hide anything and everything.
- ❑ Every price is too high until they see the benefits.
- ❑ People often buy from people they like, regardless of price.
- ❑ When the product or service is complex or personalized, price is less important.
- ❑ Prospects will often test you to verify the best deal.
- ❑ When the price is high, the extra values must be sold.

- 3. Buying is an emotional process.** The emotional involvements run the gamut from prospects wanting the item so badly they will do almost anything to get it, to analytical purchasing agents wanting the recognition from their peers for low-cost, high-quality purchases. The strongest emotions often are based on past negative experiences involving service or quality. Ask questions to find out your prospects past dissatisfaction with service or quality and show how you will do better.
- 4. Justify your price.** The price can be higher than the competition as long as the prospect feels it is justified in terms of the values and the benefits offered. The best way to justify the price is with more benefits. In the end the price has to be sold, or justified, with the

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**“Selling price alone can make you vulnerable to losing the account.”**

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benefit of the product or service you offer. Rarely will price be the dominant factor.

5. **Pre-empting price.** If your price seems high, you can soften its effect by pre-empting it. That is, you bring up the subject as a benefit and justify it before the prospect complains about it. In that way you minimize potential objections.
6. **Don't lose your composure.** Because price is the sixth-most important factor in selecting a product, you shouldn't lose composure when the prospect starts pressuring. It may be a defense mechanism, a self-stroking to show knowledge about your product, bargaining, exercising buying restraint, or whatever. Or the prospect may be seeking help in justifying the purchase, that is, a buying signal meaning, "I like it, but help me find more reasons (or excuses) for buying it."
7. **Price alone makes you vulnerable.** Understand that salespeople who sell price alone are vulnerable to losing the account if someone comes along with a lower price or better service.

*"Competing with yesterday's marketing strategies and methods grows hazardous as world-class competitors vigorously challenge each other. Never before have the latest and best marketing and sales practices been more essential in conquering new markets and defending hard-won gains. We must master the challenge because, as Will Rogers reminded us, 'Even if you're on the right track you'll never get run over if you just sit there.'"*

*- From The Conference Board*

### ***The pay-off – a satisfied customer***

Comparison of price, value and quality in the business world is the name of the game. Yet even after a rigorous price comparison, price will rarely be the dominant factor. When you sell value- your best combination of quality, service and price- you will have a far happier customer than when you sell price alone.

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## **Six Ways To Get A High Price**

- ❑ Create benefits rather than compete with prices.
  - ❑ Protect a price register's ego with non-price extras or services.
  - ❑ Sell visions and ideas, not just products or services.
  - ❑ Create visual images of the prospect enjoying your product.
  - ❑ Reduce the price difference to the lowest unit possible.
  - ❑ Train yourself to sell value- not price. Value is the combination of price, quality and service.
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