

Price Objections: The Bane of Salespeople

by Tom Reilly

The five most dreaded words salespeople hear are: Your price is too high!

Just because the customer raises a price objection doesn't mean you have to lower your price. Just because someone doesn't want to pay your price doesn't mean that your price is out of line. Just because your competition does something stupid doesn't mean that you need to compound their stupidity with your own. Does the market determine your prices? To some extent. Does the competition determine your prices? Remotely. But who really controls your pricing? You do.

Every decision you make about pricing says something about how much you value what you sell. Do you have the courage of your convictions to say "No" when someone requests lower prices because they may not have the money, didn't expect to pay that much, one of your competitors does something stupid, or the buyer is more hung up on what they pay than what they get. Price is what they pay; value is what they get. The buyer's motivation when objecting to price often suggests your strategy for dealing with these objections.

Buyers who complain that they have a fixed amount of money to spend or who are on a tight budget are dealing with insufficient resources and expect suppliers to help them deal with this problem. One solution is to help the buyer find the money or a way to pay the higher price. If the buyer rejects numerous attempts on your part to help them find a way to resolve the price objection, the real problem is the buyer's attitude. The buyer is mentally hung up on price. It's not that they *can't* pay more for something; they don't *want* to pay more for something. Attitude-based objections are difficult to deal with because they are not reason-based, they are emotion-based. This buyer may feel that you are making too much money, that you are gouging them. The buyer may resent the fact that you are willing to stand on principle and walk away from their business. The buyer may have some arbitrary standard that they use to benchmark purchases and if you exceed this, the buyer rejects your offer. These buyers are hung up on what they pay, not what they get. It's an attitude-based objection that is driven by their perceptions.

Dealing with other's perceptions—correct or not—is difficult, at best. Perception is subjective reality. What the buyer sees is reality for them. The track record for reason defeating emotion is poor. Emotion obscures reason and blunts solid decision making. Your best hope is to fight emotion with emotion. Appeal emotionally to the buyer's desire to own the best or provide the best for those whom they are buying. An emotional plea may be your most effective strategy: "Mr. Buyer, I understand your concerns for money. I also know that a bigger concern for you is to provide the safest environment possible for your employees. Which poses a greater risk for you at this point, paying a little more than you anticipated or not getting what you need to provide the safe environment for your folks?"

If the price objection you're dealing with is ego driven, money is secondary. The buyer uses money as the excuse, but the real objective for this buyer in negotiating is to win. You must bleed, figuratively and significantly. If you don't bleed, they don't feed. Your best strategy is to ask yourself this question before responding to this price objection: *How can I help this buyer win without caving in on my prices?* Seek ways to help the buyer save face as you maintain your profitability. The buyer needs a win.

Just because the buyer wants a cheaper price doesn't mean you have to give it to them. Just because you're making money on a sale doesn't mean you have to give some of it away. Hold the line. At a minimum, work as hard to hold the line on pricing as the buyer does to whittle away at your margins.

*Tom Reilly is a professional speaker and author of twelve books. This article is based on his book, **Crush Price Objections**. His pioneering book, **Value-Added Selling**, has been rewritten and published by McGraw-Hill. This book has shaped professional selling globally. You may contact Tom at 636-537-3360 or visit his website: www.TomReillyTraining.com*