



HIGH PERFORMANCE SELLING

MODULE 20

Overcoming Price Resistance

INTRODUCTION

MODULE 20

Overcoming Price Resistance

Because people are bombarded with sales messages all day every day, everyone you speak to is afraid of being sold the wrong product, at the wrong price, for the wrong purpose and later not being able to get it serviced or supported.

Everyone has had unhappy buying experiences that have added to their natural skepticism and sales resistance.

Customers are determined not to pay more than they have to for whatever it is you are selling. Your ability to overcome natural price resistance is a major selling skill that you can develop as you move to the top of your field.

In this lesson, you learn how to deal with price professionally and effectively, selling more of your products and services at higher prices than you may have done in the past.

“Effort only fully

releases its reward

after a person

refuses to quit.”

~ *Napoleon Hill*

OVERCOMING PRICE RESISTANCE

1. Price is a major issue in modern selling, in all areas, with all products and services:
 - a. The issue of price arises early in every sales conversation;
 - b. Price is discussed throughout the sales conversation;
 - c. Your ability to deal effectively with price resistance will determine your success in sales.

2. Even though price is discussed continually, it is seldom the reason the customer buys or does not buy:
 - a. According to a study at Harvard, 94% of all purchases are made on a **non-price** basis;
 - b. Price is critical only on commodities or products that are completely undifferentiated from the others;
 - c. However, even commodities can differ in price based on how they are sold, serviced or paid for.

3. Customers ask price questions for several reasons:
 - a. Price enables the customer to put your product or service into a common language, that of the currency;
 - b. Price explains the relationships between different items for sale or purchase;

- c. Price is a key piece of information for decision-making in a commercial society.
- 4.** The most important point about price **is the reason** for price concern, which you must **uncover**. Here are some questions you can ask when the prospect says that, "It costs too much, etc:"
- a. *"Why do you say that?"*
 - b. *"Why do you feel that way?"*
 - c. *"How much too much is it?"*
 - d. *"Is price your only concern?"*
 - e. *"I know price is important to you. Could I come back to that in a moment?"*
 - f. *"That's the best part! If it's not exactly right for you, there is no charge!"*
 - g. Your main job must be to find out the reasons for the objections before attempting to answer them.
- 5.** There is a major difference between willingness to pay and ability to pay:
- a. The most important consideration is the suitability of your product or service for this particular customer;
 - b. Focus on the appropriateness and the reasons that your product or service exactly satisfies his or her needs;
 - c. The value of what you are selling must out-weigh the price in the customer's mind.

6. Your sales strategy must be aimed at differentiating your product or service from your competitors:
 - a. Focus on the customer completely, on exactly what it is he or she wants or needs;
 - b. Demonstrate and prove that your product or service is the ideal solution to his or her problem;
 - c. Increase value by emphasizing benefits rather than price.

7. Be **proud** of your prices, whatever they are:
 - a. When the customer objects to your price, resist the urge to defend your prices;
 - b. Customers are more concerned about getting a “fair price” than a “low price;”
 - c. Keep talking about value, about the benefits of him or her owning your product or services.

The very best salespeople are thoroughly knowledgeable about their products and services. They know exactly what they cost and why they are worth the price.

In follow-up interviews with customers, it has been found time and time again, that no matter how much the customer asked about or complained about price, price was seldom the final reason for buying anything.

Your job is to shift the focus to where it belongs: off the price and onto the value that the customer receives.

Now, here are some questions you can ask and answer:

1. Give three reasons why customers ask about price.
2. How does knowledge of the price of an item help the customer?
3. Give three questions that you can ask to uncover the reasons for price concerns.
4. What are the major differences between willingness to pay and ability to pay?
5. In what three ways can you differentiate your product or service from that of your competitors?
6. How can you demonstrate that your product is sold at a “fair price” rather than at a “low price?”
7. What are the key benefits of your product or service that justify the price you charge for it?

What one action are you going to take immediately as a result of what you have learned in this lesson?

Now, stop the lesson at this point and answer these questions:

1. Give three reasons why customers ask about price:

1) _____

2) _____

3) _____

2. How does knowledge of the price of an item help the customer?

1) _____

2) _____

3) _____

3. Give three questions that you can ask to uncover the reasons for price concerns:

1) _____

2) _____

3) _____

4. What are the major differences between willingness to pay and ability to pay?

1) _____

2) _____

3) _____

5. In what three ways can you differentiate your product or service from that of your competitors?

1) _____

2) _____

3) _____

6. How can you demonstrate that your product is sold at a “fair price” rather than at a “low price?”

1) _____

2) _____

3) _____

7. What are the key benefits of your product or service that justify the price you charge for it?

1) _____

2) _____

3) _____

What one action are you going to take immediately as a result of what you have learned in this lesson?
