[The Only Way to Handle Price Objections](http://www.thejfblogit.co.uk/2011/05/27/the-only-way-to-handle-price-objections/)

Sooner or later whenever any of us buys something we will want to know the price. Then, in our heads we go through an internal process of evaluating whether it’s worth it and if we decide that it is, we make our purchase. Very often what is perceived as a price objection is actually a request for more information, without knowing the price we are unable to decide. Interestingly, if people only made purchases on price alone 93% of organisations would be out of business. Price objections can be dealt with much more effectively by incorporating the following suggestions within your team’s sales approach.

My advice is always to postpone talking about prices until after you have demonstrated the value of your product or service. If people are informed of the price too early, they’ll make an instant judgment that can close their mind towards what you are telling them.

For example, if you were told that a grubby stone was 10,000 Euros, you’d be very closed about what the seller was going to say next. Alternatively, if you were shown an uncut diamond that was thirty carats with a photograph of how it would look cut, its value will be perceived as dramatically higher meaning that when the seller tells you that it’s 10,000 Euros, you’ll have already appreciated the fact that it’s a diamond. If a prospect asks the price too early in the sales process its good practice to say something along the lines of: “Before we can discuss prices we both need to be absolutely sure that we are right for you. So, if it’s all right with you, we’ll come back and discuss the price in detail when we both know what you need.”

As with any objection, it’s important to understand the basis of their objection. For example, if a prospect says, “It’s too expensive” an experienced sales person will drill-down to find out why they are making this statement. Precision questions can achieve this such as:

- How do you know?  
- Compared to what?  
- Compared with whom?

If a sales person asks “why?” this will only encourage the prospect to reiterate all the reasons why they believe you are expensive, which installs this belief at a deeper level making it harder to overcome.

When customers perceive the value of a proposition outweighs the risks then generally speaking they will go ahead and make the purchase.  Customers will often pay more for added value, which is usually related to one of the “Three Rs”: Reputation/Reliability/Relationship.

Good sales people are able to paint a graphic picture of what is at stake, quantify the value, and help the prospect understand how it will make them feel.  It’s important that your team really believe in the value of what they are offering, so that they are better equipped to convince their prospects. If your team are unsure about the value their product or service can provide, they will project this unconsciously onto their prospects. If your team are completely convinced that their product or service offers superb value for money then their entire communication, from their voice tone, their eye contact and their gestures will convey ‘VALUE’.

It is also a good idea to break down the price into small chunks, such as cost per use or per week. “And you can enjoy all those benefits for just £2.97 a week.” The smaller the number the more attractive it will to the prospect. and it helps put a manageable context around the prospect’s possible outlay.

If you are producing a quotation for a product or service than has multiple elements, itemise the cost for each element. This helps to build the value because prospects can see at-a-glance all the elements involved and the individual prices for each element will be lower than the total sum.

If you have correctly identified the prospects requirements and proposed aligned solutions then chances are, you won’t be suggesting a ‘Rolls Royce’ version when the customer was requiring a ‘Mini’. It’s much more effective to give the prospect something they have asked for and makes it easier for them to compare prices. Once the prospect is satisfied that your prices are pretty much the same, you have created a stronger platform to ‘up-sell’ from.

Focus on the difference between what they say they are willing to pay, and what you are asking for. This reduces the amount in their mind and is another opportunity to highlight the additional benefits they will gain. For example, “You’ll get all these extra benefits for just (difference in price) a week more than you’re paying at the moment.”

If you need to lower the price, then change the deal. This can help you to maintain your credibility and justifies the reason for you lowering your price. If you simply comply with their request to match a competitor’s price, you imply that you were asking too much in the first instance. Take out aspects of your proposition to bring the cost within their budget.

Ultimately, the price of something is what the customer invests now. The cost is what they end up paying in the longer term. A product/service that requires a higher initial investment may be more cost-effective and provide long-term better value for money.

For example, imagine two brands of dishwashing liquid. Brand A costs more to buy initially than Brand B, yet because Brand A is more concentrated, (feature) it washes twice as many plates as Brand B (benefit). So, overall Brand A is actually much better value in the longer term. In fact, if you calculate the investment per ‘plate’ then you have reduced the price to the lowest common denominator.

Objections do not go away, they are real, and the most successful sales professionals anticipate them and deal with them head on!