



## Value proposition

*How to respond when you hear,  
'Your price is too high!'*

**W**hen you hear a prospect say, “Your price is too high!” what are they really saying?

Are they telling you that your price is too high? Or could they be saying something entirely different?

This statement, and others like it (“I can get it cheaper somewhere else” or, “Your competition is much lower than you”), can stop the ill prepared dead in their tracks and cause them to unnecessarily cut margin. Seasoned salespeople, on the contrary, understand that this is part of the buying/selling process, and lean into the conversation knowing that this is a strategic opportunity to secure agreement.

When the customer says, “Your price is too high!” they could be saying a number of things such as:

» “The perceived value of your offer,

and doing business with you, doesn’t justify the cost.”

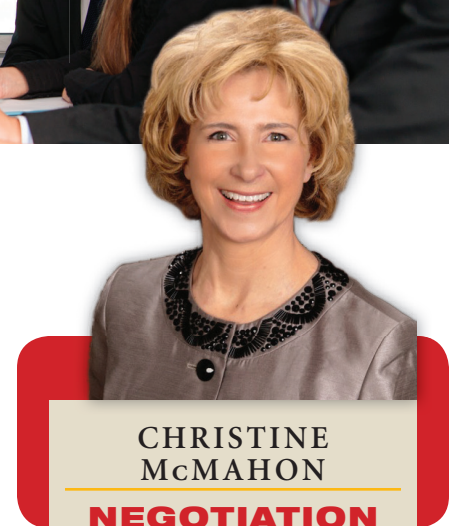
- » “You don’t have a proven track record so it’s difficult to trust you.”
- » “We need to know if this is the best possible deal.”
- » “Your product/service is inferior to others and I don’t want to tell you that.”
- » “I’m not really sure. I just am not convinced that your product/service is the right choice.”

Resistance is an opportunity to learn, so appropriate strategies can be developed to close the gap.

Here are four steps to guide you through discovery and resolution:

### 1. Ask questions

To find the hidden goods, miners go



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below to uncover the jewels. When faced with a price concern, sales professionals ask gentle questions to identify the root cause of the concern. These two questions can get you started:

- » “When you say our price is too high, could you share with me compared to what?”
- » “If we could set price aside for a moment and just look at the offer, is this the right solution for you?”

This first question is designed to uncover what the customer is comparing your offer to. Are you higher than a competitor’s offer? Could it be that your price exceeds what they budgeted? Or maybe it’s some-

thing more intrinsic like they haven't quantified the measurable business benefit?

This last scenario is a situation of value versus price. Value is what the customer receives – the tangible business benefits. Price is what the customer pays. The difference between the two is significant because value is about measurable outcomes whereas price is strictly about the amount on the check.

Different resistance points require different strategies. If your price exceeds their budget, it may be necessary to re-configure the solution or payment terms.

Ask questions to determine if the customer is comparing the same quality and quantity of goods/services. If it's truly "apples to apples," then you will need to justify the value of your offering.

The second question is designed to help you vet out if price is a smoke-screen, or not. If the customer responds with a "no," then you need to re-evaluate your solution.

## **2. Determine, is this situational or negotiable?**

Once the motivation has become clear, it's time to determine if the resistance is situational, meaning that it can't be changed, or if it's negotiable, mean-

ing there are options or potential paths worth examining.

To determine the difference, ask: "Is this concern significant enough that it can keep you from getting what you want?"

If the answer is "yes," then you are dealing with a non-negotiable situation like their budgets have been frozen to drive year-end profitability, or they are being acquired, or they may be entering bankruptcy.

If you hear "no," then it's likely that there are potential options to consider.

## **3. Align with the customer**

When dealing with a negotiable situation, begin by acknowledging their concerns. This sounds like, "I appreciate you sharing that with me. I understand how important it is to partner with a company that will provide you with the best value."

This approach builds an emotional bridge between you and the customer and allows you to advance the conversation to the next step.

## **4. Explore possible solutions**

This is the point when you redirect the conversation and begin to explore possibilities with the prospect. This could include other configurations, less costly parts or different payment terms,

just to name a few. Each situation is different so it will be important to be creative, keeping in mind the impact to the top and bottom line.

When you include the prospect in the "weighing options" process, the outcome is often a preferred solution that is quickly accepted. Often, this pushes the competition to the sidelines as you are perceived as a strategic partner who is committed to advancing their business success.

Managing resistance is a fundamental sales skill. Preparation and emotional discipline are needed to skillfully respond with grace. Too often, salespeople who are anxious to close the deal get flustered and make unnecessary concessions when faced with price resistance. This is a bad habit when left unchecked, and compromises margin and revenue potential.

With the new year just around the corner, block time to refine your skill for mastering different points of resistance. The financial gains could be quite significant. ■

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