

How to sell value NOT price



To be super successful in sales you need to sell the value of what you do so that customers can understand and relate to your price.

The problem is that many sales people don't do this, they are commoditised by the customer and they struggle to get the price they deserve.

To protect your rate and achieve your margins read our guide and share with your colleagues today.
Read today and then act on it!

How to sell value NOT price

Getting the price you believe your product is worth is hard. Customer's have been pushing back, they're not settling for your first price as they know that with a little bit of resistance they can usually negotiate a better deal. As a result your sales team will be telling you:

- ☹☹ The customer is only interested in the rate' ☹☹
- ☹☹ I have to drop the rate or we won't get the business ☹☹
- ☹☹ Customers won't pay the quoted price ☹☹

Sound Familiar?

Sure it does, but are they right?

For a long time now customers have come to understand that the market is in their favour. A combination of the economy, improved technology enabling internet price comparison and OTA's, increased competition and your own sales team's behaviour is to blame. We can't change the economy, technology or the competitors but we can take a closer look at your sales teams approach. What are they doing that exacerbates the problem and causes customers to focus only on the rate? And why do your sales team genuinely believe that your customers won't pay any more and won't discuss anything other than the price?

What are your sales team doing that encourages customers to focus only on rate?

- They talk about the price far too soon in the sales process
- They quote prices without fully understanding what value means to the customer. Also why these things matter.
- They're selling in a 'me-too' style
- They're bland and they're boring

Why do your sales team genuinely believe that your customers won't pay more?

- Because the customer tells them this
- Because, if truth be known, they wouldn't pay more either

The really frightening thing here is that you're reading this thinking, wow, this is exactly what I hear and have to deal with everyday. How does MG Sales Performance know this?

We know it because you're not alone. Many other hospitality businesses tell us this everyday which actually means that everyone else is aggravating the price problem too. No wonder the customer has got really good at pushing back and now truly expects sales people to drop their rates. It's what happens, right?

Incorrect. If you're going to stop this self fulfilling prophecy you need to take action now.

How do you do it?

- Your sales people must find out what value means to your customer. They must ask these questions early enough in the sales interaction to be able to use this information way ahead of talking about or quoting prices.
- Your sales people must find out why these things are valuable to your customer. What would happen if these important things didn't happen, what is the impact on the customer if they don't happen?
- As a consequence your sales people will start to provide the answer to the customer's question – why should I choose your company out of the myriad of alternatives? They must differentiate what they offer in a way that is relevant and interesting to the customer.
- Your sales people must be memorable and different. Sales conversations, pitches and presentations that look and feel the same as your competitors will be forgotten and, in the customer's mind, won't merit the price without discounting

How to sell value NOT price

- Prices can only be quoted once the sales person has explained how your product will achieve the customer's outcomes – and why only your product will work. Differentiate for relevance, impact and value.
- Help your sales people understand that customer's will nearly always ask for a price reduction. It is a ritual and not a personal affront. They will happily tell you that budgets are tight and they will often expect to discuss price early as they have been programmed to do this over the years by your behaviour and that of your competitor's. If you talk price early, so will they.
- Take control of the conversation and be prepared to manage the price conversation so that you don't talk about it until you are ready to do so. This may mean having the courage to push back and explain to the customer that you will be happy to discuss price but only after you have talked about X.
- You must help your sales people change their price perception. This may be conscious or sub-conscious but for as long as they believe that the price is high when considered from their own perspective, they won't be able to sell it.

And it's not just hospitality where the struggle for rate has been a long-term problem. Anyone who has watched The Apprentice will know that even future business icons chase price like Labrador puppies chasing a ball.