

Transcript – GET to YES Podcast

E19: B2B Handling Objections – That's' Too Expensive

Hi, Neil Osborne from The Sales Catalyst here. In this episode we jump into handling an objection that many salespeople fear. Why? Because most of them, when confronted with a client objection, automatically move to 'fight or flight.'

Whether you're selling in the Beauty, Body or Hair Markets, you need to think about your options when responding to an objection. I'm always curious to know how different salespeople respond when a client says NO. What do you say?

As we've discussed before, when salespeople are confronted with a NO, most of them move into either 'fight or flight':

- In FIGHT mode, you need to be careful or you'll start to argue your point and defend your position or point of view. And I'm yet to find a salesperson who wins that argument PLUS gets the sale...
- In FLIGHT mode, you'll start to retreat or attempt to release some of the perceived sales pressure by saying "That's OK", and "This offer might be on again next month".

As you may recall from previous podcasts, when you get a straight NO, my standard response is "OK, can you tell me a little bit more about that?" Pause

In most cases that's an effective response, because it politely asks the buyer, to share more about what they're thinking and generally, they do.

To be honest though, I've struggled at times to get it to work when they offer a price objection, like "That's too expensive." As you can see, if you then ask, "Can you tell me a little bit more about" it doesn't really work well. Sometimes they start comparing your price to a competitor's and as they do, they quickly forget all the value that you've included into your brand story.

So, let's break this down. Underneath it all, the objection is really an attempt to negotiate the price, but we only tend to hear the "That's too expensive" part and as a result, are left with a price-to-price argument.

So, what do you do?

In answer, I'd like to share a story that may open your mind to a different way to approach it, and then chat about how you can use the principle behind the story, within our industry.

I recently revisited a favourite book of mine called, "Sales EQ" by Jeb Blount. The chapter I want to share, is called the 'Mysterious Brown Bag.' It talks about two sales people: Art, the local rep and Joe, his very experienced Sales Manager.

Art had been working on a deal with a local bakery. Everything was going along without a hitch, until he presented his proposed pricing.

In the books, Art went on to explain:

"Mr Colaizzi, the owner, was adamant that the rates were too high, and he wouldn't budge from his position. I'd been going back and forth trying to convince him that even though my rates were a little higher than my competitors' the added value for the quality of our service was more than worth it! But I was getting nowhere.

He kept throwing the competitors low prices in my face, but I was in a tight spot. If I went any lower, I wouldn't make a dime of commission.

Worse, I have to get approval from a District Manager – not a pleasant experience."

During a pipeline review with Joe, the Sales Manager, Art explained...

"The Colaizzi deal was stalled and he expressed his frustration with our high rates. If we didn't get our prices in line with our competitors, I was never going to sell anything!

Art smiled as he explains that he might have been "just a little bit hot-headed back then."

He then goes on to tell the story of how his manager, Joe, taught him an indelible lesson.

Art recalls the situation...

Joe didn't flinch, he stood up and said, "Come on."

We walked out to his car and he motioned for me to get in.

Then, Joe drives us to the local grocery store, parks the car, and says, "Wait here."

10 minutes later, he comes out carrying a brown paper bag. He stuffs it in the backseat, puts the car in drive, and off we go.

Half hour later we were sitting in the lobby of Colaizzi baking company waiting for Mr Colaizzi to arrive, with the Mysterious Brown Bag perched on Joe's lap.

After 20 minutes or so waiting, the assistant ushers us into Mr Colaizzi's office – and the brown bag was still clutched in Joe's hand.

I didn't know what to expect. Joe had barely spoken to me since we got into his car, and I was nervous about his intentions.

We sat down across from Mr Colaizzi's desk, and Joe started a conversation in a relaxed, almost nonchalant tone. "Mr Colaizzi, Art tells me he's been working with you on a truck leasing program for your delivery fleet. He says that ... "you feel our rates are a bit too high" and I came down here to learn more.

Then he shut up.

Mr Colaizzi leaned back in his chair, crossed his arms, and said "I appreciate you took the time to come all the way down here, but the fact is your rates aren't a bit higher, they are way higher than your competitors. You aren't even close. I know you're going to say that your service and quality are better. But you can save your breath because I've heard it all before. All of you truck companies are the same. If you can't get your prices in line with your competitors, we don't have anything to talk about."

Joe wasn't the least bit ruffled. He placed the brown bag on Mr Colaizzi's desk, slowly unfolded the top, and pulled the two loaves of bread out of the bag. Joe set the bag on the floor and placed the two loaves directly in front of Mr Colaizzi.

Joe allowed the silence to hang in the air for a moment before speaking.

"Mr Colaizzi, I'm just curious... what's the difference between this loaf of supermarket brand white bread that cost \$0.63 and this loaf of Colaizzi Italian bread, that costs \$1.87. What makes it worth three times as much?"

Mr Colaizzi jumped up, pushed his chair back, leaned over his desk, and spent the next 10 minutes lecturing us why his bread was better – his passion for his bread and reputation was on full display.

He explained his bread was fresher, it was made from high quality ingredients, the care that went into making it, the unique baking process, his family's recipe, the history of Colaizzi bread, and of course the taste. His face twisted in disgust, as he said the words "with all those artificial ingredients that other stuff is more like cardboard than bread."

When he felt we'd been sufficiently educated in the superiority of Colaizzi Italian bread, he sat back down.

Joe leaned across the desk, picked up the loaf of Colaizzi bread and said, "Mr Colaizzi, that's exactly what we've been trying to tell you about us. We are the Colaizzi bread of truck leasing. For a noticeable moment Joe and Mr Colaizzi just sat there staring at each other.

I didn't breathe.

Then a grin spread across Mr Colaizzi's face, and he let out a big laugh.

He reached out and shook Joe's hand.

There were still a few concessions to make, however we walked out with a signed contract, and a new customer.

We no longer looked the same as our competitors.

Today, Art Valley is COO of Penske Truck Leasing. He's one of the most gifted and dynamic leaders that the author, Jeb Blount, knows – he's an executive who gets it.

Why? Because he puts a high priority on sales and sales training. He's the only C-level executive Jeb knows that spends time in every sales training workshop they hold – from entry-level sales reps with basic sales training through to veteran sales professionals who were attending advanced training.

Jeb goes on to draw several astute observations:

- In response to Mr Colaizzi's buyer's script, Joe leveraged a non-complementary response.
- This disrupted Mr Colaizzi's expectations of how a salesperson would behave, thus pulling Mr Colaizzi's attention towards Joe.
- Mr Colaizzi took the stage to defend his position and lecture Art and Joe on why Colaizzi bread was better than the supermarket brand.
- As Joe and Art intently listened to the lecture and gave their complete attention, it made Mr Colaizzi feel important (the most powerful gift you can give another person). This created a feeling of obligation in Mr Colaizzi.
- In the process of lecturing at Joe and Art, Mr Colaizzi became more committed to his position that his bread was better than the competition.
- Joe touched both wires to the emotional trigger by speaking Mr Colaizzi's language. "That's exactly what we've been trying to tell you about us – we are the Colaizzi bread of truck leasing!"
- Finally, mirroring Mr Colaizzi's language back at him, it caused him to feel that Joe understood him, thus creating a powerful emotional connection and trust.

In the book, Jeb goes on to conclude that average salespeople delude themselves into believing that buyers make rational and logical decisions, based on rational information.

That's not how the human mind works – emotions come first, then logic.

So, what are some of the key learnings from this story, that we can bring across into our industry?

- Most importantly – that a price objection is not always about price, it's about value – what they get for the price.
- While this story demonstrates the price objection beautifully, I feel it would require a very skilful and well thought through delivery – would be dependent on the level of your questioning skills.
- How would you rate your questioning skills? For those who follow me or attend any of my programs, you'd know that questioning skills is the number one area that I focus on in developing advanced sales skills.
- Given the right conversation and approach, I do believe you could ask a salon or clinic owner why they charge a different price than other (cheaper) salons. Handled skilfully, it could open a very interesting conversation.
- However, price is a contentious issue in our industry. And all of you get a lot of salon and clinic owners push back on price. But in doing so, they lose sight of what initially attracted them to you and your brand.
- Your job is to bring the buyer's thoughts and emotions back to the surface when faced with a price objection.

Remember, a price objection is a buying signal in disguise. Basically, a buyer is saying..."If you can help me understand the value and benefit for me... it will help me better understand your price and what you're offering."

Until next time, enjoy your day

