



The Don Hutson Report

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Are Your Prospects Price-Sensitive?

Most decision-makers are these days! We just need to know how to deal with that fact. So here's my recommendation: advise these folks that most of your clients are more *value-sensitive* than they are *price-sensitive*! That will serve as an intriguing lead in. Sure *price* will always matter, but discriminating professionals today are keenly focused on the *value* they receive.

As suggested in my book, *Selling Value*, customers all have "value points" that mean a lot to them. Keep close tabs and records on what *they* tell you *they* value. If you have six hot prospects right now there are probably six different dominant value points in play. Determining what these value points are requires a subjective analysis - which varies widely from customer to customer. What you bring to the table for a given customer – based on that customer's value system – makes each aware that there really is an incremental gain for them when they buy from you.

Some of those value points are easier to measure and evaluate than others, especially since customers will put different weighting on certain ones. If you can measure it, provide them with an analysis as to how the value of your proposal will have a positive impact on their bottom line. If it is difficult to measure, share the obvious benefits that will accrue to them. Perhaps your way saves time or enables them to turn their inventory quicker.

It is amazing to see the response sales people give to the simple question: “Tell me, how is your product or deliverable different from or superior to those of your competitors?”

Rarely do I get an immediate and articulate answer. Most of those I question look at me like I am from the planet Zambodia, and fumble through a weak response. We need to be experts in explaining the value points we bring to the table!

If you can get your prospect to engage in a discussion on value-sensitivity, you become perfectly postured to talk about the various ways you differentiate your product from what your competitors offer. The magic for you is in the comparative analysis you show them that impresses them with the multiple benefits they care about.

If you are saying, “Don, I sell a commodity, and it’s intensely competitive right now”, you are looking at it wrong. Even with a commodity product you can still beat your competition on service, delivery time, terms, extraordinary attention from you or other differentiators (see Differentiation issues in the DHR Library).

As to the measurability of values, some are difficult to measure and some are easier to measure and quantify. Here are some examples:

Easy to Measure	Hard to Measure
Time to ship product	Special Service Solutions
Advantageous Terms	Improvement of quality
Inventory Costs	Communications improvement
Volume discounts	Decreased en route damage
Product turns at retail	Special packaging advantages

In your discussions with your prospective buyers, try to get them to acknowledge exactly what their value points are. If you can keep them talking – while you are taking detailed

notes - they might uncover and mention some value points important to them that you have not thought of as yet. Then, based on what they tell you, you can craft additional responses as to how your proposal addresses these new issues. Remember, the best sales people ask great questions then lead with their ears!

So do all you can to help your prospects transition from price-sensitivity to value-sensitivity – based on their perception of value - and you will be on your way to expanding your competitive advantages!

LOOK FOR:



Double Your Sales By Increasing and Leveraging Your Relational Capital!

Details coming soon!

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