

Selling Value Please

Value selling is an important sales technique that relies on building on the inherent value of a product or service. ***Because customers often use price as the dominant factor in a sales negotiation, sales pros need to demonstrate that sometimes the higher price is actually a better solution — a higher value.***

I know a long-married couple, John and Sarah, who have very different takes on value. Growing up wealthy, Sarah could afford to buy expensive, well-made shoes that would last for years. Growing up poor, John had only been able to buy the cheapest shoes he could afford — and keep on buying them, since they kept on falling apart within a few months. It's easy for people like John to confuse price with value, where the lower-priced item turns out not to be the best value.

Value Selling in a Professional Sales Environment

In professional sales, customers give lip service to value — wanting the best bang for their buck. But, in reality, when push-comes-to-shove, all they want to do is squeeze salespeople on price. That's how sales pros can get cornered on price issues and where value added selling skills become important. Additionally, eager to close the deal, salespeople let customers strong-arm them into dropping their prices. Common value selling deterrents may include:

- Customers who are shortsighted or in fire-fighting mode who can't see the bigger picture.
- Customers whose self-interest may be in direct conflict with their organization's goals.
- Customers who are merely the middle-man and not the decision-maker.
- Customers, hard-nosed buyers or purchasing agents who attempt apple-to-apple comparisons.

The result — customers do not get the best deal, if indeed they get a deal at all. They may even downplay it, claiming, "Everything's equal, it comes down to price." To an anxious, floundering salesperson, this can be very defeating. When customers insist on playing the price game, you've got to play it right back at them. Here's how to turn the tables on such customers and enlist value selling.

Value Selling — How Not to Sell on Price Alone

It's important to acknowledge needs and concerns, but spin it back into a value selling question and rephrase "price" as "value." If a customer says, "Do what you can and get back to me with the best price," the response should be, "I can understand your concerns about getting the best bang for the buck." Continue, by getting customers to elaborate on what "value" means to them with these value selling questions:

1. Can you help me understand the criteria you look for in determining whether you're getting the best value?
2. Let's put price aside for the moment. Help me understand how you define value.
3. Tell me about the things that are important to you when it comes to getting the best value for your money. Sure, value may still come down to price, but it is important for price to be one of many factors to discuss, not the only factor.

What does value selling mean to customers, or in their case, value-buying? Several types of criteria come into play:

- Service
- Delivery
- Support
- Turnaround
- On-time performance
- Shorter lead time
- Ease of use
- Reduced hours
- Elimination of paperwork
- Improvement of performance output.

Companies are not in the business to save money — they're in the business to meet performance targets and generate revenue. That's why value selling is so vital, you've got to challenge customers and get them thinking about profitability. When value selling a product or solution, lead customers to the answers to the following questions:

1. How will this product or solution help your customers minimize their risks, enhance their success, free-up valuable time or resources, and eliminate headaches?
2. How will they reduce their total cost? For example, you can reduce overhead by X and thus enhance quality output by Y. Suddenly, that criterion impacts on lowering the total cost.
3. How will you help your customers improve their profitability? What does your product or service do that the others don't, and can be quantified to demonstrate that you're saving your customer money, even though yours may be the higher-priced solution?

Remember, the most important factor in value selling is to establish factors that have a direct impact on the customer's bottom line, otherwise, the sales discussion will undoubtedly regress back to price alone. By mastering value selling skills, you'll be a true solution-maker for your customers — not just an order-taking customer service rep. You'll become a confident value selling expert.