

Knowing Your Customers' Tricks



Understanding your customers' negotiating tactics — and blocking them — can lead to a better deal for you.

When selling your product, it's important to know the tricks customers use to drive down your price. If you know their tactics, you can avoid selling at too low of a price.

By Lawrence Steinmetz

In the greenhouse industry, as well as in any other industry, a seller will find customers trying to negotiate prices. This is done to find out how weak the salesperson is and/or how unsure he or she is of the product's value.

To learn how to get top dollar for your products and services, you must be aware of the most commonly used tactics employed by these types of customers. Most efforts by customers to get a salesperson to cut prices come down to two tactics: intimidation and denigration.

During intimidation, the customer will say almost anything to scare the salesperson into cutting price. The most common line is "I can get it cheaper from your competitor down the street." Denigration involves the customer saying, in essence, that your products and services are not any good, or at least no better than, what a competitor is offering. Usually denigration is coupled with "...and I can get it cheaper."

Buyers Make Good Liars

Any salesperson should realize that buyers can make good liars. The primary reason for this is that most people buying things and trying to beat down the seller's price do not feel that anything they say is a falsehood — rather they tell themselves they are just "negotiating." Even those who feel they have the highest level of moral turpitude have been observed lying in buying situations.

Most of what buyers do when lying to salespeople can be codified as lying or at least stretching the truth "just a smidge." The salesperson who is not knowledgeable of

these tricks becomes the ready dupe. Although the tactics used are countless — especially by the unscrupulous buyer — it is important to address one of the most common tactics and how a smart salesperson might respond to it.

The Stiff Arm Tactic

The most common tactic is the stiff arm, such as the statement "I can only pay so much," or "I can't pay any more than x dollars." The best response to this is "Why not?" Unfortunately, the typical response from the salesperson is "You know I want to work with you," or "Let me talk to the boss and see what I can do."

Salespeople who give either of these responses have cracked and essentially told the customer they are willing to negotiate price. The salesperson can expect the customer to get even more adamant about wanting a lower price.

By responding with "Why not?" the salesperson forces the customer to say either he or she doesn't have the money needed to make the purchase, which means you can't afford to sell to them (it is a fact that the most expensive customer you will ever sell to is a price buyer) or claim that something else (boss, budget, etc.) will not let him or her.

If you listen to these excuses, you will discover that the buyer will follow it up with the intimidation tactic, which is always identified by what I've come to call the customer's use of the "subjunctive mode."

The Subjunctive Mode

The subjunctive mode in this sense is almost always created by

the use of "if," "unless" or the combination of "either...or." For instance, "If you don't cut your price, I am going down the street," or "Unless you cut your price, I am going down the street," or "Either you cut your price, or I am going down the street."

Use of the subjunctive mode is a sure-fire indicator the customer is lying about having a "sweeter deal down the street" because the customer will instinctively (and unknowingly) use it. In fact, the subjunctive mode is about the only spoken way someone can intimidate or threaten other people. It works on sales representatives because it allows the customer to scare them into thinking he or she is about to leave.

The interesting thing is that the customer, in using the subjunctive mode, always will explain that if the requirement for a lower price is not met, he or she is heading down the street to "the better deal." Sometimes, of course, customers will go down the street, but usually they just proceed to re-explain to the salesperson that they have this better deal waiting for them.

So why do customers stand there and repeatedly explain to the salesperson that they have a sweeter deal? Why don't they just leave? The answer is because they can't get it, can't get it or don't want to get it "down the street."

I realize two of those reasons sound the same, but they are not. Let's analyze them:

Can't get it #1. The first "can't get it" hinges on an old joke: The customer says, "I can get it cheaper down the street." The seller replies,

"Well, I can't sell it to you at that price. I guess you will have to go down there and get it." Then the customer says, "Well, I would, but I can't." The sales rep inquires, "Why not?" And the customer says, "Because they are out of them right now." Then the salesperson replies, "Oh, well, you come back when I am out of them and mine are free."

Can't get it #2. The second "can't get it" is the fact that while the competitor has it in stock, the competitor will not sell it to the prospective customer. There are a couple of possibilities: One common reason is because the customer hasn't paid for the last purchases from the competitor. Of course, if you are not going to be paid for it either, you may as well charge more. Think about it — if you charge enough "too much more," you might not get the sale and then will not have to deliver it and not get paid for it!

Another reason the competitor may not sell to the customer is because of previous difficulties with the customer. Most experienced sales reps have had the experience of taking an order from a customer and then discovering that they wished they had never met the customer, let alone taken the order, because the problems started the moment the order was placed.

A third reason a customer will continue to use the subjunctive mode when talking is because the customer does not want to get it "down the street." Why not? It might be because your competitor is difficult to do business with or has a rigid (or no) return policy. Other possibilities include that the competitor's guarantee is worthless or he or she has difficult employees.

The Price Buyer

As stated above, the most expensive customer to sell to almost always is the price buyer. There are many reasons for this:

- They take all your sales time.
- They do all the complaining.
- They "forget" to pay you.
- They tell your other customers how little they paid.
- They drive off your good customers.
- They are not going to buy from you in the future unless your price is too low the next time, too.
- They will only continue to buy from you as long as your price is too low, until your company goes broke.
- They will run up your investment in inventory, land, building,

machinery, equipment, trucks, warehouse, space, people, etc. to supply their needs.

- They will lie to you.

Any savvy salesperson has to learn how to call the customer's bluff when the customer starts talking about the "sweeter" deal they have down the

street. You can't just call a customer a liar, but by recognizing the tactics and practices used by many customers, you can avoid being the dupe of the overly zealous price buyer. GPN

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