

The one simple technique that will show you how to increase the value on every product you sell

This is the first strategy in the negotiating section. Being a reluctant buyer or seller. As you will see, it is one of the classic strategies that can make you a ton of money.

A sales rep told me how he would go into an account with both a high priced and a low priced product. He would say that he was reluctant to show the higher priced product and said you probably don't want this high quality product. Even though it is the best you can buy, the price is high – much higher than this cheap economy brand. He said that whenever he used this technique the customer seemed to want what the sales person was reluctant to sell.

Another sales rep recently told me a great story about how to keep from giving a discount or from having to negotiate the price. He was having a break job done on his car and the cost was \$40. When he asked, "is that the best you can do" here is how he responded: "If you want to negotiate the price – the break job will cost you \$50!"

Think about what a great answer that is. What is he really saying? He is saying that I am already giving you the best price I can. He is saying that if you want to negotiate I will raise the price to \$50 and we can see if you can get me down to the bottom price of \$40.

Reluctance is an important tool that can be used in selling. How? If you give a discount too easily or too quickly you have actually cheated the customer out of the feeling that he or she made a good purchase. Have you ever had the feeling that you paid too much for something? Where did that feeling come from? It came from the fact that the sales person lowered the price too quickly. "Maybe I should have asked for a bigger

discount?" You are thinking. "Maybe the sales person has been overcharging me right along?"

A little thought and reluctance actually adds value to the product or service.

I was sitting on the plane and the woman sitting next to me was in advertising sales. When I asked her what the biggest mistake was that she ever made in sales, here is what she told me. "I was calling on a pawn shop with my sales manager. He told me the bottom line price was \$1,500 but to try and get \$2,000. He said to go down slowly and reluctantly so you "add value" to the program. When the customer asked for the price I made a huge mistake said \$1,500! The customer ended up paying \$1,400 and I ended up getting chewed out!"

Here is another reason we should be slightly reluctant when giving a price reduction. An accountant once told me that I should forget the term "gross profit" and replace it with "contribution to overhead". He said that every time I lower the price I am giving part of the company away! The warehouse cost is .04%, the sales department cost is .04%, the transportation department is another .04%, administration cost is .04% and the bottom line should be at least .04%. When you cut your price below .20% think about what part of the company you are cutting out and giving away!

You do not want to appear too hungry for the sale or too eager to give everything away. When you do a customer will be suspicious and begin to wonder why you are so anxious to make a sale.