

## ***One technique you can use when giving a price reduction that can actually increase your gross profit***

Sales people love to sell and sometimes we get so excited about the possibility of the sale that we lower the price and don't ask for something in return. This lesson will help you keep that from happening.

Do not keep lowering your price without asking for something in return or you will make it too easy for the buyer to keep asking. The trade off is a very basic yet important strategy when dealing with buyers. Every time you give in to one of the requests such as price reduction, marketing money, extra services, etc., the trade off strategy should go through your mind: "If I do that for the customer, what can I ask the customer to do for me?"

This is our attitude, not our actual statement. Negotiating as a seller is not the same as negotiating as a buyer. If you are selling and you get tough and walk away, at the end of the day you have not sold anything. Most of the negotiating strategies are designed for buyers and must be adjusted if used by a person trying to make a sale.

Many people complain that customers or buyers today have no loyalty. "Show a customer how to save money on a certain item and they will shop around to see if it can be purchased for a few cents cheaper from a competitor." If customers are not loyal, perhaps it is because when you give everything you have, you do not ask for anything in return. Trading builds a relationship. Giving and taking are part of selling; they are part of the process and not a sign of weakness! Here are a few points to keep in mind:

1. Do not assume the customer knows what you

want. Make your request loud and clear! Do not be shy about asking for something in return when a customer asks you for a price discount. If it is done in a spirit of cooperation they will not take offence.

2. Whenever you give a price reduction, be sure to ask for something in return. You are not doing anybody favors by giving away something for nothing - the customer will not respect you and you hurt your self respect.

3. Make this an important principle in your selling. Never give up anything without getting something in return (even if what you get seems trivial). The customer offers to buy the floor model of the coffee machine at a reduced price. You, instead of lowering the price, offer a 90-day free service guarantee.

4. The customer requests a lower price on a larger than normal order. You offer some additional marketing support instead.

5. The customer complains that the price is too high. You offer to sell your higher quality product line at a slightly lower price. Explain to the customer that the higher quality is an investment in their customer satisfaction.

6. Whenever lowering the price, never go down in equal increments. If you have an extra five cents built in, go down two cents and if you must go down a second time, reluctantly go down another two cents and a third time use the last penny. Each time you go down on your price ask for an additional line item or something in return.