

More On Advertising

Ted Lawrence,
Advertising Director
Missouri Press Service



DO YOU PASS THE “FLINCH TEST”?

In his book, *Sell Different!*, author Lee Salz says the way we can pass the test is by responding with confidence when we’re questioned about our price.

Here’s a real-life illustration:
After you make a presentation, the buyer exclaims:

“Wow! You are 25 percent higher than your competitor.”

These buying pros are trained to react with surprise, in an effort to see if the salesperson is confident in the price they have put forward. It is nothing more than a negotiation tactic.

Some sales responses that guarantee a loss for you include:

- “What price were you looking for?”
- “I’ll ask my manager if we can do better.”
- “How about if I take 10 percent off?”

Giving In On Price Doesn’t Build Trust — It Breaks Trust

These are failed responses because they create trust issues with the prospect. Were you trying to “rip them off” with the first price you presented? One of two things is true. Either you were trying to take advantage of them, or you believe you provided a fair price. What other option is there?

Successful salespeople have a planned response for “The Flinch Test.” They don’t expect a prospect to respond with excitement about the proposed price. They anticipate shock and have methods to handle it. Here are their five secrets.

Five Strategies For Passing “The Flinch Test”

1. Set expectations upfront.

Early in the process, set the expectation that you are not the low-price provider. “To be clear, our company is rarely the low bid. Does that mean that we won’t be working together on this project?” If they say no, you are set for the later phases of the process. If they say yes, you can ask about the impact ROI and TCO have on their decision-making. And if that doesn’t matter to them either, you know not to invest an excessive amount of time on an account that you won’t win at the prices you want. If you are going to lose, lose early.

2. Don’t flinch!

“I’m not surprised by your reaction. I hear that a lot. As I mentioned at the outset, we are rarely the low bidder. Should we walk through the proposal again to make sure you are comparing apples to apples?” This is the opportunity to remind them of what makes you different than your competitors, and of the meaningful value your solution provides.

3. Seek to understand.

“When you say that you are shocked by the price, which part is surprising?” You need to know what part of the pricing they feel is out of line, so you can appropriately address it.

4. Gain clarity on their perspective.

“When you say our pricing is high, what is that relative to?” They may be comparing it to something you had not considered. It could be relative to their budget, to their current solution, or to another bidder. To respond effectively, you have to know the basis of the comparison.

5. Reinforce the position.

“Since we are rarely the low-price provider, what do you think all our current advertisers see in us that leads them to pay a little more?” This question helps them reconsider their perspective on the pricing for your solution.

Here’s a key to healthy negotiation: If you are going to give something, you need to get something. If you are willing to make a price concession, what are they willing to offer you in return that justifies it? The “get something” should be something of value to you and your company, such as:

- Increasing the number of insertions.
- Accelerating payment for the order.
- Increasing the size of the ad.
- Supplying a testimonial.

How many commission dollars have you lost because you flinched?