



Price Objections

How to handle them with current customers

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Let's talk about one of the most nerve-wracking moments in the life of a salesperson — when a good customer calls and says, "Your competitor just offered us a 15% lower price. What can you do for us?" Your first thought is, "Oh ..." and probably another word that I will not write here. You think about the revenue that goes into making your quota. You think about the commissions you were planning on. And if you are like most salespeople, you immediately start thinking about how much of a discount you can offer to keep the business. Stop right there.

I have been in sales for more than 35 years and I can tell you that how you handle this moment can define not just this transaction, but your entire relationship with this customer going forward. Price objections from current customers are not the same as objections from prospects and they should not be handled the same way.

You should understand something here. I hate price fights. I hate discounting. And I hate the idea of giving away my profit. I have never wanted to win a sale simply because I submitted the lowest quote. If a customer said: "You quoted the lowest price," I would say, "It was a mistake and I would like to re-quote." But I am neither arrogant nor a Pollyanna, and I know that these moments are a reality in the life of a salesperson. So, let's address that reality.

The Trap Most Salespeople Fall Into

When faced with a price objection from a current customer, too many salespeople and sales managers fall back on what is possibly the worst question in sales: "So where do we need to be to keep your business?"

Let that sink in for a moment. You have just told your customer that your pricing model is essentially meaningless. You have invited him (or her) to name his own price. You have signaled weakness, desperation and a lack of value. And, worst of all, you have trained him that threatening to leave will always result in a discount. This situation will never just happen once.

I have seen this play out hundreds of times and it never ends well. Either you give away too much margin and the customer leaves anyway, or he stays, but with a permanently diminished view of your value proposition.

Four Questions That Change the Conversation

Instead of folding like a cheap suit, here is what you should ask when a current customer drops the price bomb on you:



(1) "Can you show me those competitive quotes?" This is asking the customer to prove it, but in a professional way. You would be shocked how often this simple request changes the conversation. Sometimes the competing offer is not quite as good as the customer initially represented. Sometimes it does not include services you provide. Sometimes (and I have seen this more than once) the quote does not even exist — he is bluffing to get a better deal.

(2) "Why do you want to continue to do business with us?" This is a gutsy question, but it is critical. If he is coming back to you after getting a supposedly better offer elsewhere, there is a reason. Maybe it is your service. Maybe it is your reliability. Maybe it is the relationship. Whatever it is, you need to know — because that reason represents value that can be monetized.

(3) "What are you willing to give up for me to lower my price?" Unjustified discounts suck. If you can get him to make a concession on product, attributes, service, etc., it keeps your value proposition whole.

(4) "We can't match that price. I might be able to offer a small discount. What price could you live with?" This shows you are willing to meet him partway while maintaining your value. It puts the ball back in his court and forces him to be reasonable. It also gives you room to negotiate without surrendering completely.

What is remarkable is how often customers will come back with numbers that are much closer to your original price than your competitor's quote. They want to continue the relationship,

but they just want to feel like they have won something.

The fundamental problem is that too many salespeople see themselves as order-takers rather than value advocates. Your job is not to give customers whatever they ask for at whatever prices they want. Your job is to advocate for your company's value proposition and to help customers understand why your solution is worth what you are charging. By doing so, you protect your company's profit — a core part of your job.

This is not about playing chicken with your customers over price. It is about having the confidence and professionalism to stand behind your pricing model. It is about respecting your company's need to make a profit. And, ultimately, it is about respecting your customers enough to be honest with them about the value they are receiving.

The Best Defense

The best defense against price pressure is a full sales funnel. A sales rep who has a full funnel and new customers ready to come on board is much less vulnerable to price pressure than those who absolutely need every customer they have because they have nothing else going on. Do not ever put yourself in a

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position where you have to keep a customer at all costs.

The Bottom Line

Price objections from current customers are a fact of life in B2B sales. How you handle them can either reinforce your value or undermine it permanently. The next time a customer comes to you asking for a discount, resist the urge to panic.

Ask these four questions, listen carefully

to the answers and then make a decision that respects both your company's need for profit and your customer's need for value. Sometimes, you might even have to shake hands and part as friends.

Your customers might not always like your answers, but they will respect you for them. And, in the long run, that respect is worth more than any short-term discount you might give away. ■

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