**How to Talk Price Early**

This article contains timeless advice for sales reps who have trouble asking for bigger dollars three decades after it first appeared inpring.

You've done your homework. You're prepared. You're in front of a qualified prospect. Five minutes into the presentation, the client interrupts by saying, "Hey, how much is this going to cost me?"

Do you answer? Do you put the client off? There is one way to avoid this interruption: talk about price first. Many top performers have found that talking about the price up-front leads to fewer interruptions and more sales. Tired of getting price objections in the middle or at the end of your presentations? Try putting price at the beginning.

Nobody can make a decision about buying anything until he or she knows the price. Broadcast advertising salespeople who hold back the price until the "right moment" often put undue pressure on themselves and their customers.

The best evidence for this advice is your own behavior when you buy something. In order to make a good decision you have to know the price of the product or service that you are buying.

You read the window sticker on the car before you get the presentation from the salesperson. The window sticker pre-qualifies a buyer and is a "starting point" from which to negotiate. The same thing is true with any big ticket item.

Money is not an easy thing to talk about. In *Money Madness*, Herb Goldberg, PhD and Roger T. Lewis, PhD give us some insights into the "psychology of money":

*"Money is not infrequently used as a measure of personal worth, so that people who have money are perceived as somehow superior to those who do not. People with money can often intimidate those who want it, and those who do not have money may allow themselves to be manipulated in humiliating ways to get it."*

This is especially true with new salespeople. The prospect has the money. Salespeople need to get that money away from them. Soon.

In this case, the salesperson has the problem - to get the money. It is difficult to see the prospect's problem (i.e. competitive pressures, inventory imbalance, high costs of financing inventory, seasonal opportunities).

Here's how salespeople are learning to talk price early:

1. **They start their presentation assertively.** They set the tone of the call early using words like these: "Don, the reason I'm here is to present a $10,000 idea based on the discussion we had last week. I want your reaction throughout our conversation (rather than presentation or pitch) to make sure I am on target. And, based on your reactions, I will either ask you to buy or rework the idea - schedule and ad - to make it better for you."

This gets the client focused on the idea. Knowing the price up-front helps the buyer evaluate your idea because it lets him or her know what has to be given up in terms of money in order to put the idea to work. It also helps you reduce your uneasiness about choosing the best time to mention money.

1. **They use written presentations and summarize the entire presentation on the first page, including price.** Summarizing your proposal on one page helps you and the client get excited about the proposal. Consider making this a habit. Reason: you'll get better at thinking in terms of benefits. The client will listen better to the rest of your presentation.
2. **They observe the client's business for expensive things that will help put the station's "high-priced" proposal into perspective.** Find out the cost of prime commercial real estate in your market. Once you know how much your customer's building is worth, you won't feel so guilty asking for thousands of dollars for you and your station. If the client doesn't own the building, find out the average cost of rent per square foot in the mall or the downtown.

When you walk into a store, multiply the number of employees you see by $40,000+ per year and try to estimate the value of the inventory on the sales floor.

Ask the prospect to give you a tour of the warehouse. Be on the lookout for inventory, fork lifts and for more personnel to help put the advertising investment in perspective.

1. **They know the price of a full-page ad in the local newspaper.** This is a standard. It represents the cost of being an important advertiser to the newspaper. When you ask for less, you are communicating that you don't feel radio is worth as much.
2. **They calculate their own net worth.** The more you know how much you are worth, the more you know about money, the more you can discuss investments easily with an advertiser.
3. **They ask for more money from one advertiser than they make in a year.** Just because you make $60,000 doesn't mean that an advertiser can't spend five times more than that on your station alone.
4. **They understand that the station's clients and prospects discuss money all day long.** Your talking about money with them will not shock or upset them. They have a banker, an accountant, debts to pay, payroll to meet, money to deposit in the bank.
5. **They invite "money experts" to sales meetings to discuss and teach people about money.** Bankers, brokers and accountants are good choices. Have them discuss cash flow, interest rates, the cost of commercial real estate, the problems of retailers and other businesses in the community.
6. **They read about business, not just broadcasting.** Consider reading books on management, retailing, investing, real estate and business in general. Become a business expert and you will be more of a resource to your clients.
7. **They ask for bigger dollars and longer schedules up-front.** A Dallas Radio has a $5000 mininum order.
8. **They save this line-a showstopper - for the right moment.** Not all ads work. Acknowledge the fact that ads will not always work, but persuade people that one-shot deals never work. One station general manager says, "People should never start advertising with the intention of ever stopping." Consider saying that to some of your clients and prospects to get their reaction.
9. **They observe how things are sold in the client's company.** Are the prices hidden or up-front? Consider selling your client the same way.
10. **They use the phrase, "It depends."** If someone asks the price inappropriately, you may put off the question by saying, "It depends. Some advertisers invest as little as $300 per week on our station. Some invest up to $5,000 and more. My proposal will be based on your specific needs and objectives. What are some of the things you want your advertising to accomplish?"

(This article originally appeared in *Radio Only* June 1986. Permission granted to reprint and share with attribution to the author.)