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Salesmanship Beats Price

The Internet can be either a time-saving business tool or the bane of our existence; bombarding us with customers that demand we sell them guitars or keyboards below dealer cost.

Customers demand more because they know more. They demand real-time and specialist information from salespeople. They demand to purchase at a time and place of their choice. They demand pricing transparency: the same price on the Internet and in your store. If you don't meet their expectations, they will take their business elsewhere – without hesitation!

To be successful, all businesses must commit to seeing their processes, products and policies through the eyes of their customers. Owners and managers also must know what Internet sites and exactly which music stores their businesses are being compared to.

Customer Priorities

"Everyday low prices;" "Priced to move;" "Lowest price guaranteed!" We see these slogans everywhere. And yet, if price was all that mattered there would be no need for salespeople. Customers would just type the model number into an Internet search engine and the musical instrument would magically appear at their door.

But price is not the only thing that matters. Well, I take that back. About 15 percent of all customers (one out of six) make their buying decisions strictly on price. This statistic has been consistent for many years. That means that price is only one factor in the buying decision for 85 percent of all potential customers.

What are the other factors? What do customers value the most? According to Tom Reilly's book, Crush Price Objections:

1. Knowledgeable salespeople
2. Quality products
3. Product availability
4. Tech support
5. Ease of doing business
6. Product performance
7. Follow-through (after the sale)
8. Acquisition price

Wait a minute. Isn't something wrong here? Earlier, I said that if price were all that mattered, stores would not need salespeople and that customers demand more from your store because they have more knowledge. And yet the #1 factor customers cite in making buying decisions is a knowledgeable salesperson. Acquisition price is the least important. So knowledgeable salespeople must be the key to your success. But salespeople are also the reason that stores continue to lose customers and profits.

Too Price Sensitive?

Reilly's book pointed out that 75 percent of salespeople cut the price when the buyer raises a price objection. I have had that experience, both as a customer and as a salesperson.

Are your salespeople working to make the sale – and commission – regardless of price? Or working to make your store profitable? Are your salespeople more sensitive to pricing than potential customers? Are your salespeople prepared to meet price objections? Are you committed to continuous sales training?

If not, why not? Not knowing how to deal with expected price questions will cost you profit. Not knowing your customers' expectations can cost you your business.

The major advantage a traditional music store has is the shopping experience. You can put the guitar "in their hands" and see how they react. When potential customers are able to touch an instrument, however briefly it might be, they gain a sense of ownership. They grow attached to it. They are willing to pay more to be able to take the instrument home right now. Contrast this "feeling of ownership" that a customer can get while in your store to the most recent statistics that show that Internet customers abandoned over 67% of all shopping carts!

Customers will return to a store that helped them make the right decision. And they will tell their friends about their positive experience with your store. An Internet site cannot be this interactive – at least not yet! Take advantage. Knowledge is power!

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