

By Kevin Davis

If customers are going to look at our tactics, we should look at theirs. These are seven of the most common customer negotiating tactics that customers get taught in negotiations school. By understanding these ploys and being prepared to address them, you can continue to focus on working with the customer to develop a mutually beneficial solution.

1. Budget limitation. "We've only got \$10,000. You going to have to come in under that figure to earn our business."

The best strategy for handling this tactic is to find out about budget earlier in the sales process. If the money wasn't in the budget why have they spent all this time and energy talking to you?

2. Other options. "The quote from your competitor is for much less. If you don't lower your price, I'll have to buy from them."

If you did a good job in the competitive stage of the sale, your buyer has already recognized your unique capabilities because they are embedded in his must-have and nice-to-have criteria. To win your customer's business without chopping price, justify why you are worth it. Have at least three reasons why your customer should buy from you.

3. Foggy recall. "Didn't you say installation was included in the purchase price? That's what I told the committee. There's no way I can get any more money for this."

The best way to handle foggy recall is to prevent it in advance by putting everything in writing. Don't trust memory, either yours or your customers, on important terms and conditions.

4. Good Guy/Bad Guy. One buyer tells you that the sale was a sure thing, then another buyer gets involved and says there's no way the deal will get approved on the existing terms.

The best way to handle this is for you, The Negotiator, to see it as a tactic designed to make you feel powerless. If your customer is going through all this effort, you know they are desperate to do a deal with you.

5. Wince. When a price is quoted, the buyer winces or acts angry. Your buyer may then become silent, waiting to see how the salesperson responds.

Again, see it as a tactic and it loses its effectiveness.

6. Bait and switch. The buyer requests a price on a large quantity of items, say 100 units. At the last-minute, the buyer decides to buy 25 units per year for the next four years. Of course, the buyer still expects the 100 unit price, as if all units had been bought at one time.

You can prevent this tactic in your sales proposal by being specific about the terms of your offer.

7. Nibbling. The buyer makes small additional requests, either before or after a deal was done, such as "by the way, if you can give us an extra 5 percent off, it would really help my boss out and it will give you an advantage on our next purchase. What do you say?"

The best strategy for handling nibbling is to keep your guard up.

Negotiating power plays a major role in every type of negotiation, whether it's a labor negotiation, political negotiation, or a buy-sell negotiation. Both the buyer and the seller have power in a negotiation. Power is each side's perception of its strength or weakness in comparison to the other. This perception of power affects the ability of each party to achieve its own goals. The more negotiating power you have in comparison to that of your buyer, the fewer concessions you'll have to make.