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Handling Price Objections Like A Pro

Talking Points and Strategies for Dealing with Price Objections from Customers.

Warm Thoughts Communications, the country's largest marketing firm focusing exclusively on the home comfort industry.

Warm Thoughts Comm.
200 Meadowlands Pkwy.
Secaucus, NJ 07094

201-330-9276
201-223-1555 (fax)

email:
info@warmthoughts.com
www.warmthoughts.com

Don't assume people know that they are being offered a come-on price

Many customers don't realize that they are just getting a one or two year deal; they just think the new company is much less than you.

By the same token, don't assume they care. Many people don't give a damn that they would be getting a better deal than existing customers. And how many times have you heard "If they try and raise my price a lot next year, I can always leave them." You need to make them care enough by highlighting some of the problems with playing musical oil companies.

Example:

"When you were quoted this price, were you told whether that was their normal rate, or just a come-on deal to try and lure you into their company?"

"I can really appreciate that it's attractive to save money, and if you feel it's in your best interests to leave us, I'll understand. At the same time, may I point out some of the things they may not be telling you?"

First, I know this rate is a come-on rate for new customers, not what they normally charge. And that means next year, they're going to raise your price to the highest possible level, to make up for it. Unless you like playing musical oil companies, you only come out ahead for one year. And the biggest problems we, or any oil company have, are in the first year. That's when most of the run-outs happen, the service

glitches, etc. And if you're left without heat for a day or so when it's really cold, the savings doesn't seem so great.

We'd like to be able to keep you as a customer and take care of you the right way. Do you feel better about staying with us now?

Make sure they don't think you've been overcharging them

When a customer calls you to complain your price is too high, he may just be acting from a desire to save. But sometimes, he really thinks you have been overcharging him. They dynamics are very different, and you should try to ferret this out early in the conversation.

Here's an example for a customer who was on a price cap last year, but who is now seeing offers much below this year's new cap:

Company: "May I ask if you think we've been overcharging you?"

Customer: "*We'll I'm not sure any more. I mean, these other prices are a lot less.*"

Company: "I can appreciate that there's a difference, but I'd hate to have you think it's because we're overcharging you. We have a XX year history of integrity in this area. In fact, over the last few years, because of our price cap, you've saved around \$600. Last year alone, oil prices rose to xxx a gallon, and you never paid more than yyy. We're competitive with the real rates other quality oil companies charge, but not special low ball rates that are only good for a year to lure

people into becoming customers and then jack them up.

When they gave you this price, did they tell you how far away they are located or how many techs they have in the area? (Wait for an answer)

- Did they tell you how long customers usually wait for service (with us, it's around 2–3 hours.)
- Did they tell you whether they treat your oil with special chemicals to reduce gelling and increase efficiency? (if applicable)
- Did they tell you what their service tech to customer ratio was, and how spread out they are — because that's the best indicator of response time?
- Did they tell you what percentage of their service plan customers actually got their tune-ups last year, because one of the oldest tricks is to just not do the tune-up — it causes people to burn around 10% more fuel.
- Did they tell you what their customer retention rate is? Without people who move, our retention rate is over 95%. That is the best testimony to the value we give folks. Some of these other companies lose 15% if their customers each year.”

You've been with us for x years, I'd hate to see you leave over a temporary come on deal.

Won't you reconsider?

Arm yourself with your better ammo

Many of you do great things for customers that really showcase your value, or help customers of other companies who had been dissatisfied. But you don't do enough with these great exam-

ples and references.

You could say — “I know last winter that we fielded a number of calls from customers of other companies who couldn't get service in January.”

It would be much better if you could say:

“You know, it's easy to promise anything. The problem is delivering. But don't take my word for it. I have a list of more than 15 customers who went for one of these deals and had big problems (or customers of x company who came over to us because they had big problems). Would you like me to give you names of people to talk to so that you can potentially avoid some big inconvenience?”

Get your techs and csr's to keep track of these reference stories. Contact them, ask them if they'd be willing to join your reference group, offer them something like a 100 free gallons as thanks. Then use it to prove what makes you better, or the problem with the other guy's deal.

Find other examples of a come-on deals that have a negative association, and use it to discredit the oil offer

Example: it's like those credit card deals where they sucker you in with no interest for a few months, but then jack it up to the highest rate.

Always find ways to translate good service into things that matter — practical, not just “peace of mind”

Examples: We have over 10 service technicians, unlike some companies that have only 2 or 3. – Together they can solve even the toughest problems.

Or: XX company only has 3 techs.

What happens if they have 10 or 15 calls? How long will it take to get to you? (your customer doesn't need to know about tech/customer ratio — and you don't need to tell them unless it serves you.)

Or:

Most of our techs take their trucks home so we can dispatch them directly to your home, and cut down on your waiting time.

Don't assume they love your service

If they've had a problem with you and you base your whole pitch on how well you'll service them, you're dead. So ask:

“Have you been happy with how we've taken care of your family?”

“The reason I ask you that is because there's a big difference between how oil companies take care of customers. I know we all look the same on the outside, but some of the things that are different with us are:

X

X

X

Know your customer

Pull up their record if you are talking to them about staying. It helps to know how much they use, if they pay on time, if they are accessing all your money saving services, and especially, if they've needed a lot of service. Use their name. Engage them in talking about their experiences with you. It makes it harder to leave.

“My record shows we've been out to your house 3 times in the last 4 years.

Were you happy with how we handled things? One of the reasons we can take care of you well is that we know your system's quirks. You could be in for a big mess if you had to have someone else figure things out in the middle of a cold spell.