

What do you do when the client doesn't care about your Unique Selling Proposition?

Times are becoming tougher with a squeeze on profit margins through reverse bidding; clients' dictating what they will pay which in some cases is below cost, payment terms extended beyond industry norms and adversarial negotiations used to force a lower cost. A client recently told me there is *"a new breed of procurement manager who is totally focussed on cost and has a take it or leave it attitude."* *"They don't care about past long term relationships and any unique selling proposition (USP)."*

There are volumes of articles written about the virtues of using a USP but what do you do when a client doesn't need or value your USP? What do you do when confronted with any of the above selling situations?

There are 3 things to be aware of in order to change a current situation or at least minimise its effects on sales and profit margins:

1. Price sensitive levels

1.1) Price Hypersensitive

Cost to these clients is everything. They tend to be adversarial, take their time to pay your account and can be high maintenance. Their attitude toward their suppliers is there is no difference between any product and service it's only about the cost. When confronted with this type of client you need to make an informed business decision and ask yourself whether you really want their business. Are you better off prospecting for new business opportunities that can result in higher profit margins?

1.2) Price sensitive

These clients are prepared to pay more provided the value is greater than the additional cost. How much more? This would depend on the client, industry and the product or service.

1.3) Price indifference

Don't be fooled by the heading. These clients are astute. Other factors are more important to them such as their long term relationship with you, your personalised service and the ease of doing business with your company. These clients will often refer you to potential clients and act as your advocate in a new sales opportunity.

2. Client Impact

Research by Corporate Visions highlighted the impact on clients when buying a product or service. These are:

- Product & Service Delivery 19%
- Value to Price Ratio 9%
- Company Brand & Impact 19%
- Field Interactions 53%

The latter refers to face to face contact with a salesperson and it has greater impact than the other 3 factors combined.

3. Sales Competency Level

There are 6 Sales Competency Levels. Level 1 is the Beginner and Level 6 the Professional. The mean average across industries is Level 3. Imagine being a client buying products and services and you interview salespeople every day. So how would you justify buying from one salesperson from another? Like the majority – cost! At Level 4 however, the client experiences a noticeable difference and responds accordingly. Level 6 are known to consistently achieve higher sales and greater margins than the rest of the salesforce.

We have been doing it tough but for some of us unnecessarily so. Differentiation or the USP is usually found in a company's brand or its products and services. But we work in a very competitive sales environment so from a client's perspective it's all so similar. We can however, vastly improve our situation by developing a higher level of sales competence which in itself does create differentiation and possibly a sustainable one.

If you would like to know more about this subject or have any questions then contact Kurt Newman direct +61 412 252 236 or email info@salesconsultants.com.au



Kurt Newman is a recognised sales expert, successful author and respected coach and mentor who has guided many well-known companies to improved profitability and countless sales professionals to greater success. Following an outstanding, award-winning and record-making career in sales that spanned three decades and covered all major market segments, Kurt is now focussed on passing his expertise on to others through his work with Sales Consultants and community-based initiatives.