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BUYER TACTICS

By Bill Garcia, Negotiation Trainer

In most areas of life, a “tactic” is a task, action or step taken in support of a plan. In other words, a tactic is a legitimate element of a strategy.

Not so, in negotiations. There, a tactic is something a person says, does, or threatens to do that’s false or insincere – a phony ploy designed to solicit an adverse reaction. Unfortunately in most cases, only the person proposing it knows that. This is why you need to learn how to spot tactics and counter them.

Today we’ll take a hypothetical selling situation and explore four classic tactics you may experience as a seller: The Cringe, The Squeeze, The Budget, and The Competition.

Let’s say you’re selling a product or service priced at \$400.

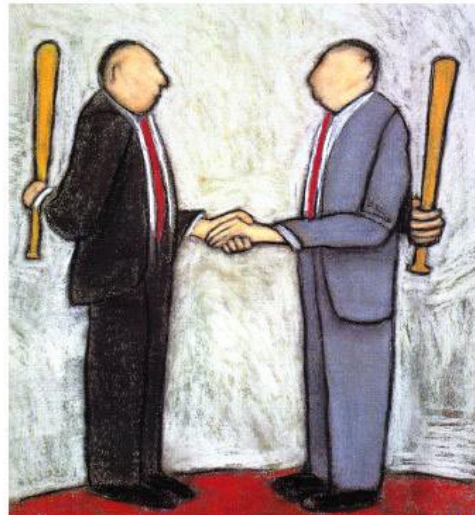
The Cringe

“The Cringe” is when a buyer recoils from your proposal, often with loud or derisive language.”

“What’s the price?”

“Four hundred dollars.”

“Pftttt! Four hundred dollars? Are you out of your mind? I’m not paying you four hundred dollars for that!”



Weak sellers react to “the cringe” with embarrassment. Usually they lower their expectations and begin making concessions just to quiet the customer down. This is exactly what the buyer wants.

Strong sellers, by contrast, recognize the “cringe” for what it is: a tactic – an insincere gesture. Unlike their weaker counterparts, strong sellers will keep their expectations high, re-affirm the price, and use the opportunity to fortify the selling proposition:

“That’s right, it’s four hundred dollars. But it’s worth four hundred dollars! Let me show you why ...”

The Squeeze

The Squeeze is when you're told you'll have to "do better." For example, at some point in a negotiation the buyer will concede, "*Look I understand that you think this is worth four hundred dollars. But (chuckles) you'll have to do better.*" This may be followed by a smirk, a nod, or a knowing wink – as if both of you understand you have to offer a better deal.

Caught in a squeeze, weak sellers soon decide it's time to "get realistic," and they start down the slippery slope to concessions. They don't want to lose the sale – and are prone to the suggestion that maybe they really *do* need to do better.

Strong sellers will challenge the buyer saying "*Mr. Smith, if you agree it's worth four hundred dollars why do I have to do better?*"

The Budget

Budgets are common barriers erected by buyers. They'll claim there isn't enough money in their wallet to pay your price. So they'll propose other arrangements. Maybe even an alternative pricing:

"Look, I'm sorry; I just don't have four hundred dollars. I only have three hundred fifty dollars. But I can give you that -- in cash – today."

Hearing this, weak sellers may cave – reasoning that "cash in hand" is better than installment payments – or no order at all. Strong sellers look at it differently. They'll

stand their ground and refuse to concede price.

"All you have is three hundred fifty dollars dollars? Well, then let's go look at something for three fifty."

The Competition

Invoking the competitor is a powerful buyer's tactic – it can put the fear of God in a seller, especially during economic downturns. Imagine a buyer dropping into a nearly empty store, suggesting to a salesman, "*I was on my way to (your competitor's), but I thought I'd stop here first. You know, they'll sell me this model for three hundred dollars.*"

Weak sellers will either assume this is true – or they won't care. They've got a "live one" and they don't want him to leave the store without buying. So they'll begin to give in.

Not strong sellers. By definition, they're people who *know* their competition -- inside and out. They can respond to the threat with confidence because they know exactly what their competitors are offering:

"Really? They'll accept three hundred for this four hundred dollar model? Hmmm. Well why are you talking to me?"

Summary

The Cringe, The Squeeze, The Budget, and The Competition. Four classic tactics to look out for when negotiating with buyers.