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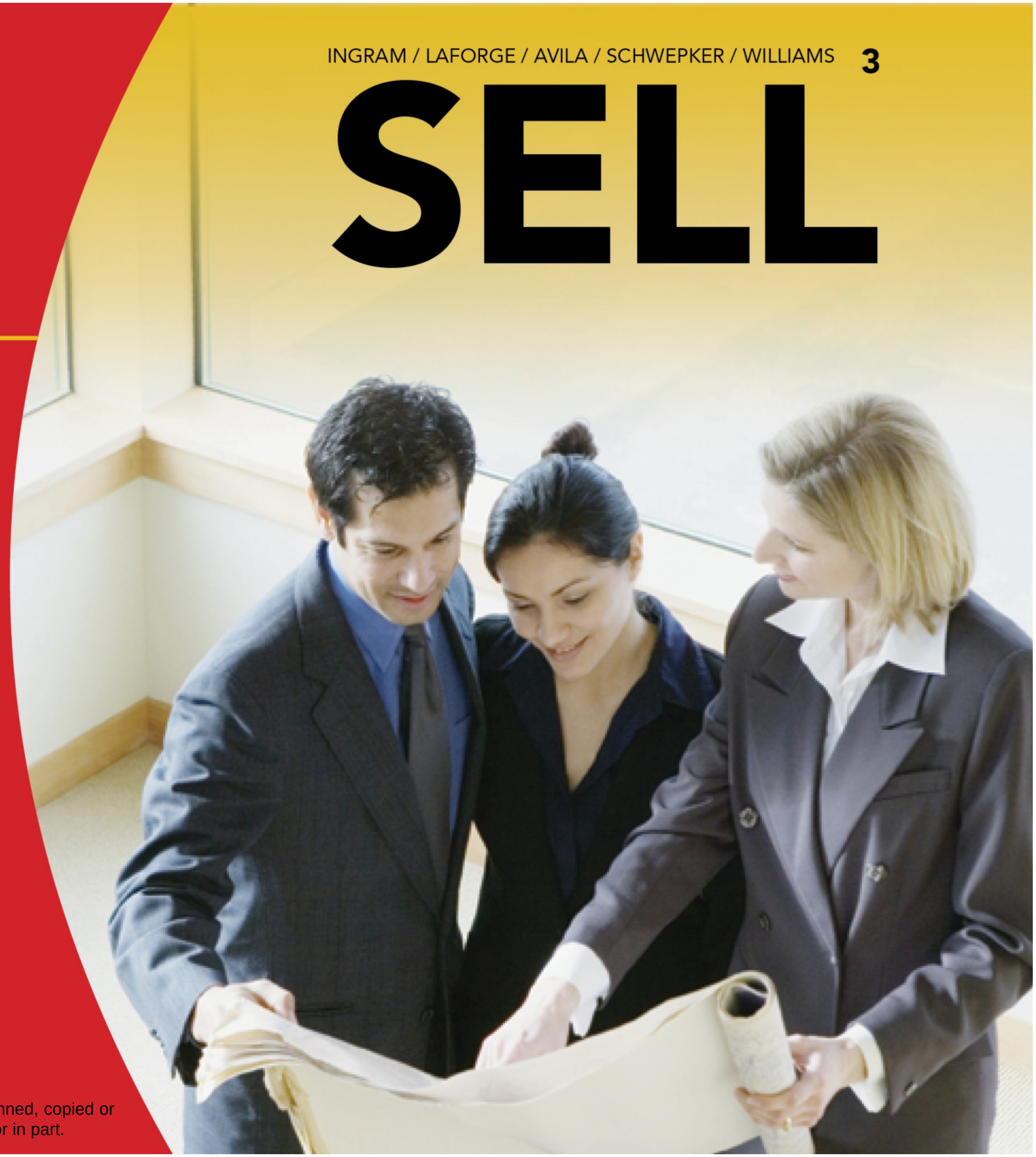
Addressing Concerns and Earning Commitment



Sales Resistance

Buyer's objections to a product or service during a sales presentation.

Reasons Why Prospects Raise Objections

- The prospect wants to avoid the sales interview.
- The salesperson has failed to prospect and qualify properly.
- Objecting is a matter of custom.
- The prospect resists change.
- The prospect fails to recognize a need.
- Prospect lacks information.

Major Categories of Objections

1. No Need
2. Product or Service Objection
3. Company Objection
4. Price is Too High
5. Time/Delaying

Responding to Need Objections

EXHIBIT 8.3
Possible Need Objections

"I have all I can use (all stocked up)."

"I do not need any."

"The equipment I have is still good."

"I am satisfied with the company we use now."

"We have no room for your line."

Strategy

Stimulate need awareness through effective questioning (e.g. SPIN; ADAPT) and presentation of key features and benefits that may peak the prospect's interest.

Responding to Product/Service Objections

EXHIBIT 8.4

Possible Product or Service Objections

"I do not like the design, color, or style."

"A maintenance agreement should be included."

"Performance of the product is unsatisfactory (i.e., the copier is too slow)."

"Packaging is too bulky".

"The product is incompatible with the present system (i.e., we prefer Apple over IBM)."

"The specifications do not match what we have now."

"How do I know if you will meet our delivery requirements?"

"The product is poor quality."

Strategy

Improve fact-finding during early stages of the sales cycle; to offset perceived downsides, make sure to present and emphasize features and benefits that add value and are important to the prospect.

Responding to Company/Source Objections

EXHIBIT 8.5

Company or Source Objections

"Your company is too small to meet my needs."

"I have never heard of your company."

"Your company is too big. I will get lost in the shuffle."

"Your company is pretty new. How do I know you will be around to take care of me in the future?"

"Your company was recently in the newspaper. Are you having problems?"

Strategy

Evaluate validity of concern; offer evidence (preferably third-party) to counter or alleviate concern; highlight competitive strengths without making disparaging remarks about competitors.

Responding to Price Objections

EXHIBIT 8.6

Price Objections

"We cannot afford it."

"I cannot afford to spend that much right now."

"That is 30 percent higher than your competitor's comparable model."

"We have a better offer from your competitor."

"I need something a lot cheaper."

"Your price is not different enough to change suppliers."

Strategy

Recognize price objections are common and often an attempt to get a lower price; present evidence showing how the value gained exceeds the perceived cost; find ways to build-in additional value.

Responding to Time Objections

EXHIBIT 8.7

Time Objections

"I need time to think it over."

"Ask me again next month when you stop by."

"I am not ready to buy yet."

"I have not made up my mind."

"I do not want to commit myself until I have had a chance to talk to engineering (i.e., any other department)."

Strategy

Be sensitive to prospect's timing issues (avoid being perceived as pushy); where appropriate and accurate, present meaningful reasons to move forward in the sales process.

Handling Buyer Resistance

Methods for Handling Buyer Resistance

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- Forestall – Introduce the source of the objection before the prospect brings it up.
- Direct Denial – A rather harsh response that the prospect is wrong.
- Indirect Denial – Softening the blow when correcting a prospect's information.
- Translation or Boomerang – Turn a reason not to buy (the source of the objection) into a reason to buy.
- Compensation – Counterbalance the objection with an offsetting benefit.

Other Methods for Handling Buyer Resistance

- **Question** – Ask the buyer assessment questions to gain a better understanding of the what they are objecting to.
- **Third Party Reinforcement** – Use the opinion or data from a third party source to help overcome the objection and reinforce the salesperson's points.
- **Feel-Felt-Found** – Salesperson relates that others actually found their initial opinions to be unfounded.
- **Coming-to-That** – The salesperson tells the buyer that he or she will be covering the objection later in his or her presentation.

Commitment

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Often referred to as "closing," gaining commitment refers to the prospect's willingness to make a purchase from the salesperson.

Guidelines for Earning Commitment

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- Look for Commitment Signals
  - “That will get the job done”
  - “I didn’t realize you delivered everyday.”
  - “The price is lower than I thought it would be.”
- Ask Trial Commitment Questions
  - “What do you think about what we’ve discussed?”
  - “Do you see how this will help your organization?”

Guidelines for Earning Commitment

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- Resolve “Red Light” Statements Made by the Prospect
  - “I’m not sure that will work."
  - “The price is higher than I thought it would be.”
  - “Your delivery schedule does not work for us.”
  - “I don’t see the advantage of going with your proposal.”

Techniques to Earn Commitment

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EXHIBIT 8.12

Techniques to Earn Commitment

1. Direct Commitment—Simply ask for the order.
2. Legitimate Choice/Alternative Choice—Give the prospect a limited number of choices.
3. Summary Commitment—Summarize all the confirmed benefits to which there has been agreement.
4. T-Account/Balance Sheet Commitment—Summary close on paper.
5. Success Story Commitment—Salesperson tells a story of a business that successfully solved a problem by buying his or her products.

Techniques to Avoid

EXHIBIT 8.13

Traditional Commitment Method

Method	How to Use It
Standing-Room-Only Close	This close puts a time limit on the client in an attempt to hurry the decision to close. "These prices are only good until tomorrow."
Assumptive Close	The salesperson assumes that an agreement has been reached. The salesperson places the order form in front of the buyer and hands him or her a pen.
Fear or Emotional Close	The salesperson tells a story of something bad happening if the purchase is not made. "If you do not purchase this insurance and you die, your wife will have to sell the house and live on the street."
Continuous Yes Close	This close uses the principle that saying yes gets to be a habit. The salesperson asks a number of questions, each formulated so that the prospect answers yes.
Minor-Points Close	Seeks agreement on relatively minor (trivial) issues associated with the full order. "Do you prefer cash or charge?