

8 Addressing Concerns and Earning Commitment

LEARNING OBJECTIVES

After studying this chapter, the student should be able to:

- 8-1 Explain why it is important to anticipate and overcome buyer concerns and resistance.
- 8-2 Understand why prospects raise objections.
- 8-3 Describe the five major types of sales resistance.
- 8-4 Explain how the LAARC method can be used to overcome buyer resistance.
- 8-5 Describe the recommended approaches for responding to buyer objections.
- 8-6 List and explain the earning commitment techniques that secure commitment and closing.

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EARN MORE REFERRALS AND REPEAT BUSINESS

Many salespeople become addicted to chasing opportunities and the high that comes with closing a deal. But beware of becoming the closing addict. Often, such reps sacrifice lasting success by pursuing short-term gains. A great and lasting relationship with a customer isn't something that's just handed to you; you have to earn it. Selling Power Editors offer these tips to help customers see you as a partner rather than just another business interaction where the salesperson is always trying to close the order.

Make sure your buyer-education process goes beyond your product and services. After you earn commitment, tell your new customers everything they need to know to make their post-sale interactions with your company

as smooth as possible. Ideally, your company will have taken steps to do this, but unfortunately, that's not always the case. If you can't get upper management to make improvements, keep track of some of the most common



requests and frustrations your customers express, then be proactive about giving key advice and helpful tips. For example, customers might find it useful to know any of the following:

- How your products will come packaged;
- How to read the invoice;
- When they can and can't expect a rush order;
- How to follow up on back orders or make special shipping or delivery arrangements;
- How to get in touch with you or someone who can help them quickly and easily, even during off hours.

Make clear to customers that your success is based on their success. Sales resistance after the sale can be avoided by forming a collaborative partnership, which means the difference between helping your customers and simply selling them on a product or service. Show

them your willingness to be available and helpful. Send emails that are concise and intelligent, take time to walk them through procedures, and know when and how to put them in touch with people on your team who will be responsive and knowledgeable.

Remember that good experiences add up. A good overall experience with your company after the sale can often mean repeat business and glowing referrals for you. Internally, be an advocate for thorough training of customer service teams and any other departments or support people who will be interacting or working with your customer.

The best salespeople quickly learn how to see a signed contract, not as an ending, but as the start of a long-term and mutually beneficial relationship for years to come. If you're truly customer focused, then you should have no problem getting plenty of repeat business and referrals.

ADDRESSING CONCERNS

An objection or sales resistance is anything the buyer says or does that slows down or stops the buying process. The salesperson's job is to uncover these objections and answer them to the prospect's or client's satisfaction. It is very difficult for a salesperson to earn commitment if there is doubt or concern on the buyer's part. Thus, the salesperson must uncover and overcome any and all objections. In doing so, the salesperson strengthens the long-term relationship and moves the sales process closer to commitment. At the very least, these concerns open dialogue between the salesperson and the prospect.

A brief discussion follows on why it is important for salespeople to anticipate and negotiate buyer concern. Following a discussion of why prospects raise objections, this chapter covers the five major types of objections. Next, different approaches to handling sales resistance are explained. Finally, techniques to earn commitment are reviewed.

Good salespeople
will anticipate their
buyers' concerns.

8-1 ANTICIPATE AND NEGOTIATE CONCERNS AND RESISTANCE

Over the years, many sales forces were taught that sales resistance was bad and would likely slow down or stop the selling process. Salespeople were also told that if they received resistance, then they had not done a good job explaining their product or service.

These notions have changed over the years to where objections are now viewed as opportunities to sell. Salespeople should be grateful for objections and always treat them as questions. The buyer is just asking for more information. It is the salesperson's job to produce the correct information to help buyers understand their concerns. Inexperienced salespeople need to learn that sales resistance is a normal, natural part of any sales conversation. The prospect that does not question price, service, warranty, and delivery concerns is probably not interested.

Although many salespeople fear sales resistance from their prospects

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



"And that is what happens when we resist change."

Many salespeople fear sales resistance from their prospects or customers.

or customers, it should be viewed as a normal part of the sales process. At a minimum, the salesperson has the prospect involved. The salesperson can now start to determine customer interest and measure the buyer's understanding of the problem. In some situations, a salesperson cannot overcome resistance (e.g., delivery dates do not match; technology does not fit). Under these circumstances, the successful salesperson gracefully ends the sales call while leaving open the option for further business.¹ Finally, if the sales resistance is handled correctly, the outcome can lead to customer acceptance.

8-2 REASONS WHY PROSPECTS RAISE OBJECTIONS

There are many reasons why prospects will raise objections.

1. **The prospect wants to avoid the sales interview.** Some prospects do not want to create any more work for themselves than they already have. A sales interview takes time, and buyers already have a busy schedule handling normal day-to-day tasks. Buyers may want to avoid the salesperson because they view his or her call as an interruption in their day. Most buyers do not have the time to see every salesperson that knocks on their door.

2. The salesperson has failed to prospect and qualify properly. Sometimes, poor prospects slip through the screening process. The prospect may have misunderstood the salesperson's intentions when asked for the interview. The salesperson should attempt to qualify the prospect during the sales call. For example, a computer software company used telemarketing to qualify prospects. Leads were turned over to the salesforce for in-person visits. The major product line was an inventory control package that cost \$20,000. The salesperson asked the owner of the company if she had a budget for this project. The owner responded that her budget was \$5,000. The salesperson gave the owner the names of a couple of inexpensive software companies, thanked the owner for her time, and moved on. The owner was not about to spend \$20,000 and said so early in the sales conversation. That resistance actually helped the salesperson. What if this condition had stayed hidden for four to six weeks while the salesperson continued to call on the owner? Both the salesperson's and owner's time would have been wasted.

3. **Objecting is a matter of custom.** Many purchasing agents have a motto never to buy on the first call with a salesperson. Trust has not yet been developed and a thorough understanding of the salesperson, his or her company, and the products has not been developed. The buyer will need most of this information to make a decision. Many buyers may say no during the first few calls to test the salesperson's persistence.

4. **The prospect resists change.** Many buyers like the way that they are currently doing business. Thus, buyers will tell the salesperson that they are satisfied with what they have now. Many prospects simply resist change because they dislike making decisions. Prospects may fear the consequences of deciding and dread disturbing the status quo. A purchase usually involves dismissing the current

supplier and handling all of the arrangements (price, terms, delivery, and product specifications) to move the new supplier in smoothly. Once a buyer is comfortable with his or her suppliers, he or she will generally avoid new salespeople until a major need arises.

5. **The prospect fails to recognize a need.** The prospect may be unaware of a need, uninformed about the product or service, or content with the situation as it is. In any case, the lack of need creates no motivation to change suppliers. Many purchasing agents were content with their overnight mail service and were slow to recognize the fax machine as a viable solution to getting information to their customers quickly. The poor quality of the reproduced document also turned away many buyers. Only when the need for the information outweighed the aesthetics of the document did the buyers readily embrace the fax machine.

6. **The prospect lacks information.** Ultimately, all sales resistance comes back to the fact that the prospect simply lacks the information he or she needs to make a decision comfortably. The salesperson must view this as an opportunity to put the right information in front of the buyer. Exhibit 8.1 summarizes why prospects raise objections and lists strategies for dealing with them.

Exhibit 8.1

Why Prospects Raise Objections and Strategies for Dealing with Them

- **Buyer wants to avoid the sales interview.**
Strategy: Set appointments to become part of the buyer's daily routine.
- **Salesperson has failed to prospect and qualify properly.**
Strategy: Ask questions to verify prospect's interest.
- **Buyer will not buy on the first sales call.**
Strategy: A regular call on the prospect lets the prospect know the salesperson is serious about the relationship.
- **Prospect does not want to change the current way of doing business.**
Strategy: Salesperson must help the prospect understand there is a better solution than the one the prospect is currently using.
- **Prospect has failed to recognize a need.**
Strategy: Salesperson must show evidence that sparks the prospect's interest.
- **Prospect lacks information on a new product or on the salesperson's company.**
Strategy: Salesperson must continually work to add value by providing useful information.

TYPES OF SALES RESISTANCE

Although there appears to be an infinite number of objections, most fall into five or six categories. Buyers use delay techniques to avoid taking immediate action. Comments such as "Give me a couple of weeks to think it over," can save the buyer the discomfort of saying no at the end of a presentation. "Your price is too high," or "I have no money," are easy ways for purchasing agents not to buy a salesperson's offering. Price is probably the most often cited objection and usually is not the most important issue. It is obvious that buyers do not buy merely based on price; if this were true, then the lowest price supplier would get all of the business and eventually be the only supplier left selling the product. "No need at this time," is another typical objection. The buyer may not be in the market to purchase at this time.

It is not unusual for salespeople to encounter product objections. Most buyers have fears associated with buying a product. The buyer might be afraid that the product will not be as reliable as the salesperson claimed. Not only do the salespeople have to demonstrate that their product will perform at the level they say it will, but they must also show how it stacks up to the competition. A competitor introducing a new technology (e.g., e-commerce) may change the way a salesperson competes on a particular product line (e.g., office products).

Many buyers are constantly assessing their supplier on service (e.g., delivery, follow-up, warranties, guarantees, repairs, installation, and training). If the service is good and department heads are not complaining, the buyer is likely to stay with the status quo. Service is one variable that companies and salespeople can use to differentiate their product. Enterprise Rent-a-Car will deliver cars to the home of the renter and has made this a difference factor in its advertising. A salesperson for a wholesale distributor may

make the point to a prospect that his or her fresh fruit, fish, and meat can be delivered daily when competitors deliver only three times per week.

Many buyers will feel intense loyalty to their suppliers and use this as a reason not to change. Buyers may be equally committed to the salesperson from whom they are currently buying. As a nonsupplier to the company, the salesperson must continue to call on the buyer and look for opportunities to build trust with the prospect. The salesperson may want to investigate whether the buyer has had any previous bad experience with his or her company that is causing the buyer not to do business with the company. Some salespeople and their buyers will not hit it off. The salesperson has to recognize these feelings and move on if several calls do not result in an eventual sale.

At first glance, an inexperienced salesperson may be overwhelmed with the thought of how he or she will handle all of the different types of objections buyers will raise. Salespeople need to develop skills in evaluating objections.² It does not take long, however, for a salesperson to learn that most objections fall into just a few categories. When preparing to buy a product or service, a prospect generally obtains information in five areas: need, product or service features, company or source, price, and timing of the buy. Objections could come from any of these areas, as shown in Exhibit 8.2.

Exhibit 8.2

Types of Objections

No Need

Buyer has recently purchased or does not see a need for the product category.

"I am not interested at this time."

Product or Service Objection

Buyer might be afraid of product reliability.
"I am not sure the quality of your product meets our needs."

Buyer might be afraid of late deliveries, slow repairs, etc.
"I am happy with my current supplier's service."

Company Objection

Buyer is intensely loyal to the current supplier.
"I am happy with my present supplier."

Price Is Too High

Buyer has a limited budget.
"We have been buying from another supplier that meets our budget constraints."

Time/Delaying

Buyer needs time to think it over.
"Get back with me in a couple of weeks."

8-3a Need Objections

Without a need, prospects have little or no reason to talk to a salesperson. If the prospect has been qualified properly, the salesperson believes the prospect has a need for the product. Many buyers have been conditioned to say automatically, "I do not need your product" (i.e., **need objection**). This may be the result of the buyer being out of budget or not having the time to look at your product or proposal. Other buyers may respond, "We are getting along just fine without your product. No one in my company is asking for your product. Call back in a few months and maybe something will change."

The salesperson has a tough challenge ahead if the buyer sincerely believes they have no need. It is the salesperson's job to establish a need in the buyer's mind; if the salesperson cannot do this, then logically, an objection can be expected.

Many prospects do not know they have a specific need for a product until a situation occurs that makes them aware of it (i.e., engineering calls and needs a special software package). Therefore, objections to the need require the salesperson to stimulate the need awareness of the prospect with relevant information—features and benefits that pique the prospect's interest. Exhibit 8.3 summarizes a number of the no-need objections.

8-3b Product or Service Objections

Often the product or service lacks something that the buyer wants and the salesperson cannot deliver. A competitive advantage for a large software firm (Ontario) is that they have a 24-hour/800 service available to all of their customers. Their number-one competitor offers only an 8:00 A.M. to 8:00 P.M. call-in phone service. For those clients who run three shifts and need 24-hour service, their choice is easy: They buy from Ontario.

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."

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 (e.g., the copier is too slow)."

"Packaging is too bulky."

"The product is incompatible with the current 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."

Other prospect objections could be simply emotional—the prospect does not like the way the product looks or feels (i.e., **product or service objection**). Still others have a problem with the product's performance characteristics (i.e., "I need a copier that has color and staples in the bin"). The salesperson must also do an adequate job of fact-finding and qualifying. Many of these issues can be resolved by knowing what the prospect is looking for.

Objections toward the product center on understanding the fit between the product and the customer's needs. The salesperson's job is to learn what product features are important to the buyer and sell those features. Products are bundles of benefits that customers seek to fit their needs. Tying the benefits to the customer's needs helps the prospect bridge the gap from no-need to need. Exhibit 8.4 summarizes a number of product or service objections.

8-3c Company or Source Objections

Marty Reist is a manufacturer's representative for a small company in the sporting goods industry. He has to sell against many large competitors. Sales representatives from

need objection Resistance to a product/service in which a buyer says that he or she does not need the product/service.

product or service objection Resistance to a product/service in which a buyer does not like the way the product/service looks or feels.

Nike, Titleist, and Reebok probably do not have to work as hard to get past the gatekeepers. Reist, in contrast, must justify his existence every day. "I have never heard of your company" (i.e., **company or source objection**) is something Reist must continually overcome.

Other buyers may be happy with their current supplier. It is not unusual for buyer/seller relationships to last 10 to 15 years and even longer. Robert Carroll, a former sales representative from Monsanto Agricultural Division, heard the following quote from many of his farmers and farm co-ops. "I'm perfectly happy with Monsanto, my crops look good. I've been buying from them for years, and they have always treated me right." This is one of the hardest objections to overcome, especially if the prospect feels genuine loyalty to his or her current supplier.

Professional salespeople never criticize their competitors. The salesperson can point out any superior features they might have. They can also ask for a single order and ask for an evaluation against their present supplier.

Another form of source objection is a negative attitude a buyer might have about the salesperson's company or the poor presentation of a previous salesperson. A buyer might remember a late or damaged order the company did not properly handle. A former salesperson may have made promises to the buyer and did not follow through on them. The salesperson must investigate any and all source objections. The salesperson may uncover source problems that can be overcome with time. Exhibit 8.5 outlines typical company or source objections.

8-3d Price Objections

Most sales experts agree that price is the most common form of buyer resistance.³ This objection has prospects saying that they cannot afford the product, the price is too high, or the product is not in their budget at this time (i.e., **price objection**). This objection may be a request for the salesperson to justify to the prospect how they can

company or source objection Resistance to a product/service that results when a buyer has never heard of or is not familiar with the product's company.

price objection Resistance to a product/service based on the price of the product being too high for the buyer.

time objection Resistance to a product/service in which a buyer puts off the decision to buy until a later date.

afford the product or how they can work it into their budget. Most salespeople feel the price objection is an attempt by the buyer to get the salesperson to lower his or her price. The salesperson must address the price objection by citing how the benefits (value) outweigh the cost. To do this, the product's value must be established before the salesperson

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?"

spends time discussing price.⁴ Many companies never sell at the low-cost option. Stryker Medical sells hospital beds and stretchers to hospitals and emergency rooms. Stryker never offers the lowest cost. Stryker's salespeople almost always hear the price objection. First, they have to educate their prospects and customers that their products last 25 to 50 percent longer than their competitor's products. They can demonstrate with evidence, their product will still be around 5 to 10 years after their competitor's has been discarded. If one of their stretchers is \$1,500 more than their competitor's, they must break down the price over the entire life of the stretcher. They can actually show a savings over time. By providing the right information, Stryker can show value over the competitor's offering.

Price objections probably occur more frequently than any other type. Price objections may be used to cover the real reason for a reluctance to buy. Probing and asking questions are the salesperson's tools to get the real reasons for a buyer's objection. Exhibit 8.6 summarizes a number of price objections.

8-3e Time Objections

Buyers use the **time objection**, or as some salespeople call it, the **stalling objection**, to put off the decision to buy until a later date. Many inexperienced salespeople hear this technique and believe the prospect is going to buy in the future, but not today. Some buyers use this technique to get rid of salespeople so that the buyer does not have to reject the salesperson and his or her sales proposal formally. Sometimes proposals are very complex and the buyer does need time to think them over. The salesperson must be sensitive to this and not push too hard to get an answer until the buyer has had adequate time to make a decision. It is acceptable for the salesperson to review

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."

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 (or any other department)."

the reasons to act now or soon. Waiting can have consequences (e.g., prices rise, new tax begins the first of the year, etc.) and the buyer should be made aware of these. Exhibit 8.7 illustrates possible time objections.

8-4 USING LAARC: A PROCESS FOR NEGOTIATING BUYER RESISTANCE

The term **LAARC** is an acronym for listen, acknowledge, assess, respond, and confirm and describes an effective process for salespeople to follow to overcome sales resistance. The LAARC method is a customer-oriented way to keep the sales dialogue positive. In the early days of sales, buyers and sellers were not always truthful with each other, and manipulation was the norm. Although being persuasive is necessary to be an effective sales representative, having such a singular focus can have a detrimental effect on customer rapport and relationships.

Salespeople who said whatever it took to get an order—who over-promised and under-delivered and misrepresented their offerings—were sometimes looked on favorably by their selling organization. Professional sellers today want to keep the dialogue open and build goodwill by adding value to their proposition. By listening to buyers' concerns and negotiating through open dialogue, the seller increases the likelihood of purchase decisions being made on a favorable basis, and this leads to long-term relationships. Thus, it is the salesperson's job to communicate and demonstrate value when sales resistance arises.

Here is a description of LAARC:

- **Listen:** Salespeople should listen to what their buyers are saying. The ever-present temptation to anticipate what buyers are going to say and cut them off with a premature response should be avoided. Learning to listen is important—it is more than just being polite or professional. Buyers are trying to tell the salesperson something that they consider important.
- **Acknowledge:** As buyers complete their statements, salespeople should acknowledge that they received the message and that they appreciate and can understand the concern. Salespeople should not jump in with an instantaneous defensive response. Before responding, salespeople need a better understanding about what their buyers are saying. By politely pausing and then simply acknowledging their statement, a salesperson establishes that he or she is a reasonable person—a professional who appreciates other people's opinions. It also buys a salesperson precious moments for composing his or her thoughts and thinking of questions for the next step.
- **Assess:** This step is similar to assessment in the ADAPT process of questioning. This step in dealing with buyer resistance calls for salespeople to ask assessment questions to gain a better understanding of exactly what their buyers are saying and why they are saying it. Equipped with this information and understanding, salespeople are better able to make a meaningful response to the buyer's resistance.
- **Respond:** Based on his or her understanding of what and why the buyer is resisting, the salesperson can respond to the buyer's resistance. Structuring a response typically follows the method that is most appropriate for the situation. The more traditional methods of response (see Exhibit 8.8) include forestalling, direct denial, indirect denial, translation (or boomerang), compensation, question, third-party reinforcement (or feel-felt-found), and coming to that. Kelsey Grindle, in "From the Classroom to the Field," discusses why it is important to be persistent when calling on the gatekeeper.

LAARC An acronym for listen, acknowledge, assess, respond, and confirm that describes an effective process for salespeople to follow to overcome sales resistance.

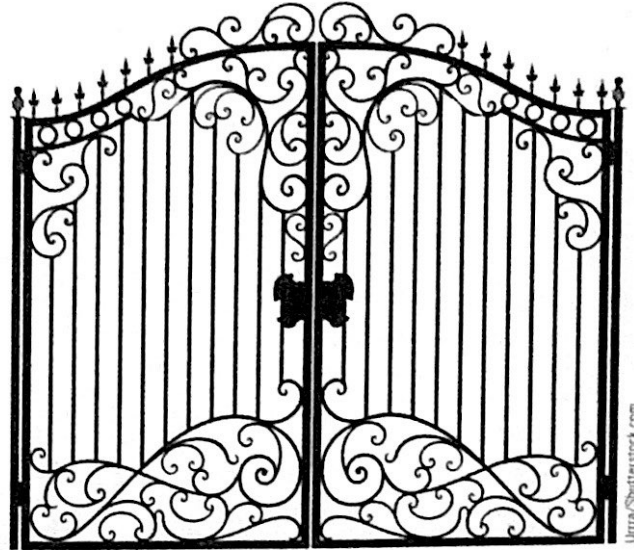
Exhibit 8.8

Techniques to Answer Sales Resistance

Technique	How It Works	Example
Forestalling	Take care of the objection before the prospect brings it up.	Many of my customers have had a concern going into my presentation that we do not have a warranty program. Let me put this to rest that we have one-, three-, and five-year warranty programs that match our competitors. I hope this answers your concern.
Direct denial ¹	Give a rather harsh response that the prospect is wrong.	You have heard incorrectly. We are not raising prices.
Indirect denial	Soften the blow when correcting a prospect's information.	We have heard that rumor, too—even some of our best customers asked us about it. Our senior management team has guaranteed us our prices will hold firm through the rest of the year.
Translation or boomerang	Turn a reason not to buy into a reason to buy.	Buyer: Your company is too small to meet our needs. Salesperson: That is just the reason you want to do business with us. Because we are smaller, you will get the individual attention you said you wanted.
Compensation	Counterbalance the objection with an offsetting benefit.	Yes, our price is higher, but you are going to get the quality you said that you needed to keep your customers happy.
Questioning or assessing	Ask the buyer assessment questions to gain a better understanding of what they are objecting to.	Your concern is price. Can you please tell me who you are comparing us with, and does their quote include any service agreement?
Third-party reinforcement	Use the opinion or data from a third-party source to help overcome the objection.	Bill Middleton from Dial Electronics had the same concern going in. Let me tell you why he is comfortable with our proposal...
Feel-felt-found	Salesperson relates that others actually found their initial opinions to be unfounded.	Buyer: I do not think my customers will want to buy a product with all those features. We generally sell scaled-down models. Salesperson: I can certainly see how you <i>feel</i> . Lisa Richardson down the road in Louisville <i>felt</i> the same way when I first proposed that she go with these models. However, after she agreed to display them in the front of her store, she <i>found</i> that her customers started buying the models with more features—and that, in turn, provided her with larger margins. In fact, she called me less than a week later to order more!
Coming-to-That	The salesperson tells the buyer that he or she will be covering the objection later in his or her presentation.	Buyer: I have some concerns about your delivery dates. Salesperson: I am glad you brought that up. Before fully discussing our delivery, I want to go over the features that you said were important to you that will help you better understand our product. Is that okay?

From the Classroom to the Field

Kelsey Grindle (Ball State 2013 graduate), sales representative for Henry Schein Dental, talks about the challenges of getting past the gatekeepers in each office he calls on. "I've been in my territory for a little over a year now and I've put over 30,000 miles on my car. I see each one of my customers and prospects every two weeks. Many of my customers are happy to see me and it is fairly easy to see the decision maker in each of these offices. On the other hand, I have prospects who actually laugh when I walk in the door for my persistence. They have been a long-time user of one of my competitors and they are surprised to see me again and again. I tell them this is my job and I want to be ready when they need me. I treat every gatekeeper with respect and I follow each office's rules to do business with them. I'm starting to see some success in my persistence!"



These techniques have been used both positively and negatively. Professional salespeople use these techniques to add value to their proposal. For instance, the translation or boomerang technique can be used quite effectively if the salesperson has gathered the appropriate information to support his or her response. The buyer might state, "Your company is too big, and we might slip through the cracks as a small customer." The salesperson might respond, "That is exactly why you want to do business with us. We are larger, and we are going to be able to offer you all of the levels of expertise you said you needed. Smaller companies will not be able to do this, and you will eventually have to search for another supplier. We are one-stop shopping, and we will make sure you will not fall through the cracks." Here, the salesperson took a reason not to buy and translated it into a reason to buy. Much dialogue had to go on before this for the salesperson to be able to provide the proper information to overcome the concern. Exhibit 8.8 includes examples of how a salesperson might respond to buyer concerns in a professional manner.

- **Confirm:** After responding, the salesperson should ask confirmatory questions—response checks to make sure that the buyer's concerns have been adequately met. Once this is confirmed, the presentation can proceed. In fact, experience indicates that this form of buyer confirmation is often a sufficient buying signal to warrant the salesperson's attempt to gain a commitment.

8-5

RECOMMENDED APPROACHES FOR RESPONDING TO OBJECTIONS

A brief summary of traditional methods for responding to objections follows. Exhibit 8.8 summarizes how each technique works.

8-5a Forestalling

When salespeople hear an objection arising repeatedly, they may decide to include an answer to the objection within their sales presentation before it is voiced by the prospect. This is **forestalling**. Marty Reist of MPRS Sales, Inc., often tells his prospects he realizes he is not Nike, Titleist, or Reebok, but his size has not kept him from providing outstanding service to his customers. Reist can add a third-party testimonial to back up his statements and put his prospect's mind at ease. This technique should be used only when there is a high probability that the prospect will indeed raise the objection.⁶

8-5b Direct Denial

When using the **direct denial** technique to handle sales resistance, the salesperson is directly telling the customer that he or she is mistaken. Prospects may have incorrect facts or may not understand the information they have.

The prospect might say the following:

Prospect: I hear you do not offer service agreements on any of your products.

The salesperson knowing this is not true cannot soft pedal his or her answer. In this situation, the prospect is clearly incorrect and the direct denial is the best solution.

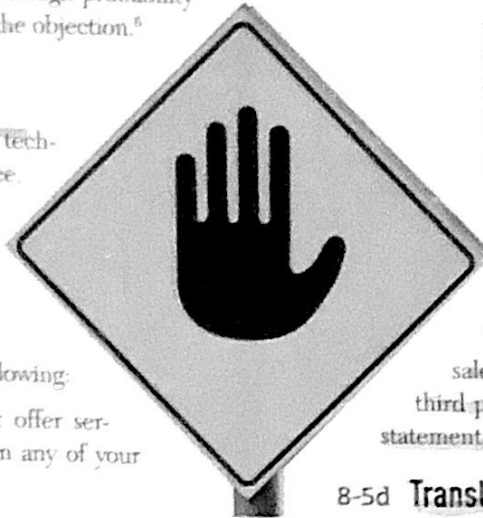
Salesperson: I am sorry, that is not correct. We offer three- and five-year service contracts, and our warranty is also five years.

forestalling A response to buyer objections in which the salesperson answers the objection during the presentation before the buyer has a chance to ask it.

direct denial A response to buyer objections in which the salesperson tells the customer that he or she is wrong.

indirect denial A response to buyer objections in which the salesperson takes a softer more tactful approach when correcting a prospect or customer's information.

translation or boomerang A response to buyer objections in which the salesperson converts the objection into a reason the prospect should buy.



but with a softer, more tactful approach. With **indirect denial**, the salesperson never tells the prospect directly that he or she is wrong. The best way to utilize this method is to think of it as offering sympathy with the prospect's view and still managing to correct the invalid objection of the buyer. An example follows.

Prospect: I heard that your emergency room beds are \$4,000 higher than your competitor's.

Salesperson: Many of our customers had a similar notion that our beds are much more expensive. The actual cost is only \$1,200 higher. I have testimonials from other hospitals stating that our beds last up to five years longer. You actually save money.

The salesperson here tries to soften the blow with the opening sentence. Then the salesperson must correct the misconception.

Techniques can be combined as the salesperson adds information from a third party to lend credibility to his or her statement.

8-5d Translation or Boomerang

The **translation or boomerang** method converts the objection into a reason that the prospect should buy. What the salesperson is trying to do is to take a reason not to buy and turn it into a reason to buy. Marty Reist of MPRS Sales, Inc., offers the following advice:

Whenever I hear the objection, "I don't think your company is large enough to meet our service needs," I immediately come back with, "That is exactly the reason you should do business with us. We are big enough to meet your service needs. In fact, you will be calling an 800 number with a larger company and you won't know who you'll get to help you. With our company, any time you have a problem, question, or concern, you'll call me and talk to a familiar voice."

Another example using the price objection might go like this:

Buyer: Your price appears to be high.

Salesperson: Our high price is an advantage for you; the premium sector of the market not only gives you the highest margin, but also it is the most stable sector of the market.

8-5c Indirect Denial

Sometimes it is best not to take an objection head on. The indirect approach takes on the objection

The goal of the translation or boomerang method is to turn an apparent deficiency into an asset or reason to buy.

8-5e Compensation

There may be a time when a salesperson has to admit that his or her product does have the disadvantage that the prospect has noticed. The **compensation technique** is an attempt to show the prospect that a benefit or advantage compensates for an objection. For example, a higher product price is justified by benefits such as better service, faster delivery, or higher performance.

A buyer may use the objection that your company's lead time is 14 days compared with 10 days for your leading competitor. The salesperson's response could be: "Yes, our required lead time is 14 days, but we ship our orders completely assembled. This practically eliminates extra handling in your warehouse. My competitor's product will require assembly by your warehouse workers." With the compensation method, the objection is not denied at all—it is acknowledged, and then balanced by compensating features, advantages, and benefits.

8-5f Questioning or Assessing

Another potentially effective way to handle buyer resistance is to convert the objection into a question. This technique calls for the salesperson to ask **questions** or **assess** to gain a better understanding of the exact nature of the buyer's objections. Sometimes it is difficult for the salesperson to know the exact problem. This technique is good for clarifying the real objection. It can also be effective in resolving the objection if the prospect is shooting from the hip and does not have a strong reason for the objection. Effective questioning and listening will lead to less sales resistance and more closes. Exhibit 8.9 illustrates the questioning method as a tool to overcome sales resistance.

8-5g Third-Party Reinforcement Feel-Felt-Found

The **third-party reinforcement** technique uses the opinion or research of a third person or company to help overcome and reinforce the salesperson's sales points. Salespeople today can use a wide range of proof statements. Consumer reports, government

Exhibit 8.9

Questioning (Assessing) to Overcome Sales Resistance

Example 1

Buyer: I am not sure I am ready to act at this time.

Salesperson: Can you tell me what is causing your hesitation?

Example 2

Buyer: Your price seems to be a little high.

Salesperson: Can you tell me what price you had in mind? Have other suppliers quoted you a lower price?

Example 3

Buyer: Your delivery schedule does not work for us.

Salesperson: To whom are you comparing me? Can you please tell me what delivery schedule will work for your company?

reports, and independent testing agencies can all be used to back up a salesperson's statement. **Secondary data** such as this or experience data from a reliable third party could be all that is needed to turn around a skeptical prospect. A salesperson must remember that this technique will work only if the buyer believes in the third-party source that the salesperson is using.

A version of using third-party reinforcement is the **feel-felt-found** method. Here, the salesperson goes on to relate that others found their initial thoughts to be unfounded after they tried the product. Salespeople need to practice this method—when used in the correct sequence, it can be very effective. Again, the strength of the person and company being used as an example is critical to how much influence the reference will have on the prospect.

8-5h Coming-to-That or Postpone

Salespeople need to understand that objections may and will be made to almost everything concerning them,

compensation A response to buyer objections in which the salesperson counterbalances the objection with an offsetting benefit.

questions or **assess** A response to buyer objections in which the salesperson asks the buyer assessment questions to gain a better understanding of what they are objecting to.

third-party reinforcement A response to buyer objections in which the salesperson uses the opinion or data from a third-party source to help overcome the objection and reinforce the salesperson's points.

their products, and their company. Good salespeople anticipate these objections and develop effective answers, but sometimes it may make sense to cover an objection later in the presentation, after additional questioning and information is provided. The salesperson should evaluate how important the concern is to the prospect—and, if the objection seems to be critical to the sale, the salesperson should address it immediately.

Once the salesperson has answered all the buyer's questions and has resolved resistance issues that have come up during the presentation, the salesperson should summarize all the pertinent buying signals (i.e., fair price, acceptable delivery dates, and a good service agreement).

SUMMARIZING SOLUTIONS TO CONFIRM BENEFITS The mark of a good salesperson is the ability to listen and determine the customer's exact needs. It is not unusual for salespeople to incorporate the outstanding benefits of their product into the sales presentation. A salesperson can identify many potential benefits for each product and feature. However, it does not make sense for a salesperson to talk about potential benefits that the buyer may not need. The salesperson must determine the confirmed benefits and make these the focal point of the sales summary before asking for the business. A salesperson must be alert to the one, two, or three benefits that generate the most excitement to the buyer. The confirmed benefits of greatest interest to the buyer deserve the greatest emphasis. These benefits should be summarized in such a way that the buyer sees a direct connection in what he or she has been telling the salesperson over the course of the selling cycle and the proposal is being offered to meet his or her needs. Once this is done, it is time to ask for the business.

8-6

SECURING COMMITMENT AND CLOSING

Ultimately, a large part of most salespeople's performance evaluation is based on their ability to gain customer commitment, often called closing sales. Because of this close relationship between compensation and getting orders, traditional selling has tended to overemphasize the importance of gaining a commitment.⁷ In fact, there are those who think that just about any salesperson can find a new prospect, open a sale, or take an order. These same people infer it takes a

trained, motivated, and skilled professional to close a sale. They go on to say that the close is the keystone to a salesperson's success, and a good salesperson will have mastered many new ways to close the sale. This outmoded emphasis on closing skills is typical of transaction selling techniques that stress making the sales call at all costs.

Another popular but outdated suggestion to salespeople is to "close early and often." This is particularly bad advice if the prospect is not prepared to make a decision, responds negatively to a premature attempt to consummate the sale, and then (following the principles of cognitive consistency) proceeds to reinforce the prior negative position as the salesperson plugs away, firing one closing salvo after another at the beleaguered prospect. Research tells us that it will take several sales calls to make an initial sale, so it is somewhat bewildering to still encounter such tired old battle cries as "the ABCs of selling, which stand for Always Be Closing." Research based on more than 35,000 sales calls over a 12-year period suggests that an overreliance on closing techniques actually reduces the chance of making a sale.⁸ Furthermore, as the Selling Power Editors suggest in the opening vignette, "spending too much time on closing and pursuing short term gains, takes away from the more important effort of pursuing long term partnerships."

Manipulative closing gimmicks are less likely to be effective as professional buyers grow weary with the cat-and-mouse approach to selling that a surprising number of salespeople still practice. It is also surprising to find many salespeople who view their customers as combatants over whom victory is sought. Once salespeople who have adversarial, me-against-you attitudes make the sale, the customer is likely to be neglected as the salesperson rides off into the sunset in search of yet another battle with yet another lowly customer.

One time-honored thought that does retain contemporary relevance is that "nobody likes to be sold, but everybody likes to buy." In other words, salespeople should facilitate decision making by pointing out a suggested course of action but should allow the prospect plenty of mental space within which a rational decision can be reached.⁹ Taken to its logical conclusion, this means that it may be acceptable to make a sales call without asking for the order. Salespeople must be cognizant, however, of their responsibility to advance the relationship toward a profitable sale, lest they become the most dreaded of all types of salespeople—the paid conversationalist. Technology in Selling points out that the key to closing is not necessarily



Technology in Selling

Build Sales Pipeline the Social Way and Earn More

—Selling Power Editors

As sales professionals know, the key to closing more deals is not necessarily generating more leads but generating the right leads. These days, the best way to build a robust sales pipeline is to generate those leads using LinkedIn.

Although many people think LinkedIn is just a place to post



your resume or hunt for a job, it actually represents a way to strategically build pipeline and nurture relationships. Koka Sexton, senior social marketing manager at LinkedIn, says there are two basic steps to leveraging either LinkedIn's free platform or LinkedIn's Sales navigator (<http://business.linkedin.com/sales-solutions/prospecting-tool.html>) for better pipeline results.

Step 1: Search LinkedIn's 300 million members and see what information is available about prospects on their profile pages. This alone can tell you a lot, and when your network is big enough, you can often request that one of your first-degree connections introduce you to a third-degree connection.

Step 2: Use LinkedIn as an engagement platform, via Status updates or comments in groups, and by sharing content or responding to content posted by others. As Sexton says, these interactions add up to stronger relationships, which can help build pipeline and reduce churn.

"The more engaged you are with [buyers], the harder it is for them to break you," Sexton says. "If you engage through social media throughout the year, at year-end they know you."

Sexton predicts social selling with the norm in five years. "We are about a year away from the tipping point, when we get to critical mass."

generating more leads but generating and closing the right leads.

It has already been mentioned that the salesperson has taken on the expanded roles of business consultant and relationship manager, which is not consistent with pressuring customers until they give in and say yes. Fortunately, things have changed to the point that today's professional salesperson attempts to gain commitment when the buyer is ready to buy. The salesperson should evaluate each presentation and attempt to determine the causes of its success or failure with the customer. The difference between closing and earning commitment is that commitment is more than just securing an order. Commitment insinuates the beginning of a long-term relationship.

8-6a Guidelines for Earning Commitment

Earning commitment or gaining commitment is the culmination of the selling process. However, it should not be viewed as a formal stage that comes only at the end of the presentation. Many salespeople fail to recognize early buyer commitment by focusing on their presentation and not the comments the buyer is making. **Commitment signals** are favorable statements that may be made by the buyer, such as:

- "I like that size."
- "That will get the job done."

commitment signals

Favorable statements a buyer makes during a sales presentation that signal buyer commitment.

- "The price is lower than I thought it would be."
- "I did not realize you delivered every day."

These statements should be considered green lights that allow the salesperson to move the process forward. Positive statements by the buyer should start the process of determining the best time to close. Ultimately the salesperson should ask for the order when the buyer has enough information to make an informed decision. Making sure the buyer has the right information to make an intelligent decision is the main goal of a salesperson's sales presentation. Normally the earning commitment question is asked when the sales presentation is completed and all the questions and sales resistances have been successfully addressed.

Commitment may also be determined through the use of **trial commitments**. Throughout the presentation, it is appropriate to determine a prospect's reaction to a particular feature or product. At this time, a trial commitment is a question designed to determine a prospect's reaction without forcing the prospect to make a final yes or no buying decision. The trial commitment is an effort to identify how far along the prospect is in his or her decision making. Confirmation on the prospect's part on key features helps the salesperson determine how ready the prospect is to buy. A trial commitment can be used many times throughout a salesperson's presentation to test the buyer's level of commitment and for the salesperson to gain confirmed benefits. Exhibit 8.10 summarizes both verbal and non-verbal buying signals.

Open-ended questions are a good way to test a prospect's readiness to buy. A salesperson might ask during his or her presentation, "What do you think of our computer's larger memory capacity?" The answer to this will help direct the salesperson to his or her next sales points. However, many statements buyers make should be considered red lights, or a formal objection. The salesperson must consider each of these objections and work to overcome them. Red light statements might include:

- "I am not sure that will work."
- "The price is higher than I thought it would be."
- "Your delivery schedule does not work for us."
- "I do not see the advantage of going with your proposal."

trial commitment An earning commitment technique that determines the attitude of your buyer toward a particular feature or benefit.

Red light statements are commitment caution signals and must be resolved to the buyer's satisfaction before asking

Exhibit 8.10

Favorable Buying Signals

When the prospect:

- Makes a positive statement about the product
- Asks who else has bought the product
- Asks about price, delivery, installation, dates, or service
- Asks about methods of payment
- Begins to study and handle the product
- Appears more relaxed
- Begins to interact more intently with the salesperson

for a commitment. Closing early and often and having a closing quota for each sales call are traditional methods that buyers do not like. Nathan Schmidt in "Professional Selling in the 21st Century: Listening Leads to Earning Commitment," states that it is better to replace numerous closing efforts with better listening skills. The salesperson should put himself or herself in the buyer's shoes and think about how he or she would like to be hammered with many closes throughout a sales presentation, particularly if a few red lights are introduced. Many times, the best method for earning commitment is simply to ask for the business. If the prospect has been qualified properly and a number of confirmed benefits have been uncovered, then naturally the next step is to ask for the business.

8-6b Techniques to Earn Commitment

Some sales trainers will try to teach their salesforces literally hundreds of commitment techniques. One trainer recommended to his salesforce that the salespeople learn two new commitment techniques per week. Then at the end of the year, they would have more than 100 commitment techniques ready to use. Relationship managers today do not need many commitment techniques. A few good ones will suffice. Five techniques that are conducive to relationship building are:

1. **Ask for the order/direct commitment.** It is not unusual for inexperienced salespeople to lose an order simply by not asking the customer to buy. Professional buyers report that an amazing number of salespeople fear rejection. When the buyer is ready to buy, the salesperson must be prepared to



Professional Selling in the 21st Century

Listening Leads to Earning Commitment

Nathan Schmidt, Senior Sales Representative for PCE Insurance Group, has learned over the years that listening skills are critical for success in earning commitment. Nathan states,

It takes time to develop trust with a client. I try to ask several early questions of the buyer that gets them to talk about their present situation and any problems they may have at this time when dealing with their insurance issues. When it is time to present, I can use the information I gathered to make sure during my presentation that I am providing the right information that will reduce the risk in their decision-making process. I close when the buyer has enough information to make an intelligent decision. That comes from good listening and by providing my prospect (client) the right information. Once the information has been thoroughly reviewed by my buyer, then I attempt to earn their commitment.

ask for the buyer's commitment. The **direct commitment** technique is a straightforward request for an order. A salesperson should be confident if he or she has covered all the necessary features and benefits of the product and matched these with the buyer's needs. At this time, the salesperson cannot be afraid to ask, "Tom, can we set up an office visit for next week?" or, "Mary, I would like to have your business; if we can get the order signed today, delivery can take place early next week." Many buyers appreciate the direct approach. There is no confusion as to what the salesperson wants the buyer to do.

2. Ask for a legitimate choice/alternative choice. The **alternative/legitimate choice** technique asks the prospect to select from two or more choices. For example, "Will the HP 400 or the HP 600 work best for you?" An investment broker might ask his or her prospect, "Do you feel your budget would allow you to invest \$1,000 a month or would \$500 a month be better?" The theory behind this technique suggests buyers do not like to be told what to do but do like making a decision over limited choices.

3. Provide a summary commitment. A very effective way to gain agreement is to summarize all the major benefits the buyer has confirmed over the course of the sales calls. Salespeople should keep track of all of the important points covered in previous calls so they can emphasize them again in summary form.

In using the summary commitment technique, a computer salesperson might say:

"Of course, Tom, this is an important decision, so to make the best possible choice, let us go over the major concepts we have discussed. We have agreed that Thompson Computers will provide some definite advantages. First, our system will lower your computing costs; second, our system will last longer and has a better warranty, thus saving you money; and

direct commitment A selling technique in which the salesperson asks the customer directly to buy.

alternative/legitimate choice A selling technique in which the salesperson asks the prospect to select from two or more choices during a sales presentation.

Exhibit 8.11

T-Account Close

Reasons to Buy	Reasons Not to Buy
• Daily delivery schedule meets our needs. • Warranty agreement is longer than the one I have now (five years versus three years). • You provide a training program. • Your service department is located in our city.	• Because of extra services. • Your price is too high; I can't afford it.

finally, your data processing people will be happier because our faster system will reduce their workload. They will get to go home earlier each evening."

The **summary commitment** is a valuable technique because it reminds prospects of all the major benefits that have been mentioned in previous sales calls.

4. Use the T-account or the balance sheet commitment.

The **T-account commitment** or **balance sheet commitment** is essentially a summary commitment on paper. With the T-account com-

summary commitment A selling technique in which the salesperson summarizes all the major benefits the buyer has confirmed over the course of the sales calls.

T-account or balance sheet commitment A selling technique in which a salesperson asks the prospect to brainstorm reasons on paper of why to buy and why not to buy.

success story commitment A selling technique in which a salesperson relates how one of his or her customers had a problem similar to the prospect's and solved it by using the salesperson's product.

mitment, the sales representative takes out a sheet of paper and draws a large "T" across it. On the left-hand side, the salesperson and buyer brainstorm the reasons to buy. Here, the salesperson will list with the buyer all the positive selling points (benefits) they discussed throughout the selling process. Once this is completed, the salesperson asks the buyer for any reasons that he or she would

Good salespeople are never in a hurry to earn commitment!

not want to purchase. Visually, the left-hand side should help the buyer make his or her decision, as seen in Exhibit 8.11. This will not work if the weight of the reasons not to buy outweighs the reasons to buy, or if the buyer wants to act but does not have the money at this time.

5. Use the **success story commitment**. Every company has many satisfied customers. These

customers started out having problems, and the sales representative helped solve these problems by recommending the product or products that matched the customer's needs. Buyers are thankful and grateful when the salesperson helps solve problems. When the salesperson relates a story about how one of his or her customers had a similar problem and solved it by using the salesperson's product, a reluctant buyer can be reassured that the salesperson has done this before successfully. If the salesperson decides to use the customer's name and company, then the salesperson must be sure to get permission to do so. A **success story commitment** might go something like this:

Tom, thanks for sharing your copier problems with me. I had another customer you might know, Betty Brown, who had the same problem over at Thompson Electronics. We installed the CP 2000 and eliminated the problem completely. Please feel free to give Betty a call. She is very happy with our solution.

Some companies will use the success story commitment by actually taking the prospect to a satisfied customer. The salesperson may leave the prospect alone with the satisfied customer so the two can talk confidentially. A satisfied customer can help a salesperson earn commitment by answering questions a reluctant prospect needs answered before he or she can purchase. Exhibit 8.12 shows a summary of relationship-building earning commitment techniques.

8-6c Probe to Earn Commitment

Every attempt to earn commitment will not be successful. Successful salespeople cannot be afraid to ask a prospect why he or she is hesitating to make a decision. It is the salesperson's job to uncover the reason why the prospect is hesitating by asking a series of questions that reveal the key issues. For instance, a buyer may state that he or she is not ready to sign an order. The salesperson must ask, "Mary, there must be a reason why you are reluctant to do business with me and my company. Do you mind if I ask what it is?" The salesperson must then listen and respond accordingly. A salesperson cannot be afraid to ask why a prospect is reluctant to purchase.

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 good only 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?"

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.

8-6d Traditional Methods

Sales trainers across the nation teach hundreds of techniques to earn commitment. Exhibit 8.13 is a summary of the traditional commitment techniques. The vast majority of these are not conducive to building a strong

standing-room only

close A sales closing technique in which the salesperson puts a time limit on the client in an attempt to hurry the decision to close.

assumptive close A sales closing technique in which the salesperson assumes that an agreement has been reached and places the order form in front of the buyer and hands him or her a pen.

fear or emotional close A sales closing technique in which the salesperson tells a story of something unfavorable if the purchase is not made.

continuous yes close A sales closing technique that uses the principle that saying yes gets to be a habit; the salesperson asks a number of questions formulated so that the prospect answers yes.

minor-points close A sales closing technique in which the salesperson seeks agreement on relatively minor issues associated with the full order.

An Ethical Dilemma

Rodney Piper has been selling in his territory for a little over a year and has been using a myriad of closing techniques during each sales call. He made all of his quotas for the previous year and thinks he knows how to sell. His old boss was on board with many closes during each sales call, the more the better. Rodney just spent a day with his new boss, she has had a different reaction to his closing style. She has asked him to tone it down and use closes sparingly. She has seen the

reaction of Rodney's buyers, and several seemed a bit upset over his closing techniques. She will meet him next month for another day in the field.

How should Rodney handle this situation?

- a) Obey orders and close less often.
- b) Tell your boss you are 100% of quota and you are not sure why she is making the request.
- c) Sell the way you want when she is not with you/sell her way when she is.

buyer-seller relationship. As prospects become more sophisticated, most will be turned off by these techniques and they will be ineffective. "An Ethical Dilemma" illustrates that sometimes buyers will be put off by sales people who use too many closes.

Research has clearly shown that buyers are open to consultative techniques of handling objections (e.g., questioning and assessing, direct denial with facts, and so

on) and earning commitment (e.g., asking for the order in a straightforward manner, summarizing key benefits). However, buyers have stated that standard persuasive (traditional) tactics that have been used for years are unacceptable. They now view traditional techniques of handling objections (e.g., forestalling, postponing) and earning commitment (e.g., standing-room only, fear) as overly aggressive and unprofessional.¹⁰

STUDY TOOLS 8

LOCATED IN TEXTBOOK

- ☐ Rip-out and review chapter review card

LOCATED AT WWW.CENGAGEBRAIN.COM

- ☐ Review key term flashcards and create your own from StudyBits
- ☐ Organize notes and StudyBits using the StudyBoard feature within 4LTR Press Online

- ☐ Complete practice and graded quizzes to prepare for tests
- ☐ Complete interactive content within the narrative portion of 4LTR Press Online
- ☐ View chapter highlight box content at the beginning of each chapter