



# CHAPTER 8

Addressing Concerns and Earning Commitment



# LEARNING OUTCOMES



## LEARNING OUTCOMES

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





**FIGURE 71**

THE PERSONAL SELLING PROCESS





## Why is it Important for a Salesperson to Anticipate a Buyer's Concerns and Objections?

1. By anticipating a buyer's concerns and objections, the salesperson is less likely to be "derailed" when he or she hears them.
2. Anticipating concerns and objections gives the salesperson time to prepare and develop an appropriate response strategy.
3. The process of anticipating a buyer's concerns and objections may help the salesperson learn more about his or her market offer and customers.



# Take out a piece of paper...

- List as many objections you have given or have heard during a sales presentation.

1. Too expensive

- 2.

- 3.

- 4.

- 5.





**KEEP  
CALM  
AND  
HANDLE  
OBJECTIONS**

## Categories of Objections

- The Brush-Off
  - "Just send me some information."
- Competition
  - "We already work with Competitor X."
- Procrastination
  - "Call me back in a quarter."
- Budget
  - "We don't have budget for this."
- Getting in the Weeds
  - "Does your product do X, Y, and Z?"
- Avoidance – They just don't want to say No!
  - "I'll get back to you with a better time."
- The Gatekeeper – They are not the decision maker
  - "I'm just collecting information for my boss."



# Sales Resistance



Objections are statements, questions, or actions by the prospect that indicate resistance or an unwillingness to buy . . . at least not yet

- Buyer's objections to a product or service during a sales presentation
  - Viewed as opportunities to sell
- Normal part of a sales conversation
  - Salesperson will have to:
    - Determine customer interest
    - Measure the buyer's understanding of the problem
- Correct handling ensures customer acceptance



Without  
sales  
resistance,  
there  
wouldn't be  
any need for  
salespeople

The first person who reached the prospect would make the sale

Serious negotiations seldom begin until the prospect's objections surface

People will almost always raise objections, even if they are totally sold on the product

The prospect may seek reassurance that the product will perform as promised

The prospect may have been trained to raise objections as a matter of buying technique or negotiation strategy

The prospect may lack the authority to buy but covers up this fact by raising several smokescreen objections



# Reasons for Objections

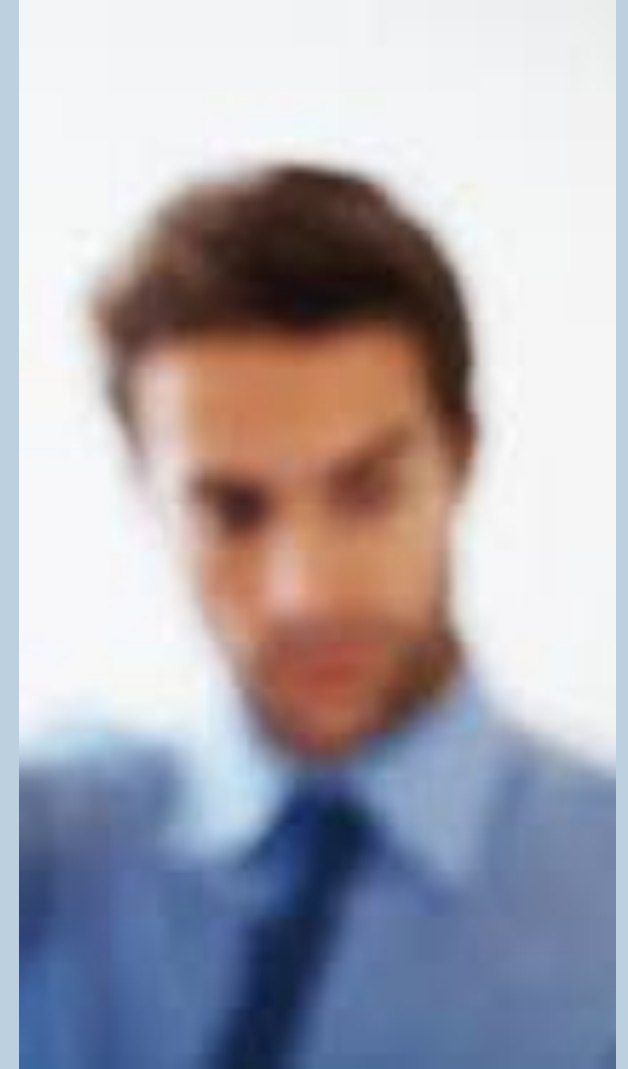
- A few prospects will raise objections merely to be an irritant to salespeople or have fun seeing them work for the order
- An objection may be an appeal by the prospect for assistance in justifying a decision to buy
- Some prospects raise objections so that they can bargain for a better deal.
  - Irrespective of how low your price might be compared to competition some prospects are obsessed about getting an even lower price so that they can feel “victorious”
- Prospects may raise an objection because they have a bias against the salesperson's company or product type or, in rare cases, simply dislike the salesperson





# Look for signs..

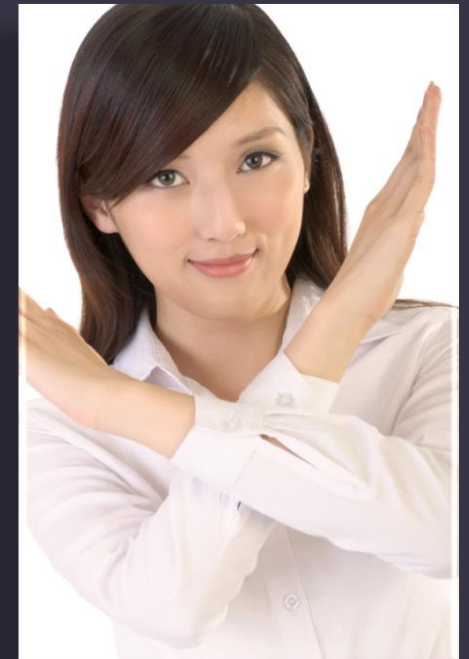
- Signs of Interest
  - Objections are often indirect ways for prospects to say that they want to know more.
  - One study found that salespeople had a 10 percent higher success rate when buyers raised objections than when they seemed to have none.
- Nonverbal Resistance
  - When salespeople spot passive resistance such as frowning, glancing at one's watch, or playing with a desk accessory, they must find some way to perk up the presentation and get the prospect involved.





- 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.

## WHY PROSPECTS RAISE OBJECTIONS AND STRATEGIES FOR DEALING WITH THEM.





# Major Categories of Objections

**1**

**No Need**

**2**

**Product or Service Objection**

**3**

**Company Objection**

**4**

**Price is Too High**

**5**

**Time/Delaying**





### 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."

## TYPES OF OBJECTIONS



# Planning for Objections



ONE OF THE BEST WAYS TO MINIMIZE OBJECTIONS IS TO LEARN WHAT THE PROSPECT'S OBJECTIONS ARE BEFORE YOU BEGIN THE SALES PRESENTATION



IN PLANNING FOR BUYER RESISTANCE OR OBJECTIONS, YOU SHOULD KEEP A RUNNING FILE OF THE MOST TYPICAL OBJECTIONS:



DEVELOP A MASTER LIST OF PROSPECT OBJECTIONS AND CLASSIFY THEM ACCORDING TO TYPE, SUCH AS PRODUCT, PRICE, DELIVERY, INSTALLATION, SERVICE, AND COMPANY.



INCLUDE SUCCESSFUL AND UNSUCCESSFUL WAYS OF DEALING WITH EACH OBJECTION.



TAP SALES COLLEAGUES' KNOWLEDGE ABOUT VARIOUS TYPES OF PROSPECT RESISTANCE AND SUCCESSFUL METHODS FOR DEALING WITH EACH.



# Negotiating Buyer Resistance - LAARC

**Listen**



**Acknowledge**



**Assess**



**Respond**



**Confirm**



1. <b>LISTEN</b>	Active listening to the buyer is more difficult than it first seems. Buyers want to communicate what they deem important. Anticipating and cutting them short is common.
2. <b>ACKNOWLEDGE</b>	At the buyer's conclusion, the salesperson must acknowledge receiving the message without directly responding to it. A common response is: .... is important. I understand your concern. What do you need specifically? This sales behavior raises a profile of reasonability: one who appreciates other's opinions
3. <b>ASSESS</b>	The seller must gain a better understanding of the issue raised by asking the buyer assessment questions -- what the issue is and why it was raised. The advantage of opening a dialogue is to defuse possible buyer anger or frustration. The assessment stage is completed when the salesperson can fully empathize with the buyer's objection.
4. <b>RESPOND</b>	The sales person responds to the buyer once there is a sound understanding of the issue and why resistance was triggered. All the above response tactics are useful. The reply should be carefully constructed.
5. <b>CONFIRM</b>	After the response, the sales person needs to ask confirmatory questions to validate comprehension of the message and to assure the buyer that all concerns have been adequately met.

*The result of a LAARC dialogue should be a commitment from the buyer, either an appointment, an agreement for a next meeting, a demo or an actual sale.*

# LAARC is an Effective Process to Overcome Buyer 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	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?

TECHNIQUES TO ANSWER  
SALES  
RESISTANCE -  
OBJECTIONS  
TECHNIQUES  
TO ANSWER  
SALES  
RESISTANCE

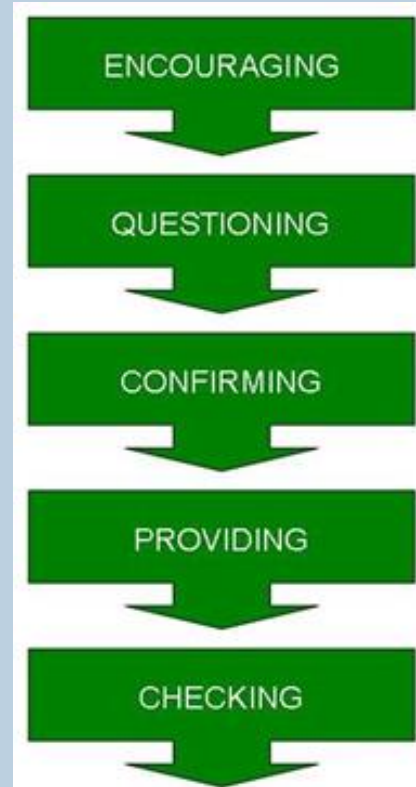
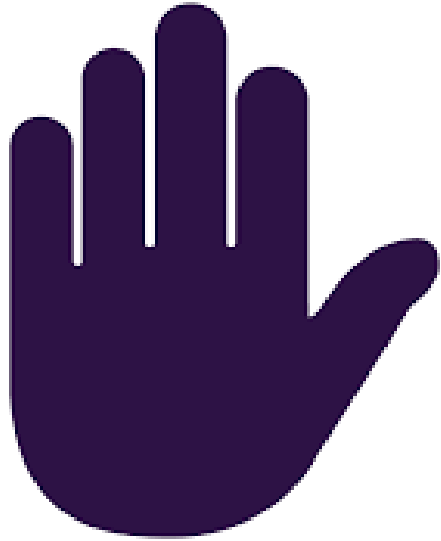


# Other Methods for Handling Buyer Resistance

- 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.





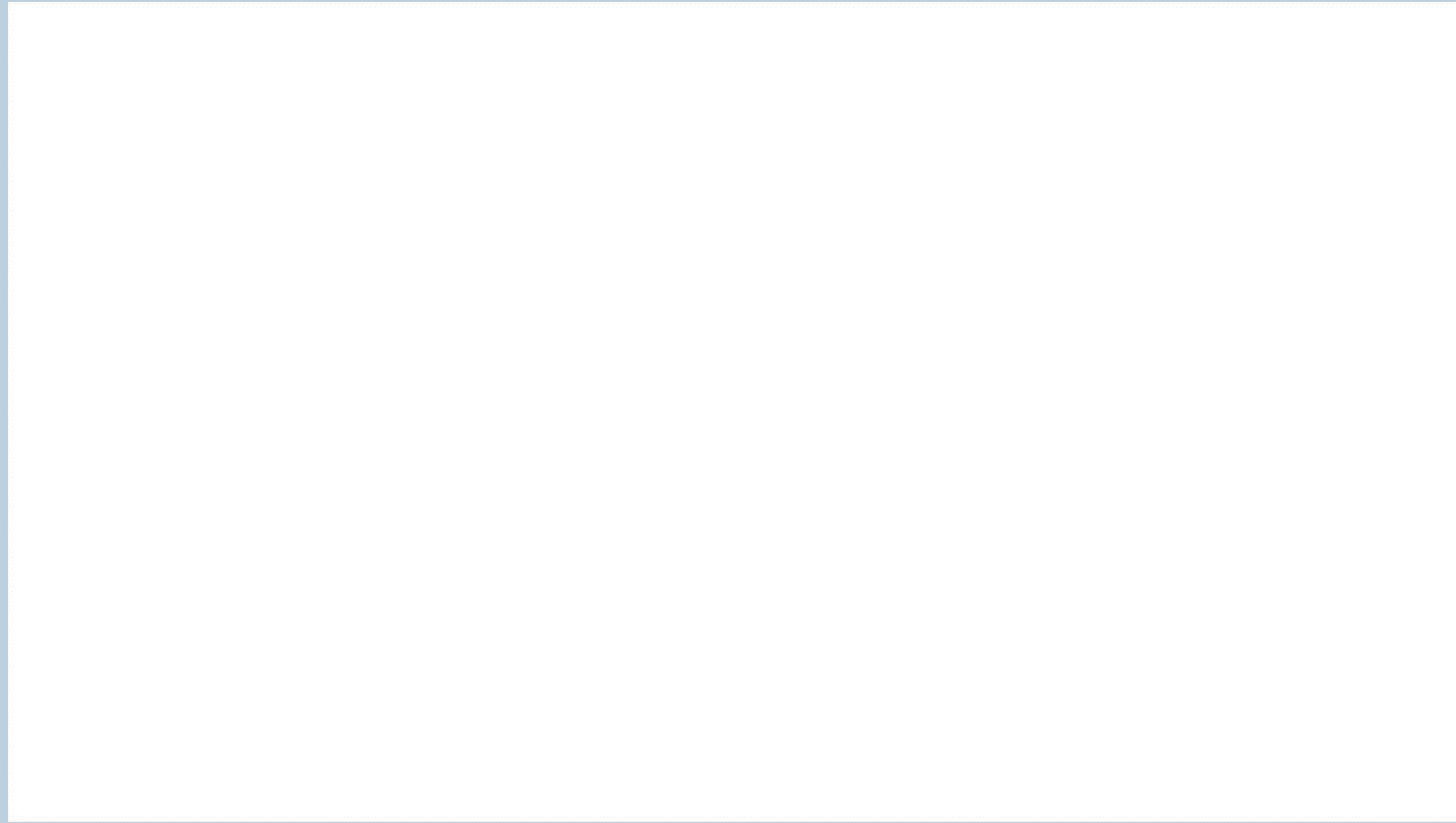


## A few last words on handling objections...

1. Don't be defensive about objections.
2. Make sure you understand the objection.
3. Don't disparage the prospect's objection.
4. Never argue with a prospect. You don't win sales by winning arguments.
5. Try to lead the prospect to answer his or her own objection.
6. Don't over answer or belabor the point because you risk insulting the prospect's intelligence.
7. Don't be drawn into pointless squabbles.
8. Don't try to fake an answer. Admit you don't know but promise that you'll get back promptly with the answer.
9. Confirm your answers but don't question them by asking whether you've fully answered the prospect's question.



# 5 easy steps to handling objections





# Securing Commitment & Closing

Often referred to as “closing,” gaining commitment refers to the prospect’s willingness to make a purchase from the salesperson.





# Guidelines for Earning Commitment

- 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?”





# Techniques to Earn Commitment





# Techniques to Earn Commitment

## 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
<b>Standing-Room-Only Close</b>	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."
<b>Assumptive Close</b>	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.
<b>Fear or Emotional Close</b>	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."
<b>Continuous Yes Close</b>	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.
<b>Minor-Points Close</b>	Seeks agreement on relatively minor (trivial) issues associated with the full order. "Do you prefer cash or charge?"





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

FAVORABLE  
BUYING  
SIGNALS



# What I learned from 100 days of rejection

