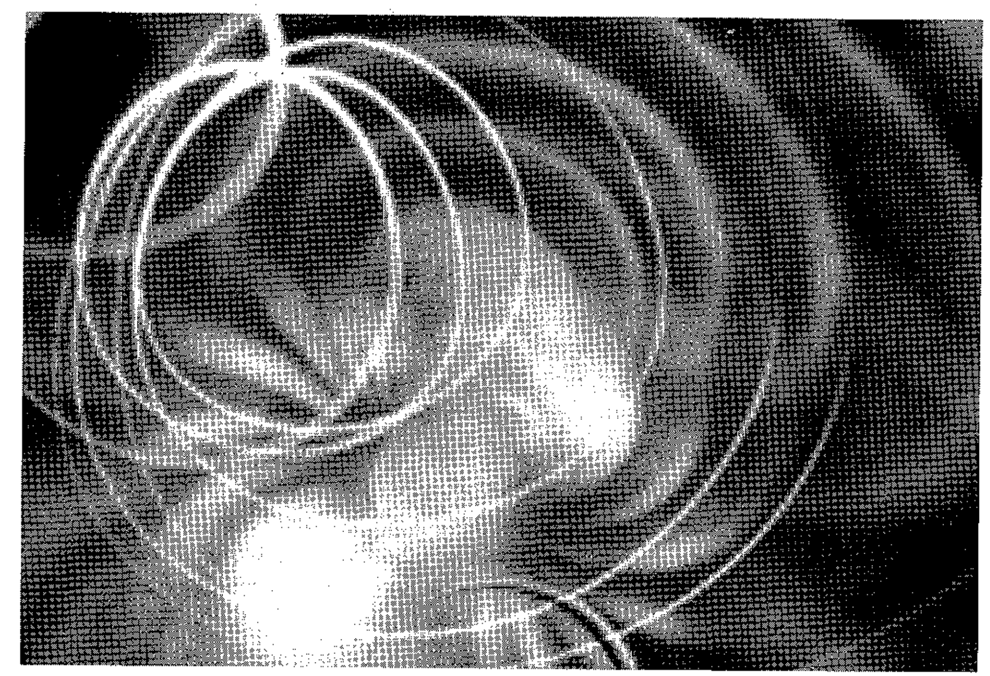
Chapter 11

Handling Objections



Outline

Key Terms

boomerang method	forestalling	mini-max strategy
compensation method	head-on	objection
echo technique	indirect denial	"polite why"
"feel, felt, found" method		

Learning Objectives

Learning Objectives

After studying Chapter 11, you will understand:

- How to view objections as a necessary and beneficial part of selling
- How to clarify an objection
- How to handle objections through the head-on method, the indirect denial, the compensation method, the continuous-yes method, the "feel, felt, found" method, the boomerang method, and forestalling
- Specific techniques for handling the price objection: breaking price down into small units, stressing exclusive features or differences, using comparison, converting to a lower-price item, postponing the objection, discussing both initial and ultimate costs, and quantifying differences
- How to handle the procrastinating buyer, the skeptical buyer, the indifferent buyer, the buyer who needs to talk it over with someone else, and the overstocked buyer

objections
Buyer concerns that product or service does not fully meet and resolve buyer problems.

Objections are simply buyer concerns that some part of your product or service offering does not fully meet and resolve buyer problems. The objection may be over price, delivery, timing, skepticism, authority, and myriad other possibilities. Objections may be seen as "road maps" that point you in the right direction toward the successful completion of the sale.[1] Yet, it is surprising how many salespeople struggle to prevent prospect objections. Although objections superficially appear to voice opposition to buying, in fact, they should be treated as signposts to the final sale. As long as selling involves an exchange of feeling and thoughts between human beings, objections are going to arise. They are a normal part of any sale. Objections are necessary for the salesperson to understand what the prospect is thinking. Experienced salespeople will tell you that the most difficult sale is to prospects who are quiet and uncommunicative. Be optimistic when faced with an objection or tough question. Objections are indicators moving you to successful completion of the sale or losing the sale and giving you more time to spend with customers who will buy. In either case, you know where you are and what you need to do in order to move ahead, course correct, or break off the relationship. When a prospect voices his or her concern over a certain aspect of your product or service, price for example, a chance has arisen for you to redirect your points. If the prospect objects to high initial costs, point out how over the course of time, ultimate costs are actually lower, as with a laser printer versus an inkjet model. With explicit objections, you have the chance to move away from things that the prospect sees as undesirable in favor of moving toward those things that the prospect wants from you, your organization, or your product or service.

Experienced salespeople will also tell you that the prospect who speaks up and raises objections is showing genuine interest in the product. So the proper attitude toward objections is to welcome them. If there are no objections, there may be no sale. Figure 11-1 certainly confirms this; in a study by Learning International, note that when customer objections are present, 64 percent of the time the outcome is successful, in contrast to 54 percent when objections are absent.

Most people work hard for their money and, before parting with it, want to make sure they are spending it intelligently. That is why when we are in a store we tell the salesperson, "No, thank you, I'm just looking," even if we see an item we know we intend to buy. We are delaying the moment when we actually have to let go of our hard-earned money. Salespeople may encounter prospect resistance because of something they haven't made clear. Resistance may be just the prospect's safe way of postponing a decision. "No" is safer than "yes." Salespeople should realize that a "no" might mean "Maybe, but tell me more," or "I don't understand." Real selling pros know that the sale really begins when the customer says "no."

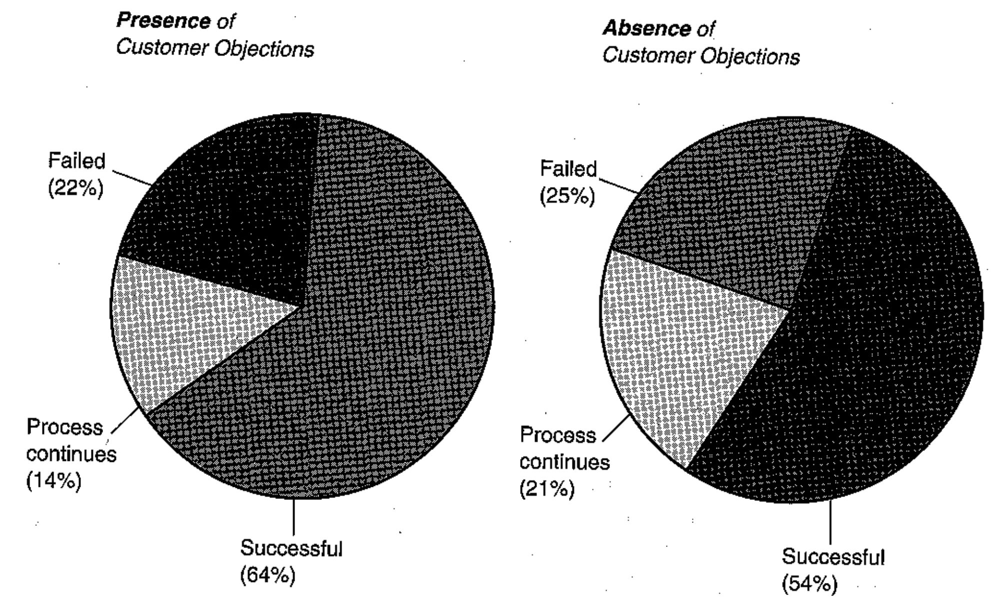


Figure 11-1
Source: Adapted from *Success Factors in Selling,* Learning International, Stamford, CT.

11-1 Preparation

The basic task of sales representatives is to prepare to answer objections before they arise. By anticipating objections, salespeople can ready their answers. This preparation provides salespeople with the confidence of knowing that they can handle almost any situation that arises. Although it is impossible to anticipate every objection, salespeople within two to three months will hear 80 percent of all the objections they will ever face. If the objections are written down, along with the best ways of handling them, salespeople will be prepared for practically any eventuality.[2]

One salesperson keeps what he calls his "Objections Notebook," a loose-leaf binder containing all the objections he has run into, along with appropriate responses. As new ideas for handling objections occur to him, he writes them down, and as new products are introduced or modifications are made in existing ones, he enters the new objections that arise. By studying his objections notebook periodically and glancing at his prospect file, in which the results of each customer visit are recorded along with pertinent customer facts, this salesperson can anticipate the objections each individual customer is likely to raise and can prepare effective answers.

11-2 Ignoring the Objection

In our society, consumers like to think of themselves as shrewd, discriminating buyers who aren't easily convinced or sold. In other words, buyers often put up resistance merely to avoid thinking of themselves as pushovers. The stated objection is groundless; the customer has raised it just as a token objection, one they really don't believe. Fifty percent of the time, it's not an objection at all; it's just a random thought on their part. Moreover, there's often a show-off element in many so-called prospect objections, and the smart salesperson can profit from this tendency. If he or she recognizes that the questioner already knows the answer and/or is trying to score points, the sales rep can appeal to their attempt to demonstrate their cleverness by praising them: "That's an excellent question" or "You raise an interesting point." They'll be so busy congratulating themselves that they'll never notice the sales rep has moved on to something else.

Another pitfall is when the customer makes an erroneous statement because of ignorance of the true facts. If the wrong statement will have little effect on the outcome of the sale, it's best to ignore it. Replying "that's interesting" and continuing the presentation is better than telling him or her outright that they are wrong. If the misstatement must be corrected, then the "yes, but" technique is appropriate. Other effective statements for ignoring the objection include: "Ms. Jones, I appreciate the position you're in. And just to make sure we have the problem in proper perspective, let me recap what benefits you would have . . ." Notice that the salesperson has first acknowledged the objection and then ignored it. This is so as not to offend the prospect's ego. Here are other possibilities for prefacing the focus on benefits: "That's an excellent question," "You raise a very important point," or "I can see how you feel that way."

But what if the objection is real? If the prospect brings up the objection again, then the salesperson can proceed to handle it.

11-3 Clarifying the Objection

Often, the objections that prospects express do not really represent their underlying doubts. In some instances, the prospects themselves are unclear about the nature of their objections, or perhaps they simply have not been able to verbalize doubts well enough for the salesperson to understand. It is also possible that prospects are afraid to state an objection for fear of embarrassment; hence, they alter what they say. On occasion, it even happens that prospects fail to express what they really feel for fear of hurting the salesperson. Social amenities often induce this sort of behavior in everyday life. In social situations, there is a mutual expectation that we will treat one another politely and be considerate of each other's feelings. This isn't lying; when prospects fail to understand the benefits of buying, they are often too embarrassed to tell the truth. This isn't lying, however, as the old adage among veteran salespeople, "Buyers are liars," would have it. Instead of taking the time to listen to the salesperson's presentation, they seek an immediate shortcut by fabricating a small falsehood.[3] Salespeople must be as certain as possible that the objection they answer is in fact the objection the prospect feels. Otherwise, sales representatives' answers will fall on deaf ears, and the opportunity to learn what really is bothering the prospect is lost. Also, the prospect is likely to become annoyed, because his or her doubts are not really being addressed.

An example can illustrate why objections must first be clarified. If prospects raise the objection, "Your price is too high," the salesperson might want to clarify these points:

1. Are prospects referring to list price, discounted price, or even operating and installation costs?
2. Are buyers stating that they cannot afford the price or that it is higher than competitors' prices?
3. What do they consider a fair price?
4. Has the prospect misunderstood or misinterpreted what the salesperson has said?

5. Perhaps the customers really believe that the price is too high, and they're not aware of the total value received in terms of quality, service, back-up support, etc.
6. The customers may be using high price as a cover-up to conceal another objection they don't care to reveal, such as they really don't have the power to make the decision; someone higher up the corporate hierarchy does.
7. Prospects may be hiding yet other doubts. They may not see a real need for the product, or perhaps they have doubts about the delivery and dependability record of the salesperson's company.

Certain objections can be easily voiced by prospects, when they actually have reservations about something entirely different. Price is certainly one example, while others that fall into this category include "I need to talk it over with someone else," "We already have a supplier," "I'll think it over," "I tried a similar product before and it didn't work," "I have no budget for it," and "We'll need to bring this to a committee."[4] For the budget issue, the salesperson needs to clarify: *What is their budget? What financial criteria do they utilize when making a decision? Do they have the ability to pay for the product or service? Do they have the ability to obtain credit? When will their budget allow them to authorize a purchase?* As to the prospect's experience with similar products, the salesperson needs to address: *What was their previous experience? What was the exact product they used? Was the experience positive or negative? What did they like about the product? What didn't they like about it?* Regarding who makes the ultimate buying decision, the following need to be addressed: *Is the buying decision made by an individual or committee? Are there people who can influence the decision makers? Who are they? What is the decision-making process and how long does it take?*

So, how does the salesperson go about clarifying an objection? If the sales representative feels the objection needs elaboration, such as a price objection, the salesperson might use the echo technique or a "polite why" question.

echo technique Clarifying an objection by repeating the last few words of a prospective buyer in the form of a question.

The **echo technique** allows drawing out the prospect's opinions with a question. For example:

Prospect: I had your goods in my store once before, and they didn't sell!

Salesperson: Didn't sell? (echo technique)

Prospect: Yes, the price was too high.

Salesperson: Too high? (echo technique)

Prospect: Yes, your competitors had more aggressive couponing. They ran ads in the local newspaper offering 10 cents off on each bottle.

In each instance, the sales representative was neither negative nor positive but phrased questions to draw out the buyer's opinions and learn more about his or her thinking. Note also that the echo technique is not a closed question; that is, the prospect's response is not limited to a simple yes or no answer. The echo technique has a number of advantages. In the first instance, it checks that you understand what he or she really wants to say. Many "objections" arise from genuine misunderstandings by the prospect, and their repeating their comment (in more logical form) will often lead to them to answering it themselves. Even more objections result from the sales rep's misunderstanding an innocent comment on the part of the prospect, and a restatement on their part should clarify this. Second, the restatement, allows the sales rep to slow down the pace, stopping their reacting too quickly and providing time to think. Third, it shows that the rep has not only noted but also taken the comment seriously.

"polite why"
Politely asking the prospective buyer for an accurate explanation of an objection.

A **"polite why"** question also is useful in getting prospects to open up about their doubts. For instance:

> **Prospect:** I really don't feel that your company stands behind its products.
>
> **Salesperson:** I would appreciate hearing your viewpoint on that, Ms. Prospect. Could you comment further about what you mean?

By phrasing a question in such a polite manner, a salesperson makes it difficult for prospects to refuse to elaborate. The sales representative might have simply asked "Why?" but most prospects would find this offensive; they would probably feel that the sales representative was critical and was looking down on them. Questions alone can sometimes seem arrogant and harsh, so it is a good idea to lead off with a "softening statement," such as:

> *Good question.*
>
> *I'm glad you asked me that.*
>
> *That's a good point.*
>
> *That seems to be an important question to you.*

If you speak quietly and use softening statements, you will calm the prospect, and your questions will be inoffensive.

If someone objects to the fact that you are asking Block Watchers to wear a reflective vest while out walking the neighborhood, don't say, "What's wrong with it?" Instead, gently ask, "Wearing the vest makes you uncomfortable?" If it does, he'll tell you why. Maybe he's shy. If so, you have to build his confidence in the respect the uniform generates and in the authority it lends to him as a participant.[5]

Once salespeople are fairly certain they understand the objection, they can ask a closed question to check their understanding. This might occur after an echoing question, or a "polite why," or even sooner. Earlier in the sales process, closed questions were used to help identify buyer problems. Here they are used to confirm the source of an objection. A dialogue illustrating the use of the closed question in clarifying objections follows:

> **Prospect:** Your price is too high.
>
> **Salesperson:** Too high? (echo technique)
>
> **Prospect:** Right, your product costs \$200–\$300 more than the competition for basically the same thing.
>
> **Salesperson:** So, what you're asking, Ms. Prospect, is, What is there in our product that justifies the higher price? (closed question)
>
> **Prospect:** Yes, that's right.

By phrasing the closed question in such a manner, the salesperson is able to confirm that the objection is as just stated. If the prospect answers "no," however, then the salesperson can simply ask, "Well, what would you say is the question?"

11-4 Tactics for Handling Objections

After salespeople are reasonably sure that the objection has been clarified, they are in a position to answer it with some special tactics. Using their knowledge of product, company, and competition, sales representatives should be well prepared to answer any objection that arises.

11-4a Head-On Method

head-on technique
Directly telling prospects why they are wrong in their objections.

When using the **head-on technique,** salespeople tell customers directly that they are mistaken. Of course, because few of us enjoy being told that we are wrong, salespeople must be careful here, demonstrating as much tact as possible. If the objection arises from incorrect information about a product, then use of the head-on method can be both effective and tactful. Consider the following dialogue:

> **Customer:** I don't see any reason why we should pay that much for advertising in your magazine. We only market in the Midwest and don't need national exposure.
>
> **Salesperson:** Then, you're saying you only need to advertise in the Midwest?
>
> **Customer:** Yes.
>
> **Salesperson:** Well, *Contemporary Issues* publishes three regional issues. An advertiser can buy space in all three or just one. Here, let me show you an example. Notice many of the ads in this regional edition are from midwestern companies such as yours.

Here the salesperson first asks a closed checking question and then points out that the customer has incorrect information. The closed question serves to lessen the impact of the head-on technique; it demonstrates empathy, showing that the salesperson has been listening carefully to the prospect. In lieu of a checking question, the salesperson may preface the denial with softening statements such as: "Good question," "I'm glad you asked me that," or "That seems to be important to you."

It is also a good idea to offer proof with the head-on method—testimonials, independent tests, or warranties. For example:

> **Customer:** These colors will fade when we wash them.
>
> **Salesperson:** You're concerned about the harshness of the hospital laundering process on the color of the garments?
>
> **Customer:** Yes.
>
> **Salesperson:** No, the colors won't fade. Let me show you a uniform that's been used for a year at Mercy Medical. Notice the almost total absence of any fading or discoloration.

It is important to watch the tone of voice for the head-on method. Because the idea is to give reassurance to the doubting prospect, the tone of voice must be appropriate.

11-4b Indirect Denial

indirect denial
A response to an objection that denies the validity of the objection in a refined and oblique manner that is unlikely to upset the prospective buyer.

In both the head-on method and the **indirect denial,** the salesperson denies the validity of the objection, but with the latter, the answer is handled more obliquely. The salesperson may first reflect the prospect's objection and then follow it with a "refined" no. For instance:

> **Prospect:** You overcharged us last time!
>
> **Salesperson:** Mr. Prospect, I can understand how you might think that. Since prices vary so much because of trade and cash discounts, transportation charges, and promotional allowances, things get complicated. However, I can assure you that no customer in my territory with the same set of circumstances as your firm receives a better price.

With the indirect denial, the salesperson never tells prospects directly that they are wrong. Instead, the salesperson sympathizes with the prospect's views, does not get defensive, and still manages to correct the invalid objection. Indirect denial is especially effective for Amiables and Analyticals because they dislike assertive salespeople.

compensation method
The salesperson admits the validity of an objection, but then counterbalances it with more compensating benefits.

11-4c Compensation Method

When the prospect raises an objection that is partially true, but to which the salesperson may point out a compensating factor, the **compensation method** is advantageous. Because the phrase "yes, but" is used so commonly with the compensation technique, it is often called the "yes, but" method. Whatever it is called, the fundamental idea is for the salesperson to convince prospects that the compensating factor is what is really important. A trade salesperson might use the compensation method as follows:

> **Prospect:** Your company doesn't advertise enough.
>
> **Salesperson:** Yes, but our research indicates that in-store promotion is more critical to sales, so we have the most attractive packaging and eye-catching display of anyone else in our field.

Ideally, with this technique, it is best to compensate with the product's strongest benefit. This method is even better if the benefit is exclusive (something that the competitive product does not have). For example, an organ salesperson might respond, "It is quite true that the *X* organ has more trick sound stops like the calliope and banjo, but you will quickly find that these novelties are seldom used when you're playing music. And our organ is guaranteed to never get out of tune. That's an exclusive feature that saves you a lot of money and avoids the terrible sound of slightly off-key music."

Of course, citing compensating factors is difficult if the salesperson does not know what they are. The prospect might say something vague like, "It looks good, but I'm not sure . . ." or "It has its merits, but I don't know . . ." or similar phraseology.

In other words, the prospect has positive feelings about the offering but something is stopping them from buying now. The sales rep can help them rebuild a sense of urgency and renew their desire for the product/service by having them restate the critical benefits as they see them. After acknowledging the concern, the salesperson might say something like: "Which parts of the proposal do you like best?" (Then ask, "Why?") or "How do you see yourself benefiting from our product/service?" or "Which benefits do you feel are most important to you?" Then the salesperson can use these compensating benefits to make up for the concerns.[6]

The compensation method is effective in a number of respects. First, it avoids a direct argument, which could disturb prospects' feelings of importance and question their ability to give a sound reason for not buying. In contrast, the "yes, but" technique permits the salesperson to first agree with the prospect and then tactfully introduce a logical reason for buying, perhaps one the prospect had not considered. Second, initially agreeing with prospects disarms them and allows the sales representative to shift around and examine the rest of the picture, presenting it positively and sensibly in order to help prospects switch rather than fight. For both these reasons, some recommend that it is even more effective to substitute "and" for "but." Last, the compensation technique is effective because buyers recognize that seldom does a product exactly fulfill all their needs; if it did, it would probably be too expensive anyway. Buyers know that they must counterbalance needs met against those unmet; and they know they can do this logically with the help of the salesperson. As might be expected, the compensation technique is more effective with logical Analyticals and Drivers, who also are predisposed toward rational arguments.

"feel, felt, found" method
Method of handling an objection in which the salesperson points to others who have felt the same way, but discovered that purchase of the product or service resolved the problem.

11-4d "Feel, Felt, Found"

The **"feel, felt, found" method** of handling objections is excellent for responding to anxious, worried, fearful clients. Once salespeople have listened to prospects and given them time to air their feelings, they can respond with the "feel, felt, found" method. In some respects, this method resembles a recommendation story because the salesperson indicates how others have found the product or service to be the solution to their needs. Returning to the example of Ron Friendly, the hospital uniform sales rep, the "feel, felt, found" technique could be used to handle the objections of prospects worried about making mistakes and diminishing their self-image by spending too much. For example:

> **Prospect:** You know, these uniforms of yours are pretty expensive. I really wouldn't want to ruin my budget by spending too much. I'd hate to make a mistake that I would have to explain later at a board meeting.
>
> **Salesperson:** I can understand how you might feel that way. The fact is that many of our customers have felt the same way, but once they purchased the uniforms, they found that their laundering costs dropped dramatically and that the uniforms lasted longer, cutting the costs of frequent repurchasing. Their hospital boards were quite pleased, in fact.

Notice that Ron has agreed with the prospect in the first part of the statement, in effect saying, "It's perfectly natural for you to feel as you do. Others have, so you're not being stupid or unduly worried." Then Ron proceeds to imply that it's perfectly okay to change one's mind given this new information. Salespeople are not telling prospects what to do. Instead, they are simply relating information. The salesperson is not being critical or looking down on the prospect in any way.

"Feel, felt, found" sounds fine to Amiables and Expressives, as these two types tend to care about what other people think and are doing. Hence, the salesperson may say, "I *understand* your thinking. Others have *thought* the same thing at first. However, it has been *found* . . ."

Besides handling emotional objections, the "feel, felt, found" technique is valuable for handling objections when the prospect fails to perceive the value of a particular feature and benefit. For example, a salesperson selling radio advertising might respond to a prospect's objection as follows:

> **Prospect:** I don't see the need for radio advertising. Our store seems to get sufficient traffic with just newspaper ads.
>
> **Salesperson:** I can understand why you feel as you do. Other hardware store owners like yourself have felt the same way, but they have found that radio ads allow them to reach their specific target market a lot more cheaply than newspaper advertising. After all, with newspapers you're paying for mass circulation to a lot of subscribers you'll never see. Also, radio ads reach people better on the weekends when they do most of their buying. Carl Stapel, over at Kitz and Pfeil Hardware in Lomira, found that advertising three times a day on a Saturday on our station increased his store traffic by 15 percent.

Notice that the salesperson used the name of a customer in a situation similar to that of the prospect. Citing such satisfied buyers, especially if they are acquaintances of the prospect, magnifies the impact of the "feel, felt, found" technique.

Moreover, the approval implied in the "feel, felt, found" approach appeals to the prospect's ego and shows respect for his or her feelings.

VIDEO

boomerang method
The salesperson's taking an objection and turning it into a reason to buy.

11-4e Boomerang Method

In the **boomerang method**, the salesperson takes the prospect's objection and turns it into a reason for buying. This method also takes away the objection's power, making it difficult to bring up again. Like the compensation method, it is also used for objections that are partially true:

> **Prospect:** The quality of copy on your machine is not as high as that of your competitor.
>
> **Salesperson:** We engineer it that way on purpose. The overwhelming majority of copies made in a business don't need to be of a high quality. This way, each copy on our machine only costs you four cents, versus the seven to nine cents of our competition.

The boomerang method may present a problem for the sales representative, however. It can sound glib and manipulative, or, in other words, like what a stereotypical, self-serving salesperson might say. Therefore, salespeople must take great care with their nonverbal delivery when using the boomerang method. There must be no hint of condescension. The boomerang works best with Drivers, because it gets their attention and challenges them, when that normally might be difficult.

forestalling
Including the answer to a common objection in the presentation itself so that the objection isn't raised.

11-4f Forestalling

Technically, **forestalling** is not a means of handling objections at all because its intention is to prevent (or forestall) the objection from ever being raised. When salespeople hear an objection arising again and again, they may decide to include an answer to it within the context of their presentation. In this manner, the objection never is voiced by the prospect; it's already answered. Some argue that forestalling handles an objection better, because once an objection is actually voiced, no answer to it will ever be satisfactory, as the prospect will always retain some doubt. For example, after hearing numerous objections about the comfort of a polyester-cotton-blended surgical uniform, Ron Friendly, our Superior Hospital Uniform Company sales representative, might incorporate the following statements into the fabric of his presentation:

> **Ron:** . . . and the new Superior uniform stays cool in the operating room. The 35 percent cotton in the garment allows plenty of room for the uniform to breathe. We've had absolutely no complaints about the uniform being too hot under operating conditions. I'll be only too glad to provide you with the names of some hospitals that will attest to that fact.

An embellishment of forestalling is for the sales person to provide a menu of common objections prior to the presentation. That way, they can be addressed then, while minimizing prospect antagonism. Here's an example of what the sales rep might say:

> When I talk about our products and services with potential customers, some of them naturally have concerns and apprehensions. It may not be the case here, but some customers:
>
> *. . . see all suppliers as being essentially the same.*
>
> *. . . hate the agonizing process of selecting among alternative models.*

> *. . . had a bad experience with our company in the past.*
>
> *. . . are not sure which direction or application will be best for them.*
>
> Which, if any of these, is an issue for you?

There are a number of advantages to forestalling objections. First, prospects often will not voice an objection, and the salesperson never realizes why the sale was lost. With experience, however, salespeople may incorporate answers to such unexpressed objections in the text of their presentations and thus handle the problem. Second, no matter how tactful the salesperson, when prospects raise objections, they have to be proven inaccurate—and none of us likes that. From the latter standpoint, to build the relationship, it may be best to minimize objections. Hence, it is suggested by some sales theorists that it is critical to firmly identify and confirm the problem and follow up with explicit benefits targeted at this problem. By doing so, they claim that objections can be cut in half and sales improved commensurately.[7] Finally, forestalling has considerable merit from a timing standpoint. A typical scenario is one in which the salesperson, following a smooth presentation, moves confidently toward closing the sale, only to have the prospect suddenly begin to bombard the sales representative with objections. Caught off guard, the salesperson responds awkwardly, losing the prospect's confidence. Rather than lose momentum at this critical juncture of the sale, it might be better for the salesperson to forestall the objections in the first place.

Should they desire to do so, salespeople could forestall almost any objection. The problem, of course, is carrying it too far. Forestalling every objection might result in a sales presentation that is far too long. Obviously, only the most common objections are candidates for forestalling.

11-5 Strategies for Handling Objections

What we have outlined so far are tactics for handling objections of all sorts; that is, general techniques that may be adapted to a wide variety of situations (see Table 11-1). If one wished to make an analogy, one could say the techniques are like guns—without ammunition, they have little value. For example, the compensation technique is well suited to counterbalance price objections, but what specific response does one use against a higher price? We have attempted to respond to some of the major sources of customer objections. Obviously, it would be difficult to get too specific. All conceivable objections likely to be encountered in the sale of every good and service cannot be covered, but general strategies for handling broad categories of objections can be discussed.

11-5a Handling the Price Situation

Inevitably, all salespeople have to face objections about the price of their product or service. No sales representative can always have the lowest price, and when he or she does, it usually is for one or a few items in the line, not all. Sooner or later the price objection will come up, and it is not easy to handle. In fact, many salespeople say the price situation is the hardest of all objections to handle. But it does not have to be so. Although a few buyers purchase on the basis of price alone, a good many know that trade-offs between price and quality have to be made. They realize that the old saying "you get what you pay for" holds a large degree of truth. It has long been recognized that buying cheap carries with it a measure of risk. The English writer John Ruskin once wrote: "It is unwise to pay too much, but it is worse to pay too little. When you pay too much, you lose a little money, that is all. When you pay

Table 11-1 A Summary of Objection-Handling Techniques

Method	When to Use	How to Use
Head-on	With objections arising from incorrect information	Salespeople directly, but politely, deny the truth of the objection. To avoid alienating prospects, it is helpful to offer proof.
Indirect denial	With objections arising from incorrect information	Salespeople never tell prospects directly that they are wrong, but still manage to correct the mistaken impression
Compensation	With valid objections but where compensating factors are present	Salespeople agree with prospects initially, but then point out the factors that outweigh or compensate for the objection. For this reason, it is also often called the "yes, but" technique.
"Feel, felt, found"	With emotional objections, and when the prospect fails to see the value of a particular benefit or feature	Salespeople express their understanding for how prospects feel and indicate that these feelings are OK because others have also felt that way; however, others have found these fears to be without substance.
Boomerang	When the objection can be turned into a positive factor	Salespeople take the objection and turn it into a reason for buying.
Forestalling	With any type of objection	From prior experience, salespeople anticipate an objection and incorporate an answer into the presentation itself, hoping to keep the objection from ever coming up.

too little, you sometimes lose everything, because the thing you bought was incapable of doing the thing you bought it to do."[8]

Salespeople with the higher-priced product should not be apologetic about their wares. Other product features are at least of equal importance to most buyers: quality, workmanship, guarantees, and service all receive consideration. The salesperson's job, then, becomes one of justifying the higher price. Salespeople must explain the additional benefits that their product, their company, and they themselves will provide the prospect over and above comparable or lower-priced competition. With the price situation, the sales representative makes the difference. If price were the only feature, the company might just as well send a catalog; salespeople would have nothing to do.

The following strategies are specifically designed for handling price objections. The salesperson may:

1. Break price down into small increments.
2. Stress exclusive features or differences.
3. Use comparison.
4. Convert to a lower-priced item.
5. Postpone the price objection.
6. Talk about both initial and ultimate costs.
7. Quantify differences as much as possible.
8. Sell return on investment.
9. Fire the customer.

VIDEO

Breaking Price Down

The basic idea with this method of handling the price objection is to take the price of the product and break it into small amounts spread over its useful life. For example, Ron Friendly of Superior Hospital Uniform Company might employ this technique in selling his higher-priced surgical uniform:

Ron: Yes, you're right, Mr. Prospect. The Superior uniform is $25 higher than our competitor's garment, but since our uniform will last twice as long, this amounts to very little. When you consider that the Superior uniform will last a minimum of two years, this amounts to only $12.50 per year, or $1.46 per month for all of the added features of the Superior uniform.

In this response, Ron used the compensation technique and then followed it by breaking the price into small increments. The concept that must be placed in the prospect's mind is the difference between initial price and the eventual cost, the cost of the product over the life of its service.

Stressing Exclusive Features or Differences

The price objection is often not so much the absolute value of the price itself as it is the balance of value of the product or service against the price. One way to visualize cost is to use a formula that compares price and value:

$$\text{Value} = \frac{\text{Price}}{\text{Cost}}$$

Value is the buyer's total benefit—the solution to their problem. Because the price is constant, the only thing you can change is the perception of value. Hence, you must build up the value to lower the cost.

Because few products are built exactly alike, the salesperson should determine the unique features of the product. Buyers focused on price deemphasize or entirely ignore factors such as the following:[9, 10]

- *Quality.* Is your product demonstrably better? Will it work better or last longer than the competition's? Murray Weintraub, a Rhode Island tool sales representative, thought so. When faced with cheaper competitive hand tools, Weintraub asked the buyer, a longtime customer, if he could borrow them for analysis. He took them to his company's lab, where they were subjected to stress and other tests. The results of the tests, which Weintraub presented to the customer, showed the competitive tools were half as safe, were likely to last half as long, and were half as reliable. So much for the competition. Quite often, cheaper products are built down to a price rather than up to a standard. The salesperson should write down the names of prospects who have regretted buying such bargains. Their unhappy stories can open up the minds of prospects attracted by a cheaper price. Similarly, if inferior components, like ball-bearings, paint, or struts used in automobile manufacturing, are going to bring the production line to a halt, what good are cheaper prices for relatively cheap component parts? One customer of a business forms company bought cheaper labels, but when they failed to adhere to packages and the customer had to repurchase labels that did and redo the whole process, where were the true savings?
- *Delivery.* Can your company provide swift delivery of product or parts when the customer is in a bind? This is an especially important aspect of relationship selling these days with JIT inventory control systems. The vendor that can consistently deliver right before the subassembly enters the production line is often the chosen supplier, even if their price is not the lowest. Business forms manufacturer Wallace-Moore can deliver forms to customers linked to Wallace's computer system within 48 hours, saving the costs of inventory-handling and warehousing, and can offer one summary bill

at the end of the month, saving costly repetitive bill-processing each time an order is placed, especially from additional forms vendors.

- *Service.* Supplier postsales support capabilities are critical. One sales rep figured out that his competitor's service and support resources were stretched very thin. A few subtle and well-planned comments to the prospect suggesting they look more deeply into certain "areas" pointed them in the right direction. As a result of a bit of probing, the prospect found that the sales rep's competitor couldn't appropriately support them postsale. "If they can't bring people to the party now when they are selling to us, it'll only get worse if we become their customer," the prospect told the sales rep.

  Does the salesperson's company provide superior repair and maintenance service? Are service personnel knowledgeable and readily available? Is there a toll-free 800 HELP number or website the buyer can access when his or her new computer has troubles? If so, the computer salesperson can argue confidently that even a $500 dollar price differential is minimal: "If business activity is stalled because the computer breaks down even once, Mr. Prospect, and it takes you days to get it serviced, it could cost you far more than $500." With consistent delivery and service, there often lies the foundation for establishing a long-term relationship with a partnering buyer.
- *Company reputation.* Is your company financially strong? Does it have a record of standing behind its commitments? Again, companies do not care to establish relationships with companies of doubtful financial stability and integrity. What is the satisfaction level of competitors' customer base? Use references here, both your own and those of dissatisfied competitive clients (be careful here in how you name them). What is the financial position of competitors? If they are publicly held, look at their P&L, balance sheet, and cash flow statement for both the most recent quarter and their history. If they are privately held, get your CFO to create a pro forma set of financial statements that might "represent" what that competitor's financial position might be.

  Look at their corporate culture. What do they value? Integrity? Quality? Are they doing the right things for building a long, profitable future or are they highly opportunistic, with little regard to what will happen tomorrow? Can they sustain?
- *Expertise.* Does your company's engineering, scientific, computer, and other technical personnel represent an advantage over the competition? What do you know about the quality of competitive personnel? Look into staff and executive attrition rates, quantity and quality of SMEs (subject matter experts), levels of staffing, support hours—anything that will point toward discount-caused reduced margins impacting operating effectiveness.
- *Facilities.* Does your company's labs, computer centers, or transportation department give you an advantage? W. H. Brady Company, a maker of labels and other identification materials, has a reputation of being higher priced, but their laboratories, which can analyze customer samples to develop higher-quality adhesives and longer-lasting labels, give them an edge on the competition.
- *Promotion.* For companies that sell to retailers, their price may be higher, but their advertising, point-of-purchase displays, couponing, and other promotional tools can exceed the competition's. How does it help your customer increase volume or selling price and margins?

- *You (the sales rep).* What about your knowledge and expertise? Can you be relied on for regular visits, both sales and service related? What about competitive salespeople?

As an illustration of how to use some of these factors, suppose Ellen Brown, an automobile salesperson, has just received a price objection from a customer:

> **Ellen:** Yes, Mr. Prospect, the Pontiac G6 does cost $1,400 more than the competition, but no other car has its unique features. First, the G6 has front-wheel drive, which gives traction in all kinds of weather, and in Minnesota we have all kinds. No other comparably priced domestic car has this feature. Second, because it's made in this country, parts are readily available if something should go wrong. Third, the Pontiac G6 carries a 5-year warranty on the drive train and one year on the rest of the car. No other car, absolutely none, carries such a guarantee. Now, add up all these features and consider that the extra $1,400, when spread over seven years, adds up to only $200 per year for all these unique features!

In answering this price objection, Ellen has employed three methods: the compensation method, stressing unique features, and breaking price down into small increments.

In the computer industry, Dell is the low-cost competitor, but Hewlett-Packard (H-P) competes by making a broader offer that includes product support and long-term relationships. H-P offers a bigger product line (e.g., printers, cameras, scanners) and generous financing terms via its credit arm; its consulting unit advises customers on how to save money on their technology applications. Recently, H-P was able to get an order for 500 desktop and 165 laptop PCs from Getty Images of Seattle even with a price higher than Dell, with free advice for improving Getty's disaster-recovery plan and creating a digital archive of more than 70,000 film clips. At Starbucks Corp., Walt Disney, and elsewhere, H-P lured new customers with technology "partnerships." The Starbucks marketing plan, partially funded by H-P, lets coffee drinkers make fast wireless connections from their laptops, which has attracted more businesspeople to Starbucks. To cement an alliance with Disney, H-P agreed to buy ads on Disney websites and at theme parks.[11]

When discussing exclusive features or differences, it is often a good tactic to hold off citing the price until the end, by which time, "Price is the good news!" Think back to the time somebody told you about something you really wanted. The more you listened, the more you wanted the product and the higher you thought the cost would be. When you finally heard the price, you were relieved. It seemed too good to be true—much lower than you thought.

"You get these 24 up-to-the minute reference books," winds up the encyclopedia salesperson, "plus the handsome mahogany bookcase, plus this unabridged dictionary, plus the answers to 50 questions from our research department for just . . ."

"Let's review, for a moment, what I'm offering you," says a printing company sales rep before quoting a price. "Here is a completely revamped catalog in which the type has been restyled for eye appeal, readability, and balance; the stock has been upgraded to bespeak quality; the cover has been transformed from run-of-the-mill to exciting; and the layout is guaranteed to rivet attention." By the time price is quoted, it seems eminently reasonable. In other words, preface your price quotation with exclusive features and benefits and make "price the good news."

Using Comparison

Today, the prices of almost all goods and services have increased. When a customer objects to the price of a product, it is a good strategy for salespeople to point out other products whose prices have also risen. Faced with a price objection, you might respond as follows:

> *I appreciate your desire to get the most value for your money. Let me ask you this. Is price always the most important concern? Does the lowest price always equate with value? In automobiles, the Yugo was the lowest-price new car on the market for a while. Or how about a new home? The lowest bidder doesn't always provide the best value in building a new home. And I'm sure you wouldn't want to pick a heart surgeon solely on the lowest price.*

Faced with a patient who objected to restorative surgery and who asked instead to have her teeth pulled and replaced with dentures, a dentist imaginatively replied, "Look, if you knew you were going to lose a leg and be disabled for life but surgery could save the leg and prevent you from becoming handicapped, could you afford the surgery?" When the patient replied that represented a totally different situation, the dentist continued, "No, it's not. If you lose your teeth and have to wear dentures, you'll be a dental cripple the rest of your life." Hearing this, the patient agreed to restorative work. The dentist's success was due not to comparing the price to another alternative so much as comparing it to the discomfort of the cheaper alternative. This, too, represents a way to handle the price objection with comparison.

Converting to a Lower-Priced Item

Sometimes the customer really cannot afford the higher price of a product. In this case, the salesperson may still be able to get an order but for a lower-priced model. This is not always that easy to do, however, especially if the sales representative has already stressed the outstanding features of the higher-priced model. If this is the case, then the salesperson must do some gymnastics in order to sell a lower-priced model without these features. Part of the answer may rest in doing a competent job of qualifying before the interview begins or in clarifying the price objection once the question has arisen. Even so, salespeople may still find themselves in the position of having to convert the prospect to a lower-priced model. Basically, the salesperson should show prospects high-priced models and low-priced alternatives in such a way that, should the customer decide not to buy the higher-priced model, he or she is still free to buy the lower-priced one without feeling it is inferior. This implies that the salesperson should avoid directly comparing the two models unless specifically requested. Rather, the salesperson should present good features and benefits for both models. For example, a retail salesperson selling typewriters might say:

> **Salesperson:** This is our Compact model. It has some outstanding features: antijunk fax function, distinctive ringing, and 50-number automatic dialing. It costs $250 for all this quality.
>
> **Prospect:** That's a little more than I can afford.
>
> **Salesperson:** Well, then, it sounds like the Signet, our largest-selling model, is for you. It costs $175 and has such features as an electronic telephone directory and 20-sheet automatic document feeder. The Signet can also be purchased with either thermal or regular paper, whatever you desire. And the fax has an outstanding reputation for service-free operation.

In the dialogue, two points stand out: (1) the salesperson did not downgrade the lower-priced Signet model; both models were sold on their features; and (2) the sales representative did not directly compare the two models.

This bring ups, of course, the issue of how high a price to quote first.[12] When you board an aircraft, you walk through first class; through business class; and, finally, into economy class. You look at the wide first-class and business-class seats, the crisp newspaper, and the personal movie screens. As you squeeze into your tiny economy seat, you watch a crewmember pull the curtain that shields your view of first class. You wish you were in business or first class as you hear champagne glasses; you smell the first-class meal; and you're thirsty. Then, the heavy guy seated right next to you doesn't give you enough room to rest your arm on the armrest. What if you'd gotten into economy via a different door? You wouldn't have seen the wide seats and the fancy trappings, and you wouldn't have heard the champagne glasses clinking. The odds are you wouldn't feel quite as bad as you do now, sitting in economy. If you didn't know any different, you'd accept economy class as an adequate way to travel, and first class wouldn't bother you so much.

Like most businesses and salespeople, you believe in starting with the cheapest price (and product line). Psychologically, you're on your way to losing the battle. Your customers are just like you. They want to fly first class. You can't show them economy class first. First class is always expensive. So your top-of-the-product-line price is going to frighten your prospects. They'll say your product or service is too expensive. Then you show them your "business class" package, which is not as expensive, but still high. Then you show them your "economy class" alternative. If you start with the most inexpensive product line first and then move up, the sticker shock may frighten them. Most buyers aspire for first class, and a lot of clients will buy the top-priced product. Note this routine with salespeople selling TVs in a retail store. They start with the 42-inch $4,000 plasma model and then move to the $139 13-inch model. Most clients settle for somewhere in between. Almost no one makes the $200 choice.

Postponing the Price Objection

VIDEO

When the price objection arises early, it may be a good idea to postpone it until later. Never prematurely present your price until you are in a position to justify how it's perceived value exceeds your asking price. If you prematurely or incorrectly present your price, you will never be able to justify it to your customer.[13] If the sales representative has not had a chance to talk about features and benefits, answering the price objection may only serve to establish a barrier in the prospect's mind that can never be lowered. The suspicion will remain that the product is just too high-priced and that the salesperson is trying to put something over on the poor buyer. As an example, one woman was recently shopping for a gold pen. She pointed to one in the display case of a store and asked the clerk the price. "Five hundred dollars," the clerk quoted. "Five hundred dollars! That's way too much!" she growled and stormed out of the store. The sales clerk remarked to a coworker, "Gosh, I should have told her it comes with a Rolex watch." The customer must first know exactly what they're getting. If, however, you give the impression you're stalling on price, the prospect may assume too high a price and the effect is the same. So the salesperson may wish to say something such as, "I can't really answer the price question, yet, Mr. Prospect, until I know more about your particular situation, your needs, and the features of most benefit to you." If there are several choices, the salesperson might add, "It all depends on which model is best for you."

Postponing may also be employed with other objections besides price if the objection is better answered later in the interview. In such a situation, the salesperson might respond, "That's an important question, Mr. Prospect. However, I believe we can answer it better in a few minutes once I've determined your needs, if that's all right with you."

Discussing Both Initial and Ultimate Costs

If the buyer is perceived to be price conscious, the salesperson should take care to explain that price must often be seen in a lengthier time frame.[14] For instance, "If my competitor's product needs servicing four times a year and my product requires servicing only once a year, the fact that my competitor has a lower price is only part of the equation. At the end of a year, my competitor's product will have a higher cost because of the three additional service calls required."

Ink-jet printers are less expensive, but can cost more per printed page because of expensive inks. A laser printer is quick and easy to set up (costing customers less), it is basically maintenance free, and the consumables (i.e., toner and drum units) are inexpensive, in contrast to ink-jet cartridges. A laser printer makes the most sense, if the prospect mainly prints text (and lots of it) and wants fast, permanent printing. Lasers cost more up front, but less in the long run due to cheaper supplies. Longer-lasting laser printers can also be repaired more easily and less expensively.

Salespeople have to know the buyer. Some buyers want initial costs controlled and are less concerned with the long run. A home buyer who is planning on being in the house for only four or five years is not likely to be swayed by an argument that vinyl siding will last for 30 years. A Mercedes salesperson once said that his customers did not care at all about fuel economy but were persuaded that the styling of the car was unlikely to change radically over the years, thus protecting their original investment.

Quantifying Differences As Much As Possible

It is important to explain price differences objectively and quantifiably. The real estate salesperson must point out explicitly why one house costs $5,000 more than another: at least $2,000 for the central air-conditioning and the rest in the convenient downstairs full bathroom. A copier sales rep asks prospects, "How far off on price are we?" He then asks, "What do you like best about the copier?" If they say "faster feeder time," he subtracts that much off the difference and replies, "Now, we're only $*X* off." He then asks what further features they like and proceeds to do the same. A salesperson who defines differences in terms of explicit features and associated dollars enables the objector to make comparisons in a realistic way.

Sell Return on Investment

Here the idea is to show the prospect that the product or service more than compensates for its cost by paying for itself or returning the cost of the original investment:

The savings from this personal computer will pay for it in 13 weeks. After that, you get a 100 percent return on your investment every 13 weeks. A lot better than most investments today, don't you agree?

With our copier you can turn out 3,000 more copies a day. How much would this be worth to you in labor savings?

Because our guarantee is twice as long as our competitor's, this means twice the performance at an extra cost of only 5 percent. Isn't that 5 percent a good investment?

"Fire" the Customer

If the salesperson has the power to negotiate somewhat on price, it is critical to not give in too easily and to explain carefully any concessions given. When a price concession is given too quickly and with no strings attached, the customer will always expect to pay no more than 92 cents whenever the salesperson quotes a dollar.

The salesperson should take care to quote prices with authority. Contrast the hardware salesperson who quotes "about $100 for a door" with the one who quotes from a "book" complete with pictures of hinges and doorknobs or the sales rep who totals a column of figures manually versus the one who uses a calculator or laptop computer. The sales representative often can tame the price objection by having the invoice fall in the next price period or by taking an order for future delivery.

If the prospect continues to demand price concessions to the extent that the salesperson would not be making any profit whatsoever for his or her company, the rep can "fire" the account.[15] The rep should explain the realities of the situation, demonstrating the small amount of profit being made and the excellent service he or she has provided in the past. Then, the rep can tell the buyer that his or her time is valuable and, although they enjoy working with the account, lack of profit will force severing the relationship. Finally, the rep can ask which competitor the account would prefer to do business with and offer to share all information on the account to prevent any interruption in service. Sitting back and remaining silent, the sales rep can frequently expect no further resistance and often an increase in business. A summary of techniques for handling the price objection is provided in Table 11-2.

11-5b Handling Procrastination

A common and exasperating objection for the sales representative is the procrastination or stalling objection. This may be expressed by the prospect in a number of ways—typically with a statement such as this:

I have to think it over.

Call me back in 30 days.

Leave your card and I'll call you back.

Table 11-2 Methods for Handling the Price Objection

Method	Strategy
Breaking price down into smaller units	Salespeople take the price of the product and spread it out over its useful life—years, months, etc. When the product is compared to its competition, the same can be done with the difference in prices.
Stressing exclusive features or differences	Salespeople compensate for a higher price by indicating features and benefits absent in competing products.
Converting to a lower-priced item	Salespeople counter the price objection by showing prospects a lower-priced model. The trick is not to downgrade the lower-priced model in comparison with a higher-priced one.
Postponing	To avoid answering the objection early in the interview and losing the sale, salespeople postpone the price question until later.
Talking about ultimate costs	Salespeople should be careful to explain both initial and ultimate costs.
Quantifying differences	It is critical to quantify price difference explicitly as much as possible.
Showing return on investment	Show that the product more than returns its cost.
Firing the customer	Calls their bluff.

Such objections are particularly difficult to handle because they are neither a clear yes nor no. Prospects simply cannot make up their minds; they resist changing habits, they fear the product will not work, the supplier is not servicing it properly, or there is some other element of risk. Yet, if the salesperson leaves without an order—letting the prospect "think it over"—nothing may ever happen; worse, a competitor might walk off with the business after the sales representative has laid most of the groundwork.

There are several strategies for handling the procrastination objection. The first step in handling procrastination should be to clarify. Sales psychologists suggest that the harder you push, the more you may increase prospect resistance. Instead, ask such questions as:[16]

What are some of the issues you want to think over?

I see that this is a difficult decision for you. Would you be able to share some of the reasons for and against buying at this time?

May I ask what concerns you still have?

May I ask what's causing you to hesitate?

May I ask what questions I've left unanswered?

May I ask what your final decision will be based on?

If clarifying fails, it may call for facing up to the issue, regardless. If the product or service saves costs or increases profits, the salesperson can point out that the delay means lost money. An insulation salesperson might say, "If you wait another year, that means $X lost each month in needless heating expenses." A trade salesperson might respond, "As you wait, customers will go elsewhere, and that means lost profits to you." Inducements of various sorts can be effective—free trials, free installation, special discounts, free accessories, special financing, free deliveries, and so on. Sometimes the source of customer procrastination is having to make a choice among several models and wanting to make the right one. In this instance, the salesperson can make a suggestion, given the prospect's own unique situation and needs, and this might close the sale.

mini-max strategy
Way of handling the procrastination objection by which the salesperson maximizes the potential benefits and minimizes the downside risk.

If the buying decision has both pros and cons and the latter involve some amount of risk, the sales representative might employ a **mini-max strategy.** The idea here is to minimize the potential impact of risks while maximizing the potential benefits to the prospect. A salesperson selling skis, for example, might explain to a procrastinating customer, "The worst that can happen is, in a few years, you'll want better skis when you really get into the sport. If so, our store is always ready to take a trade-in. In the meantime, you haven't spent that much, and you'll already have boots and poles if you decide to upgrade skis."

Another example of the mini-max strategy comes from real estate sales. An agent might say to prospects, "The worst that can happen is that you buy the property and then decide you don't want it. Due to rising land values, however, you can resell the property for a profit. In the meantime, you will have had the enjoyment of owning the home anyway."

When the prospect indicates a need to think it over, the salesperson may also respond, "I can understand why you want to think things over carefully. Let me briefly summarize some of the major points you'll want to consider." This serves two purposes. First, the prospect will have a clear idea of the major buying criteria before the salesperson departs. Second, the summarization may precipitate a decision to buy, when the prospect has a chance to review the entire matter. Once the list is completed, a variation on this technique is to ask the prospect, "Which objection is actually the one that's keeping you from going ahead?" If the prospect has a number of objections, the presentation has not been completed, and the salesperson must begin anew.

Often, procrastination stems from simple inertia. All of us have a tendency to hesitate when making a purchase of consequence. If this is the case, the salesperson can ask: "Whenever I have someone postpone the decision, I get the feeling I haven't done a good job of explaining the product. Where did I slip up . . . what else do you need to know?" Most prospects are likely to react positively to such a diplomatically worded request. After all, the salesperson has placed the burden on himself or herself. "No I'm quite convinced that what you've shown me will do the job" would not be an unusual answer, in which case the salesperson should close the order right then and there.

If there is still resistance, the salesperson might add, "John, successful people usually make important decisions when all the facts are fresh in their minds. And even the most intelligent of them can't retain 100 percent of the information they hear for even a few hours. The law of diminishing returns sets in. By the following day, they might retain 75 percent of what they hear. And by the next day, they might retain only 50 percent, and so on. So, the very best time to make a decision is now. If you need more information, this is the best time to get it—while I'm still here to answer more of your questions."

If your prospect gives you no additional information, say something to the effect, "I don't want you to buy anything you don't need. By the same token, I don't want you to miss an opportunity to buy something that will benefit you. I understand why you want to think about it. When do you think you would be able to say yes or no on the proposal?" Let the prospect pick a date and tell him or her, "If you make up your mind before then, give me a call. I'm going to leave you alone to think about it between now and then. Would you mind if I gave you a call the day after that date if I haven't heard from you by then?"

11-5c Handling Skepticism

With these sorts of objections, prospects indicate their disbelief that a product can deliver a promised benefit. The basic strategy of the salesperson is to offer proof. Some sources of proof are technical brochures, warranties, data from research studies, demonstrations, articles from professional journals, testimonial letters, and third-party references:

I can understand your concern about programs living up to their promises. I've brought along the names and phone numbers of customers currently using our program. They've reported a real impact on the objective we just outlined. I encourage you to call them and get some insight from customers already experiencing significant change in sales and turnover.

If possible, a trial period (at no or very low cost) is an excellent way of demonstrating proof. It may be enough to convince the skeptical prospect that his or her concerns are unfounded. At the very least, it shows that the salesperson and his or her company are willing to go the extra mile.

11-5d Handling Indifference

When prospects are indifferent to the salesperson's presentation, it is because they are satisfied with their current product or supplier or perceive no need for new product benefits. An excellent way of handling this situation is to ask directive questions that guide the prospect into realizing the value of promised benefits. For instance, a sales representative selling security systems using TV monitors might proceed as follows:

Prospect: We've already got a security system composed of guards who walk through our plant day and night.

Salesperson: How many guards do you use on each shift?

Prospect: As large as our plant and warehouse are, we need five or six.

Salesperson: How much could you save by having just one guard per shift watching TV monitors that cover your entire operation?

Salespeople have had success with a low-pressure approach that even places the prospect on the salesperson's side in proving that the product or service might be useful. "Ms. Prospect, I honestly don't know if this product could help your current procedure or not, but you would want to be sure, either way, wouldn't you? Could we make a quick survey to find out?" Curiosity tends to win out for the salesperson who presents the survey opportunity.

If prospects indicate satisfaction with their current supplier, there are several strategies salespeople might employ:

1. The salesperson can ask an open question, such as, "Could you outline the reasons why you are satisfied with XYZ Company?" The idea is to get prospects talking and perhaps to reveal some sources of dissatisfaction. Upon reflection, they might discover that they are not all that satisfied.
2. The salesperson can point out to prospects the dangers of "putting all their eggs in one basket." "With just one supplier, possible dangers include shortages, strikes, delivery problems, and the like. Just as an insurance policy, I'd like to show you how our products compare with what you're using now."
3. The salesperson can discuss the healthful effects of competition. A sole supplier can get overconfident and not deliver the best services, but with competition, the incentive to deliver is greater.
4. The salesperson can cite examples of other customers who changed over to them because of superior quality, delivery, warranty, service, facilities, and the like. "Several of my customers used to buy from them. If you will allow me to do an item-by-item comparison, I'll show you why they decided to switch to us."
5. The salesperson can seek to make inroads with small orders of goods not handled by the competition. With this foot-in-the-door strategy, the salesperson seeks gradual expansion with increasing customer satisfaction.

11-5e Handling Buyers Who Need Others' Approval

One of the most vexing problems for salespeople is dealing with multiple buying influences. One way of handling the problem is to get to the primary decision maker as soon as possible. On the initial call the sales representative should first ask, "Does your company buy this product?" and then, "Is it bought through this office?" These questions can save a considerable amount of frustration later.

When the prospective buyer remarks, "I need to talk it over with Mr./Ms. . .," the salesperson is in a real quandary as to what action to take. The first attempt should be to eliminate the prospect's resort to higher authority before the negotiations even start. Get them to admit that they could make an immediate decision if the proposal was attractive. Real estate agents say to buyers before showing a house, "Let me be sure I understand, if we find exactly the right property for you, is there any reason why you wouldn't make a decision today?" Because they know that if they don't remove the resort to higher authority up front, then there's a danger that under the pressure of asking for a decision, the other person will invent a higher authority as a delaying tactic. So before presenting your proposal to the buyer, casually say, "Let me be sure I understand. If this proposal meets all of your needs, is there any reason why you wouldn't give me a decision today?" It's harmless for the prospect to agree because they are thinking, "If it meets all of my needs? No problem, there's loads of room to negotiate here." Look at what you've accomplished now: You've eliminated their right to tell you that they want to think it over. If they say that, you say, "Well, let me go over it one more time. There must be something I didn't cover clearly enough because you did indicate to me earlier that you were willing to make a decision today." However, what if you're not able to eliminate their resort to higher authority? Try appealing to their self-image. With a smile on your face you say, "But they always follow your recommendations, don't they?" With some personality styles, a Driver, for example, that will be enough of an appeal that they'll say, "Well, I guess you're right. If I like it, then you can count on it." If this does not work, or you are dealing with another personality style, get their commitment that they'll take it to the committee with a positive recommendation. So you say, "But you will recommend it to them—won't you?" There are only two things that can happen at this point. Either they will say "Yes, they will recommend it to them," or they will say "no they won't." Either way you're successful. Hopefully, you'll get a response similar to, "Yes, it looks good to me. I'll go to bat for you with them." If that doesn't happen and instead they tell you that they won't recommend it, you have an opportunity to draw out the real objection and you're still ahead.[17]

If the salesperson is still faced with this objection, it is better by far to meet with the additional party to the buying decision. There is no guarantee that the original prospect will do a credible job of presenting the product to the next buying influence. The salesperson could ask something along the lines of, "Would you want me to go along to answer any of the technical questions that come up?" This question is effective because the salesperson indicates that he or she expects to accompany, not skirt, the prospect and will provide expert technical assistance, something the prospect might welcome when talking with a superior.

If the salesperson cannot accompany the original prospect, the strategy should be to equip him or her to do an effective job of selling to additional decision makers. The sales representative can provide an outline of product features and benefits, even a sample. One innovative salesperson was known to have tagged the sample, explaining important features. The sales representative might ask what benefits would interest the next decision maker and then summarize the associated product features to the original prospect. Another good idea is to get permission to mail literature to additional decision makers. This further ensures that these people will receive the proper information.

11-5f Handling the Overstocked Customer

VIDEO

Trade salespeople in particular meet this sort of objection from retailers. Quite often, the sales representative can check inventory and prove to buyers that they are not overstocked. Then the salesperson can follow up by asking, "Can you afford to lose business when customers come into the store and can't find our merchandise?" If inventory is truly heavy, then the salesperson can offer promotional assistance in the form of cooperative advertising assistance, in-store displays, couponing, and the like. Another good strategy is to find out if there are slow-moving competitors' products that are holding up orders. If so, the salesperson can demonstrate how moving them off the shelves and allowing additional space for the product can improve profits. If the prospect objects to stocking another size or model of the product, then the salesperson can respond, "Each size (line extension) has a distinct target market, a specific type of user, the same as other categories where you carry multiple sizes (and extensions)."

Chapter Summary

The sales representative must learn to accept objections as an expected and normal part of selling. It is when there are no objections that the salesperson should become concerned. Objections show that the prospect is interested.

Oftentimes, objections are raised by prospects just because they don't want to be "pushovers" or want to demonstrate their expertise. In these instances, the salesperson may simply ignore the objection after first acknowledging it. Many times prospects fail to express their underlying doubts accurately. Accordingly, sales representatives must first clarify objections before handling them. This may be accomplished with the echo technique, the "polite why" question, and the closed question to check understanding.

After the objection has been clarified and the salesperson is sure that it is as it appears, it can be handled with some special tactics. These include the head-on method, the indirect denial, the compensation method, the "feel, felt, found" technique, the boomerang method, and forestalling. When handling the price situation, the sales representative may break price down into small units, stress exclusive features or differences, use comparison, convert to a lower-priced item, postpone the objection, discuss both initial and ultimate costs, and quantify differences. The chapter ended with a discussion on how to handle the procrastinating buyer, the indifferent buyer, the skeptical buyer, the overstocked buyer, and the buyer who needs the approval of others.

Discussion Questions

1. "Objections are to be avoided by the sales representative." Discuss.
2. Explain how the salesperson may prepare to answer prospect objections.
3. When the prospect raises emotional objections, what can the sales representative do?
4. When is it proper to ignore an objection and how should the salesperson do it properly?
5. Why is clarifying the objection necessary?
6. What is the echo technique?
7. What is a "polite why" question?
8. Explain how a closed question may be used to clarify an objection.
9. When is the head-on method appropriate for handling objections? What are some ways of lessening the impact of this technique?
10. Explain the method of indirect denial. With which personality styles is it most appropriate?
11. Explain the compensation method of handling objections. Why is it effective?
12. What is the "feel, felt, found" method? When should it be used?
13. What is the boomerang method? Are there occasions when it is appropriate?
14. What is forestalling? Is it always a good idea?
15. How can the price objection be handled?
16. Outline some typical sources for developing exclusive features or differences.
17. What does it mean to "make price the good news"?
18. How does one use comparison to deflate the price issue?
19. How should the salesperson properly convert the prospect into buying a lower-priced model?
20. Why is postponing the objection sometimes necessary?
21. How can a salesperson deal with procrastination?
22. How does the salesperson handle objections arising from skepticism?

23. How can sales representatives handle prospects' objections arising from indifference toward their product? Toward their company as a supplier?
24. What techniques can the salesperson use to respond to overstocked customers?
25. The following are some common objections to the purchase of products. List your response to each of these objections:

    Automobile: "I need to talk it over with my wife."

    Software: "I don't need a spreadsheet software."

    Life insurance: "I feel perfectly healthy."

    Vacuum cleaner: "This model costs more than your competitor's."

    Lawn mower: "This electric start option seems like an unneeded expense to me."

    Personal computer: "I've heard you have some problems with your machines."

    Copier: "Your machine doesn't have the ability to reduce copy."

    Microwave oven: "I don't see the advantage of cooking faster."

    Radio advertising: "I don't see any advantage over advertising in the newspaper."

    Listing a home: "Why should I pay a real estate agent a commission, when I can sell it myself?"

    Steel-belted radial tires: "These tires cost a lot."

    Home insulation: "I hear your company doesn't stand behind its work."

    Drugstore buyer: "I'm already overstocked with nonaspirin pain killers."
26. When responding to a price objection, how does the salesperson talk about ultimate costs?
27. How does the sales representative quantify price differences as much as possible?
28. At what price level should the salesperson begin?

Chapter Quiz

1. Objections are simply buyer concerns that some part of your product or service offering does not fully meet and resolve buyer problems. In a study by Learning International, when customer objections are present
   a. 75 percent of the time, the sale is put off until the next visit.
   b. customers tend to be quiet and uncommunicative.
   c. 64 percent of the time the outcome is successful, in contrast to 54 percent when objections are absent.
   d. 36 percent of the time the outcome is successful, in contrast to 64 percent when objections are absent.
2. In terms of handling objections, a basic task of sales representatives is to
   a. keep a log of all objections and prepare written material that can then be given to prospects each time an objection arises.
   b. prepare to answer objections before they arise.
   c. develop an in-depth knowledge of product features that will eliminate objections.
   d. handle all objections in a separate meeting so the current sales presentation will not be sidetracked.
3. When the customer makes an erroneous statement because of ignorance of the true facts, all of the following are acceptable strategies to handle this type of situation *except*
   a. firmly correct the customer so he or she will not go through the entire presentation with an erroneous idea.
   b. the salesperson can use the "yes, but" approach where the statement is acknowledged, but then ignored as the salesperson continues the presentation.
   c. the salesperson can ignore the erroneous statement and just continue with the presentation.
   d. the salesperson can respond the statement is "interesting" but then continue with the presentation.
4. The echo technique allows drawing out the prospect's opinions with a question. For example, if the prospect says, "I had your goods in my store once before, and they didn't sell," an echo response question would be:
   a. Why did you quit stocking the goods?
   b. I would appreciate hearing your opinion. Can you explain what happened?
   c. Didn't sell?
   d. How long ago was that?