



Developing People > Advancing Business



*Thoughts about selling from one of Great
Britain's most successful salesmen.*

WHITE PAPER

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OVERCOMING OBJECTIONS

Salespeople are sometimes given this advice:

Welcome objections, they prove that the buyer is interested and wants more information.

Those who believe in welcoming objections obviously do not differentiate between *major* objections and *information-seeking* objections. Consider these remarks by buyers:



1. "In what way will your electronic unit cut down costs, when by using manual labor we can have parts made inexpensively in those areas where labor is readily available?"
2. "You tell me how we can use your tubing, when it is two inches wider in diameter than we need."
3. "But what about the fire risks with Telopolin? I read in the paper . . ."
4. "I can't see much of a demand for them here."

These are information-seeking objections and are to be welcomed because they do show that the buyer is interested.

The first buyer wants to know how he or she can dispense with manual labor and profitably use electronically driven units.

The second buyer wants to be told in what way the company can benefit by using the larger diameter tubing.

The third buyer wants to hear that the risks of using Telopolin are minimal . . . And the fourth buyer wants reassuring that there will be a demand for the goods.

Yes, these buyers are definitely interested. But no salesperson should welcome major objections such as these:

1. "Now you listen to me — I'll say it again: It is cheaper for us to use the manual labor of small manufacturers. I'm not switching to electronics in any circumstances."
2. "I have to work to specifications. Your inlet tube is two inches too large in diameter. Sorry, but it's no use to me."
3. "Telopolin? Good God man, do you realize the fire risk if I were to use it in our factory? No thank you!"
4. "There's definitely no demand for them here — I wouldn't stock 'em if you gave them away."



Does any salesperson really welcome this type of objection? But whether welcome or not, a salesperson has to close orders in spite of major objections or information-seeking objections, and herein lies the problem — how to avoid antagonizing a buyer when answering the objection.

Imagine this scene:

While making final plans before leaving for a holiday a husband says to his wife, "We have to be at the airport an hour and a half before take-off with security, so it's going to be a bit of a rush. We need to leave here at nine o'clock."

"No we don't," answers his wife, "we don't have to leave before half-past nine — we have to check in just one hour before take-off with our upgraded tickets . . ."

"Look, I ought to know, I got the tickets, didn't I? The woman at Best's Travel told me —"

"Then she told you wrong — or you didn't hear what she said. I know it's one hour because Emily and her

husband caught the same flight last week, and — "

"Look, why do you always have to argue when I tell you I know? I was told —"

“But you don't know, because you're making a mistake . . .”

The husband is about to say something he will regret when suddenly something pops back into his mind. The woman at Best's Travel had said one hour and not one and a half hours.

Now what does he do? Apologize immediately? Not likely! He either digs in his heels and insists he is right, or he walks out of the room murmuring “Why does she always have to do this?” Then he has to work out a way of getting to the airport one hour before departure, while ensuring that his wife doesn't make further inquiries and discover what he now thinks of as a stupid mistake on his part.



None of us relishes being proven wrong, and this applies particularly to those with authority to buy. Yet, if a buyer raises an objection, a salesperson has to prove the buyer wrong if there is to be any progress towards the close of the sale. And this must be achieved without an argument developing — without the buyer becoming annoyed, and without the salesperson creating the impression that he or she is more knowledgeable than the buyer.

The best technique for overcoming this problem is not to let the objection arise in the first place. Think again of the argument that developed between this husband and wife after he told her that they had to be at the airport an hour and a half before the flight.

If his wife had raised the issue herself and had been able to state reasonably that upgraded tickets mean a shorter wait time at the airport and that therefore the time required was one hour, she would have forestalled her husband's categorical statement. No argument would have developed, because the husband would not have voiced his belief. What is said is what matters — not what is thought.

Nobody minds switching thoughts — most of us do it all the time. As others talk — explain — lecture, we often want to interrupt. Later when our doubts have been removed we are glad that we remained silent. Once we have spoken out we try to justify ourselves, right or wrong. When a buyer voices an objection it becomes doubly hard to persuade that person to alter his or her mind. Sometimes buyers in this situation will use ridiculous arguments, rather than admit they are wrong.

The objective of the salesperson when planning a sales offer is to forestall major objections, so avoiding a subsequent clash of ideas, with each buyer determined to prove the objection valid.

The first step in reaching this objective is to analyze objections. Only by a better understanding of the reasons for objections can a salesperson forestall them.

ANALYZING OBJECTIONS

In the main, objections fall into two groups: primary, and selective. When buyers cannot see a need for a product he raises a primary objection — they don't want to buy your product or service, or anyone else's.

For example, a managing director might decide that his or her company has no need for a computer. Time after time this director will refuse appointments to computer salespeople, always using the *primary* objection, “we have no need for a computer.”

When buyers are in the market for a product and has only to decide between competitive sales offers, they will raise with each competing salesperson *selective* objections.

Primary Objections

It is complete waste of time to stress general benefits in the face of a *primary* objection. Nearly always when a *primary* objection is raised there is an unrecognized need.

If salespeople knows that a need exists they must plan to sell the need not the product) in their opening sentence, and forestall the *primary* objection. Let us consider, again, the example of the managing director

who believes his or her company has no need of a computer.

The salesperson who plans carefully uses these opening words:

“Mr. Johnson, like you, many of my clients would not have given a moment's consideration to purchasing a computer even a year ago, but companies like AYZ changed their views when they heard that a daily stock figure could be produced within an hour by using our inexpensive midget computer. And with money so tight...”

Because that managing director suddenly realizes the saving by having a quick daily stock check — and because this managing director wants to know why the AYZ board changed its views when they heard of the new midget computer — the salesperson will be allowed to continue with the sales offer.

The success of this technique for dealing with a *primary* objection depends on the ability of the salesperson to work out an appropriate opening.

The Selective Objection

Objection analysis is necessary if a salesperson is to forestall major objections. The first step in this exercise is to consider objections raised by buyers, but because all buyers do not raise the same one, a complete list of all *selective* objection major and minor, should be prepared. These will cover a wide field: price — design — size — weight — noise — durability — running costs — not up to a standard specification — not passed by an authority (fire department, insurance, etc.) — difficulty in fixing — supplier not carrying out own installation — satisfied with present supplier — storage problems — handling problems — workers against its use — past problems (customers let down over service, delivery, etc.,) — no demand — overstocked — not advertised enough — why should A be stocked when B, a similar product, sells so well?

The next step is to decide on the best answers to each objection listed.

Forestalling the Objection

The completed list of objections and answers should now be studied in conjunction with the sales offer analysis forms. Consider each feature and benefit to determine whether or not the YOU appeal sentence should be altered to counter a possible objection.

For example, you are selling a piece of equipment that is noisy and an objection to the noise is raised at nearly every call. There is, however, a good reason for the noise. To quiet the unit would entail extra costs and in the opinion of your marketing director the benefits you can offer far outweigh the noise factor. The noise is due to a mechanism which helps considerably to reduce the consumption of oil, while at the same time working at a faster rate and improving production. The design team felt there was no point in losing these advantages for the sake of quietness — but the objection arises time and time again, and is difficult to overcome in spite of the extra benefits offered.

In your sales offer you have already stressed the benefits of reduced oil consumption, etc., but the buyer, having perhaps been primed by a competitor, might say:

“That's all very well and good, but what about our operators who have to stand by the machine all day? The noise will drive them up the wall.”

What you have to do is to change slightly the YOU-appeal benefit sentence before the objection arises.

You might say something like this:

“Mr. Sampson, the Star equipment, as you probably know, has been specially designed to give you reduced consumption of oil while, at the same time, stepping up production — and this achieved without excessive noise. We haven't silenced the unit at your expense — as we could, so easily, have done; this would only have added to the cost for no real purpose . . .”

You will not, then, pause for comment by the buyer but continue to demonstrate the savings, and later seek a Yes response. Having put the issue in its true perspective, the molehill of noise has not become a mountain — a crescendo of sound — in the buyer's mind. When you reemphasize the saving in cost due to the rational thinking of your design or R and D

department, you take the sting out of a competitor's claim, while discounting the noise factor. If it were not for the competitor's claims the buyer would perhaps not have raised the objection at all.

Although the buyer may have the noise factor in mind when the salesperson begins the sales offer, this can change while the salesperson is stressing the advantages of the Star unit. If the objection has been successfully forestalled the buyer may think along these lines:

We're always getting complaints about noise and wind drafts — or it's too hot, or too cold. . . It's probably no noisier than the hydraulics in the B shop...

It is worth remembering that nearly everyone exaggerates when attempting to prove a point — and buyers, especially, are prone to exaggeration. When buyers tell you the price is 20 per cent too high, they usually mean about 5 per cent. When they tell you they can get delivery from X immediately, they probably mean in two weeks, but they will buy from you if you can do better than those two weeks.

To get a realistic picture, you should always, mentally, tone down the buyer's claim.

Imagine now that you are selling vending machines to be installed on a factory floor, available for use at any time of the day. You will often meet this standard objection:

"That's not for us! Why they'd be crowding round the machine all day — the loss of time would be much too high."

You forestall this objection by saying:

"Ms. Williams, the great advantage of installing these machines on the factory floor is that you will maintain your continuous production. As you know, Ms. Williams, during the day there are always fatigue times when, however conscientious workers may be, they begin to feel weary and ease off. When they are allowed to have a quick cup of coffee or soda, you'll see that the fatigue time is counteracted. But I know exactly how you feel, Mr. Williams. You can imagine a day-long line by the machine — and this will happen to a small extent for the first day or so. After that facts prove that there is no more time taken up when the machines are in use than in normal break-periods. That

is why they have been installed by X, by Y, and by Z. Think of the benefit to you of having these machines on the shop floor — better industrial relations, no reduction of output during peak fatigue how . . .'

If you are selling tubing, you might be met regularly with this objection :

"I can get exactly the same tubing from X. There's no need for me to open a new account."

Once more you want to forestall the objection. You can say:

Mr. King, I am not claiming that our tubing is less expensive or more expensive than any other. But I can state that with us you are assured of outstanding service. It's service that has to be experienced to be appreciated. We . . ."

By emphasizing early in the sales offer the outstanding service your company gives you may remind a buyer that the standards of his present suppliers are not as good as they may once were.

Many salespeople regularly meet the objection:

"I want immediate delivery — I can get them quicker elsewhere."

If you know you cannot deliver your products quickly, it would be wrong to make any rash promises. You can forestall the objection in this way:

I know, Ms. Richter, that you will want deliveries as quickly as possible — but I also know that nothing would get past you if it were not manufactured to the highest standards. Our quality product has to pass through six separate tests. When we deliver in nine weeks' time you will not need to put them through any tests yourself — they are guaranteed by us. . ."

Now imagine that you are in a clothing store, wanting to buy a shirt or blouse. You ask for one in pale grey. The salesperson doesn't have one in stock, but shows you a shirt or blouse in pale grey with a dark grey stripe.

"Do you like this?" the salesperson asks.

"No," you reply, "I don't think stripes are fashionable any more."

The salesperson quickly says, "Well we sell a lot of them."

"Maybe you do," you answer rather coldly, "but I think they look like last year's merchandise."

The clothing salesperson can argue; they won't win. The clerk has inferred that are not fashion conscious — that you are not aware that striped shirts are being worn this season. The more the clerk argues, the more loyal you will be to the anti-stripe brigade. You may even like stripes, but you wouldn't admit this. For you, it is now a solid pale grey, or nothing.

Most of us would respond similarly to the clerk's clumsy answer to the objection, "I don't like striped shirts." But the scene could be played differently. The salesperson doesn't have a plain grey shirt or blouse in stock, but the nearest to it is a pale grey with a stripe. The clerk guesses you may object to the pattern, so the clerk forestalls you by saying:

"As you know, stripes have come right back into fashion again this year. I think it has something to do with Jay Leno wearing them. Here is the very latest in grey, with a darker grey stripe. I thought you would like to see it — it does something for the shirt, don't you think?"

This customer will probably buy.

Here are two additional instances of forestalling objections:

1. A salesman is demonstrating a car. He knows that this car is rather sluggish when pulling away from a standing start, so he says:

"We have purposely avoided a jerky or racy getaway from a standing start. Most people know the dangers of trying to get ahead of other drivers when the traffic lights change to green. But the main reason this car is made to glide away instead of jumping off is to save gas. It helps you to get at least twenty-eight miles to the gallon which is really good with today's high gas prices. I can see that appeals to you, doesn't it?"

The objection, "Why doesn't the car get away faster?" has been forestalled.

2. A fire extinguisher saleswoman knows that it is a large object, and prospects may complain of its size. So, she says:

"Mr. Greystone, one of the advantages of our extinguisher is its size. Because it is fairly large and robustly built, it holds 50 per cent more water than the average extinguisher — just the extra you may need to kill a fire completely. And it can be easily seen — everyone knows where it is. So many smaller types are put away in a drawer, and no one can find it when it is wanted. Makes sense, doesn't it, Mr. Greystone."

The objection, "It seems too large for a private home," has been forestalled.

Don't attempt to forestall every objection; you should only try to forestall those objections which either you meet time and time again, or you know will be raised by the buyer you are calling upon.

Your objective should not to put controversial issues in the buyer's mind, but to forestall major objections.

The Brush-off Objection

Here are examples of a brush-off:

"I'm seeing no more salespeople today."

"I'm not interested, thank you."

"I'm far too busy to discuss this matter now."

This form of objection can be met even if the interview is by appointment. Here are the standard answers:

"I'm so sorry I caught you at the wrong moment, but . . ."

"It is because you are so busy that you will be interested to hear about . . ."

"It's my fault, Mr. Carroll. Obviously, I haven't made it clear. . ."

Unfortunately, these answers rarely work — although they should always be tried. When a salesperson meets a quick brush-off, it's sometimes better for to just leave. Then research to discover what the buyer really needs, and return with an opening

more suitable to meet those needs. In addition, on a subsequent visit the salesperson may find the buyer in an entirely different mood.

There is often a reason for the quick brush-off — especially if an appointment has been made. Assuming that the salesperson has not made. Assuming that the salesperson has not annoyed the buyer in any way by his manner, bearing, the words used or the clothes worn, it may be that the buyer has just “one of those days” problems with staff, problems with the managing director . . . The buyer may have been reprimanded, his budget may have been cut, perhaps he has had a quarrel with his spouse before leaving for the office . . .



It is almost an adverse selling situation, but not quite. If salespeople are always aware that a brush-off is possible they can plan to meet it by having ready in their mind a special benefit to suit that particular buyer. The salesperson can say:

“Of course I won't bother you this morning, but may I leave you with one thought: Our Nufix will take away all risks of an electrical breakdown.”

One key sentence such as this can change a brush-off into an invitation to stay. Although the buyer may be in a black mood, or preoccupied about other matters, this prospect is still a buyer, and if he or she has experienced problems which the salesperson suggests can be overcome, the buyer will quickly change and want to hear more.

The Delay Objection

Even efficient buyers who place orders every day do not always come to quick decisions. Regular buyers in production, offices, and stores can be equally slow. Shopkeepers place orders for consumer goods and would not delay signing an order for their routine requirements. If, however, they are asked to buy new

products or capital equipment for their shops, they often postpone a decision.

Many of us are undecided when we are in a position to buy. Even buying a simple article of clothing, we often cannot make up our mind. When negotiating for a house, it is difficult to decide whether house A or house B is better. We are all tarred with the same brush, and we all invent delay excuses. If we look at an item of furniture in a shop we may tell the salesperson that we want to check our other furnishings before a decision. When an insurance person calls we try to put him or her off until we have more time — perhaps after our vacation. This, of course is sheer nonsense. If it is right to take out additional insurance, then the quicker the better. Nothing is gained by delaying matters for a few weeks. If we are presented with a detailed proposition by a salesperson, we should be able to make up our mind on the spot. There is nothing new to be learned at a later interview. But we will still try to delay matters.

When delay excuses are used, prospects are only partly sold. Interest has been aroused but not enthusiasm. If the prospect suggests you should call back at a later date the potential buyer will think of all the reasons not to buy before you come again. Likely, the buyer will not think of a single reason for placing an order. This buyer may also buy from a competitor before you return.

The salesperson must counter these excuses by trying to find the real reason for the delay:

“I appreciate, Chris, that you would like to leave matters for two or three weeks, but what is there to think over? Perhaps I haven't explained everything clearly to you. Again, let me go through all the reasons why this product can work for you you, and perhaps you will tell me if there is any point you are not clear about.”

“I can understand that you want to consult Terry, your partner, but is that fair to Terry? Terry won't have the complete proposition to look at as I have tried to put it to you, so Terry may veto the whole idea, and this could cause a loss for both of you.”

“Ms. Alexander, I do understand that you would like to see me again in about three weeks. Before I started this job I had six months of intensive training,

and I have now been with the company for five years. All this has helped me to give a better service to our customers. It also means that I have been trained to explain to you fully every facet of our complex service. If you wish to put our proposal to your Board of Directors, you will agree, Ms. Alexander you might prefer me to address your Board. But don't you think they would prefer you to come to a decision that will benefit the whole business?"

"Mr. Wilson, you are in business to make profits, isn't that right? Now when this equipment is installed you will make extra profits right away. Let's take a small amount of \$200 profit in six months. (This may be from extra turnover, reduced absenteeism, or labor costs, etc.) It would mean that our equipment, which now costs \$1,000 will cost you \$1,200 in six months, because we must then include the \$200 you have lost. You are a quick decision maker, Mr. Wilson. Don't you think it is right for you to decide now?"

"Ms. Wallace, you have built up your business by making decisions — decisions based on facts. I have given you the facts and so I know you will, like Alan Sarandan of Whiting and Sons, place your order right away. As I told you, he has been delighted with his purchase — and so will you."

Making the Decision

The delay objection is not, on the face of it, an objection against buying, but against arriving at an immediate decision.

Here are examples:

"I want to think again about the installation problem — come and see me next week."

"I'll have to see my partner (co-director — manager) as Jordan is involved in the design of this job (or in buying canned merchandise — purchasing electrical goods . . .).

"It's a bit over the price limit — I'll have to put it before the Board."

"Although your offer seems right there are other factors that have to be considered . . ."

"As it might mean a change in our production line I'll have to speak to R & D first."

"As it is partly to do with our fleet cars, I'll have to discuss it with Ricki Thompson, the manager of our fleet."

When, just before the moment of decision, a buyer says, "I must see Ricki Thompson about this," it is nearly always an excuse to delay the decision. Otherwise, very early in the sale (and this applies especially if the negotiations have taken place over a long period), the buyer will tell the salesperson that Thompson will have to be involved. In fact, a buyer, if interested in a proposition, will gladly arrange a meeting between the salesperson and anyone else who may be involved in the buying decision.

For all that, salespeople should not accept a delay excuse and walk out. They must try for the full support of the buyer if someone else has to be convinced.

The salesperson should say something like this:

"I appreciate that Ricki Thompson must be consulted, but if, at this moment the decision were solely yours, would you place the order?"

If the buyer is hesitant, or gives a negative reply, the salesperson will know that case has not been proved. The next step is to discover the real reason why the buyer did not arrive at an immediate decision. Generally, however, the buyer using a delay objection is using the excuse to avoid making a decision. The buyer is not sure — they want to think it over . . .

But what is there for him to think over, if the buyer has been given a complete sales offer in an hour — a day — a week — or over a period of weeks or months? The thinking time is when the buyer is with the salesperson. That is when questions can be asked, and doubts can be cleared up. We know, therefore, that most delay objections are not "real." The problem facing the salesperson is to discover a buyer's reason for delaying the decision.

All delay objections, if genuine, are raised early in the sale. When discussing design, a buyer will tell the salesperson that this is a subject that he will have to discuss with the R & D Department, the project engineer, or the procurement officer. A change in the production line will, obviously, involve others —

possibly union officials. But if these delay reasons (not objections) are not made clear early in the sale, the buyer usually doesn't have to delay buying. If the buyer seems satisfied on all points of the sales offer but still says, "Leave me a leaflet (catalogue, drawing, etc.);" then the buyer is, most certainly, not satisfied with one or more of the features of the product or service.

There is always a reason for the delay excuse, and the reason is usually one that the buyer doesn't want to disclose to the salesperson. It is a ...

hidden objection

Yes, buyers do hide their true objections from salespeople time and time again. That is why they occasionally seem to act irrationally.

What perturbs a salesperson is that in spite of a good presentation and getting Yes responses, a buyer will say, "No, leave it for a week or so." At such a moment many salespeople do not know what action to take. They have answered every objection the buyer has raised — except one: the one the buyer is hiding.

It is said of Talleyrand, the French diplomat well versed in double-talk of politicians, that when he was told that a foreign envoy would not be arriving at a conference for the very good reason that he had died on the way there, Talleyrand answered, "Yes, but I wonder what was the real reason for his not coming."

Let us first consider what salespeople can do to find the real reason for the delay objection. They can say,

"I appreciate, Mr Johnson, that you would like to leave the matter over for two or three weeks, but what is there to think over? Perhaps I haven't explained everything clearly . . ."

To which he will nearly always hear, "No, you have done very well, everything is very clear — just leave it for now. . ."



When salespeople know early in the sales offer that someone else is involved in the buying decision they will, of course, ask to be allowed to see that person (committee, Board). But when they are not sure of the validity of the objection they might say:

"Mr. Rivers, forgive me if I take up another ten seconds of your time by blowing my own trumpet. I have been with my company some time, as you know, and I not only had six months of intensive training, but have attended refresher courses every year. This enables me to give the best possible service to our customers, and also to explain fully every facet of our product. Do you think it fair, Mr. Rivers, for a Board (committee, associate) to have to arrive at the best decision without having these facts? I know you will do everything you possibly can to represent our product, but I am a specialist in this particular field..."

The answer will, invariably, be, "You can leave it to me. I have all the facts at my finger-tips, and I promise I'll do the best I can for you."

Mr. Rivers won't, because he is not sure himself whether or not he should buy. He has an objection unanswered, because he has hidden it from the salesperson.

One of the best techniques you can use to find the hidden objection is to invite the buyer to finish a sentence — a sentence which, instinctively, he will assume is based on knowledge.

When a buyer is unexpectedly asked to voice a thought in this way you will hear the truth, more often than not.

The technique is also based on a key phrase:

"And your *other* reason for not deciding now is...?"

Look straight at the buyer while speaking and begin the sentence on a low note, finishing with a slightly higher inflection. Invite the buyer to finish the sentence.

This technique must not be used at any time other than at the close. It would not be effective to seek the hidden objection earlier in the sale, when the buyer has not heard the complete sales offer. Also, the exact words must be used; to change them to, "Is there any

other reason for your delaying buying?" would, inevitably, bring a negative reply. The direct question which invites a Yes or a No will usually get a No.

If a salesperson is continually meeting a delay objection it is because:

1. The sales offer is incomplete.
2. The salesperson does not ask for the order. When the time arrives he or she is too timid to request a decision, leaving it to the buyer to say something. And the buyer usually raises a delay objection.
3. The salesman has not built confidence. Then the buyer, in turn, becomes timid, is fearful of making a mistake, and so delays matters.
4. There is a hidden objection that the salesperson has not been able to answer.



The Price Objection

There is no magic answer to the buyer who says, "You are too expensive, I can buy cheaper."

There are, of course, selling platitudes that are used regularly by salespeople, but they rarely work. For example:

"Do you always buy the cheapest, Mr. Perry — the cheapest suit, the cheapest car . . .?"

"Nothing is so expensive as something that is cheap."

"There is nothing manufactured that someone else cannot produce cheaper."

Although these often repeated sentences rarely help, well thought out answers are essential in helping to overcome a price objection. But first salespeople should study the reasons why buyers react unfavorably to price and, equally important, they must analyze their own thinking on the whole subject.

The Salesperson and the Price Objection

Under normal trading conditions most salespeople face price objections continually, not necessarily because buyers believe they can buy cheaper, but because they want to obtain a discount, if possible. Unfortunately, however, too many salespeople believe that they are singled out and their products condemned, because of the pricing policies of their companies.

Is there a sales manager anywhere in the world who has not been told by a salesperson that their products and services are being priced out of the market? (Our training organization, TACK International, has associate companies in almost fifty countries and the price objection is always of the most concern to salespeople — everywhere.) Sometimes a salesperson's price is quite irrational, but while positive thinking won't help much — my price is not too high, my price is not too high, my price is not too high — negative thinking — my price is too high, everyone knows my price is too high — is disastrous.

First then, all salespeople need to decide how to defeat their own fear of the price objection. They should begin by asking themselves two questions:

1. Would my company still be in existence if our products were so over-priced?
2. As I have been taking orders at our standard prices, why should those buyers be so incompetent as to buy from me if they could buy better elsewhere?

The next step in defeating the price bogeyman is for salespeople, employed by a variety of firms, to meet other salespeople. This is not difficult, because salespeople meet each other all the time — on airplanes, in waiting-rooms, in car parks . . .

The salesperson should ask other salespeople this question:

"Why do you always undercut your prices?"

Back will come the reply, instantly:

"Well, I like that! My company undercuts prices? That really is the pot calling the kettle black. It's your people who keep reducing the prices."

If only salespeople could attend sales conferences of other companies in any field of activity they would find that at question time someone always raises, and condemns, the pricing policy.

Salespeople are rarely singled out for the price objection. It happens to everyone, but while some salespeople wait, almost expectantly, for the *blow* of a price objection, the successful salesperson is quite proud that his company does not compete on price, but competes very strongly on value.

The salesperson will say to a buyer, "Not only does the Comet give you all these benefits, but in addition we guarantee a twenty-four-hour service. And the price is *only...*" because he believes that the price is relatively low compared with the value that is being offered.

Remember, it is always value that determines the price the buyer will pay.

The Buyer and the Price Objection

It is a buyer's function to spend the company's money to the best advantage. The first consideration, however, is to fill the exact need — at the lowest possible price.

To achieve this aim, the buyer's thoughts may conflict with the objections that are voiced. For example:

A buyer says: "You are 20 percent too high."

The buyer thinks: *It's about 5 per cent more than Title's offer, but it will have a longer life, and that saves constant changes. I'll try to get the offer down in price — if not, I'll buy anyway.*

A buyer says: "You are much too expensive for our needs."

The buyer thinks: *I have had so much trouble with Titles, perhaps I should change over — pay a little more and get something more reliable ... and save me some headaches, as well.*

A buyer says: "I can show you competitive quotes and you'll see that you're way out of line."

The buyer thinks: *These people do give world-wide service, and that's what our export people have been asking for, for a long time.*

If the minds of these buyers could be read, salespeople could so easily close the sales by:

1. re-stressing the value of the long life of the product
2. stressing the quality of the product
3. stressing the value of world-wide service

It is said that a dog can tell instinctively if a human being is afraid. Buyers certainly have a sense that tells them whether or not they can take advantage of a salesperson's fear of price.

Buyers have told us over and over again that although they always feel it is part of their job to raise the price objection, they are also sending out a challenge: Convince me that it is in my interests to pay your price.

When to Introduce the Price

It is possible on many occasions to forestall a price objection if a salesperson is able to heap benefit on benefit before he gives the price. Although that should be the salesperson's aim, whenever asked the price by the buyer, the salesperson must not stall. Hesitation could be taken as a reluctance to give the price because it is too high.

The only exception to this rule is if the price cannot be given until a survey has been made — additional information obtained or it is necessary to have a better understanding of a buyer's exact needs. Only then should the salesperson answer: "I can't tell you exactly now, because . . ." or, "The price will depend on . . ."

The objective, however, must be to give as many benefits as possible before introducing, or being asked, the price.

Answering the Price Objection

Whether the price objection is used by buyers to attempt to obtain an extra concession, or in the genuine belief that they can buy better, handling the objection is the same: the salesperson must concentrate the mind of the buyer on price difference.

For example, a salesman quoting ten units at a total price of \$1200 may be told by the buyer that his

company can purchase similar units for \$1,100. The salesperson could say:

“Mr. Rogers, it is true our price is \$120 a unit, and the price you want to pay is \$110 a unit; but Mr. Rogers, think what you will get for that extra \$10 — and it is only \$10 a unit. First, we guarantee . . .”

The salesperson would then stress the advantages of the product over any similar product the buyer could purchase.

Always pinpoint the difference in price — is it 5 per cent or 10 per cent, is it \$10 or \$20, \$200 or \$20,000? Nearly all buyers will give some indication of the price they will pay unless, of course, they are considering offer in front of them. Assuming the difference arrived at is \$500 of the total quotation, the salesperson must set out to prove the extra value the buyer would receive for only \$500.

What Does it Cost?

One of our managing directors of Tack Training Consultants Ltd, teaches salespeople to overcome the price objection this way.

In almost every sales situation the price must be justified. This is, of course, always true when it is overtly raised.

“It’s too expensive” is a typical comment, and it can’t pass unchallenged. Every sale is an investigation, and it is vital to pinpoint the reasons underlying a buyer’s opinion. For example, it is always reasonable to question the word “expensive.” What does it mean? Expense is not an absolute, and makes sense only in relation to another figure.

Here is an example:

“Ms. Buyer, you say it is too expensive, and you would appear to be right. I agree with you that it costs more than other products, but when you say expensive, please tell me — in comparison to what?”

This question begins the process of investigation, and the salesperson’s answer should match the buyer’s reasoning. The answer can be anticipated, for the reasoning choices are limited.

If your product/service is not being used these are the choices:

- To use a similar product
- To have a similar service
- To use a similar method
- To use similar raw materials
- To do without altogether

The answer gives a basis for discussion. Through product knowledge, an awareness of the customer’s needs and of the performance of competitive products, an objective comparison can be made. The process of cost justification can begin.

Price is an important factor in a sales negotiation, but it does not always dominate the situation. People do not buy on price alone. Sometimes the salesperson is more conscious of price than the buyer! The mere use of the word contributes to the problem. It is an “outgoing” word, suggesting spending. Salespeople should cultivate the use of the word “cost.” This is a commercial word that sounds more professional and suggests investment rather than spending.

In discussion, and particularly in answer to the question, “How much is it?” salesperson should use, “It costs only . . .” This clearly and simply indicates the salesperson’s confidence in the offer he or she is making.

The price objection, like any other, must be answered in terms of benefits. The cost of the product/service, irrespective of the amount, must be shown as a valuable investment for the purchaser. The analysis of value is cost justification. Value has three distinct and important elements, and each must be explained and illustrated to the buyer in terms of benefits.

Efficiency

Every product or service has a demonstrable and measurable rating of performance. This is its efficiency.



Economy

Every buyer looks for economy, and the features of a product or service that provide it must be fully described. Economies, not technicalities, are the reasons for buying.

Faster production, savings of time and labor, more miles per gallon, longer life in use — these are a few examples.

Profit

To the buyer concerned with the distribution and resale of a product — a wholesaler or a retailer — one important aspect of value is profit. The product must be efficient and economical in performance, but it must be shown to be profitable. All buyers do not immediately grasp the true situation. A first glance at the proposed percentage mark-up may suggest that the product will be less profitable than existing stock items, or others offered for sale. There may be instances of this, but it is important to investigate and establish the true facts. For example, product A is bought at 9 units and sells at 12 units, but product B costs 8 and sells at 12. The obvious reaction is that product B is more profitable. But profit on one item of sale is not the only consideration. Other factors must be rated:

What will be the repeat business level?

Is the quality right?

Is the packaging attractive?

Is the brand name strong and recognizable?

What is the return guarantee?

Most important, what advertising, merchandising, or other promotional activity is part of the offer? This support for the distributor's sales effort is valuable. Aspects of this must be stressed to a buyer as an aid in deciding.

Service

A constant factor of any offer is service. The support of the distributor is a specialized form of service, but it exists in many other forms.

- The advice of a technical representative is service.
- The activity of the manufacturers' design staff on behalf of a potential customer service.

- The training of the customer's staff in the correct operation of newly installed equipment is service.

Not only are these add-ons service, but they are benefits, and should be sold as part of the value of the offer.

Each element of value must be fully explained, and buyers must understand how it will benefit them. Not only must they understand, but they must accept that the additional cost is justified in terms of value.

THE LOYALTY OBJECTION

This objection will be met by nearly all salespeople selling repeatable products (component parts, chemicals, oils, packaging materials, accessories, consumer goods, consumer durables, etc.). It is usually only encountered at a first call and is possibly, the most difficult of all objections to overcome.

Here are buyers' reasons for their reluctance to change suppliers:

1. "We have been with Smith & Co for thirty years. I've been dealing with them myself for fifteen years, and before that our managing director who in those days did his own buying, formed a friendly relationship with Tom Smith. They have always given us good service, so there is no point in my changing suppliers at the moment. Of course, if ever things altered.. ."
2. "We are one of Brown & Co.'s largest customers, and no doubt because of this they look after us very well. We have only to telephone and they do everything to give us express delivery, or accept the return of unsuitable goods. If ever they should let me down I'm prepared to consider another supplier.. ."
3. "It's a case of we buy from them — they buy from us. That's fair enough isn't it? I can see no point in changing. . ."

These objections stem not so much from loyalty — although this does play a part — but from confidence in a supplier who has given good service for a number of years. Why should buyers change when, over a period of time they have had no real cause for complaint? Buyers will only make an immediate

change if another supplier can offer similar value plus extra benefits — better price, better delivery, better design, something new. . . With repeatable products a sudden great advantage of one supplier over another is rare, but no salesperson can admit defeat when meeting this very difficult objection and there are practical actions that can be taken.

First, the salesperson must remember the selling axiom:

When all things are equal buyers buy from the salesperson they like the best.

This axiom should remind the salesperson to check up on him or herself, not because the aim is to ingratiate one's self with a buyer, but to make that personal behaviors do not annoy the buyer in any way. Let annoyance be the mistake made by the opposition, especially if their salespeople on the territory changes.

In any event, over a number of years regular suppliers are apt to take a buyer for granted, while if the buyers employ new suppliers to the territory they may not know — or may forget — that their objective of every call is to sell and provide service. These new suppliers may become lackadaisical or off-hand, and antagonize not only the buyer, but also other members of the buyer's staff.

A salesperson's efforts to please a buyer may not result in an order on the first call, third call, fifth or sixth call, possibly, but eventually the buyer's mind can be influenced by the salesperson's friendly personality — by their enthusiasm — and because they are so obviously eager to obtain the business.

If salespeople could hear buyers talking to their staff they might hear something like this:

"I always like their representatives — they're sharp, persevering, and always well-mannered. We'll give them a break one day . . ."

Here are other positive steps salespeople can take:

1. They must have an objective at each visit and never make the call hoping that something will turn up — the "anything for me today?" type of approach.

2. Even at the risk of being boring, at each call salespeople should say to the buyer something like this:

"I really do appreciate the reason for your loyalty to Smith & Co., but as I have told you before, Ms. King, it's my goal for us to have the same opportunity as Smith's had so many years ago — the opportunity to

prove to you that we can offer a similar — naturally, I feel sure that we can offer a better — service . . ."

or,

"Mr Harvey, it is impossible to read the future, but imagine a tragedy happening — perhaps a part of Smith's factory being burned down — fires happen all the time — or there could be a strike . . . Wouldn't you like to know that in such an event you had another trusted supplier to help you over a difficult period? Naturally, when things were right again you would want to return to Smith's and that, I think, is only fair. We are only aiming for a part of your business. If you will only test us now under normal conditions you can prove to yourself that . . ."

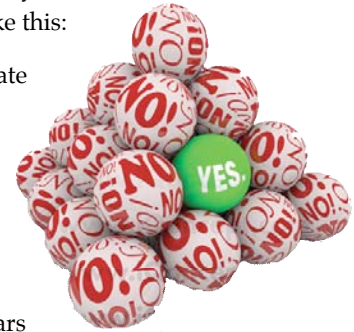
To obtain a share of worthwhile business from buyers who refuse to open a new account, salespeople must have patience and perseverance, sell on each call, and sooner or later they will get that business.

Why? Because the majority of salespeople calling on that supplier give up too readily, or make a series of "anything for me today?" calls.

TECHNIQUES FOR HANDLING OBJECTIONS

1. Don't interrupt. All too often salespeople do not allow buyers to complete his objection. Because salespeople can be so sure that they know what the buyer is thinking, and believes they believe they have the answer, they interrupt, and by doing so, never hear the complete objection.

For example, the buyer may say, "Yes, that's all very well, but the lining.. ."



The salesperson, feeling sure that the buyer is concerned about the strength of the man-made fibers used in the lining, interrupts with,

“Please don't worry about the lining, Ms. French. We can strengthen it by using an interlining as well.”

The salesperson may have put into the mind of the buyer a concern about the quality of the lining, when perhaps the buyer only wanted to criticize the texture, color, finish . . .

Buyers should always be allowed to give their objections in full. They must not be interrupted and, equally important, salespeople must look as though they are interested. Their demeanor must not suggest that they have heard it all before and are eager to give the answer.

No one likes an overly-clever person, and when salespeople interrupt with answers they may appear arrogant, and may lose that buyer's confidence.

Always listen carefully to the buyer's complete objection, and then they will listen to your answer.

2. When an objection has been dealt with, do not return to it later in the sales offer.
3. For salespeople to be certain that they fully understand an objection, it is sometimes wise to repeat it.
4. *The Apparent-Agreement Technique.* We know that a relaxed buyer decides more readily. We know that tensions build up in buyers just before they come to a decision, and often prior to their raising an objection. They make their point, and wait for the skirmish to begin. But salespeople do not want a battle, and if they are unable to stall the objection they must try to remove the tension from the buyer. By using the *apparent-agreement* technique salespeople indicates that they are inclined to agree with the objection and buyers, thinking they have won the point, relaxes.



Remember, that the salesperson only apparently agrees. If the buyer raises an objection that the price is too high and the salesperson answers, “Yes, it is high but . . .” the buyer may relax, but salesperson will find it very hard to convince the buyer that the price right, having already agreed that it is. The emphasis is on *apparently* agreeing. For example :

“I can understand, Ms. Augustine, your thinking at this stage that the extra investment may not be worth while, but . . .”

The salesperson is only showing the buyer that he or she understands the prospect's way of thinking, but — and this is important — the salesperson is not agreeing with the buyer.

“On the face of it, Mrs. Sullivan, it does seem right that extra labor might be needed, but...”

“Your concern about the viscosity of the oil, Mr. Browning, is understandable, but...”

“I absolutely see your point of view, Mr. McCarthy, I'm glad you raised it, but...”

Remember, the *apparent-agreement* technique relaxes the buyer — slows down the pace of the sale — does not make a salesperson appear too clever — and shows courtesy, because the salesperson, apparently, appreciates the buyer's point of view.

The All-Important Techniques

Salespeople may know the answer to every objection that can be raised, but if they pounce — appear glib — argue — and don't use the *apparent-agreement* technique, their knowledge will be of little use to them.

To succeed in selling, the techniques for answering objections are almost as important as the possession of a storehouse of answers to every objection.

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