

**PROFESSIONAL SALESMANSHIP – LECTURE 9**

**CHAPTER 10 – Making the Sales Call: Creating and Communicating Values**

**Making the Sales Call: Creating and Communicating Values**

**Objectives**

After completing this module, you should be able to

1. Discuss the significance of predicting and addressing buyer concerns and resistance.
2. Comprehend the reasons behind prospects raising objections.
3. Identify and elaborate on the five primary types of sales resistance.
4. Illustrate how the LAARC method can be utilized to address buyer objections.
5. Outline the conventional approaches for responding to buyer objections.
6. Enumerate and explain the techniques for earning commitment that foster relationship building.

**ADDRESSING CONCERNS**

An objection or sales resistance is any action or statement from the buyer that slows down or halts the buying process. The salesperson's role is to identify these objections and address them to the buyer's satisfaction. Gaining commitment from the buyer is challenging if there are doubts or concerns. Therefore, the salesperson must identify and overcome all objections. This process not only strengthens the long-term relationship but also advances the sales process towards commitment. At a minimum, addressing concerns opens a dialogue between the salesperson and the prospect.

A brief discussion will explain the importance of anticipating and negotiating buyer concerns. Following this, we will explore why prospects raise objections and cover the five major types of objections. Different strategies for handling sales resistance will be explained, and finally, techniques for earning commitment will be reviewed.

### **ANTICIPATE AND NEGOTIATE CONCERNS AND RESISTANCE**

In the past, many sales teams were taught that sales resistance was detrimental, potentially slowing down or halting the selling process. They were also told that encountering resistance indicated a failure to effectively explain their product or service. However, these perspectives have evolved. Today, objections are seen as opportunities to sell. Salespeople should view objections with gratitude, treating them as requests for additional information. It is the salesperson's responsibility to provide the right information to address the buyer's concerns.

Inexperienced salespeople need to understand that sales resistance is a normal and natural part of any sales conversation. Prospects who don't question aspects like price, service, warranty, and delivery are likely not interested. Although many salespeople fear resistance from prospects or customers, it should be seen as a routine part of the sales process. At the very least, objections indicate that the prospect is engaged. This engagement allows the salesperson to gauge customer interest and assess the buyer's understanding of the issue.

In some cases, a salesperson may not be able to overcome resistance. In these situations, a successful salesperson gracefully ends the sales call, leaving the door open for future business. Ultimately, if handled correctly, overcoming sales resistance can lead to customer acceptance.

### **Reasons Why Prospects Raise Objections**

1. **Avoiding the Sales Interview:** Some prospects want to avoid additional work and see a sales interview as a time-consuming interruption to their busy schedules. Many buyers simply don't have the time to meet every salesperson who contacts them.
2. **Improper Prospecting and Qualification:** Sometimes, unsuitable prospects make it through the screening process. Misunderstandings about the salesperson's intentions can occur, leading to resistance. For example, if a prospect's budget doesn't align with the product's cost, discovering this early save time for both parties.
3. **Customary Objections:** Many purchasing agents follow a policy of not making purchases on the first meeting. They need to build trust and gather detailed information about the salesperson, the company, and the products before making a decision. Initial objections often test the salesperson's persistence.
4. **Resistance to Change:** Buyers often prefer their current methods and suppliers. Change requires effort, such as switching suppliers and managing new arrangements, which many buyers resist. They may stick with their current setup unless a significant need arises.
5. **Unrecognized Need:** Some prospects may not realize they have a need, are unaware of the product or service, or are satisfied with their current situation. Without recognizing a need, there's no motivation to switch suppliers. For instance, many buyers were slow to adopt fax machines because they were content with overnight mail services until the need for speed outweighed concerns about document quality.
6. **Lack of Information:** Ultimately, sales resistance often stems from a lack of necessary information to make a comfortable decision. This presents an opportunity for the salesperson to provide the relevant information. By accurately diagnosing the issue and presenting the right details, the salesperson can more easily overcome resistance.

### **Types of Objections**

Buyers often use delay tactics to avoid making immediate decisions. Phrases like "Give me a couple of weeks to think it over" allow buyers to sidestep the discomfort of rejecting a proposal outright. Statements such as "Your price is too high" or "I have no money" are common ways for purchasing agents to deflect a salesperson's offer. While price is frequently cited as an objection, it usually isn't the most critical factor. If purchasing decisions were based solely on price, the lowest-priced supplier would dominate the market, which is rarely the case.

Another common objection is "No need at this time," indicating the buyer isn't currently looking to purchase. Salespeople often encounter objections related to product performance as well. Buyers may fear that a product won't meet the standards promised by the salesperson. Therefore, salespeople must not only demonstrate their product's reliability but also compare it favorably against competitors' offerings. When a competitor introduces new technology, it can shift the competitive landscape, influencing how a salesperson positions their product.

Many buyers continually evaluate their suppliers based on service quality. If the service is satisfactory and there are no complaints from department heads, buyers are likely to maintain the status quo. Service is a crucial factor that companies and salespeople can leverage to differentiate their products. For example, Enterprise Rent-a-Car promotes its service of delivering cars to renters' homes. Similarly, a salesperson for a wholesale distributor might emphasize that their fresh produce, fish, and meat can be delivered daily, unlike competitors who deliver only three times a week.

Buyers often feel strong loyalty to their current suppliers and use this as a reason to avoid switching. They may also be loyal to the salesperson they currently work with. As an outsider, a salesperson must persistently call on the buyer and seek opportunities to build trust. Investigating whether the buyer has had previous negative experiences with the salesperson's company can be insightful. If such issues exist, addressing them is crucial. However, if multiple calls do not lead to a sale, the salesperson should recognize the situation and move on.

### **Need Objections**

In the absence of a need, prospects often lack motivation to engage with a salesperson. When prospects are thoroughly qualified, the salesperson typically assumes they have a genuine need for the product. However, many buyers have been conditioned to automatically respond with statements like "I don't need your product." This could stem from budget constraints or simply not having the time to consider the product or proposal. Others may assert, "We're managing fine without your product. No one in my company is requesting it."

### **Product or Service Objections**

Additional objections from prospects may be purely emotional, such as disliking the appearance or feel of the product or service (i.e., product or service objections). Some objections may relate to specific performance characteristics of the product (i.e., "I require a copier with color and stapling capabilities in the bin"). It's essential for the salesperson to conduct thorough fact-finding and qualification to address these issues effectively. Understanding what the prospect is seeking can often resolve many of these objections.

Objections related to the product revolve around aligning the product with the customer's needs. The salesperson's role is to identify which product features are significant to the buyer and emphasize those features. Products are essentially bundles of benefits that customers seek to fulfill their needs. By linking these benefits to the customer's requirements, the salesperson helps the prospect transition from a state of no need to recognizing the need.

### **Company or Source Objections**

Marty Reist works as a manufacturer's representative for a small company within the sporting goods industry, often facing competition from industry giants. Unlike sales representatives from well-known brands like Nike, Titleist, and Reebok, who likely encounter minimal resistance, Reist must consistently prove his value. Overcoming objections such as "I've never heard of your company" (i.e., company or source objection) is a daily challenge for Reist.

### **Price Objections**

Most sales experts concur that price represents the most prevalent form of buyer resistance. This objection often manifests as the prospect claiming inability to afford the product, stating that the price is too high, or asserting that the product doesn't fit within their current budget constraints (i.e., price objection). In many cases, this objection serves as a request for the salesperson to justify how the prospect can afford the product or incorporate it into their budget.

Salespeople often interpret the price objection as an attempt by the buyer to negotiate a lower price. Consequently, addressing the price objection requires the salesperson to demonstrate how the benefits (value) of the product outweigh its cost. Establishing the product's value should precede any discussion of price. Many companies, like Stryker Medical, do not position themselves as the low-cost option. For instance, Stryker sells hospital beds and stretchers to healthcare facilities, and they are typically not the least expensive option available.

Stryker's salespeople frequently encounter the price objection. However, they address it by educating their prospects and customers about the longevity of their products, which typically last 25 to 50 percent longer than competitors'. They provide evidence demonstrating that their products remain in service for 5 to 10 years longer than those of their competitors. If the price of one of their stretchers is \$1,500 more than a competitor's, they break down the price over the entire lifespan of the stretcher, showing that there are savings over time. By providing this information, Stryker effectively demonstrates the value of their offering compared to that of their competitors.

### **Time Objections**

The time objection, also referred to by some salespeople as the stalling objection, is a tactic employed by buyers to postpone making a purchasing decision until a later time. Many inexperienced salespeople encounter this tactic and mistakenly interpret it as an indication that the prospect will buy in the future, just not at present. However, some buyers use this technique as a means to dismiss salespeople without outright rejecting their proposals.

In certain instances, proposals may be intricate, requiring the buyer to take time to carefully consider them. Salespeople should be mindful of this and avoid pressuring the buyer for an immediate decision until they have had sufficient time to deliberate. It is acceptable for the salesperson to reiterate the reasons for acting promptly or in the near future. Delaying a decision can have repercussions, such as price increases or the introduction of new taxes, which the buyer should be informed of.

### **Using LAARC: A Process for Negotiating Buyer Resistance**

The acronym LAARC stands for listen, acknowledge, assess, respond, and confirm, delineating a method that salespeople can employ to effectively address sales resistance. This approach, known as the LAARC method, prioritizes customer-centricity and aims to maintain a positive sales dialogue. In earlier times, honesty between buyers and sellers wasn't always prevalent, and manipulation was commonplace. Some salespeople would resort to overpromising, underdelivering, and misrepresenting their offerings to secure orders, often receiving approval from their organizations.

However, modern professional sellers prioritize transparency, aiming to foster open dialogue and goodwill by enhancing the value proposition. By attentively listening to buyers' concerns and engaging in constructive negotiation, sellers increase the likelihood of favorable purchase decisions and cultivate long-term relationships. Therefore, when faced with sales resistance, it becomes imperative for the salesperson to effectively communicate and demonstrate the value of their offering.

### **Recommended Approaches for Responding to Objections**

#### **Forestalling**

When salespeople encounter a recurring objection, they might opt to address it preemptively within their sales pitch, a technique known as forestalling. For instance, Marty Reist, from MPRS Sales, Inc., frequently acknowledges to his prospects that while his company may not have the

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same stature as Nike, Titleist, or Reebok, it hasn't hindered their ability to deliver exceptional service to their customers.

#### **Direct Denial**

When employing the direct denial technique to address sales resistance, the salesperson straightforwardly informs the customer of any misconceptions. Prospective clients might possess inaccurate information or lack a full understanding of the details provided.

#### **Indirect Denial**

From time to time, it can be beneficial to sidestep confronting an objection head-on. The indirect method delicately tackles the objection in a more diplomatic manner. With indirect denial, the salesperson abstains from directly telling the prospect they're wrong. An effective way to use this tactic is by understanding the prospect's viewpoint while adeptly addressing and resolving any unfounded objections they may have.

#### **Translation or Boomerang**

The translation or boomerang technique transforms the objection into a rationale for why the prospect should make a purchase. Essentially, the salesperson aims to flip a reason not to buy into a reason to buy. Marty Reist from MPRS Sales, Inc., shares the following guidance on this strategy.

#### **Compensation**

At times, a salesperson might need to acknowledge that the product indeed possesses a disadvantage noticed by the prospect. The compensation method strives to demonstrate to the prospect that a benefit or advantage offsets the objection. For instance, a higher product price can be rationalized by benefits like enhanced service, quicker delivery, or superior performance.

### **Questioning or Assessing**

Another potentially powerful approach to address buyer resistance involves transforming the objection into a question. This method requires the salesperson to inquire or evaluate to gain a deeper insight into the precise nature of the buyer's objections. Occasionally, it's challenging for the salesperson to pinpoint the exact issue. This method is beneficial for elucidating the genuine objection. Moreover, it can be effective in resolving the objection if the prospect is responding impulsively and lacks a compelling reason for the objection.

### **Third-Party Reinforcement (or Feel-Felt-Found)**

The third-party reinforcement method leverages the opinions or research findings of an external entity to strengthen and validate the salesperson's arguments. Various forms of evidence are available to salespeople nowadays. Consumer reports, government studies, and evaluations from independent testing agencies are among the resources that can support a salesperson's assertions. Such secondary data, or experience data from a trustworthy third party, might suffice to sway a skeptical prospect. It's crucial for the salesperson to bear in mind that this technique is effective only if the buyer trusts the third-party source being referenced.

### **Compensation**

At times, a salesperson might find it necessary to acknowledge a disadvantage in their product that the prospect has observed. The compensation technique endeavors to illustrate to the prospect that a benefit or advantage offsets the objection. For instance, a higher price for the product can be warranted by advantages like improved service, swifter delivery, or enhanced performance.

### **Questioning or Assessing**

Another potentially powerful approach to managing buyer resistance involves transforming objections into inquiries. This method entails the salesperson asking questions or conducting

assessments to acquire a clearer understanding of the precise nature of the buyer's objections. Occasionally, it can be challenging for the salesperson to pinpoint the exact issue. This technique is beneficial for clarifying the genuine objection. Moreover, it can be effective in resolving objections if the prospect is responding impulsively without a strong reason for the objection.

### **Third-Party Reinforcement (or Feel-Felt-Found)**

The third-party reinforcement method relies on the opinion or research of an external entity to bolster and strengthen the salesperson's selling arguments. Salespeople have access to a diverse array of supporting evidence today. Consumer reports, government studies, and evaluations from independent testing agencies can all validate a salesperson's assertions. Supplementary data like this, or experiential data from a trustworthy third party, could be sufficient to sway a skeptical prospect. It's crucial for the salesperson to bear in mind that the effectiveness of this technique hinges on the buyer's belief in the credibility of the third-party source being referenced.

### **Coming-to-that or Postpone**

Sales professionals should recognize that objections are inevitable across various aspects related to themselves, their products, and their company. Skilled salespeople anticipate these objections and formulate effective responses. However, there are instances where it might be prudent to address an objection later in the presentation, following further questioning and information dissemination. It's crucial for the salesperson to assess the significance of the concern to the prospect. If the objection appears to be pivotal to closing the sale, the salesperson should promptly address it.

### **SUMMARIZING SOLUTIONS TO CONFIRM BENEFITS**

The hallmark of a proficient salesperson lies in their ability to actively listen and discern the precise needs of the customer. While it's common for salespeople to integrate the outstanding advantages of their product into their sales pitch, it's essential to tailor these benefits to match the buyer's specific requirements. Although a salesperson can identify numerous potential

benefits for each product and feature, it's impractical to discuss potential benefits that may not align with the buyer's needs. Instead, the salesperson should identify the confirmed benefits and prioritize them as the central focus of the sales summary before seeking a commitment. It's crucial for the salesperson to identify the one, two, or three benefits that evoke the most enthusiasm from the buyer. These confirmed benefits, which are of utmost interest to the buyer, should receive the highest emphasis. They should be succinctly summarized to demonstrate a clear alignment between the buyer's expressed needs throughout the sales process and the proposed solution. Once this alignment is established, it's appropriate to ask for the sale.

## **SECURING COMMITMENT AND CLOSING**

Ultimately, a significant portion of most salespeople's performance evaluations hinges on their ability to secure customer commitment, commonly referred to as closing sales. Due to this close link between compensation and securing orders, traditional sales approaches have tended to overemphasize the importance of securing commitment. Some even argue that nearly any salesperson can find a new prospect, initiate a sale, or process an order. However, they suggest that it takes a trained, motivated, and skilled professional to successfully close a sale. They further assert that the close is the cornerstone of a salesperson's success, and a proficient salesperson will have mastered various techniques to seal the deal. This outdated emphasis on closing skills is characteristic of transactional selling methods that prioritize making the sales call at any cost.

### **Guidelines for Earning Commitment**

Achieving commitment, or securing commitment, marks the culmination of the selling process. However, it shouldn't be seen as a formal stage reserved solely for the end of the presentation. Numerous salespeople overlook early signs of buyer commitment by concentrating on their presentation rather than the buyer's remarks.

### **Techniques to Earn Commitment**

Certain sales trainers endeavor to instruct their sales teams in hundreds of commitment techniques. For instance, one trainer advised his sales force to acquire two new commitment techniques each week, aiming to equip them with over 100 techniques by year-end. However, contemporary relationship managers typically do not require a plethora of commitment techniques.

### **Probe to Earn Commitment**

Not every effort to secure commitment will yield success. Effective salespeople must be willing to inquire why a prospect is hesitant to make a decision. It is the responsibility of the salesperson to uncover the underlying reasons for the prospect's hesitation through a series of targeted questions. For example, if a buyer expresses reluctance to place an order, the salesperson should ask, "Mary, there seems to be a reason why you're hesitant to engage with me and my company. Would you mind sharing what it is?" Subsequently, the salesperson should attentively listen and tailor their response accordingly. A salesperson should not hesitate to inquire about the reasons behind a prospect's reluctance to make a purchase.

### **Traditional Methods**

Sales trainers nationwide impart hundreds of techniques for securing commitment, yet the majority of these are not conducive to fostering a strong buyer-seller relationship. As prospects become more discerning, most of these techniques are likely to be off-putting and ineffective. "An Ethical Dilemma" poses the question: How often should a salesperson request the order during each sales interaction? Research indicates that buyers are receptive to consultative approaches for handling objections, such as questioning and assessing, direct denial with factual evidence, and earning commitment. Conversely, buyers have expressed disapproval of traditional persuasive tactics that have been employed for years. They now perceive

conventional methods for managing objections, like forestalling and postponing, and securing commitment, such as standing-room-only and fear tactics, as excessively aggressive and unprofessional.

## **SUMMARY**

1. Explain why it is important to anticipate and overcome buyer concerns and resistance. During the early years of selling, salespeople looked at sales resistance as a negative that was a likely indication that their buyer was not going to buy. This notion has changed over the years and now objections are viewed as opportunities to sell. Salespeople should be grateful for objections and always treat them as indications that the prospect needs more information, and if the salesperson provides the correct information, they are moving closer to gaining the sale.

2. Understand why prospects raise objections. Some prospects are happy with their present suppliers and want to avoid the sales interview. In other instances, the salesperson has failed to properly qualify the prospect. A prospect who has recently purchased a product is probably not in the market for another. Sometimes, prospects simply lack information on the salesperson's product category and they are uncomfortable making a decision.

3. Describe the five major types of sales resistance. Typically, objections include: "I don't need your product," "Your product is not a good fit," "I don't know your company," "Your price is too high," and "This is a bad time to buy."

4. Explain how the LAARC method can be used to overcome buyer objections. LAARC allows the salesperson to carefully listen to what the buyer is saying. It allows the salesperson to better understand the buyer's objections. After this careful analysis, the salesperson can then respond. The buyer feels the salesperson is responding to his or her specific concern rather than giving a prepared answer.

5. Describe the traditional methods for responding to buyer objections. Salespeople have a number of traditional techniques at their disposal to handle resistance. Some of the more

popular techniques include: forestalling, answering the objection before the prospect brings it up; direct denial; indirect denial, softens the answer; translation or boomerang, turn a reason not to buy into a reason to buy; compensation, offset the objection with superior benefits; question, use questions to uncover the buyer's concerns; and third-party reinforcements, use the opinion or research of others to substantiate claims.

6. List and explain the earning commitment techniques that enhance relationship building. Many techniques can be used to earn commitment. Most are gimmicky in nature and reinforce the notion of traditional selling. Successful relationship-building techniques include the summary commitment, the success story commitment, and the direct commitment or ask for the order.

### **Examination**

#### **Multiple Choice**

1. Why is it important for salespeople to anticipate and overcome buyer concerns and resistance?

- a) To avoid negative feedback from buyers
- b) To demonstrate assertiveness in sales
- c) To view objections as opportunities to sell and provide more information
- d) To discourage objections and speed up the sales process

2. What are some reasons why prospects raise objections?

- a) They are satisfied with their current suppliers
- b) The salesperson failed to qualify the prospect properly
- c) They lack information on the salesperson's product category

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d) All of the above

3. Which of the following is NOT one of the five major types of sales resistance?

- a) "I don't need your product"
- b) "Your product is not a good fit"
- c) "I haven't heard of your company"
- d) "Your price is too low"

4. How can the LAARC method help overcome buyer objections?

- a) By avoiding listening to the buyer's concerns
- b) By providing prepared answers to objections
- c) By carefully listening to the buyer, understanding objections, and responding accordingly
- d) By ignoring buyer objections and moving forward with the sale

5. Which of the following is NOT a traditional method for responding to buyer objections?

- a) Forestalling
- b) Indirect denial
- c) Softening the answer
- d) Soft sell approach

6. What are examples of earning commitment techniques that enhance relationship building?

- a) Summary commitment, success story commitment, and direct commitment
  - b) Gimmicky techniques that reinforce traditional selling
  - c) Speedy closing techniques
  - d) Avoiding commitment discussions altogether
7. What shift in perspective regarding objections has occurred over the years in sales?
- a) Objections are viewed as a sign that the buyer is not interested in purchasing
  - b) Salespeople no longer see objections as opportunities to provide more information
  - c) Objections are now considered indications that the prospect needs further information
  - d) Salespeople no longer encounter objections during the sales process
8. What are some common objections raised by prospects?
- a) "I'm happy with my current supplier"
  - b) "I'm not comfortable making a decision"
  - c) "I don't need your product"
  - d) All of the above
9. How does the LAARC method help salespeople respond to objections?
- a) By ignoring buyer objections and continuing with the sales pitch
  - b) By providing scripted responses to objections
  - c) By carefully listening to the buyer's concerns and tailoring responses accordingly

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d) By dismissing buyer objections as irrelevant

10. Which of the following is NOT a traditional method for handling objections?

a) Direct denial

b) Softening the answer

c) Earning commitment

d) Third-party reinforcements

11. What are examples of successful relationship-building commitment techniques?

a) Gimmicky techniques that focus solely on closing the sale

b) Techniques that reinforce traditional selling methods

c) Summary commitment, success story commitment, and direct commitment

d) Avoiding commitment discussions altogether

12. How can salespeople effectively use third-party reinforcements to overcome objections?

a) By dismissing objections as irrelevant

b) By providing personal anecdotes instead of relying on external sources

c) By incorporating opinions or research from credible third parties to support claims

d) By avoiding addressing objections altogether

Answers:

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1. c) To view objections as opportunities to sell and provide more information
2. d) All of the above
3. d) "Your price is too low"
4. c) By carefully listening to the buyer, understanding objections, and responding accordingly
5. d) Soft sell approach
6. a) Summary commitment, success story commitment, and direct commitment
7. c) Objections are now considered indications that the prospect needs further information
8. d) All of the above
9. c) By carefully listening to the buyer's concerns and tailoring responses accordingly
10. c) Earning commitment
11. c) Summary commitment, success story commitment, and direct commitment
12. c) By incorporating opinions or research from credible third parties to support claims

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