

PROFESSIONAL SALESMANSHIP

Chapter 10 Addressing Concerns and Earning Commitment

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LEARNING OUTCOMES

After completing this module, you should be able to:

- Explain why it is important to anticipate and overcome buyer concerns and resistance.
- Understand why prospects raise objections.
- Describe the five major types of sales resistance.

LEARNING OUTCOMES

After completing this module, you should be able to:

- Describe how the LAARC method can effectively address buyer objections.
- Explain traditional strategies for handling buyer objections.
- List and elaborate on commitment-earning techniques that strengthen relationships.

FEWER EARNING COMMITMENT TECHNIQUES WORK!

- Learn a lot of closing techniques and use them all
- The best salespeople are the best information gatherers.
- When it comes to earning commitment, less is better

ADDRESSING CONCERNS

- objection or sales resistance
- uncover and overcome any and all objections
- anticipate and negotiate buyer concern

ANTICIPATE AND NEGOTIATE CONCERNS AND RESISTANCE

- Sales resistance
- More information
- Customer interest and measure the buyer's understanding
- Can lead to customer acceptance.

Reasons Why Prospects Raise Objections

- The prospect wants to avoid the sales interview.
- The salesperson has failed to prospect and qualify properly
- Objecting is a matter of custom.

Cont'.....Reasons Why Prospects Raise Objections

- The prospect resists change.
- The prospect fails to recognize a need.
- The prospect lacks information

Types of Objections

- Buyers use delay techniques to avoid taking immediate action.
- The buyer may not be in the market to purchase at this point in time.
- The buyer may be afraid that the product's reliability will not perform up to the standards the salesperson said it would.

EXHIBIT 8.2 Types of Objections

No Need	Buyer has recently purchased or does not see a need for the product category "I'm not interested at this time."
Product or Service Objection	Buyer may be afraid of product reliability "I'm not sure the quality of your product meets our needs." Buyer may be afraid of late deliveries, slow repairs, etc. "I'm happy with my present supplier's service."
Company Objection	Buyer is intensely loyal to the present supplier "I am happy with my present supplier."
Price Is Too High	Buyer has a limited budget "We have been buying from another supplier who meets our budget constraints."
Time/Delaying	Buyer needs time to think it over "Get back with me in a couple of weeks."

Need Objections

- no reason to talk to a salesperson
- conditioned to say automatically
- do not know they have a specific need

Possible Need Objections **EXHIBIT 8.3**

- "I have all I can use (all stocked up)."
- "I don't need any."
- "The equipment I have is still good."
- "I'm satisfied with the company we use now."
- "We have no room for your line."

source: Ingram, et.al. (2008) Professional Selling A trust-based Approach 4th edition. pp 215

Product or Service Objections

- product or service lacks something
- objections could be simply emotional
- products' performance characteristics
- customers seek to fit their needs

Company or Source Objections

Possible Product or Service Objections EXHIBIT 8.4

"I don't like the design, color, or style."

"A maintenance agreement should be included."

"Performance of the product is unsatisfactory (i.e., the copier is too slow)."

"Packaging is too bulky".

"The product is incompatible with the present system (i.e., we prefer Apple over IBM)."

"The specifications don't match what we have now."

"How do I know if you'll meet our delivery requirements?"

"The product is poor quality"

source: Ingram, et.al. (2008) Professional Selling A trust-based Approach 4th edition. pp 215

Company or Source Objections

EXHIBIT 8.5 Company or Source Objections

"Your company is too small to meet my needs."

"I've never heard of your company."

"Your company is too big; I'll get lost in the shuffle."

"Your company is pretty new; how do I know you'll be around to take care of me in the future?"

"Your company was recently in the newspaper. Are you having problems?"

source: Ingram, et.al. (2008) Professional Selling A trust-based Approach 4th edition. pp 216

Price Objections

- price is the most common form of buyer resistance
- product's value must be established
- Price objections probably occur more frequently

EXHIBIT 8.6 Price Objections

"We can't afford it."

"I can't afford to spend that much right now."

"That's 30 percent higher than your competitor's comparable model."

"We have a better offer from your competitor."

"I need something a lot cheaper."

"Your price is not different enough to change suppliers."

source: Ingram, et.al. (2008) Professional Selling A trust-based Approach 4th edition. pp 216

Time Objections

- put off the decision to buy until a later date
- technique to get rid of salespeople
- proposals are very complex

"I need time to think it over."

"Ask me again next month when you stop by."

"I'm not ready to buy yet."

"I haven't made up my mind."

"I don't want to commit myself until I've had a chance to talk to engineering (i.e., any other department)."

source: Ingram, et.al. (2008) Professional Selling A trust-based Approach 4th edition. pp 217

Using LAARC: A Process for Negotiating Buyer Resistance

The term LAARC is an acronym for **L**isten, **A**cknowledge, **A**ssess, **R**espond, and **C**onfirm

Using LAARC: A Process for Negotiating Buyer Resistance

- **Listen:** Salespeople should listen to what their buyers are saying
- **Acknowledge:** As buyers complete their statements, salespeople should acknowledge that they received the message
- **Assess:** This step is similar to assessment in the ADAPT process of questioning.

Using LAARC: A Process for Negotiating Buyer Resistance

- **Respond:** Based on his or her understanding of what and why the buyer is resisting, the salesperson can respond to the buyer's resistance.
- **Confirm:** After responding, the salesperson should ask confirmatory questions— response-checks to make sure that the buyer's concerns have been adequately met.

Recommended Approaches for Responding to Objections

- **Forestalling** - When salespeople hear an objection arising repeatedly
- **Direct Denial** - the salesperson is directly telling the customer that he or she is mistaken

Recommended Approaches for Responding to Objections

- **Indirect Denial** - Sometimes it is best not to take an objection head on.
- **Translation or Boomerang** - method converts the objection into a reason that the prospect should buy

Recommended Approaches for Responding to Objections

- **Compensation** – technique is an attempt to show the prospect that a benefit or advantage compensates for an objection
- **Questioning or Assessing** – to gain a better understanding of the exact nature of the buyer's objections.

Recommended Approaches for Responding to Objections

- **Third-Party Reinforcement** – technique uses the opinion or research of a third person or company to help overcome and reinforce the salesperson's sales points.
- **Coming-to-that or Postpone** – Salespeople need to understand that objections may and will be made to almost everything concerning them, their products, and their company.

SUMMARIZING SOLUTIONS TO CONFIRM BENEFITS

- ability to listen and determine exactly the customer's needs
- identify many potential benefits for each product and feature
- talk about potential benefits that the buyer may not need
- benefits should be summarized

SECURING COMMITMENT AND CLOSING

- Ability to gain customer commitment, often called closing sales
- Manipulative closing gimmicks are less likely to be effective
- Commitment insinuates the beginning of a long-term relationship

Guidelines for Earning Commitment

Commitment signals are favorable statements that may be made by the buyer, such as:

- I like that size.
- That will get the job done.
- The price is lower than I thought it would be.
- I didn't realize you delivered everyday.

Techniques to Earn Commitment

1. Ask for the Order/Direct Commitment.
2. Legitimate Choice/Alternative Choice.
3. Summary Commitment.
4. The T-Account or the Balance Sheet Commitment.
5. Success Story Commitment.

Probe to Earn Commitment

- Every attempt to earn commitment will not be successful
- Cannot be afraid to ask a prospect
- must then listen and respond accordingly

Traditional Methods

Traditional Commitment Method EXHIBIT 8.12

Method	How to Use It
Standing-Room-Only Close	This close puts a time limit on the client in an attempt to hurry the decision to close. "These prices are only good until tomorrow."
Assumptive Close	The salesperson assumes that an agreement has been reached. The salesperson places the order form in front of the buyer and hands him or her a pen.
Fear or Emotional Close	The salesperson tells a story of something bad happening if the purchase is not made. "If you don't purchase this insurance and you die, your wife will have to sell the house and live on the street."
Continuous Yes Close	This close uses the principle that saying yes gets to be a habit. The salesperson asks a number of questions, each formulated so that the prospect answers yes.
Minor-Points Close	Seeks agreement on relatively minor (trivial) issues associated with the full order. "Do you prefer cash or charge?"

source: Ingram, et.al. (2008) *Professional Selling A trust-based Approach 4th edition*. pp 227

SUMMARY

- Important to anticipate and overcome buyer concerns and resistance
- Understand why prospects raise objections
- five major types of sales resistance

SUMMARY

- LAARC method
- Traditional methods for responding to buyer objections
- Earning commitment techniques

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