

Lesson 6

Handling Objections, Closing of Sale & Follow-UP

- a) Handling Objections: Meaning, its types and methods of handling objections
- b) Closing of Sale: Meaning and its methods
- c) Follow-up: Meaning and Principles

Handling Objections

- Meaning
- Way to overcoming Objections
- Types of Objections /Doubt
- Method of meeting or Handling objections

Closing of Sale

- Meaning
- Timing of Closing
- Looking and listening for buying signals
- Method of Closing Sale

Follow-UP

- Meaning
- Post Sales Activities
- Customer Relations
- Practice / Principles of Follow-up

OBJECTIVES

After studying this lesson, you would be able to understand-

- Meaning of Handling Objections, Closing Of Sales an Follow-Up
- Different Methods of Handling objections and Methods of closing sale
- Practice / Principles of Follow-up

HANDLING OBJECTIONS

Objections are encountered in practically every presentation they should be welcomed because they indicate that prospect has some interest in the product/proposition. A prospect who is not interested in buying seldom raises any objections, silently going along with the presentation but saying at the end "I am not interested in your deal" So there are several important techniques which should be used in responding to a buyer objection.

Way to overcoming objections to sale

(1) Listen to the buyer:

It is important that you listen actively. Don not assumes that you know what the buyer is going to say. Encourage the buyer to talk. This helps to get the objection out in the open

(2) Clarify the Objection:

Repeat and clarify the objection by asking for more information, using question such as "let me see if I understand correctly (repeating the objection as you understand it) is that correct" The buyer may confirm that you are correct in your understanding or provide additional information. Some time this step can uncover a misunderstanding that the buyer has about the product or services.

(3) Repeat the buyer's concern:

Acknowledge that you understand and appreciate the concerns. Remember that the buyer is not attacking you personally, so you should not become defensive.

(4) Respond to the objection:

It is important that you respond to the buyer's concern. The specific response to the objection depends on the type of objection it is.

TYPES OF SALES OBJECTIONS / DOUBTS

(1) Price or value objection:

Buyers who say “I don’t need it” or “it is too much costly” are indicating that they don’t think the value of solving the problem or meeting the need is worth the cost.

If the buyer acknowledges the importance of the problem but still feels that, he can not afford it or it is not a price competitive solution then the sales person can offer some price value comparisons of alternative solutions. But in some cases the buyer may disagree with the sales persons assessment then in this case the sales person needs to convince the buyer that his/her product will do what he/she say, for this salesperson demonstrate or prove that the product has the capability to fulfill the needs. For examples some proof-providing tactics are –case history, testimonials, trial use, demonstration, expert opinion etc.

(2) Procrastinating Objections:

Procrastinating objections can be difficult to over come. Some such objections are-

- Let me think about it a while
- I have to talk it over with my boss
- I have to wait until the next budget cycle

Procrastinating prospects use such excuses to avoid acting on a proposition / product immediately or to avoid admitting that they don’t have the authority to make the decision. In this case salesperson might ask for a meeting with the buyer and his boss or with whoever else seems to have substantial influence over the decision.

(3) Hidden objections:

Prospects may state their objections to a proposition / products openly and give the salesperson a chance to answer them. This is an ideal circumstance because everything is out in the open and the salesperson does not need to read the prospects mind. But unfortunately, prospects often hide their real reasons for not buying.

Example: A prospect may say that she / he do not like the look of the product, when she / he really think that the price of product is too high.

So salesperson must determine the real barrier to the sale to be able to overcome it.

Some prospects have developed their special methods for getting the prospects to disclose what is blocking the sale. However the best technique for discovering hidden objections is to keep the prospects talking by asking questions.

(4) Product objection:

In this customers raise objection about the quality of the product, size, color, raw-material etc. in this situation sales person clarify the doubt by giving proper proof and proper demonstration of the product.

(5) Service objection:

In this customers raise the objection about the services of the salesmen or shop keeper for example: Delivery is not proper, after sale services are not proper etc. In this situation salesperson must promise the customer to give all the services at time.

METHODS OF MEETING OR HANDLING OBJECTIONS

Whatever the customer's objections may be, at least one thing is certain that the customer is taking interest in the product. Hence the first thing to do is that the salesman should listen the customer's objections attentively and without any interruption. After he has understood them, he should think as to which method should be applied in meeting or handling objections. In this connection there are a number of methods used by the salesman to meet and handle the objections. The most important methods are as follow:

- a) The Direct Denial Method
- b) Indirect Denial Method
- c) Boomerang Method
- d) Compensation Method
- e) Reverse Position Method
- f) Pass-up Method

a) The Direct Denial Method:

Under this method, the salesman says directly on his very face of the customer that his objection is totally false or wrong. For instance, the customer makes a false statement that this book of salesmanship does not cover the syllabus of his university. The salesman replies that the book covers the 100% syllabus of salesmanship of your university. Here is the syllabus and I stand ready to prove this right now.

Generally this method is not used by salesman because it is bound to offend the customer. He might become angry and it is likely that in future he might not see your shop. This method is successful only when used by experienced and skilled salesman and that too as sort of “desperate remedy for a desperate disease”. It may be used only when the salesman feels that the statement of the customer is totally false.

b) Indirect Denial Method:

This is most popular and widely used method of meeting objections of the customers. Under this method, the salesman agrees with the objection or objections of the customer, but then makes a statement which offsets the objection. That is why this method is also called *Yes, but method*. For instance, the salesman says, “Yes, Mr.Gupta, our prices are slightly higher than our competitors, but our product is of much superior quality and, therefore, it will last long and thus you will save considerable money in the long run.”

This method, therefore, really amounts to denying the objection tactfully without offering the customer.

c) Boomerang Method:

The boomerang is one where the objection raised by the customer is thrown back (returned) by the salesman in the form of a reason, why he should purchase the product.

Thus the objection is converted into a reason in favor of the purchase. This method is also called as the “Translation Method” because it translates the objection into a reason in favor of the purchase. For instance when a customer raises an objection the reply

may be that is exactly the reason why I believe you need this product. The boomerang method is effective only in the hands of the experienced and skilled salesman only.

d) Compensation Method:

This method is similar to indirect denial method except that here the salesman admits the validity of the objection but offsets the objection by a superior point of greater advantages to the customer. For instance, a customer for shirt-price might object that the cloth of the shirt does not seem to be of the best quality. By using this method, the salesman would reply, sir you are quite correct. The cloth is not of the best quality, if it had been, the price would have been considerable higher. The lower price compensates the lower quality.

e) Reverse Position Method:

This method is applied in cases where the customer is raising objections one by one which are not based on sound footing. Under this method, the salesman may ask the customer to explain in greater detail his particular objection instead of answering it himself. The background of using this method is that the customer while explaining his objection in detail might himself realize its flimsiness. For instance, the customer says, "It is not a good book", while using this method, the salesman would say, "Sir, you seem to know so much about this subject and I am really interested to know more on this subject. Would you please let me know the reasons in detail as to why you do not like this book." The customer feels ashamed of what he has said earlier. The success of this method depends on the sincerity of the salesman while making the statement and the patience and eagerness he shows to learn reasons behind the customer's statement.

f) Pass-up Method:

Under this method the salesman attempts to smile and pass off many objections. Some times salesman pretends not to have heard the objection and pass on to the next point. This method should be used only when the customer has raised a flimsy objection.

CLOSING OF SALE

Closing is the final part of the sales presentation. Closing means asking for an order. After the salesperson has established relationship with the prospect, demonstrated the product's features and benefits, and handled objections, he should ask for the order. Unless the salesperson gets the prospect agreed to buy the product, the entire efforts are wasted. The alert and experienced salespersons know the time when to close or the way how to close a sale?

WHEN TO CLOSE

The sales person must watch for a proper time to close a sale. Closing too early or too late will generally result in a lost sale. If a close is attempted too early, it will give an impression that the salesperson is over by aggressive. Closing too late after the person's interest is peaked, may result in the prospects bored or impatient.

The following are some indications of the time when to close a sale:

Looking and Listening for Buying Signals:

Buying signals are like clues in a mystery novel. The clues are not clear to others but they can be noticed by professionals. Buying signals are indications that the prospects is ready to buy. Such signals may be verbal or non-verbal.

(a) Verbal Signals:

Verbal signals are the comments and suggestions made by the prospect. These may be in the form of positive statements or question. Some verbal signals are- "How soon can you deliver the products?" "How much time will it take to process the order?"

(b) Non-Verbal Signals:

Body language such as face expression, physical action. Experienced salespeople understand such non-verbal expressions and body movements. Some positive body signals are-moving forward in the chair, nodding one's head up and down etc. Some negative signals are-arms crossed over the body, movement away from the

salesperson etc. The salesperson must try to put the prospect at ease and reverse the negative feelings.

METHODS OF CLOSING A SALE

(1) Try-Out Close:

In this method salespersons ask some question to customer like “which size you like of the product” “which type of color you prefer” etc. If customer response is not satisfactory then it means customer is not satisfy with your presentation and product and further salesperson need to impress/convince the customer more for close the sale.

(2) Summarization of the Sales Points:

Under this method the salesman summarizes all the selling points and reminds the customer of the reasons as to why he should purchase the product. This should be done in an informal way. Thus when the salesman presents a long list of product's features, it becomes difficult for the customer to say 'no' to the salesman.

(3) Limiting (Narrowing) the Choice:

Under this method, the salesman closes the sales by limiting down the choice of the customer. When a customer is offered wide range of product, it becomes difficult for him to reach a decision. Hence the salesman removes all those varieties one by one, in which the customer has shown the least interest. In this way only two or three varieties of a product are left with the customers which seem to be most suitable and favoured. Now the salesman would ask the customer as to which of these varieties of a product he would like to have. In this way the sales comes to a close soon.

(4) Implying that a Sale is Made:

Under this method the salesman replies by words and actions that the customer has made up his mind to purchase the product. If the customer does not stop him, the salesman concludes that everything is 'O.K.' For instance the salesman presents a book titled “Sales Management” by Prof.R.C. Agarwal before the customer. The customer turns some pages of the book and keeps it on the table of the salesman. The

salesman orders his assistant to pack the book and handover the same to the customer. The customer does not object. It implies that the sale is closed. This method is widely used these days.

(5) Offering Inducements:

Under this method, the salesman offers some extra inducements to the customer. Thus a salesman might offer certain concession or special consideration to the customer who may purchase the same in the expectation of extra gains. For instance, the salesman says to the customer, "If you will take the delivery of this case within a fortnight, I shall allow you 5% extra discount".

(6) The Assumption Close:

This method is based on the assumption that the customer has already decided and is going to purchase soon. Under this method, after receiving a positive signal from the customer, the salesman asks the customer to fill in his name and address in the prescribed form and put his signatures as a token of confirmation of order. This method is mostly used by retailers.

(7) The Direct Close:

It is the most simple and common method of closing a sale. Instead of beating about the bush, the salesman directly asks the customer to place the order to him. The sale is closed as soon the order is placed.

FOLLOW –UP:

The selling process does not come to an end as soon as the sale is made. Any assumption that making sale is a final step in the selling process will be a damaging factor. It will be a critical mistake. Follow up or after sale activities are very important because an effective sale follow-up reduces the buyer's dissonance or doubt. It improves the chance that the buyer will buy again in the further. Follow up actions include post sales action which ensure the buyer that the seller has not ignored him.

Post Sales Activities:

The most important part of the follow-up is to make sure that the buyer has received the product in good condition and it is working satisfactorily. The purchaser is satisfied with the product. If the buyer is not satisfied, the salespeople must remove such discontent. These callbacks also allow the salespeople together valuable information to sell additional items in the market or to devise a new strategy.

Satisfied customers promote the sales also and in this way, they serve as the salespeople. They more after refer the product to others who may also prove good customers of the seller. So it is important that the salesperson must initiate a follow-up procedure on all customers.

Customer Relations:

In addition to post sales activities, salespeople are also required to maintain a good customer relation to promote sales. Follow-up actions are, therefore none-the –less important in maintaining good relations with the customers. The salespeople should not ignore the customer's needs. The producer therefore should institute specific policies and practices to ensure that customer's needs are not ignored.

Practices / Principles should be followed for Follow-Up**(1) Handle Complaints Seriously:**

No matter how efficient a company is, there are always some customer complaints. These complaints should be taken up seriously, promptly and pleasantly. The customers must feel that the company cares about maintaining good customer relations.

(2) Maintain Contacts with Customers:

The sales representative of the seller must contact the customers frequently. It is a part of his job. Personal visits are appropriate in case of some big and important customers, otherwise letters, notes; telephone calls are also good ways to keep in touch with the customers. Many companies also use customer's newsletter.

(3) Keep Serving the Customers:

Successful sellers continue serving their customers. In addition to handling complaints successfully, the salespeople keep their customers will inform about the product and the market. They fulfill reasonable requests and provide other forms of assistance as needed.

(4) Show Appreciation:

The salespeople must show appreciation for the customers. There are many ways to thank customers for their business for example; small gifts can be presented at appropriate times during the years. Also say thank you by actions as well as words will let the customers known that they are appreciated. It improves relations.

SELF CHECK QUESTIONS

1. Explain the objections which are generally raised by customers. Discuss the procedure for handling objections.
2. Discuss the different methods which are used in handling the objections.
3. Define the term sales closing and give features of successful sales closing.
4. Explain the different methods of closing the sales which are generally used in the process of selling.
5. Discuss the Practice / Principles of Follow-up