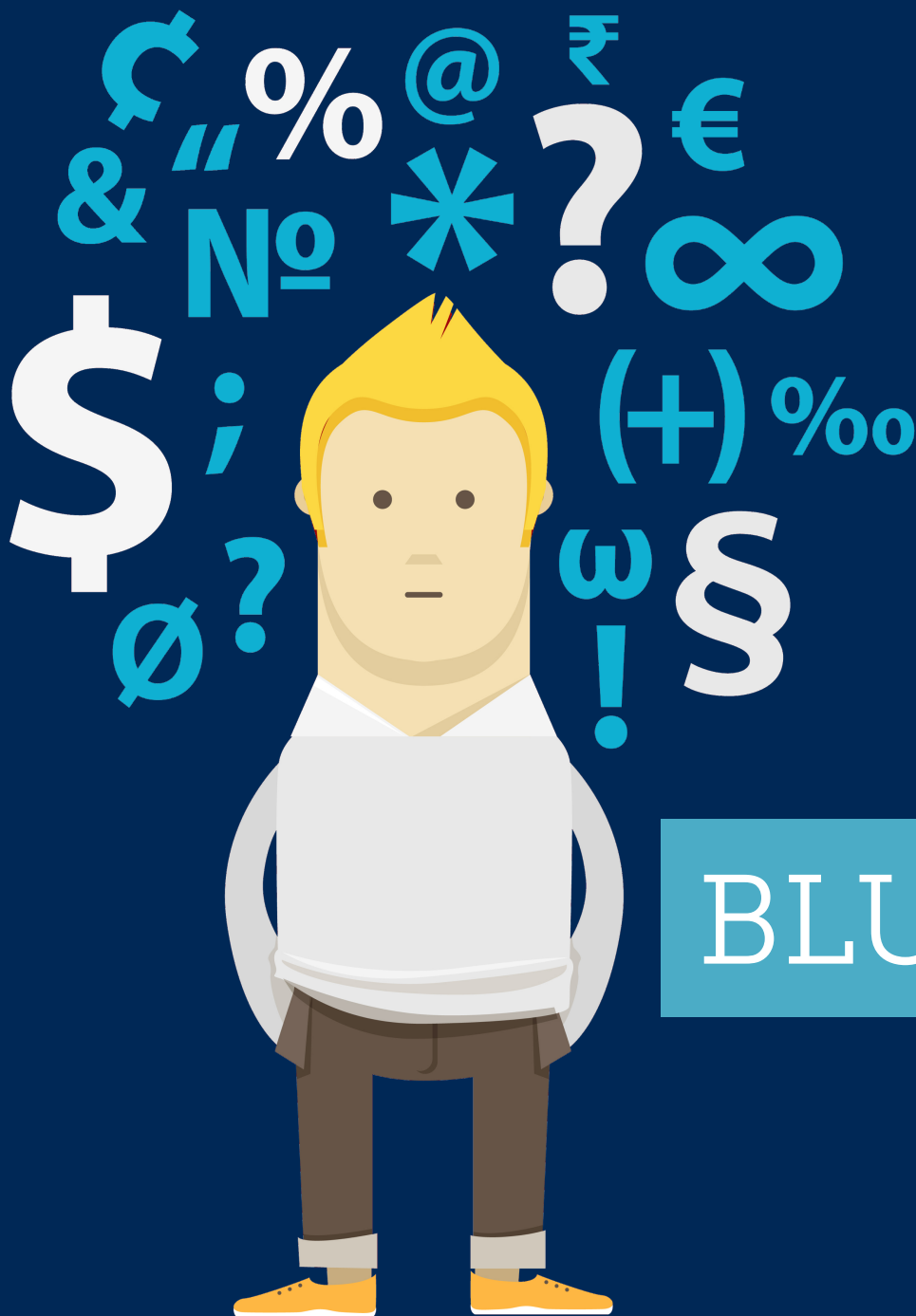


OBJECTION HANDLER



BLUEPRINT

OBJECTIONS

Customers will always have objections. An objection is an expression or feeling of disapproval or opposition. In sales, customers may challenge you or express doubt about the product's usefulness, worth, value, the payment terms or the price. They may voice disapproval or doubt. It's critical for sales professionals to have the ability to effectively handle objections. We need to move the customer from disagreement to agreement; from disapproval to approval; from opposition to support.

Unless you can answer objections, you won't be able to close sales. The truth is, not everybody is selling a product like the iPhone. There are some products out there that need very little salesmanship. If Taylor Swift comes to town and her tickets are going for \$200 each, that concert is still going to sell out. There'll be very little opposition or challenge around the pricing. Certain people, brands, products and services have established a strong enough following that people will queue up for days. Most of us do not enjoy that kind of popularity, so people are likely to question certain aspects of our product or service.



I like to view objections as questions. People ask questions to elicit more information. When a customer voices an objection, they're asking you for more information. Will it work? How does it work? Why does it cost what it costs? Why can't I have a discount? Why do I need to pay a deposit?

A confused mind will always say no. If your customer says no, it means they don't understand something about the product or service. It's your responsibility to arm them with the necessary information to enable them to make the right decision.

The first thing we need to do is to understand that objections typically fall into four broad categories. I've come up with an acronym for these four categories: PETE. Pete is a customer who has some objections. Pete is saying: I have some objections around the Price, the Effort, the Time, and the Effectiveness. How might we answer Pete's questions?

PRICE

It's too expensive. Price objections can be divided into two categories. In order to address a price objection, we first have to clarify which category it falls under.

1. **Affordability.** The customer doesn't have the budget for this. Either they haven't allocated this amount to spend, or they simply don't have the financial means.
2. **Value.** The customer does not believe that the product or service is worth its price.

Imagine someone is trying to sell you a bottle of water for twenty dollars. You say: I'm not going to pay ten dollars for a bottle of water. They say: Are you telling me you don't have twenty dollars? You say: Of course I have twenty dollars. I just don't think it's worth that much.

Now, let's say you walk into a Maserati showroom. You may think the car is worth it, and you may see the value, but you simply can't afford it. Even if they were to sell it to you at a fifty percent discount, you just don't have that kind of money.

That's the distinction between value and affordability objections. When we're handling a price objection, we need to first clarify which kind of price objection it is. We do so by asking the customer: When you say it's too expensive, do you mean that it's more than you were planning to spend or that you don't see the value at this price? Once you've clarified the distinction, then you'll be able to address the appropriate objection.



If affordability is the issue, we need to work out whether there's a way to make it affordable for the customer. In real estate, this is achieved through mortgage payments, playing around with the level of the down payment, and first-time homebuyer rebates. Car dealerships offer auto-finance plans. In many stores, you can put large purchases on layaway and pay them off in instalments. You can pay half now and half later. Accepting credit cards is another way to help customers handle affordability. You can work with the customer to render the purchase more affordable or help them to work out how they might reallocate a portion of their budget towards this purchase.

PRICE OBJECTIONS

IT'S TOO EXPENSIVE



When the price objection has to do with value, this is an entirely different issue. If you can't demonstrate the product's value, you may find yourself making concessions on its price. Many sales professionals fail to make the distinction between affordability and value, or they don't know how to demonstrate value, so the first thing they pull out of their sales tool-kit is to offer the customer a discount.

If you consistently offer discounts as part of your sales strategy or negotiation strategy, your profit margins shrink because the cost of sales goes up. Even worse, you're undermining the value of your product. Customers may wonder why the product was priced that high in the first instance; they may even suspect you of overpricing things and trying to take advantage of them. That's why I believe it is easier to demonstrate value than it is to make concessions on the price. Both of these require the same amount of effort, so you may as well endeavour to sell the product at full price.

What are some ways to demonstrate value? You might show the customer the ROI appeal of this product. It may cost more than other comparable products, but it has a longer life or is more effective. Perhaps there are no hidden costs, or lower repair and maintenance costs. Perhaps it's more time-efficient or energy-efficient, so they'll end up saving money in the long run. Perhaps it comes with a guarantee. Your job as the sales professional is to demonstrate the value to the customer. Be prepared with testimonials from customers to show how this has added value for them.

EFFORT

The customer feels that your product or service is too difficult to use or that it's a hassle to switch to your product or service.

Maybe it's complicated to use or to implement. They'll have to train their staff to use it, and that requires too much time and money resources. What they're using now is not the best or the cheapest solution, but it's easy. Your solution seems complicated. Will it integrate seamlessly with what they're using now? In technology sales, the customer will always want to know whether it is a seamless transition or if there will be a lot of growing pains and a steep learning curve.

To overcome objections about the effort required, the salesperson must be able to demonstrate how easy the product is to use or to implement. You might say: We provide 24-hour support. We have a live chat function, so if you have any questions we'll be right there to answer them. We can have someone come down and install it for you for free. We will train your staff for free. Demonstrate to the customer that it is not too difficult.



TIME

The customer feels that the lead time is too long. They need the product this next week, but your delivery time is between six and eight weeks. They need this immediately. They require same-day or next-day delivery. When the customer has a time objection, there are a few different approaches we can take.

You can try to get the product to them sooner. You might say: You'll be happy to know that we also have a priority shipment option, which costs a little bit more. If you want it there by tomorrow, we can do that. Feel free to charge a bit more for this, because it's an added service.

If you can't get the product to them sooner, you need to clarify and confirm whether they will really need it delivered that quickly. If I see the same product offered at the same price on two different websites, and one can be delivered tomorrow and the other can be delivered next week, I'll likely choose the one that will be delivered tomorrow. But that is with all things being equal, and without a sales professional standing in front of me, saying: What if I take off a couple of bucks and you can have it next week? In that case, I might be willing to wait a little in order to get the discount. Sometimes the sales professional can help the customer to do a reality check.

Another way forward would be to explain to the customer why it will take the time it takes, particularly if this offers some benefit to them.

The customer might ask you: Why is it going to take three days when the other company is able to ship it straight away?

You might say: Maybe they'll be sending you some old stock that they have sitting around, while we are going to find you one that's new, and it will take a couple of days for us to source it from the manufacturer.



Another thing you can try is to partner with your customer about anticipating their future needs. You might say: Given that our lead times are not as short as you would like them to be, why don't we start planning ahead? Let's try to forecast what you might need and when, and we can place those orders right now.

Look at their buying patterns and the quantities in which they've been purchasing to see if you can place an order now in anticipation of their future needs. Then you can make it a bulk sale, which will help you in terms of sales and commission, and you'll be able to give them a quantity discount as well. The customer might say: This may save me some money, but receiving the stock early will add to my inventory-carrying costs, because it will cost me to store all that stuff at my end. I'd rather that you stored it at your end. You can store it for them. At least you've made the sale.

EFFECTIVENESS

The customer has doubts as to whether the product will work. Is this the right solution for our company? It might work for other companies, but maybe you don't understand our business or our industry. Will this work in our organisation? Will this help us get the results we want?

In order to overcome objections relating to effectiveness, you must be prepared to show the customer some proof devices. A proof device is a tool that provides evidence that the product or solution will work and that it's the right solution for them. Show them the product in action. Share with them testimonials, demos, free trials or samples.

If you look at the automobile industry, the way they answer the effectiveness objection is to hand you the keys and let you take it for a test drive. Doing so addresses many things, but what it does, at its foundation, is to show you that the car works. They've been doing this for over a hundred years. And it works.



We can overcome objections by sharing examples of customers who have had similar objections but changed their minds. A customer might ask: Why should I use you? Why should I buy this product? You can say: Here's what other customers have said.

You can start thinking now about which proof devices to put in your sales tool-kit. The key message here is to remember similar situations in which you overcame an objection. If you ever have faced an objection in the past and have found a way to overcome it, that's a good thing, because there's a precedent. We need to learn from our mistakes, but we need to learn from our successes as well. What has worked for you in the past?

Think of a time when you have been faced with an objection around pricing. How did you successfully handle this? Have you faced objections around the effort involved in using your product; around timing; and around effectiveness or efficacy? How did you successfully handle these?

EFFECTIVENESS

WILL IT WORK?

Another proof device is an old-school technique called Feel, Felt, Found. You might say: I can see why you feel that way. This expresses your empathy with the customer. Then you say: In fact, one of my customers felt the same way, initially.

You begin by telling the customer: You're not alone, you're not crazy for thinking this. In fact, other people have felt the same way as you. Then, by using the word initially, you're conveying that this person eventually changed their mind. This is critical.

I can see why you feel it's expensive. In fact, one of my customers felt the same way until they realised that, even though the start-up costs were a little bit higher, it required less maintenance down the road. They found in the long run that it was a much more affordable option for them. The savings they enjoyed over the course of a year were much more substantial than with any other products they'd used. That's one way you might answer a price objection using Feel, Felt, Found.

WHAT TO WATCH OUT FOR

When dealing with objections, don't assume [as many sales professionals do] that the customer's objection is necessarily about the price.

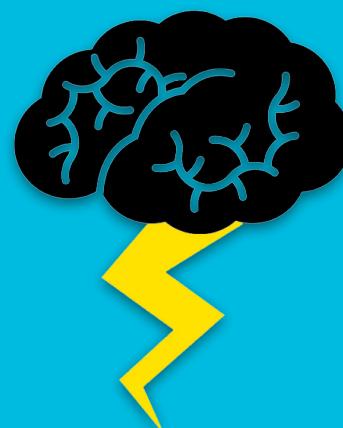
When you're dealing at the corporate level or the enterprise level, especially if you're selling technology solutions, price may not be the primary objection. Quite often it has to do with the effort, timing or effectiveness. Many sales professionals assume that when the customer's objection has to do with pricing and that, in order to close the deal, they must lower the price or offer a discount.

Offering a discount on a technology solution doesn't make it the right solution. You can offer it at half price, but if the customer has concerns that it's going to crash their system, or that it won't integrate with their other components or software, or that it's going to let in viruses, they won't buy it. Clarify the objection, rather than assuming that it has to do with the pricing.

ACTION STEP

Anticipate, formulate, and practice. Team up with a colleague or fellow team member. Discuss, brainstorm, reflect upon, remember, and anticipate the most common objections you face in sales. Look back at the last five sales that you lost. What were the main objections in each of those five lost deals? Write them down. Then, practice formulating a new response to effectively handle each objection. How will you overcome this objection? How will you successfully answer that question? With your partner, role-play these conversations so you can practice each response. Is it believable? Are you able to get buy-in? Based upon your explanation, will your customer understand and agree with you?

Keep practicing. People say that practice makes perfect. In fact, practice makes permanent. Make sure that you're practicing the right thing.



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SOCO SALES TRAINING PTE LTD

#24-01 Vision Exchange

2 Venture Drive

Singapore 608526

E/ prosper@socoselling.com

www.socoselling.com

 [/socoselling](https://www.linkedin.com/company/socoselling)

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