

CLOSING CONCEPTS AND TECHNIQUES

Closing the sale is obtaining positive agreement from the customer to buy. All your efforts up to this step of the sale have involved helping your customers make buying decisions.

To close a sale, salespeople need to recognize when a customer is ready to buy. Sometimes it is so natural that the customer closes the sale for you. In many situations, however, the customer waits for the salesperson to close the sale.



As You Read

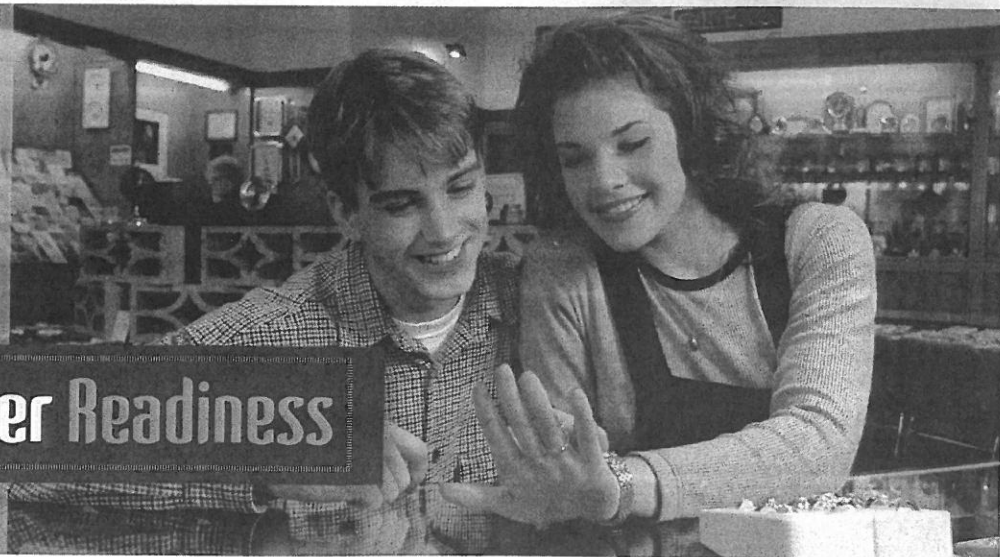
Predict What can salespeople do to make closing the sale more effective?

TIMING THE CLOSE

Some customers are ready to buy sooner than other customers; therefore, you must be flexible. You might show a customer a product and almost immediately detect an opportunity to close the sale. Other times, you may spend an hour with customers and still find that they are having difficulty making a decision.

Determining when a customer is ready to buy is sometimes difficult for a novice salesperson. *Looking at this photo, what customer cues might suggest that it is time to close the sale?*

Customer Readiness



You should never feel pressured to complete an entire sales presentation just because you planned it that way. The key to closing sales is customer readiness.

BUYING SIGNALS

When attempting to close a sale, look for **buying signals**, the things customers say or do to indicate a readiness to buy. These signals may be nonverbal and include facial expressions and body language. You know customers are ready to buy when they say, "This is exactly what I was looking for." Other comments that may be clues about their readiness include: "Do you have these same shoes in black?" "When would I be able to get delivery?" When a customer has mentally decided on the purchase, it is time to close the sale.

“ Closing the sale is based on customer readiness to buy. ”

TRIAL CLOSE

You may attempt a trial close to test the readiness of a customer and your interpretation of a positive buying signal. A **trial close** is an initial effort to close a sale.

Trial closes are beneficial for two reasons. For one, if the trial close does not work, you will still learn from the attempt. Customers will most likely tell you why they are not ready to **commit** to buying. On the other hand, if the trial close does work, you will reach your goal of closing the sale. In both cases, you are in an excellent position to continue with the sales process.

TIPS FOR CLOSING THE SALE

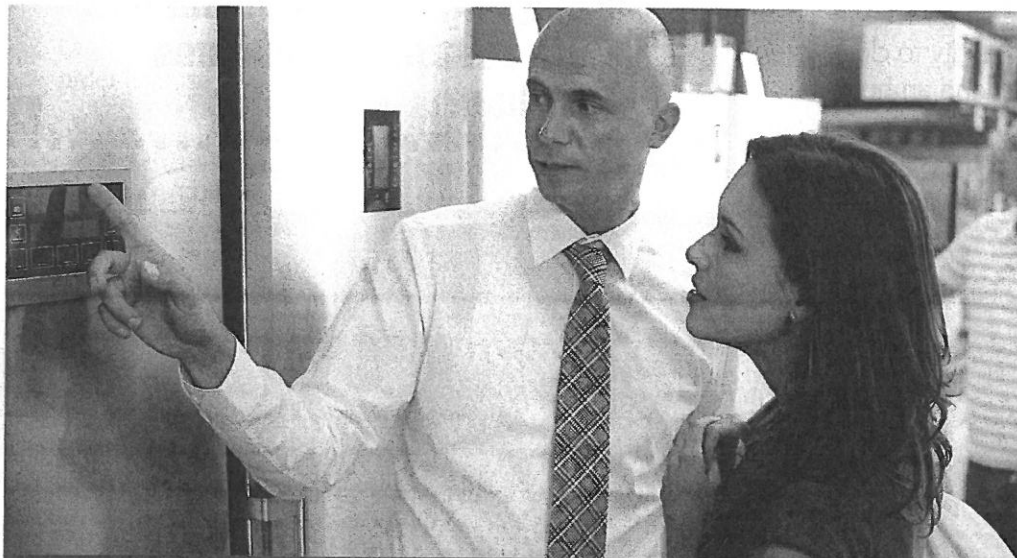
Professional salespeople recognize closing opportunities, help customers make a decision, and create an ownership mentality for the customer. They rely on proven and tested techniques. They often use the techniques discussed in the following pages. You will find it easier to attempt trial closes and close more sales if you use these techniques. As you learn to be a salesperson, you will want to avoid saying or doing a few things when closing a sale.

RECOGNIZE CLOSING OPPORTUNITIES

Having a major obstacle removed usually makes a customer receptive to buying the product or service. You can also use effective product presentations to close the sale. Dramatic product presentations often prove important selling points and excite the customer about owning the product. Take advantage of high customer interest at these times and attempt to close.

HELP CUSTOMERS MAKE A DECISION

When a customer is having difficulty making a buying decision, stop showing additional merchandise. You should also narrow the selection of items by removing those products that are no longer of interest to the customer. You can do this by asking, "Which of these items do you like the least?" Once you reduce the selection to two items, you can help a customer decide by summarizing the major features and benefits of each product. You can also explain any advantages or disadvantages of each item being considered. Both methods help you to focus the decision making on important considerations.



Close the sale by capitalizing on customer interest and excitement with a product. *Why are effective product demonstrations so helpful in closing the sale?*

Exciting Product Demonstrations Close the Sale

CREATE AN OWNERSHIP MENTALITY

Use words that indicate ownership, such as *you* and *your*. When presenting selling points, you might say, "You will appreciate these waterproof hiking shoes on your next hiking trip when it starts to rain." Using *you* and *your* when explaining selling points helps customers visualize themselves owning those products. Your selling points become more personal and therefore more effective in helping customers develop an ownership mentality.

AVOID THREATENING WORDS

When possible avoid words, like *now* and *today* because they have the connotation of having to act immediately. Customers may feel too much pressure in making a buying decision and may change their mind altogether. This approach may accidentally trigger an objection related to time that the customer did not have before.

GET MINOR AGREEMENTS

Solicit minor agreements on selling points that you know your customer has observed or experienced. For example, "Those newly designed golf shoes are comfortable, aren't they?"

When you get positive reactions from your customer throughout the sales process, that same positive frame of mind will help create a natural closing.

PACE YOUR CLOSING

If you think the customer is ready to make a buying decision, stop talking about the product. At that point, close the sale. Continuing to talk about a product after a customer's readiness is apparent may annoy that customer. It may even cause you to lose the sale.

On the other hand, do not rush a customer into making a buying decision. Be patient, courteous, polite, and helpful, and always remember that your primary interest is customer satisfaction.

SPECIALIZED METHODS FOR CLOSING THE SALE

Attempt to close the sale as soon as you recognize a buying signal. Your method for doing this depends on the selling situation. Certain selling situations warrant the use of specialized methods, including the which close, standing-room-only close, direct close, and service close methods.

When customers are overwhelmed with too many options, it is difficult for them to make a buying decision. *If a customer has five pairs of shoes to try on and wants to see more shoes, what should the salesperson do?*



Too Many Options Doom a Sale

The **GREEN** Marketer

TerraCycle™ Grows Greener

TerraCycle, Inc., is one of a number of eco-friendly companies in today's marketplace. Its products, packaging, and product use are all eco-friendly. For TerraCycle's all-natural plant food, the company uses organic waste to

feed worms. Then the worms' waste is processed and used to make an all-natural plant food that is packaged in recycled soda bottles. To

acquire these bottles, TerraCycle relies on fund-raising efforts by schools and nonprofit organizations.

Good

Results TerraCycle Plant Food is exceptional in that it outperforms synthetic plant food products in many ways and is safe to use. The product is sold in retail stores, such as Walmart®, Home Depot®, Whole Foods®, Ace Hardware®, Do It Best®, and True Value®, with a 100-percent satisfaction guarantee.



Science

Create You work in a store that sells TerraCycle Plant Food. Think of a scientific product demonstration or display that would help close the sale for this eco-friendly product.

NSES F Develop understanding of environmental quality in local, national, and global challenges.

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Hill glencoe.com

Get an activity on green marketing.

WHICH CLOSE

The **which close** is a closing method that encourages a customer to make a decision between two items. If you follow the tips for closing a sale, you will remove unwanted items to bring the selection down to two. Compare the selling points of each item, and then ask the customer, "Which one do you prefer?" This method makes it easier for a customer because only one simple decision must be made.

STANDING-ROOM-ONLY CLOSE

The **standing-room-only close** is a method used when a product is in short supply or when the price will be going up in the near future. This close should be used only when the situation honestly calls for it because it may be perceived as a high-pressure tactic. In many situations, a salesperson can honestly say, "I'm sorry, but I can't promise that I'll be able to make you this same offer later."

The standing-room only approach is often used in selling high-demand real estate. Customers must often be prompted to act on a hot property that will be off the market quickly. They also may be prompted to act if an item is advertised at a low price and there is a limited supply at that price. For example, "The item you like is part of a special promotion. It is the last one we have in your size."

Again, keep in mind that this approach can turn off a customer if he or she feels that you are pressuring them into a sale. Always be tactful and courteous to the customer in these situations.

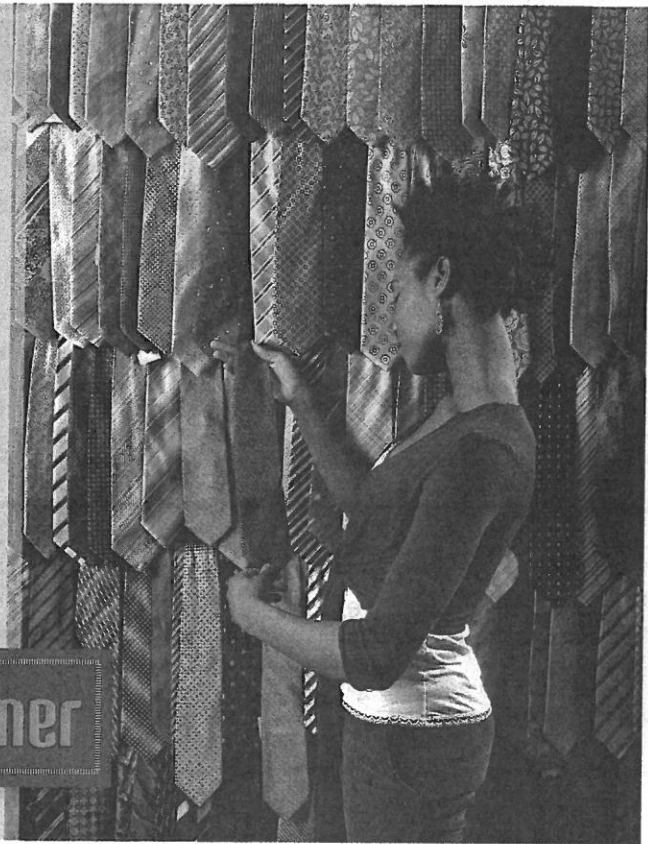
DIRECT CLOSE

The **direct close** is a method in which you ask for the sale. You would use the direct close method when the buying signal is very strong. Here is one example of dialogue to use when using a direct close approach to a sales situation: "Can I assume that we're ready to talk about the details of your order?" "It appears you like everything I have shown you. Now we just need to discuss the quantity you will need."

You can use a statement like the one above and replace "quantity" with other specifics of the order, such as delivery, shipping terms, or special instructions. Positive statements by the customer to direct close approaches let you know that the customer is ready to buy. You can continue closing the order by addressing the specifics of the order.

In a retail situation, you might simply ask a question regarding payment, such as: "How would you like to pay for this purchase—cash, check, or credit card?"

The customer in this photo likes the product but is hesitant about buying it because it is a gift. Which specialized closing method would work best in this situation?



The Indecisive Customer

SERVICE CLOSE

Sometimes you may run into obstacles or instances that require special services to close the sale. The **service close** is a method in which you explain services that overcome obstacles or problems. Such services include gift wrapping, a return policy, special sales arrangements, warranties and guarantees, and bonuses or premiums. You might want to explain the store's return policy when a customer hesitates but seems to be willing to make the purchase anyway. This is an especially good idea when a customer is purchasing the item as a gift for someone else.

Special sales arrangements are used to close the sale when the customer needs help paying for the item or order.

The Service Close in Business-to-Business Situations

In an organizational selling situation, the sales representative would talk about the terms of the sale, discussing points such as when payment is expected. For example, payment could be due 30 or 60 days after the date of the invoice.

Customers may also need information about credit terms to help them decide to buy. In other cases, customers may need a sample to try out before purchasing large quantities. Sometimes offering a sampling program is beneficial if it is a new purchase or the buyer is changing vendors. The buyer needs proof that your product is a better substitute for the one currently being used.

The Service Close in Retail

In a retail selling situation, the use of credit and checks as well as special buying plans, such as layaway, can be suggested. When a customer questions the quality of the merchandise, perhaps you can explain that a warranty, or guarantee, is offered on the product. When your business offers the same quality merchandise at the same price as your competitors' price, your service may be the only factor that affects the buying decision.



Reading Check

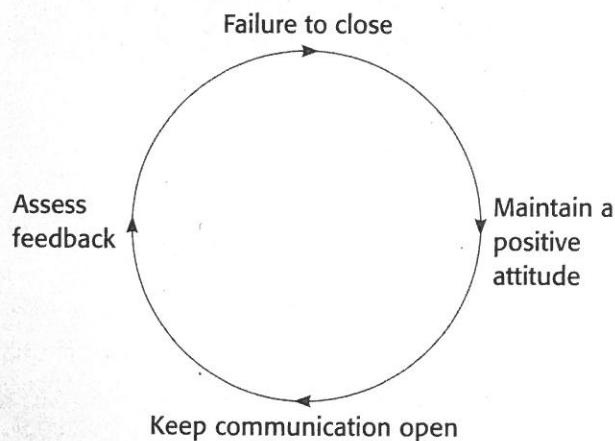
Analyze Why is it important for salespeople to help customers make decisions?

FAILURE TO CLOSE THE SALE

Do not assume that every sales presentation should end in a sale. Even the best salespeople can sell to only a fraction of their prospects.

You should also not take a failure to close the sale personally. The customer had reasons for not buying your product at that time. It is possible that your product did not meet your customer's needs. In that case, you would not have closed the sale anyway. In other cases, the customers may not need your product at that time but may in the future.

How do you handle a failed closing and what can you learn from it? Let's take a look at what you can do in a retail sales situation and in an organizational sales situation. Also, let's see how feedback can help you and your company.



MAINTAIN A POSITIVE ATTITUDE

The attitude of the salesperson who has not made the sale should be no different than the attitude of the successful salesperson. It is very important for the salesperson to smile and be friendly after failing to make a sale. Customers appreciate a sincere salesperson who has their best interest in mind.

You will have many more opportunities for success, particularly if you treat your customers with courtesy and respect. Be positive and leave the door open for future opportunities.



Closing the Sale Research indicates the outcome of the sale is usually determined within the first 30 seconds of the presentation.

IN RETAIL SALES

In a retail setting, invite the customer to shop in your store again. In some cases, your store simply may not have had the product the customer needed at that time. Customers who are treated nicely, even when they do not buy something, remember that experience and will return on another occasion. Thus, you will have a second chance to satisfy their needs and wants.

IN ORGANIZATIONAL SALES

Not all sales calls require a closing. Business-to-business salespeople may negotiate on large accounts for months before closing the sale. So, the first few sales calls may be building blocks upon which you develop a relationship and learn more about your customers' needs and wants. During that process, you become a partner and consultant in solving your customers' problems and satisfying their needs.

In organizational selling situations, it is not uncommon for buyers to be convinced by a sales presentation but not yet ready to buy. In such a situation, it is extremely important that the salesperson leave an opening for a return sales call. However, if you clearly sense an impending turndown, it is better to make a graceful exit and leave the possibility for a future sales call. In both cases, leave a business card with those prospects. Research suggests that **perseverance** is the way to succeed. So, remember every sales contact has the potential to become a successful sale in the future.

In some business-to-business selling situations, the buyer may have some feelings of guilt. These feelings could be due to their rejection of your sales proposition in favor of a competitor's.

This is especially true when you and the buyer have established a good relationship. In such a case, the buyer may respond to an appeal for consideration in the next order.

If you have established excellent rapport with the buyer, you may be able to ask him or her what factors led to the decision to buy from another source. An appeal for constructive criticism may work for you if you have earned the buyer's respect from past interactions.

FEEDBACK

Experienced salespeople capitalize on defeat and come away from an unsuccessful selling experience with something to show for it. A customer who does not make a purchase is still a prospect for future business. Be alert to what purchases today's non-buyer may make in the future.

It is important to get feedback on why a customer did not buy. Try to learn what factor or factors influenced that decision. You may learn that the factors were out of the buyer's control.

For example, a new company policy or budgetary constraints may be the reason for not buying. Or you may learn that the buyer is purchasing a competitor's product because of its lower price.

Any feedback you receive can help you and your company in the future. For example, information obtained may help your company decide on future products, pricing, and marketing policies. Your company may learn a customer's opinion about what it needs to do to outsell competitors in the marketplace. The call report you complete will have all those details in it for management to review and act upon.

One popular misconception about selling is that salespeople are born, not made. It is true that effective salespeople possess certain behavioral characteristics. These characteristics include confidence, problem-solving abilities, honesty, and a sincere desire to be helpful.

However, success in selling is the result of training, apprenticeship, and experience. Learning one's products and how to handle various situations comes with experience and hard work.



After You Read

Section 15.1

Review Key Concepts

1. **Contrast** getting minor agreements with pacing your closing.
2. **Describe** what you would say when closing the sale to create an ownership mentality.
3. **Identify** the specialized method you would use to close the sale in this situation: A customer is interested in an item but wants to wait to purchase it when it goes on sale.

Practice Academics

English Language Arts

4. Write a dialogue between two people closing a sale in either a retail or an organizational setting.

Mathematics

5. To close the sale, you offer layaway as an option, which requires a 20-percent deposit. What would the required deposit be on a \$1,099 television?

Starting Hints To solve this problem, convert 20 percent to a decimal by moving the decimal point two places to the left. Multiply \$1,099 by the decimal number to determine the amount of the deposit.

For help, go to the **Math Skills Handbook** located at the back of this book.

NCTE 5 Use different writing process elements to communicate effectively.

NCTM Number and Operations
Understand numbers, ways of representing numbers, relationships among numbers, and number systems.



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Check your answers.