



How to Overcome the Economy Objection

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Hello and welcome to another MTD Sales Training tip. Within this session we're going to cover a very popular and current topic of how to overcome the "Economy Objection"

The economy objection is becoming such a staple in professional selling, that it's even become known by its own unique term, the "Economy objection." Objections based on the sagging conditions of the world economy are wreaking havoc on many sales careers. This *new* reason that prospects use to put off sales people or to use to hit you over the head for a discount has stopped many sales people in their tracks, forcing them to either give away their profits or to throw up their hands and walk away from the sale.

However, before we get into how to deal with this annoying comeback that is quickly becoming the prospects' pillar excuse for not buying, it's important that we understand just exactly what it is that we're talking about here.

Just like anything else, before we can apply a solution, we must clearly define the problem. So, let's do that first. Let us clearly define this economy objection.

Here are three questions that you need to consider in overcoming the economy objection.

1. What actually IS an economy objection? Is it really even an objection at all?
2. How do you recognise an economy objection? and
3. Is it really new?

OK, let's get deep into these issues first and define this phenomenon, and then we'll learn how to eliminate the problem altogether.

First, what IS an economy objection?

Listen to this...

"Well, everything looks good. But I'm afraid with this economy and our cash flow..."

Now was that an economy objection or not? Or was it really a price objection?

How about this one...

"It's a great offer, but due to this lagging economy, we just don't have the budget..."

Is that one an economy objection or not?

Well, let's turn to MTD Sales Training's Glossary of Sales Terms to give you a clearer explanation of what an economy objection actually is.

An economy objection is one that is based purely on economic conditions. It's such that it puts the prospect in a position where his or her hands are tied. The prospect is essentially saying that,

due to no fault of their own, they *cannot* make the purchase. The prospect is saying, "It's not *my* fault..." "I couldn't buy even if I truly wanted to..."

The prospect's saying that there's nothing that they can do to *change* the matter, and this is what makes it so difficult for sales people to deal with.

With this objection, the prospect has passed the *responsibility* of the decision on to the state of outside conditions. The prospect is saying that there's simply nothing that they can do. Therefore, there's nothing that *you* can do.

In this situation, there is obviously nothing that you can say that will change the outcome because you cannot change the state of the economy. So you're dead in the water.

Does that sound like what an economy objection is? Now let's recap at that long, but accurate description.

Look at a few of the words and phrases used to define the economy objection:

Economic conditions

Hands tied

Nothing you can do

Passed responsibility

Outside conditions

The point is that the economy objection is not an objection at all....it's a condition.

So, the obvious next question is what is the difference between an objection and a condition?

Again, let's go to the MTD Sales Training dictionary of sales terminology...

Now, an objection is a prospective customer's reasoning, logic, excuse or *opposition* to making a positive buying decision.

Now, with that definition in mind you can see the prospect *has control* over the situation. The prospect can change their decision and make a positive one. However, for whatever reason, the prospect has chosen not to buy and the objection is their reason for not doing so.

"You have a good offer; however, I'm very satisfied with my current supplier."

That's an objection because the prospect *could* change that. The prospect *could* dump their current supplier and work with you, but has *chosen* not to do so.

Now let's look at the definition of a condition. A condition is a situation or circumstance that *prevents* the prospective customer from making a positive buying decision; a situation over which the prospect nor the sales person *has any control over*. That's a condition.

“You have a very good offer, however, our current supplier is our parent company and it’s in our corporate charter that we deal only with them.”

That’s a condition. My point again, is that a *true* economy objection is not really an objection...it’s a condition in which no one has any control over. A condition that neither you nor the prospect can change.

Now with that in mind....think about the last economy objection that you received.

Ask yourself, *could* the prospect have made the purchase? Was it *possible* for the prospect to say yes? Forget about all of the reasons the prospect gave you for not buying, and honestly ask yourself if it was possible? If the prospect really wanted to buy your product bad enough, *could* they have?

If the answer is yes, then you did not get a true economy objection. I’m sorry to tell you, but it was just an objection like any other objection.

The reason why this is so important to understand is that while there are certain situations where the economy presents a true barrier to closing the sale, too many sales people today are far too quick to accept an objection and to blame it on the economy.

Also remember that today’s buyers are sales savvy. They’re smart and know how to *use* the economy objection to either fob you off or to hammer your margins. Usually what you think is an economy objection is nothing more than one of the many objections that have been around forever.

Today’s modern buyer knows how to disguise any objection in the form of an economy objection. Now does that mean that every time a prospect says, it’s the economy, that it is just a stall, an excuse? No. In fact, most of the times when prospective buyers use the economy they are telling the truth---*as they see it*.

But the overwhelming amount of economy objections are just other objections in disguise. They are objections of price, value, affordability, timing and urgency. However, the prospect usually believes it’s an economy objection

It’s critical that you clearly understand what’s happening out there in the field.

When you receive an economy objection there are three possible scenarios:

1. The prospect, in their heart, actually believes that they can’t make the purchase due to economic conditions, although this is not really the case.
2. The prospect clearly knows that they *can* make the purchase and is using the economy as an excuse...or
3. There is a true condition in place that is preventing the sale.

Now whenever you get the economy objection it is one of those three situations. Again, either the prospect believes that they can’t buy due to the economy when in fact it’s actually a different objection. Or...

The prospect knows that it's a different objection and is using the economy as an easy excuse....or

The prospect has real conditions in place that prevent the sale.

So, in overcoming the economy objection you'll first have to recognise which of these situations you're being challenged with and then what to do about it. Or better yet, how to avoid this problem entirely!

We will look a bit deeper into each of these situations, and then I'll give you methods and strategies to successfully deal with all three of them.

Let's tackle the most common scenario first, and that is where you get the economy objection and the prospect actually feels that it is indeed a condition in which they have no control. First, how can you tell the difference and second, how should you respond to it?

If the prospect does not clearly state that they have *no choice* in the matter---that they couldn't buy under *any* circumstances—that it is *impossible* for them to buy---then it's not a condition.

What most sales people see as economy objections are objections about value and urgency.

So, the prospect says,

"I'm sorry but due to these slow economic conditions in the industry, we had to tighten our budget...so we just cannot spend the money right now..."

When you hear this, the prospect is clearly telling you that whatever the problem or pain is that your product or service solves, it doesn't outweigh the gravity of their financial situation.

Bottom line "At this time, what you sell is simply not *worth* the money"

If this is the objection you get then during your sales interaction you didn't build up the value and the importance of the prospect's problems and pain. Therefore, the NEED is not great enough to part with the money....in these tight economic times. Does that make sense?

Understand this: just because a prospect says that they do not have the funds, does not make it an economy objection. That is the prospect telling you, "I can't afford it."

Now, the prospect may not phrase it that way as it may sound more like,

"Due to the economy, we simply don't have the funds..."

But that is still an "I can't afford it" objection.

If you run and hide every time that a prospect tells you that they can't afford it, then you might be in the wrong business. That's one of the oldest and most common objections in the book.

The second scenario to look at is when the prospect clearly knows that they can make the purchase and uses the economy as an excuse. The modern day buyer understands that when they throw out the economy as a stall, it's not one the sales person can handle.

The buyer understands that there is absolutely nothing you can do to change the world economy, right? So, why does this happen? Well, once again, it's a situation of other objections. Perhaps it's value or urgency or trust or affordability, but there is clearly something that you missed. There is some other reason the prospect is not buying and it's an objection, only disguised as an economy objection.

If the prospect is using the economy as an excuse---then there is some other real objection behind the stall. Does that make sense? Instead of trying to battle this fictitious economy objection, why not find out what the REAL problem is?

Also, you most likely left the door open for the prospect to *use* this objection, even though it's not real. During your sales interaction, you did not effectively shut out this avenue for the prospect to use as a stall. But don't worry, I'm going to show you how to do that in a moment.

But first let's quickly address the third scenario in which the prospect has a legitimate condition that prevents the sale. The fact is that there are extremely few bona fide economy objections. Such situations in which, under no circumstances, could the prospect make the purchase. So what are some of those conditions?

Here's one example we recently heard from a sales person: The prospective company was undergoing a merger...strictly because of economic conditions. They had to make their books and balance sheets look as attractive as possible for the takeover company, and nothing, absolutely *nothing* was more important than making sure the merger went through. Every department's budget was frozen on the spot. This prospect had no control over the situation. And it was all due to economic conditions.

Another example would be a firm that has millions in property that has not sold because of the economy. Until some of the properties sell, they can't purchase anything, as their very solvency is now an issue.

These are true economic conditions.

Now, while I'm going to give you a few ways to approach this situation, understand that this is also a matter of you not handling the sales process correctly. You see, in a situation like the two I just mentioned, you should have done your homework and knew these conditions existed before you got to the point of asking for the order.

If not in a discovery meeting, then you should have qualified the prospect early on in the sales interaction. What I'm saying is that if you get to the point of closing, only to discover that the prospect has a real condition that will prevent them from doing business with you then you did not qualify the prospect. In fact, they are not a viable prospect.

So let's summarise and see what we have so far...

First, understand that most economy objections are actually other, normal objections disguised in the form of the economy. They didn't see enough value in your sales interaction.

Second, when the prospect is using the economy as an excuse, there is a real objection underneath that you failed to discover, and

Three, when there is a legitimate economic condition that prevents the sale then you failed to properly qualify the prospect up front.

In short, you have to take responsibility, either way. I know it's hard to take, but it's the zero-tolerance approach to professional selling.

Let's move on to three powerfully effective ways to avoid all of these situations entirely and how to handle any economy objections that may still arise.

First, you want to use the economy as your primary selling point. That's right, bring up the economy and use it yourself. Whether it's on the telephone making cold calls to set appointments, in the boardroom or across the dining room table, begin your approach by using the economy objection yourself! And use it throughout your entire sales process.

Use the economy as the very *reason* the prospect needs your product or services. Walk in the door claiming that the reason that you are there in the first place is *because* of these poor economic conditions.

No matter what services or products you sell, you should be able to find several ways that you can help your clients either to save them time, save them money or to earn more money. Examine all of the benefits and problems that your product or service solves and connect them to the economy. Simply use the economy as a positive reason why the client should move ahead and do so before they can use it as a negative reason to stall.

Start using the economy from inception, from the very first cold call. Listen to this example:

"Ah, yes, hi James. Jennifer Rose here, from ABC Business Solutions. James, the reason I'm calling is that due to this down economy, most independent business owners..."

Or

"Yes, Steve, Susan James, Acme Software? Steve the reason for the call is that in these lean economic times, we've found that business owners have to..."

You can use the economy to set the appointment and to infuse *urgency* in the meeting...

"Sara, with the economy being so slack, I think it's imperative that we get together as soon as possible..."

Also, you can use the economy objection to overcome economy objections like this...

Prospect: “I don’t know...with the way the economy is right now, I don’t think I’ll be interested in any new widgets right now...”

Sales Person: “Of course, Nick! I agree. First, don’t even think about buying widgets right now...I’ve not earned the right yet to ask you for your business. However, in a short 30-minute meeting, I’ll give you some information to *use* in this sluggish economy to gain a significant advantage over your competition...”

Or

Prospect: “I don’t know...with the way the economy is right now, I don’t think I’ll be interested in any new widgets right now...”

Sales Person: “I understand Nick, in fact that’s exactly why I’m calling. In tough economic times like these, I’m sure you want to know about every possible way you can reduce expenses and raise more revenue right?”

You can use the economy as you uncover the prospect’s problems and pain...

Sales Person: “Ethan, in an economy like this, I would think the last thing you can afford is to waste money on heating costs, don’t you agree?”

Sales Person: “James, with this economy making customers so scarce, you have to take advantage on every single visit to your web site, isn’t that right?”

You accomplish many things with this approach. First, when you have been claiming the economy as the very reason for your presence and the need for your product or service, how can the prospect come back and use the economy as an objection?

This will also practically eliminate those who use the economy as an excuse. You will avoid the majority of economy objections when you raise the issue first, as a positive.

Also, use the economy for urgency and to close...

Prospect: “It looks good, but like I said, I just don’t have the money in the budget right now.”

Sales Person: “I know you don’t Steve. And that’s my point. With the economy blocking so many of your options, you must take measures to increase sales right away.”

Or

Prospect: “I know. But still, in these conditions I don’t think I can go ahead. Plus I really don’t have that down payment right now.”

Rep: “Mike, it’s *because* of these conditions that you really *need* to move ahead. In fact, if you’re having difficulty paying, then this is urgent...”

Don’t run from the economy objection, embrace it!

Tout the economy first!

The second way to deal with the economy objection is to help the prospect gain a clear perspective by choosing what they will be. Here's the thought process behind this strategy.

The prospect is saying and perhaps believing that this is an economic situation. And since neither you nor the prospect can change the condition of the economy, the question becomes, "What is the prospect going to do about the situation?"

Is the prospect going to give up, close their doors and just lie down and die? Probably not. And if they are then - as mentioned earlier – you're talking to an unqualified prospect. More than likely, good economy or bad, the prospect, be it a small company, a multi national or a newly married couple; *will go on*. They are going to continue their lives, continue doing business and continue to survive.

So, the question is, ok...the economy is horrible...but so what?! The economy is bad, so what are you going to do about it?

Something else to understand is that in a really bad economy or a worldwide recession, in every industry, many businesses and people fail or go out of business, while others barely survive, and yet still a few actually rise up, improve and grow. Isn't that right?

In the worst economies, while tons of companies go out of business, some make a fortune. So the premise, the ideology you want to approach the prospect with in this second strategy is to help them see what they are going to be and how your product or service will help them achieve what they want to achieve.

Follow these four steps:

Step I: What is the Prospect Going to Do?

First, have the prospect confirm what they are going to do. Are they going to give up and close their doors or not? If they are going to close, then you may want to reconsider this company as a viable prospect. However, if they plan to go on and make it *through* these tough times, then have them make that clear.

Step II: There are Only Two Outcomes

Now help the prospect see that such economic conditions can result in only one of two possible outcomes: Success or Failure. Either the bad economy is going to hurt them badly and they will suffer or end up out of business; or they will find ways to survive and be successful regardless of economic conditions. Have the prospect agree that those are the only two things that can happen.

Step III: Which Will They Be?

The next step is to ask the prospect which of the companies they are planning to be: the one that fails due to the economy or one that succeeds in *spite* of the economy.

Step IV: Show How Your Product or Service Will Help Them Succeed in This Economy

Now, explain exactly how what you do helps companies do exactly what they want to do: succeed in spite of the economy.

Use this process even when setting an appointment. Listen to this example:

Sales Person: “You’re right, Steve. These are some very tough times. What are you planning to do? I mean do you have plans to just survive and scrape through or are you planning to thrive through this period?”

Prospect: “Oh, well, of course, I am going to try to thrive. I’m not planning on shutting down.”

Sales Person: “I’m glad to hear that. You know, in these times there are only two possible outcomes for companies that try to make it: there are only two types of companies---either those who are badly damaged from the economy and suffer and lose a ton of money or even end up out of business, or those who maintain or even succeed in spite of the economy. Would you agree?”

Prospect: “Ah....well, of course I plan to succeed. I do expect the best, but I have to plan for the worst.”

Sales Person: “Exactly. So, if there was a way to help you succeed in this bad economy, you would want to at least, get more information about it, wouldn’t you?”

As always, that was just an example and not a script. But use that philosophy to help the prospect put the economy situation in its proper context, in its proper perspective.

And finally, in dealing with the economy objection, use the cut and grow idea.

I’ll just give you an example.

Sales Person: “During these lean times Steve, you must be able to do two things: reduce expenses and increase income. Don’t you agree?”

Prospect: “Sure.”

Sales Person: “I know you’re aware of how our service will help you increase income. However, in a quick 30-minute meeting, I can show you how we can help you reduce expenses at the same time, isn’t that what you want to do?”

Use the economy and confirm what the prospect has to do; what they have to accomplish during these times. Then show how what you sell can help them achieve that goal.

So let's sum up this session...

Accept the fact that the economy objection is most often another objection in disguise.

Accept the fact that it may be that you are not building enough value and urgency during your sales interaction.

Accept the fact that it's your *responsibility* to uncover and build the value of the prospect problems and pain.

Then, mention the economy yourself. Use the economy as your primary selling point.

Second, *help* the prospect put the idea of the economy into its proper perspective. *Help* them see that they must go on and succeed anyway, and that you can *help* them do that.

And finally, *help* the prospect do what they need to do in a bad economy; reduce expenses and raise more money and that you can help with that as well.

Use these tips to over the economy objection, and join us again soon for some more MTD Sales Training tips

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