

Positioning the Coldwell Banker® Home Protection Plan administered by American Home Shield® (AHS®): Overcoming Objections

Overview: Overcoming Objections

Psychology of Objections:

- May indicate an elevated level of interest, desire, or motivation to buy what you are offering.
- May indicate a request for more information.
- May occur because the prospect has doubts, fears or unanswered questions about your product, service or you as a salesperson.
- May occur because the prospect is ready to buy but wants to confirm the purchase decision with another decision-maker, get a better deal or otherwise stall you in order to meet their own objectives.
- May occur because the prospect does not want to buy.

Most Common Objections:

- Lack of perceived value in the product or service
e.g. "I'm only interested in price."
- Lack of perceived urgency in purchasing the offering
e.g. "Call me in three months, and we'll be ready to buy then."
- Perception of inferiority to a competitor or in-house offering
e.g. "We already have that covered by an existing vendor."
- Lack of funds to purchase the offering
e.g. "We'll need to get several other bids before considering your proposal."
- Personal issue with the decision maker(s)
e.g. "I'll need to review your proposal with my colleagues before buying."
- "It's safer to do nothing" perception
e.g. "We already have a great relationship with your competitor and have had great success with them."

Steps in Overcoming Objections:

- 1) Hear the person out - listen fully!
 - Allow the client to vent their feelings fully.
 - Do not interrupt.
 - Use the power of a pause.
 - Take notes – this is an active form of listening – jot down key words and phrases.
- 2) Feed the objection back for confirmation
 - Restate the objection – do not paraphrase.
 - Ask probing questions to discover the underlying objection(s).
- 3) Acknowledge the concern/objection
 - Confirms your understanding of what the client said.
 - Does not indicate your agreement.
 - Follow up with more probing questions.
- 4) Isolate the concern
 - Qualify for the true objection.
 - Ask probing questions.
 - Helps identify your clients' concern.
 - Helps to establish a joint partnership to arrive at a relationship.
- 5) Respond with confidence
 - Know AHS and our product.
 - Establish AHS value – Customer Experience
 - Know the key sales objections and possible responses.
 - Provide sales collateral material to support your responses.

- Tie your responses back to client needs and values.
- 6) Confirm the answer
 - Ask directly if answer addresses the concern/objection.
 - Restate **Coldwell Banker** Home Protection Plan selling points and benefits.
 - Re-establish value by proving benefits.
 - Close
- 7) Moving on...
 - By the way..." – transition statement to move on to the next level.
 - Purposeful re-direction.

Do's in Overcoming Objections:

- Be concise.
- Be confident.
- Use silence to your advantage.
- Be reassuring.

Do Not's in Overcoming Objections:

- Do not argue.
- Do not attack the person.
- Do not assume you understand an unspecified word.
- Do not insult the client.
- Do not avoid the issue.
- Do not shift responsibility.
- Do not make the person wrong.
- Do not contradict the prospect/client.
- Do not sidestep an objection.
- Do not guess an answer.

What the broker/agent says...	The underlying objection...
Home Protection Plans do not cover anything.	Poor past experience with home protection plans lead to lack of understanding regarding home protection plans.
There are too many loopholes in home protection plan contracts.	Lack of understanding of the current Coldwell Banker Home Protection Plan.
The Coldwell Banker Home Protection Plan has less coverage and charges more.	Perceived inferiority to competitor offerings.
All protection plan companies are the same – we give the clients 3 choices and they make the decision.	There is no difference in home protection plan products.
Home protection plans cover only the little things that fail and not the big ticket items.	Lack of understanding of the home protection plan coverage.

Sample Open-ended Questions	Sample Responses
<ul style="list-style-type: none"> • What are your expectations/ requirements for the Coldwell Banker Home Protection Plan product/service? • What are the most important things to you in your relationship with a home protection plan company (price, service, financial stability, agent marketing materials, AE...)? • How can we best educate your agents about the Coldwell Banker Home Protection Plan – meetings, new agent training, lunch and learn workshops? 	<ul style="list-style-type: none"> • Home protection plan plans cover the critical major systems and appliances present in a home that are high failure and high cost items to repair or replace. • Providing 3 choices in home protection plans to your clients is a good risk management practice; offering them informed choice is an extension of your good customer service. • AHS is not about price or coverage; it is about providing the best service experience to your clients to bring them back to you as repeat and referral business. • Proper expectation setting is important at AHS from realtor education to home owner – we want you to know what we cover and how we will provide coverage.

What the broker/agent says...	The underlying objection...
Customers are not getting quality service from home protection plan contractors.	Customers are not getting the service they expect.
Too many additional undisclosed fees to pay in addition to the service fee.	Home protection plans are viewed as a cure-all and customers have unrealistic expectations of the home protection plan.
Service claims process is very impersonal.	Service process is too difficult to get to a live person.

Sample Open-ended Questions	Sample Responses
<ul style="list-style-type: none"> • How often was your agent or their client disappointed in the service provided by the home protection plan company? • How were service issues handled/ resolved? • How do you define quality service? • What are the 3 most common service issues you and your clients have with home protection plan plans? 	<ul style="list-style-type: none"> • AHS contractors are evaluated after service via e-surveys from our home owners and by our CR dept on professionalism, timeliness, etc... • AHS partners with our contractors to improve in areas such as cost management as well as professionalism via regional meetings. • The new more flexible home protection plan provides clear language about service costs incurred by the home owner. • AHS focus on the service experience monitors the call resolution from the time of first call to resolution.
What the broker/agent says...	The underlying objection...

My clients and I are happy with company X; why should we change?	It's safer to do nothing or remain at status quo perception. Lack of perceived value in product offering.
There are too many changes in reps at AHS; I have chosen company X because their rep has been here for years and has done a great job with us.	Perceived lack of stability with AHS relative to their current home protection plan provider.

Sample Open-ended Questions	Sample Responses
<ul style="list-style-type: none"> • How often would you expect your home protection plan rep to service your office(s)? • What are your expectations of me and AHS as your home protection plan company? • How successfully have agents utilized previous or existing home protection plan company in their transactions? • What did agents like about the current or previous home protection plan company? • What are the most important things to you in your relationship with a home protection plan company (price, service, financial stability, agent marketing materials, AE...)? 	<ul style="list-style-type: none"> • I appreciate your loyalty to your clients and those that service them. Since 1971, AHS has earned the trust and confidence of our agents and homeowners. Our business is built on retention just like yours and at 62% renewal rate we earned the loyalty of our clients by having them choose us again and again year after year. • Stability and consistency are the hallmarks of professional companies like yours and AHS – for over 37 years, as the oldest home protection plan company in the industry, we have been a stable force in the real estate industry.

Common Misperceptions about home protection plans:

- Home protection plans cover everything.
- “Normal wear and tear” is a catch-all to deny claims.
- Pre-existing conditions are used as a crutch to deny everything.
- Lack of maintenance is used to deny claims on new contracts and even on contracts that have been with AHS for years.
- There are too many loopholes in the coverage – lack of or improper maintenance, code violations, pre-existing conditions.
- Home protection plan contractors are less than professional and paid less than other service professionals; you get what you pay for.
- Home protection plan contractors make so little money working for you that they try to make money on homeowners on unnecessary items.
- Home protection plan companies continue to send the bad contractor again and again to the home even though many complaints have been filed.
- Home protection plans will just continue to repair items even if AHS has been to the home several times (more than 3 times) on the same item.
- The service process and guidelines are so impersonal that true emergency situations like extreme cold with an infant in the home are ignored.
- The home protection plan reimbursement costs are way below market value that it is not worth anything.
- When things go wrong, no one at the home protection plan company returns my calls.