

THE 7 DEADLY MYTHS OF CLOSING

And the Statistical Truth That Will
Improve Your Sales

SPECIAL REPORT



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The 7 Deadly Myths of Closing And The Statistical Truth that Will Improve Your Sales

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What is Closing?

Before diving into the seven deadly myths of Closing, let's first define what closing actually is. There are nearly as many definitions as there are authors, trainers, and salespeople. Some of these definitions are quite good. Others—not so much. For example: “Doing whatever you have to do to get the customer to sign,” isn't so good in my book.

Asking for the sale, asking for the order, and similar definitions are common. This type of definition essentially boils down to “that thing you say that gets the customer to buy.” While useful for some purposes, this definition perpetuates one of the biggest problems with closing techniques—that is, that it paints the close as an all or nothing request. And as we shall see below, the vast majority of sales cannot be treated this way.

Other definitions are much more broad and holistic. These definitions boil down to something like: “Closing is everything you do from the beginning of the sale to final completion of the transaction and beyond.” And I believe this, by the way. The problem is that these types of definitions essentially redefine *closing* as all of *selling*, which makes the definition so broad that it limits its usefulness. And we're only defining this so we can get better results, right?

In the 1980s a now famous researcher named Neil Rackham defined closing this way: “A close is anything that puts the customer in a position involving some kind of commitment.”¹

This gives us a workable definition that fits somewhere between “it's all or nothing” and “it's everything.” That will allow us to discuss the idea of “closing on a minor-step,” “going for a minor-close,” “advancing the sale,” or “getting an advance.” In my book all of these essentially mean the same thing.

The 7 Deadly Myths of Closing

There are many misconceptions about selling and any one of them can seriously undermine your selling efforts. You are about to learn the statistical truths about closing and knowing them will help your sales in a very big way.

MYTH #1 – Sales gambits work.

Some people call these “techniques”. I call them gambits. By gambits I mean any contrived or manipulative phrase designed to force a commitment.

Some folks believe there is a magic phrase that if you say it, it will cause your client to be overcome with your verbal persuasion and buy whatever it is you are selling.

The premise behind virtually all of the advice on closing techniques is that it is effective to use these gambits when making an effort to close business. People who have a lot of faith in closing techniques might be surprised to discover that Neil Rackham tested the correlation between a favorable attitude toward closing techniques and actual sales results. He found that individuals with the best attitude toward closing techniques were actually less likely to hit their sales targets. In the study, test subjects with a *favorable attitude* toward closing techniques actually performed 21% below those with *less favorable* attitudes.²

In a later study of the effectiveness of sales-closing training, Rackham tested whether or not salespeople utilized closing techniques more frequently after having received training on the subject, and to what degree closing techniques increased sales success. Rackham states the results this way: “Closing [as a technique] turned out to be negatively related to success. After the training, the sellers used more closing techniques—so in one sense the training was effective. However, because fewer calls succeeded, the overall effect of the training was a decrease in sales.” In the study, the overall success rate decreased sales success by approximately 15%.³

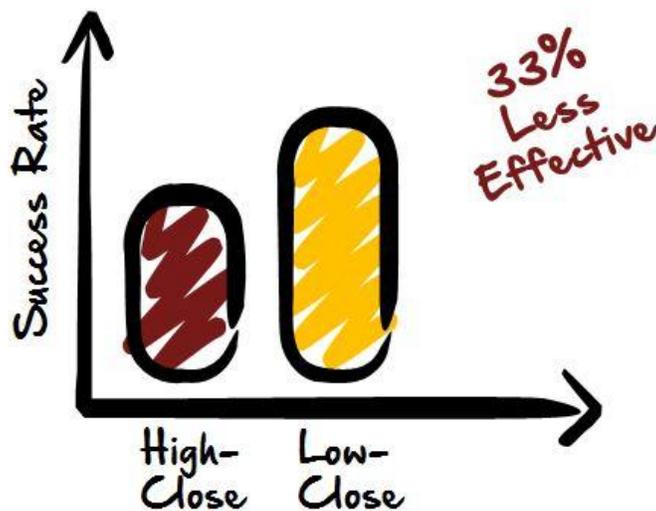
15% 
Decrease

FACT – Closing gambits are negatively related to success and decrease sales success. (in the 15% range)

MYTH #2 – Always Be Closing

Thanks to Alec Baldwin in the movie *Glengarry Glen Ross* we all know the ABCs of sales: “Always Be Closing.” We also sometimes hear this as the axiom, “Close early and often.” Unfortunately, this has been tested, and beyond the first attempt there is a negative correlation between closing frequency and sales call success. In his first study on the topic, Rackham found that *high close calls* (calls that averaged 5.8 closing behaviors) had a success rate of approximately 37%; where *low close calls* (calls that averaged 1.4 closing behaviors) had a success rate of approximately 70%. So, increasing close attempts actually proved to be 33% less effective.

Success on High vs. Low-close calls



FACT – Beyond the first attempt there is a negative correlation between closing frequency and sales call success. Frequent closing attempts on the same call will reduce your effectiveness by approximately 33%.

MYTH #3 – Closing gambits work on both large and small sales.

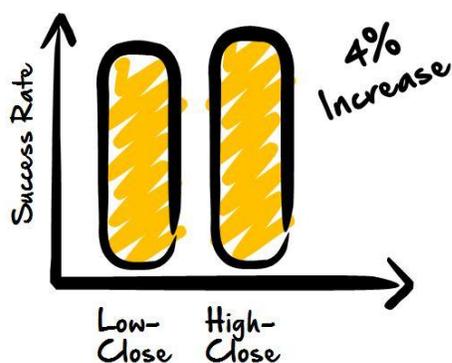
Proponents of closing gambits would have you believe that these approaches can be applied effectively across a wide spectrum of sales—everything from rocket wreckage to everlasting Gobstoppers. Unfortunately, research suggests otherwise.

Neil Rackham discovered in his research that closing techniques *can indeed* be more effective when the scope of the sale is *small*. Here are the metrics from the study:

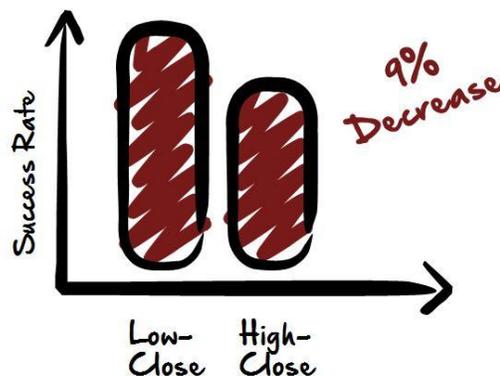
- Transaction Time – How long did each sale or attempted sale take?
- Number of Closes – How often did the seller use a closing behavior?
- Percentage of Sale – What percent of transactions resulted in a purchase?

What the study found is that when the value of the goods being sold was small, use of closing techniques both speeded the transaction time as well as the number of transactions resulting in a sale. In *low-close* calls where the number of closes averaged 1.3 attempts per transaction, transactions had a success ratio of 72%. In *high-close* calls where the number of attempts per call averaged 1.9, transactions had a success ratio of 76%.⁴ So in selling low-value goods, more attempts to close improved performance by 4%.

Closing on Low-Value Sales



Closing on High-Value Sales



However, as the value of the goods being sold increased, success in the transaction reversed and closing became counter-productive. In the case of the higher-value goods in *low-close* calls where the number of closes averaged 2.7 attempts per transaction, transactions had a success ratio of 42%. In *high-close* calls where the number of attempts per call averaged 4.5, transactions had a success ratio of 33%.⁵

So while attempts were up and transaction time was speeded, overall success dropped measurably in the high-value goods arena.

Rackham describes the phenomenon, “The psychological effect of pressure seems to be this. If I’m asking you to make a very small decision, then—if I pressure—it’s easier for you to say yes than to have an argument. Consequently, with a small decision, the effect of pressure is positive. But this isn’t so with large decisions. The bigger the decision, the more negatively people generally react to pressure.”⁶

Rackham goes on to observe that, “By forcing the customer into a decision, closing techniques speed the sales transaction.” And that, “Closing techniques may increase the chances of making a sale with low-priced products. With expensive products or services, they reduce the chances of making a sale.”⁷ This is an important dynamic to be aware of when planning your efforts to close sales.

So what was the threshold? At what point do closing techniques become counter-productive? In Rackham’s study the point at which it became counter-productive was only \$109.⁸

While your situation may be different, all of the people I work with sell goods and services with values much higher than this level. So if you are selling a lot of stuff lower than \$109, maybe now is the time to whip out the *Double-Reverse Close*. On the other hand, if your solutions are somewhere north of this, the idea that using closing gambits is effective is not only wrong—it is counter-productive and will sabotage your closing efforts.

FACT – Closing gambits become counter-productive above \$109.

MYTH #4 – Closing gambits show you want the business.

At face value this is completely true. Why would a person bother trying to close the sale if they didn’t actually want it? This really isn’t the issue. The customer knows you want the business. The real question here is whether or not your use of a closing gambit is seen positively or negatively by the client.

In a study conducted by Jon Hawes, James Strong, and Bernard Winick, 237 industrial buyers were questioned on this subject. Six closure techniques were researched: The Assumptive Close, Yes Set, Model/Example, Reciprocity, If-Then, and Impending Event. The customer’s trust in the salesperson was then tested by a means of 24 pairs of characteristics on a seven-step scale. The results showed

that every single technique tested damaged the basis of trust. Predictably, the most manipulative techniques damaged trust the most.⁹

If you want to show your client you want their business—tell them. Or, do something special for them. There are far better ways to show you want the business than insulting them with a closing gambit.

FACT – Closing gambits damage trust.

MYTH #5 – Customers are happier after making a decision. (so using closing gambits is actually helping them)

The thinking seems to be: Clients are happier after they have made a decision, so manipulating or pressuring the client into a purchase is actually for their own good.

I'm sure you recognize this as the-end-justifies-the-means thinking, and I'm sure it makes for great rationalization among some salespeople. But, as it turns out, it is wrong. How satisfied people are with their decisions after they make them while under pressure happens to be an area well studied by social scientists. The studies show that the vast majority of people are very much *less satisfied* with the decisions they make under pressure¹⁰⁻¹³. This is especially true with purchasing decisions. This can have serious negative ramifications to your after-the-sale relationships and long-term success with clients. If you want to avoid buyer remorse, cancelations, and left-field complaints after the sale I recommend you avoid this thinking.

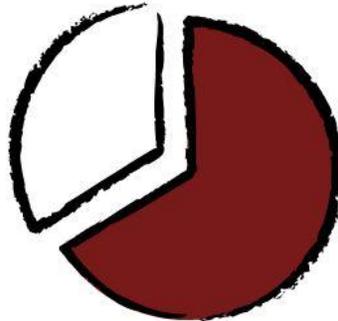
FACT – Customers are less satisfied with their decisions made under pressure.

MYTH #6 – The sale will close itself.

With all this talk of how closing techniques and gambits don't work you might come to the conclusion that you should make no closing attempt at all. Indeed, there are several proponents of this mentality. But alas, this is taking it too far. Studies show that you *must* make an effort to advance the sale in order to be successful. Let us look at the data.

Across all industries, studies show that the problem of not advancing the sale at

all is much bigger than the problem of using closing gambits. While it varies per industry, surveys indicate that the percentage of salespeople and professionals who never ask for a commitment or an advance ranges from 50% to 90%. The average across industries seems to be about 60%.¹⁴⁻¹⁸



50%-90% of salespeople never ask for commitment

Based on research done by Neil Rackham, asking at least one closing question will raise your chances of advancing or closing the sale by 36% or so. One study showed that asking just one closing question raised the percentage of successful sales from 25% to 61%.¹⁹

36% ↑
Increase

Rackham says it this way, "Traditional closing techniques are not the best way to obtain commitment from a customer in a major sale. But... as we've seen, doing nothing isn't effective either. The sale doesn't close itself."²⁰ This is an important point. You *must* make some sort of effort to advance or close the sale. The sale will not close itself.

FACT – The sale will not close itself. You must make an effort to advance or close the sale.

MYTH #7 – Salespeople that fear asking for commitment cannot be helped.

Professionals don't so much fear asking for commitments so much as they fear damaging trust and rapport by appearing pushy.

There two main reasons why closing efforts fail.

1. Salespeople and professionals don't really make an effort.
2. When an effort is made, the approach used doesn't work (or is counter-productive).

In management parlance this is often referred to as *will* and *skill*. That is, it's common that they either don't have the *will* to ask for a commitment, or they don't have the *skill* to ask for a commitment.

Of these two, managers prefer to see *skill* as the main problem because it is usually a simple matter to remedy by providing training. On the other hand, *will* or a reluctance to initiate the skill is seen by most managers as a much bigger challenge because it makes the skill irrelevant. In fact, many managers are of the opinion that *will* issues cannot be corrected. They argue that while a skill can be trained, reluctance to initiate a skill is a motivational issue and a personality attribute which cannot be learned.

I disagree. In my experience, the key to addressing any kind of reluctance is to address the underlying issues and beliefs that are the source of the reluctance. A paradigm shift in these underlying issues can make the reluctance disappear. When it comes specifically to closing business I have discovered that reluctance is a symptom of fear or occasionally, shame:

- The professional fears being pushy.
- The professional fears being humiliated.
- The professional fears being under-prepared.
- The professional fears losing a closed sale.
- The professional is ashamed to be in sales.

All of these underlying issues can be addressed by helping professionals discover:

1. By placing a little thought into the way we ask, we can advance the sale without being pushy.
2. By crafting questions that make replies predictable, we eliminate risk of

humiliation.

3. By keeping our questions simple and facilitative, there is no need to over-prepare.
4. By using an ingeniously designed query, each reply will advance the sale.
5. Lastly, selling is service. By selling with pure intent, sales becomes a noble profession not worthy of shame.

These address both the *will* and the *skill* challenge.

Those are the seven deadly myths of closing. By applying the statistical truths behind these myths you can avoid the common pitfalls that so many have fallen into and improve your sales.

FACT – Addressing the underlying issues with closing addresses fear.

Conclusion

One more comment on point five above. Selling truly *is* service. Zig Ziglar was fond of saying “You can have everything in life that you want, if you will just help enough other people get what they want.” Closing is an act of service. Ask yourself who you are closing for. Is it for you, or is it for them? What are your motives? I assure you your customers can tell.

Making money is a wonderful side effect of closing well. But life is about more than making money; it's about making a difference in the lives of others. Your customers expect you to help them make the positive changes that will bring about their desired results. They expect you to encourage them to become better than they are. Coaching customers toward improvement is a noble purpose. Accept the challenge. Be their coach and guide them through each little commitment it takes to achieve their goals.

This is about much more than just advancing your sale. This is leadership. So few people have true mentors and leaders in their life. When you arrive on the scene with a path that leads them to improvement, and you guide them through it—however challenging or difficult it may be; however narrow in its scope—your customers will thank you.

Show them the way. Show them that each commitment is a step in the right direction. Encourage and challenge them to take action. When they arrive at the finish line for their goals, they are grateful, thankful, and will credit you as a contributor to their success. This is the sweet spot of selling. Skills and technique are still important factors but once you have adopted this attitude and mindset (which you can do today) you will find your selling work infinitely more satisfying.

If you enjoyed this special report I encourage you to read *The Perfect Close: The Clear & Simple Secret to Comfortably Closing Any Sale*. Discover more at: PureMuir.com



About James Muir

James is the author of *The Perfect Close: The Secret To Closing Sales - The Best Selling Practices & Techniques For Closing The Deal* that shows sales & service professionals a clear, practical and comfortable approach to increase closed opportunities and accelerate sales to the highest levels while remaining genuinely authentic.

James Muir has 30+ years of experience in healthcare, IT & service sales. He has served in every selling role - services, field sales & management. James has a fresh & practical perspective on what works in real life. He knows the training, education & coaching that best helps sales service professionals attain their highest potential.

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