



## Business Report

Rajesh Gurule's

# 'NO CANCELLATIONS'

How To Reduce Booking Cancellations by using these simple but effective secrets of “No-Cancellation”

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## Introduction

Things have changed very fast. And are still changing at a very rapid space in real estate industry. More Laws, more regulations.

More restrictions are being imposed upon builders.

Customers are becoming more & more aware of their rights.

In a way, these changes are good. Because they are forcing a change in the whole industry. And as they say only the best & fittest will survive & thrive in these times.

By fittest, I mean the builders & firm who change fast to adapt with the times. One need to change not only the way of doing business, but also the thinking!

New problems & new challenges require new strategies & new ways of thinking. Only with this new ways of doing things can your business will thrive.

I hope that this small guide will help in starting that thought process. If you or your staff is able to stop or

prolong even 1 cancellation using these strategies, then I feel that the purpose of this guide is fulfilled.

Rajesh Gurule

Consultant. Coach. Trainer.

## Booking Cancellations

Since last 1 or 2 years, the number of cancellation has increased dramatically in our area. Previously the percentage was very low. Once the flat is booked, it was almost certain that it will not be cancelled barring some life changing events.

And I mean REAL life changing events!

But today, things are different.

Customers are NOT looking for too big reasons. A survey shows why customers have cancelled their bookings. It cites various reasons for taking this extreme action. The reasons are surprising but eye –opening as well.

Top 10 issues for cancelling Flat Bookings.

1. Life changing events – Death of chief earning member in family
2. Life changing event – Losing a job

3. Life changing event – Sudden transfer or relocation to another city
4. Buyer's remorse
5. Wrong cash –Flow estimations
6. Another good deal in sight
7. Peer pressure or criticism
8. Change in lifestyle
9. Construction / Possession Delay
10. Builder's deviation from amenities / facilities

These are Top 10 reasons why customers are cancelling. There might be many other reasons, too. But here we are talking about top reasons which caused maximum cancellations.

Now that we are aware of this, can we do anything about it?

## **‘Only 1 or 2 cancellations?’**

### **I can live with that”.**

#### **A prominent Builder’s statement**

I was discussing with team of a prominent builder & issue of cancellations came up. The whole team was selling somewhere between 5-20 flats in a month.

And almost every month there were 1 or 2 cancellations! Of course cancellations were not from this month’s sales. They were occurring from past sales.

And he said that it’s part of business & people will cancel if they want to!

Although I agree customers who are unable to proceed further, are going to cancel. But what if there are certain things, certain activities that can reduce the number of cancellations? Means. if you do those things, your customers will NOT cancel or at least you can save say 50% of the cancellations? Would it be good for your firm?

I think so.

Because you already know how cancellations affects your business. Let me refresh it's effects for you –

1. 1 cancellation means loss of reputation with customer & his own circle
2. 1 cancellation means loss in salesman's confidence & motivation
3. 1 cancellation means losing quarterly cash flow of @ Rs 5-6 lacs
4. 1 cancellation means loss of all work & efforts put in for that deal
5. 1 cancellation equals 3 more new sales
6. 1 cancellation means a small dent in your reputation & image

These are adverse effects. Negatives. And these are very real.

## What's the solution?

So what you can do to reduce the cancellations in your projects? I'll tell you how you can do.

But remember that the strategies I am giving here can not & will not eliminate cancellations 100%. Of course these will reduce the numbers, but can not eliminate it completely.

My question to you is – if these can save even 1 cancellation. Will it worth to you?

If your answer is No, then I can't help you.

But if you said Yes, then pl read on.

A short course of Customer psychology

Before proceeding further I would like to discuss about customer psychology. It will definitely help you.

When someone buys a flat he buys it for his family (We are not discussing about investors here). So almost everybody is involved in finalizing the decision.

Not only family members, but other relatives also has a say in this. Because the person or the couple who is buying is taking perhaps THE biggest decision of their life. Think from their point of view.

How many people buy more than 1 home in their entire lives?

Very few.

Many of these customers feel inadequate in taking this decision. So they go to others who can advice them. Most of the times what they are looking for is reassurance from others. Assurance that they are NOT making a mistake by purchasing flat from you.

Now this reassurance is needed at every step of the way till they get the possession. But problem is they can not go to their friends & relatives every month & ask “ What you think about my new flat?”

It would be embarrassing for them. They try to get it from you & your staff members!!!

Surprised?

But that's very true.

Sadly, nobody satisfy this psychological need & slowly they start thinking in other directions which is of cancelling.

I am going to show your very effective ways in using this knowledge. If you use, you will reduce booking cancellations dramatically.

Interested? If yes, then go to next page.

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## **4 Strategies to Reduce Cancellations**

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## **No cancellation Strategy 1**

### **“Welcome letter”**

I suggest my builder clients to give “Welcome letter” to each & every customer who books the flat. This is a simple letter written in the voice of the top most person in the company. It’s not possible to include the sample letter here.

But the words are very carefully chosen.

Thankful.

Appreciative.

Welcoming.

This has resulted in reducing cancellations.

In addition to that we started getting references from these new customers. Can you imagine? Customers are calling my builder clients & telling about this friend & that colleague who is interested in flats.

You should do this. Just make sure that the letter you send is absolutely fantastic. If this saves even 1 cancellation in a year, that would be great for your bottom line.

## **No cancellation Strategy 2**

### **“Vastushanti Gift”**

Most customers do pooja or some ceremony when they shift to the home in your projects. What we do is we tell the customers that a very nice gift is reserved for them for their “Vastushanti”.

You can easily absorb this cost of Rs 10-15,000 gift in overall flat's cost.

What this does is 3 fold –

- 1) Customers start imagining about Vastushanti. The more they think about it, the more their decision becomes unscratchable.
- 2) Secondly, they start anticipating the gift from you after 1 or 2 years. This creates a nice, soft feeling towards you in their hearts.
- 3) Thirdly, this is something that's going to cost you 1 or 2 yrs down the road – Not today.

If you use some emotional words in describing this, then it definitely reduces the cancellations.

## **No Cancellation Strategy 3**

### **“Visiting cards with customer’s New Address”**

People love to brag. So do your customers. If you give them good reasons to brag, then they’ll brag about you & your project.

This strategy is very powerful. All you do is print best quality visiting cards with your client’s name & flat no. on it. Of course your project address is there on the cards.

I have helped many of my clients by using this strategy. There is hugely powerful psychological principals at work behind this strategy.

What happens is this –

Your customers receive their cards. Naturally, they start giving it to friends, their relatives, their neighbours, their colleagues. In a way it is an act of reinforcing their own decision again & again.

Secondly, in future it becomes difficult for them to go & contact all these people and tell them that they have

cancelled. And now they should not contact them at that address.

It is kind of embarrassing.

So customers go to great extremes in avoiding embarrassment. everybody will want to avoid it as much as possible.

And it helps in reducing or prolonging the booking cancellation.

When you implement other strategies give in this guide, it becomes tremendously powerful.

## No cancellation strategy 4

### K I T - Keep In Touch

We should not abandon our customers once they book flats with us. I am talking about sales team – not collection team. Finance/ collection in charge is always going to be in touch with the clients.

But sales person must maintain the contact with the clients.

KIT = “Keep In Touch” is the strategy that seems very simple, but sales executive find it difficult to do.

I am great promoter of 1 point or 1 person contact for customers. Means for ANY thing they should need to contact only 1 person in your firm. Then he or she will work after his needs or queries.

Sales person should look this as an opportunity when they get a chance to interact with customers. If that doesn't happen naturally, then KIT will do the trick.

Here's how to do it –

Make a plan for next 12 months. Every month your sales executive should contact your customer. Every time reason must be different. Not only your customers will love this, but soon you'll find you enjoy the process.

There you have it. All 4 No Cancellation strategies. You can handover this to your sales & marketing team & soon you'll start seeing dramatic decrease in the cancellations.

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