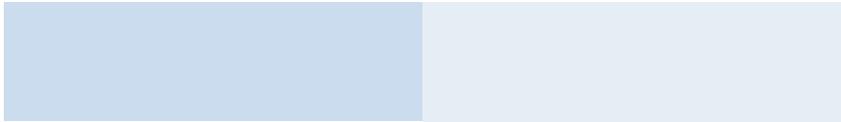

The Science of Sales

Utilizing psychology to go beyond
sales training



The Science of Sales

As sales professionals we have all been through the regular training programs like SPIN selling, Proposal selling or Buyer Focused sales, but there are other important tools that have value in our jobs.

These tools are part of “rounding out” the training of sales and customer service personnel and help to provide improved understanding throughout all customer contact.

The areas are:

- Customer’s buying process
- Using communicating styles for better understanding
- Powers and negotiating
- Focus on the customer

Customer's Buying Process

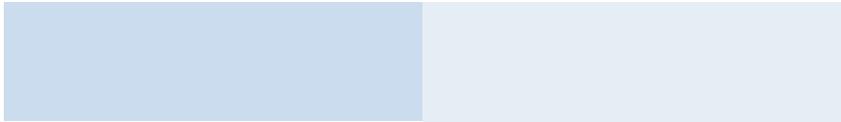
As sales people we are taught the “sales cycle” and how to utilize it to improve sales. There is another model that we should also take a look at and that is the “customer’s buying process.”

There are many things that a customer focuses on when we approach them with a new idea, but there are five basic questions that your customer will ask themselves as the sales call progresses. If we are truly communicating with our customer, we will get clear signals of when one step is complete and they are ready to go on to the next step.

1. Do I trust you? (the most important part)
 - If a customer doesn't like or respect you, they will not buy from you.
2. What can you do for me?
 - Why are you here?
3. How will your solution accomplish this?
 - Product capabilities - Proposal
4. Can you prove it?
 - Specific product demonstration
5. Is the perceived value higher than the cost?
 - Will I really gain from this?

Communication Styles

How people communicate



Communicating Styles

All people communicate in one of four basic styles. There is no right or wrong style, just different. Knowing these styles and the types of information each person is looking for can greatly enhance the effectiveness of communicating our ideas.

In order for us to be successful in working with our customers we need to establish a base of trust. This trust is usually dependent on whether a customer likes and/or respects you. They do not have to do both, but they will not buy from someone that they do not like and do not respect. To that end we are always trying to qualify ourselves as the sales representative that is worthy of their trust and that has the knowledge that will help them achieve their goals.

Communicating styles greatly help us present our information in a form that is “tuned” to the way our customer thinks. Everyone has at some time presented the wrong data to a prospect and suffered the consequences. Going over technical data with the CEO of a company is usually unproductive. If we can be observant of our customer it will help us format the data in a way that holds their interest, creating a better overview of the concepts presented.

Communicating style is determined by a person's positions on two scales. The horizontal scale designates the degree to which a person's relationships are Open or Reserved. The vertical scale designates that person's level of Directness. Obviously, it is entirely possible to adjust your communications to fall into any category you want. This scale, however, should help you understand where your natural and most comfortable style lies.

OPEN - An open person is one who readily expresses emotions, thoughts and feelings without holding back in any way.

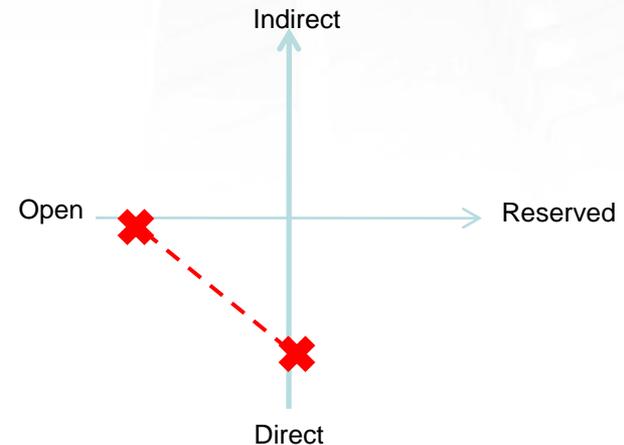
RESERVED - A reserved person takes a while to get to know. These individuals tend to hold back on disclosing anything that might give clues to their inner nature.

DIRECT - The person at the direct end of this scale is fast-paced and assertive. These are the people who have been called "Type A". Their indirect colleagues often perceive them as competitive and controlling.

INDIRECT - The person who falls at the Indirect end of this scale is slow-paced and security conscious. For example, indirect persons are unlikely to take the social initiative to introduce themselves at a party. They are less confronting and likely to prefer a conversation with a good friend in a quiet corner of the party.

Everyone falls somewhere on the two scales. Between open and reserved. Between direct and indirect.

Decide where you fit on each scale and place a mark at those points.



Take a look at where your marks are on the two scales and draw a line between them. You will find that the line passes through one of the quadrants that describes one of the four communicating style categories (Relater, Thinker, Socializer or Director). The quadrant that your line passes through is the category into which you fall. The people you work with however, may see you a little differently than you see yourself.

Communicating Styles

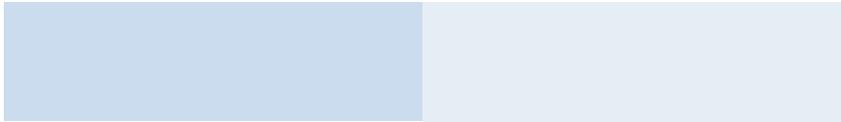
Fine-Tuning Your Communications

To sum up, most communication experts will tell you that it is important to fine-tune your approach to the communicating style of the person you are talking with. Making a few minor adjustments in your own style to suit each specific situation can dramatically improve your odds for getting your message through. Whether you are a field sales representative or in management, you will find that sharpening your communication skills can dramatically broaden and brighten your career prospects.

Communicating Styles	Socializer	Director	Relater	Thinker
How to recognize:	They get excited	They like their own way - decisive & strong viewpoints	They like positive attention, to be helpful & to be regarded warmly	They seek a lot of data, ask many questions, behave methodically & systematically
Tends to ask:	Who?	What?	Why?	How?
What they dislike:	Boring explanations/wasting time with too many facts.	Someone wasting their time trying to decide for them.	Rejection, treated impersonally, uncaring & unfeeling attitudes	Making an error, being unprepared, spontaneity
Reacts to pressure and tension by:	"Selling" their ideas or argumentative.	Taking charge, taking more control	Becoming silent, withdraws, introspective	Seeking more data & information.
Best way to deal with:	Get excited with them. Show emotion	Let them be in charge	Be supportive; show you care	Provide lots of data & information.
Likes to be measured by:	Applause, feedback, recognition.	Results, Goal-oriented	Friends, close relationships.	Activity & busyness that leads to results
Must be allowed to:	Get ahead quickly, Likes challenges	Get into a competitive situation - Likes to win	Relax, feel, care, know you care	Make decisions at own pace, not concerned or pressured
Will improve with:	Recognition & some structure with which to reach the goal	A position that requires cooperation with others	A structure of goals & methods for achieving each goal	Interpersonal and communication skills
Likes to save:	Effort, they rely heavily on hunches, intuition, feelings.	Time. They like to be efficient, get things done now	Relationships. Friendship means a lot to them	Face. They hate to make an error, be wrong or get caught without enough info
For best results:	Inspire them to bigger & better accomplishments	Allow them freedom to do things their own way	Care & provide detail, Specific plans & activities to be accomplished	Structure a framework or "track" to follow

Negotiation Powers

Utilizing powers during a sales call



Negotiation Powers

Utilizing the different negotiating powers during the sales cycle can make a huge impact on how smoothly the process proceeds. It is important that you focus on the first three powers, but all of them can help. Coercive and Legitimate should be used very carefully and in a limited context. Examine your presentation and look for areas where you can include direct links to Expert and Referent information. While most customers believe that they are making sound decisions based on logic, the truth is that over 80% percent of the decision process is based on EMOTION. Negotiation Powers will help support both logic and emotion.

The Five Types of Power

1. **Expert** – direct specific knowledge
2. **Referent** – attraction to the power holder
3. **Reward** – ability to reward compliance
4. **Coercive** – ability to punish
5. **Legitimate** – ability to influence because of position

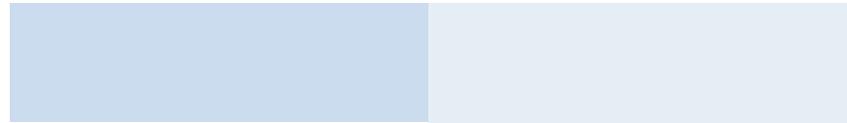
- **Expert Power** - Any individual person who has an expertise that is highly valued possesses expert power. Experts have power even though their status might be regarded as being low. An person may have expert knowledge about technical, administrative, or personal matters. The harder it becomes to replace an expert; the higher becomes the degree of expert power that they possess. Expert power is occasionally called information power and is frequently a personal trait of the individual.
 - Your qualifications
 - Industry specifications
 - Product awards
 - Certifications

- **Referent Power** is occasionally called personal power. It is premised on the target's attraction to the power holder - liking, perceived similarity, admiration, desire to be close to or friendly with the power holder. This attraction may due to physical attractiveness, dress, mannerisms, lifestyle or position, but can also include friendliness, congeniality, honesty, integrity and so on
 - Third party recommendation
 - Other companies that have the product
 - People in a similar situation
 - Case histories
 - Product reviews

- **Reward Power** can be gained from one's capacity to reward compliance. Reward power is used to support legitimate power. When someone is rewarded or might receive a potential reward such as through recognition, a good job assignment, a pay rise, or additional resources to complete a job
 - Benefits to company
 - Cost avoidance
 - Meeting company objectives
 - Improved company or department morale
- **Coercive Power** could take the form of a threatened strike action by a labor union; the threat of preventing promotion or transfer of a subordinate for poor performance; it could be a threat of litigation; it could be at threat of non-payment
 - Possible loss to company
 - Cost of not taking action
 - Responsibility for problems
- **Legitimate Power** is applied to negotiations in a variety of ways. People with a lot of legitimate power could use their authority to '*instruct*' other parties to adhere to certain procedures
 - This is what your boss would like you to do



Using Levels of Power



Power Levels

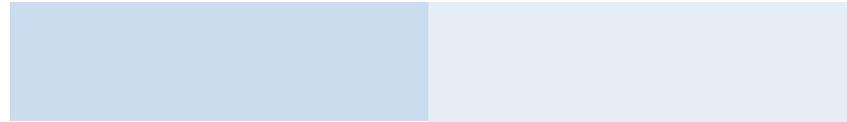
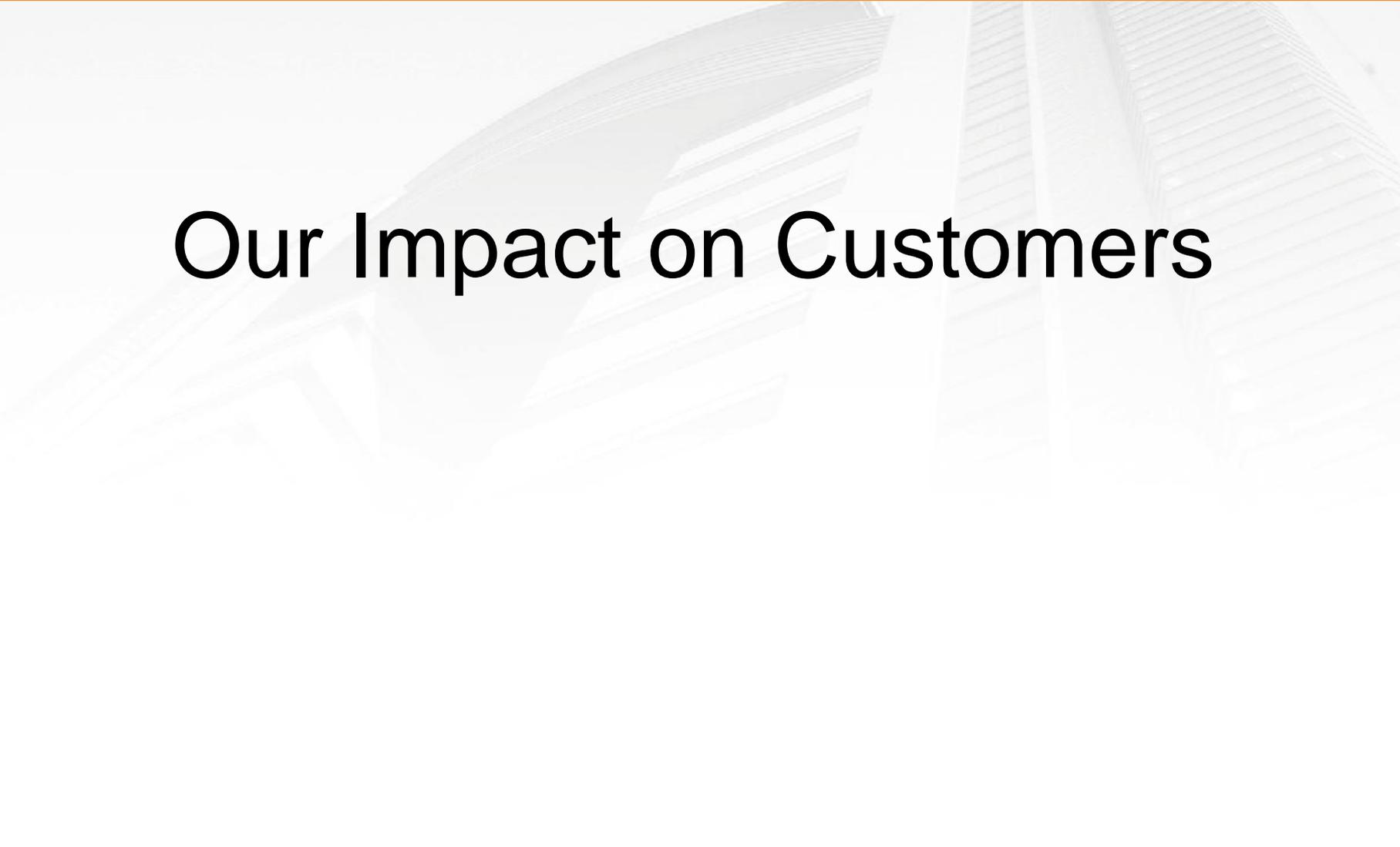
Throughout the entire sales process it can be helpful to remember power levels. If you are meeting someone for the first time, your power level should be peer or equal. If you are explaining your qualifications as a consultant, your power level should be higher or “one up”. If you are asking questions of your prospect to obtain information, your power level should be lower or “one down”.

These are minor adjustments to your style but they will ensure that you are phrasing your statements properly and that can make the difference. This is a give and take process and if you are trying to be higher or “one up” in every phase, customers can become resentful.

Higher (one up), peer (equal) or lower (one down) than the customer

- Greeting – peer
- Establishing Qualifications – higher
- Making Recommendations – higher
- Asking Questions – lower
- Asking for Agreement on status – higher
- Presenting a Proposal – higher
- Close – higher
- Answer to close - lower

Our Impact on Customers



Customers respond the way you expect them to respond

Zig Ziglar tells a great story about rats. It's a true story about a bunch of Psychology 101 students who are required to spend several hours working with graduate students to document how well rats run through a maze. The students are divided into three groups.

- The first group is told that they have the average rats. There's nothing wrong with average rats. It may take them a while to run through the maze and find the cheese, but that's what average rats do.
- The second group was told that they had the smart rats. These rats, the students were told, would run through the maze and find the cheese so fast that the students would be amazed. Sure, they'd make some mistakes, but these were some mighty smart rats.
- The third group of students was told that they had the idiot rats. Sure, they'd eventually find the cheese, but they'd bump into the maze walls, and make wrong turns. After all, they're idiot rats.

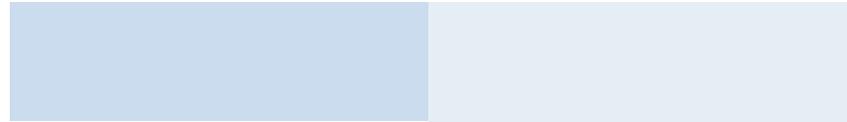
At the end of the experiment, each group of students wrote up its findings. The first group wrote a boring report about average rats doing an average job of finding their cheese. The second group wrote with pride about how adept their rats were in negotiating the maze. The third group wrote a sad report about their idiot rats' struggle to find their way through the maze.

The punch line, of course, is that all three groups of students worked with the same group of rats. You treat rats (and customers) the way you see them, and they respond the way you expect them to respond.

If we can impact the way that rats respond without being able to talk to them, imagine what kind of impact we have on our customers! What kind of customers do you have?



How to Stay Customer Focused



Focus on the Customer

- Be a career sales rep (plan on selling to this customer for many years - sales for the long run)
- We treat people the way we see them (have only intelligent, successful customers)
- Customers do not want to be manipulated (help them, don't play tricks)
- No customer ever bought from you, because of the reward it gave you (do not focus on your reward)
- Customers don't care about how much you know, they care about how much you care (about them.)
- You make more money solving problems than you do by selling your products
- Work for the win – win
- Whoever has the most information has the most influence
- Establish value before you quote price
- You overcome objections only by providing evidence
- If someone says no to a product, they will not change their mind (to do so would admit they were wrong)
 - They must make a new decision based on new information