

CHAPTER 4

The Psychology of Selling: Why People Buy

LECTURE OUTLINE

- I. THE TREE OF BUSINESS LIFE: BENEFITS
 - A. Customers want to trust you.
 - B. Do the right thing for customers and tell them the truth even if that means a "no sale."
 - C. Unselfishly try to help customers meet their needs, not just make a sale.
- II. WHY PEOPLE BUY - THE BLACK BOX APPROACH
 - A. Black Box - the internal mental processes that a person goes through when making a decision.
 - B. Stimulus-Response Model - assumes that prospects will respond in some predictable manner to the sales presentation.
 - C. Certain things are known about a prospect's mental process:
 1. People buy for both practical and psychological reasons.
 2. Methods are known that salespeople can use to help determine the prospect's thoughts during sales presentations.
 3. We know many of the factors that buyers consider in purchase decisions.
- III. PSYCHLOGICAL INFLUENCES ON BUYING
 - A. Motivation to buy must exist.
 1. Needs - result from a lack of something desirable.
 2. Wants - needs learned by the person.
 3. Have practical needs (transportation).
 4. Have psychological needs (Cadillac).
 - B. Economic needs - The best value for their money.
 1. Economic needs - the buyer's needs to purchase the most satisfying product for their money.

- a. Price - higher prices can be overshadowed by superior quality.
 - b. Quality - performance, dependability, and durability.
- C. Awareness of needs: Some buyers are unsure.
 - 1. Three degrees (levels) of need awareness:
 - a. Conscious—fully known needs.
 - b. Preconscious—may not be fully aware of needs.
 - c. Unconscious—have needs but do not know what they are.

IV. A **FABULOUS** APPROACH TO BUYER NEED SATISFACTION

- A. Benefit selling - relating a product's benefits to a customer's needs.
- B. FAB selling technique – (**F**eatures, **A**dvantages, and **B**enefits).
- C. The product's **F**eatures - So what? - Features are physical characteristics.
- D. The product's **A**dvantages - Prove it!
 - 1. Advantages are performance characteristics.
 - 2. Advantage - what the product does.
 - 3. How can it be used to the buyer's benefit?
- E. The product's **B**enefits - What's in it for me?
 - 1. Benefit selling - answers the question, "What's in it for me?"
 - 2. Benefits are favorable results of a particular advantage that can satisfy buyer's needs.
- F. Order can be important
 - 1. Emphasize benefits.
 - 2. Describe the advantages and features.

V. HOW TO DETERMINE IMPORTANT BUYING NEEDS – A KEY TO SUCCESS

- A. To determine needs, **LOCATE**:
 - 1. **L**isten.
 - 2. **O**bserve.
 - 3. **C**ombine.
 - 4. **A**sk questions.

5. **T**alk to others.

6. **E**mpathize.

VI. TRIAL CLOSE - A GREAT WAY TO UNCOVER NEEDS AND SELL

A. Trial close - checks the pulse or attitude of your prospect toward the sales presentation. The trial close is one of the best selling techniques to use in your sales presentation and should be used at four important times:

1. After making a strong selling point.
2. After the presentation.
3. After answering an objection.
4. Immediately before you move to close the sale.

B. The trial close allows you to determine:

1. Whether the prospect likes your product's feature, advantage or benefit.
2. Whether you have successfully answered the objection.
3. Whether any objections remain.
4. Whether the prospect is ready for you to close the sale.

C. The trial close asks for the prospect's opinion.

D. The trial close does not ask the prospect to make a decision.

E. Examples:

1. "How does that sound to you?"
2. "Is this important to you?"
3. "It appears that you have a preference for this model. Is this what you had in mind?"

VII. SELL SEQUENCE

A. One way to incorporate the trial close into your presentation is the use of a **SELL** sequence:

1. **S**how the feature.
2. **E**xplain the advantage.
3. **L**ead into benefit.
4. **L**et customer talk by asking questions in the form of a trial close.

- B. Selling involves determining needs and skillfully relating your product's benefits to those needs.

VIII. YOUR BUYER'S PERCEPTION

- A. Perception—the process by which a person selects, organizes and interprets information.
- B. Information is received through the senses that act as filtering devices through which information must pass:
 1. Sight.
 2. Hearing.
 3. Touch.
 4. Taste.
 5. Smell.
- C. Selective Exposure - only a portion of the information will be retained by a person.
- D. Selective Distortion - altering of information to reinforce one's own beliefs and attitudes.
- E. Selective Retention - a person will sometimes completely forget information that does not coincide with his own attitude and beliefs.

IX. BUYER PERCEPTION, ATTITUDES, AND BELIEFS ARE LEARNED

- A. The buyer's perceptions are learned - Learning is acquiring knowledge or a behavior based upon past experiences.
- B. The buyer's attitude about the product is important - Attitude is one's learned predisposition toward something.
- C. The buyer's attitude must be converted into a belief - Belief is a state of mind in which trust or confidence is placed in something or someone.
- D. The salesperson provides the buyer with product knowledge that allows him to develop favorable personal attitudes toward the product. These attitudes will result in positive beliefs that your product will fulfill his needs.

X. THE BUYER'S PERSONALITY SHOULD BE CONSIDERED

- A. Personality can affect buying decisions.
 - 1. Personality - the individual's distinguishing character traits, attitudes, or habits.
- B. Self-concept theory - each buyer possesses four images:
 - 1. The real self - the individual as he actually is.
 - 2. The self image - the way the individual sees himself.
 - 3. The ideal self - the way the individual would like to be.
 - 4. The looking-glass self - the way the individual thinks others regard him.
- C. Adaptive selling based on buyer's style.
 - 1. Personality typing - method to uncover aspects of the prospect's personality that might influence a buying decision.
 - 2. Carl Jung
 - a. Laid the basis of modern psychiatry.
 - b. Four categories of personality types:
 - (1) Thinker.
 - (2) Intuitor.
 - (3) Feeler.
 - (4) Senser.
 - c. Guidelines to identify personality type:
 - (1) Identify a key trait.
 - (2) Focus on time orientation.
 - (3) Identify the environment.
 - (4) Listen to what people say.
- D. Adapt your presentation to the buyer's style.
 - 1. A major challenge is to adapt your personal style to that of the person you're dealing with.
- E. Styles:
 - 1. Thinker style:
 - a. High value placed on logic, ideas, and systematic inquiry.
 - b. Present material in an orderly manner.

c. Have plenty of facts and supporting material.

2. Intuitor style:

a. High value placed on ideas, innovation, concepts, theory, and long-range thinking.

b. Give the buyer the “bigger picture.”

c. Build the buyer’s concepts and objectives.

3. Feeler style:

a. High value placed on being people-oriented and sensitive.

b. Relate to buyer the impact on people your idea will have.

c. Keep on a personal note with small talk.

4. Senser style:

a. High value placed on action.

b. Be brief and to the point.

c. Verbal communication is more effective than written communication.

5. Watch for clues.

a. Be observant of a buyer’s environment to determine that person’s personality style.

b. Determine primary (dominant) style and complimentary or back-up style.

F. What is your style? - Find out your own personality style by completing the questionnaire at the end of the chapter or going to the web-sites in the “www” exercises at the back of the book.

XI. YOU CAN CLASSIFY BUYING SITUATIONS

A. Some decisions are routine - Some products are purchased by habit.

B. Some decisions are limited - If customers are not familiar with a particular brand, they will seek more information.

C. Some decisions are extensive - Most large purchase decisions are made after the buyer carefully reviews all information.

XII. TECHNOLOGY PROVIDES INFORMATION - Salespeople are able to

serve customers better and faster.

XIII. VIEW BUYERS AS DECISION MAKERS

A. Five basic steps of the buying decision:

1. Need arousal - Help the customer realize his needs.
2. Collection of information - The customer may choose to collect information from a variety of companies.
3. Information evaluation.
 - a. The customer matches this information with his needs, attitudes and beliefs.
 - b. To provide the buyer with proper information, you need to know:
 - (1) What product attributes are important in buying decision - Price? Quality? Service?
 - (2) What are the most important attributes?
 - (3) What are the prospect's attitudes toward:
 - (a) Your products?
 - (b) Your competitor's products?
 - (4) What level of satisfaction is expected from buying this product?
 - c. You must be prepared to:
 - (1) Alter buyer's beliefs about:
 - (a) Your products.
 - (b) Your competitor's products.
 - (2) Alter importance of attribute – quality and service are more important than price.
 - (3) Bring out unnoticed attributes.
 - (4) Change person's search for the "ideal" product into a search for a more "realistic" product.
4. Purchase decision - A buyer's decision to make a purchase can be altered by four basic factors:
 - a. The attitude of others.

- b. The “perceived risk” of buying the product - “Will I receive my money’s worth?”
 - c. Uncontrollable factors (insufficient financing, failing of physical exam, etc.).
 - d. The salesperson’s action after the decision has been reached.
5. Postpurchase.
- a. After the purchase, the buyer may experience:
 - (1) Satisfaction - the difference between what was expected to be received from the products purchased and what was actually experienced after using the product.
 - (2) Dissonance - tension over whether the right decision was made in buying the product.
 - (a) Show the buyer how to properly use the product.
 - (b) Be realistic in your claims of the product.
 - (c) Reinforce the buyer’s decision by reminding him how well the product performs and fulfills his needs.
 - (d) Follow-up after the sale to determine if a problem exists.

XIV. SATISFIED CUSTOMERS ARE EASIER TO SELL - Building relationships with customers makes selling easier.

XV. TO BUY OR NOT TO BUY - A CHOICE DECISION

A. A salesperson should consider the following questions before developing a sales presentation:

1. What type of product is desired?
2. What type of buying situation is it?
3. How will the product be used?
4. Who is involved in the buying decision?
5. What practical factors may influence the buyer’s decision?

6. What psychological factors may influence the buyer's decision?
7. What are the buyer's important buying needs?

B. People will buy if:

1. They perceive a need or problem.
2. They desire to fulfill a need or solve a problem.
3. They decide there is a high probability that your product will fulfill their needs or solve their problems better than your competitor's.
4. They believe they should buy from you.
5. They have the resources and authority to buy.

