

Why People Buy: The Results Of 30 Years Of Studying Prospects and Salespeople

This research shows why prospects say yes and no and what salespeople can do to get more to say yes more often

A research report by First Concepts Consultants, Inc.

OVERVIEW

In the prospects mind, a sale comes down to three core things which are all connected to each other: compelling needs, benefits they consider important and high perceived value. How the prospect thinks and feels about needs, benefits and value will determine whether they say yes or no. This is why they buy.

The average experienced and trained sales person does not go far enough in developing these three things with their prospects. They do enough to be a good producer but lose some sales they could have closed had they just done a bit more. The reason they don't do more has nothing to do with their selling process or techniques both of which they are very good at. They do not fully understand what is going on inside their prospects minds, what is affecting their decisions and what would increase the probability of their saying yes.

The top 10% of sales producers understand what goes on inside the prospects mind which allows them to do things the average successful salesperson doesn't. While these top salespeople may have some unique talents or gifts that give them an edge, that only accounts for about 40% of the production gap between them and the rest of the sales team. 60% of that production gap is due to their increased understanding about why prospects say yes and no and a realistic sense of what they need to do next to get their prospects to buy.

How the research was conducted:

1. Traveled with hundreds of experienced and trained salespeople in a variety of industries. These salespeople were observed during their sales calls, the prospects were interviewed after the call finished and the salespeople were interviewed after the call to get a post mortem on what happened in the call and their sense of where the prospect was at.
2. Don Shapiro, President of First Concepts Consultants, who personally conducted this study, has had over 3000 salespeople call on him as an executive acting in a buying role. He recorded his own reactions to what salespeople did through these calls to pinpoint what worked and what didn't.
3. Don examined what he learned from all these observations to map out how prospects think out a decision to buy and why they say yes and no. At the same time, he discovered why top producers sold more than average producers when both had the same experience and training. Top producers have figured out on their own the same discoveries about why people buy that Don did through his research and use this knowledge every day to make more sales.

Why People Buy

The three main things that increase the probability a prospect will say yes

What follows are the research conclusions about why people buy, what increases the probability of a yes decision, how prospects figure out value, and why top producers sell more. This report shows how salespeople can apply this knowledge to get more prospects to say yes more often. First Concepts offers an advanced sales training program about this and backs it up with a comprehensive reinforcement system to help firms boost their sales above budget .

1. Prospects are aware of a sufficient number of compelling, serious or costly needs to justify making a purchase

RESEARCH FINDINGS: The more needs the prospect has, the greater the probability they will buy. The fewer the needs the prospect has, the greater the chance they won't buy. Needs must be compelling, serious or costly to move the sale forward. When a prospect only complains or shares their frustrations, those do not constitute a need that can justify a purchase decision. They are only symptoms that a potential need may exist.

On average, top producers uncover more needs than other salespeople and help prospects to make them as serious, compelling and costly as possible. The average salesperson uncovers some needs and assumes those are all the needs so they move on to the sales presentation. Because the average salesperson did not develop the prospects needs to their maximum potential, they end up rolling the dice on whether they make a sale. In some cases, uncovering one or two more hidden needs could have tipped the scale toward a yes.

Salespeople's goals to increase the probability of a yes decision

1. Help the prospect uncover the maximum number of needs possible.
2. Help the prospect discover what will make each of those needs as compelling, serious and costly as possible.

Questions to evaluate how well your salespeople do this:

- A. Are your salespeople aware that the quantity of needs they uncover will affect whether the prospect buys or not?
- B. How many of your salespeople routinely attempt to uncover every possible need their prospects have?
- C. How do your salespeople know if they have uncovered all the possible needs a prospect has? What evaluation criteria do they use to determine this?
- D. How do your salespeople evaluate if a need is sufficiently compelling, serious or costly to the prospect to justify a purchase decision?

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2. Prospects rank every benefit as being highly important to them

RESEARCH FINDINGS: The higher prospects rank the importance of each benefit, the greater the probability the prospect will buy. The larger the number of benefits that the prospect ranks low to moderate in importance, the greater the chance they won't buy. Prospects do not automatically consider benefits important simply because they hear a benefit statement. When a benefit specifically solves or satisfies one or more compelling needs, prospects will rank those benefits higher in importance. Benefits that are not directly connected to any compelling needs will be ranked low to moderate in importance.

Top producers customize every sales presentation so they are entirely about the prospects needs. Each benefit they deliver is linked back to the compelling needs it resolves so that all the benefits address all the compelling needs. By doing this, prospects rank those benefits high in importance. The average salesperson does not fully link the prospect's compelling needs to the benefits and because they tend to uncover fewer needs, they have fewer needs available to link to their benefits. They end up with some prospects not ranking their benefits high enough to justify a purchase decision.

Salespeople's goals to increase the probability of a yes decision

1. Show how each benefit addresses as many of the compelling needs as possible to raise the importance of those benefits.
2. Estimate the prospects ranking of importance of each benefit and work to increase any that are not ranked high enough.

Questions to evaluate how well your salespeople do this:

- A. Do your salespeople show how each benefit satisfies as many of the prospect's needs as possible or do they talk about some benefits in generic terms?
- B. Is every sales presentation customized for that individual prospect based on their unique situation and needs?
- C. How do your salespeople determine how important or unimportant each benefit is to the prospect? Or do they assume that if a prospect likes the benefit that's good enough?

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3. Prospects See A High Perceived Value In What You Offer

RESEARCH FINDINGS: Prospects determine their perceptions of value by the sum total of the number of compelling needs and number of benefits they rank high in importance. The more compelling needs and the more benefits ranked high in importance, the higher the perceived value. As the number of compelling needs and important benefits drop, the perceptions of value drop. Prospects with high perceived value will pay a profitable price for what is offered. As perceived value drops, price resistance rises.

Top producers have an instinctive awareness of their prospects perceptions of value and what raises and lowers it. That causes them to make a concerted effort to do the things that will raise perceived value by uncovering the maximum number of compelling needs and linking those to the benefits delivered. The average salesperson is less aware of how prospects actually figure out value and what is behind their price resistance. Many of them assume they can handle price resistance through objection handling and other techniques. Most of the time, they do not address the cause of low perceived value which is a lack of needs and a lack of highly important benefits.

Salespeople's goals to increase the probability of a yes decision

1. Insure that the prospect is aware of the maximum number of compelling needs they have and ranks all benefits high in importance.
2. Estimate the prospects perceptions of value before and during the presentation so that anything lowering perceived value can be addressed before the price discussion.

Questions to evaluate how well your salespeople do this:

- A. Are your salespeople aware of the connection between the number of compelling needs, the number of benefits ranked high in importance and how this will affect whether the prospect accepts your prices?
- B. Do your salespeople understand how prospects figure out their perceptions of value? If so, do they know how to help prospects raise their perceptions of value?
- C. Do your salespeople have a way of estimating a prospect's perceptions of value to determine if they need to address value issues?
- D. How many of your salespeople address the cause of low perceived value to reduce and eliminate the occurrence of price resistance?

Why People Buy

How Salespeople Get More Prospects To Say Yes More Often

When a salesperson uncovers the maximum number of needs a prospect actually has and helps the prospect make them as compelling, serious and costly as possible, they have built the strongest foundation for a sale. Those needs are critical to make the benefits important to the prospect and increase the prospect's perceptions of value. The greater the number of compelling needs that are discovered, the greater the probability the prospect will buy.

Most experienced and trained salespeople do not take the need discovery process as far as they could. When they understand why this makes a difference and learn specific ways to verify that they have uncovered the maximum number of needs, their sales go up. Their sales go up even more when they weave those compelling needs into their presentation and benefits. And when they do that, they will receive less price resistance. Doing all three of these to the max will raise the probability the prospect says yes to the highest level possible.

For complex sales involving buyer influence groups, compelling needs and what makes benefits important can vary for each person involved in influencing the purchase decision.

Customized Sales Training To Apply The ABC's Of Why People Buy

First Concepts offers a sales training program about the conclusions of this research and how salespeople can apply it to increase their sales. The program is customized by interviewing at least 10 salespeople in advance of the program to better understand their industry, what they are offering for sale and what prospects are telling them. When combined with comprehensive reinforcement, this program can increase sales above what is budgeted.

Sales Training Reinforcement Support

First Concepts offers a 5 step reinforcement support system to help clients carry out comprehensive reinforcement on what their salespeople have learned. Based on recent research, reinforcement of a sales training program produces an average productivity gain of 88% and a return on investment of 88%. This is four times greater than sales training programs that are not fully reinforced.

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Revenue detectives helping firms find more ways to increase their rate of growth