The Psychology of Consultative Selling:
Skills For Sales Success Part Four
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THE PSYCHOLOGY OF SELLING

Definition
Sales Representative: One whose job it is to get and keep customers.

The Psychology of Selling

In this section we'll look at the various ways in which humans influence each other, and therefore how salespeople influence customers.

Social psychologists have undertaken considerable research into what causes “compliance”—creating what is generally referred to as compliance theory. This model describes why the selling skills covered in this text actually work. Compliance theory is at the heart of selling. If salespeople master basic tools for gaining compliance, they will be able to sell more.

Compliance Principles, Strategies and Tactics

Humans are born with compliance traits programmed into their thinking. Compliance traits—or compliance principles—exist because they contribute to the survival and evolution of the species. There are at least eight compliance principles important to selling.

- Compliance theory is at the centre of selling. Whenever someone influences someone else, a compliance principle is at work.

- Eight compliance principles have been examined in this course:
  1. Authority
  2. Reciprocity
  3. Rapport
  4. Reason
  5. Efficiency
  6. Consistency
  7. Social evidence
  8. Scarcity
Compliance principles work. Authority has kept us alive because it has caused us to listen to those people we respect. Reciprocity has created the bonds that make civilization work. Rapport has led to attraction between different individuals and to the creation of social units. Reason has directed people to do what helps them survive and reach goals. Efficiency has led to technological development and scientific achievement. Consistency has kept us safe from the risk of the unpredictable. Social evidence has caused many of us to try to “keep up with the Joneses.” Scarcity has conditioned us to be prepared to pay more when less is available.

To communicate with customers, salespeople use all of the compliance principles discussed. These principles are integral to the various skills involved in selling, and tactics are developed to employ them.

When salespeople employ compliance tactics, they take advantage of natural human tendencies. This raises the moral question of whether it is fair to say something to someone, knowing that what you say will cause him or her to act in a predictable fashion. The answer is to use compliance principles honestly to help people to reach their goals. This is how consultative selling works.

THE CONSULTATIVE SELLING PROCESS

Definition
*Consult (kon-sult)*: to seek information or advice from.

Have you ever noticed that all professionals follow a step-by-step process common to their profession? Take, for example, medical doctors.

Imagine that you are going to select a physician for the first time. What do you do? How do you find the one that is right for you? You might refer to the Yellow Pages, drive around the neighbourhood and look at signs, go to the local hospital and get a list of doctors currently taking new patients, ask your friends, ask your previous doctor for a referral, etc. You'll notice that almost all doctors use standard (common) methods to make their availability known. After you select your new doctor, what's the next step? You call for an appointment. Almost all doctors operate by appointment only, and if you've ever been to a walk-in clinic you'll quickly realize why operating by appointments is, by far, the most efficient method. You could visit the doctor's office, but most of us just use the telephone. When you get to your first appointment, here's what happens:

- You introduce yourself to the receptionist/nurse and she asks for and records information – at least your name, address, and health card number. In other words, she opens a “customer record” and establishes how the bill is going to be paid. She then asks you to wait.

- You wait.

- She shows you into an examination room.

- You wait.
The doctor comes in and introduces herself/himself and visits a little (spends some time getting to know you).

The doctor asks open-ended questions, such as “How are you?” or “Please tell me what's wrong.”

Depending on your answers, she/he continues to ask for more information: “Please clarify that, I don’t quite understand,” or “Please tell me more.”

After finding out about what ails you, she/he gives you a specific examination (if you have specified it is your left hand that's giving you grief, she/he isn't likely to examine your right foot). During this stage of the visit more questions are asked: “How does this feel?” “Does it hurt here?” “Do this. How does that feel?” etc.

Once the doctor gets as much information as possible from you, the patient, she/he assimilates it, applies knowledge and deductive reasoning, and decides on solutions to the problem (gives the diagnosis and recommends treatment alternatives). Please note: a doctor seldom recommends just one course of action. Usually she/he will say something like “We can look after this by …” or “I recommend we try this first.”

At this point the doctor outlines an action plan that includes setting a follow-up appointment.

You leave, and on the way out the nurse/receptionist sets up your next appointment.

When you go to the next appointment you experience the same step-by-step process with some variation in the words. If you go to a lawyer, chartered accountant, architect, consulting engineer, professional business consultant, undertaker, or other professional, you'll discover they all go through a similar process. They do so for the following reasons:

1. They have been trained in the use of a step-by-step process that many before them have discovered works best, and they realize it’s not necessary to reinvent the wheel.

2. It is a logical process that helps ensure they don't leave anything out.

3. It uses most of the psychological compliance principles such as rapport, authority, reciprocity, reason, consistency, and social evidence, and therefore gains patient/client compliance and as a result patients/clients take their advice.

4. It increases their efficiency by guiding them in a way that saves precious time.

5. It saves payouts on malpractice litigation. (Some years ago, a Florida doctor missed a critical step in the procedure and amputated a man's left leg instead of his right.).

**Consultative Selling**

The most successful professional sales representatives use a very similar process when getting and keeping customers. It’s called the *consultative selling process*. We know from research results, as well as
from the accumulated experience of thousands of successful salespeople, that those who use consultative
selling techniques have a much higher success rate than those who don't. Recently, Sales and Marketing
Management magazine reported that one of their extensive surveys showed that young women are out-
selling men by a very wide margin. Researchers found that most females—new to selling, unlike most male
salespeople—did not assume a good personality and presence are all that is required to be successful. In
fact, most recognized they knew nothing about selling, and anxiously took courses and then applied what
they had learned. What they learned is a methodology that recognizes that customers want “partners.”
They determined that business people want suppliers who will find out what their needs are, put the their
needs first, and find and implement ways of satisfying the those needs. Customers are favouring the
salespeople who practice consultative selling techniques. The following are examples of consultative
selling.

EXAMPLE 1
Joe Girrard & Johnny Carson

A number of years ago, Joe Girrard was a guest on the Tonight Show, hosted by Johnny Carson. Joe had
recently been named “The World’s Greatest Salesman.” Although the following narration is not exact, we
believe our version will serve the purpose here without diminishing or appreciably distorting it.

As was his custom, Johnny spent some time visiting with his guest, making small talk while finding out
about him. At the same time, Joe was finding out about Johnny. Among several things, Joe discovered that
Johnny had been recently remarried, and that his new bride was a very neat person. After visiting a few
minutes, Johnny said, “Joe, you’ve just been named the world’s greatest salesman. Sell me something.” He
picked up a beautiful ceramic ashtray from the desk, handed it to Joe, and said, “Sell me this.”

Joe looked at the ashtray, looked at Johnny, hesitated, and asked, “Johnny, what is this?” What ensued
was the following conversation.

Johnny: It’s an ashtray.

Joe: Do you smoke?

Johnny: No.

Joe: Johnny, can you think of any way you could use this beautiful ceramic work?

Johnny: [after long hesitation] As a matter of fact, there is. Last night as I was getting ready for bed, I took
a handful of stuff (keys, coins, etc.) out of my pants pocket and put it on the top of my new bureau. (My new
bride insisted we get new bedroom furniture.) Immediately she exclaimed, “Johnny, if you continue to do
that, you’ll scratch that beautiful surface.” Joe, I could use the ashtray to put that stuff in.

Joe: Gee, I guess that’s right. If you don’t have this container to put that stuff in, you’ll scratch it for sure.
How much do you suppose it would cost to have it refinished?

Johnny: Probably about two hundred dollars.
Joe: Wow! And how long do you suppose it would take?

Johnny: Well, this is LA. Probably about three weeks.

Joe: Gee, what would you do with all your clothes for three weeks?

Johnny: I guess I'd have to put them here and there—uh—you know, kind of all over.

Joe: Wouldn't that be a bit of a hassle?

Johnny: It sure would.

Joe: And what would your new bride, who is a bit of a neatnik, think of that?

Johnny: Yeah, she'd be on me... probably saying, “See? I told you you'd scratch it,” or “Gee, Johnny, you're untidy. Please pick up your stuff.”

Joe: Let's see, then. If you don't have this container, you'll have to spend two hundred dollars, have the hassle of not having a place for your clothes for three weeks, and your relationship with your new bride will deteriorate somewhat, is that right?

Johnny: You've got it.

Joe: Johnny, since having this container would save you nearly two hundred dollars, three weeks of hassle, and improve your marital relationship, how much do you think it's worth?

Johnny: I guess somewhere between a dollar and two hundred dollars.

Joe: Johnny, is it worth five dollars?

Johnny: Sure.

Joe: Do you have five dollars? [Johnny reaches in his pocket and pulls out a number of bills. Joe extracts five dollars and hands Johnny the ashtray.] Here's your new container, Johnny. Let's review: You've bought it and saved two hundred dollars, three weeks of inconvenience, and improved your marriage.

**Question**
What role did the following facts play in the sale?

- The ashtray was made from clay dug from 5 metres below the waterline of the Rio Grande.
- Navajo aboriginals who have been in the business for several hundred years and are extremely well financed (subsidized by the US government) handcrafted it.
- It was baked at 2000 degrees in specially constructed kilns to cure the beautifully glazed colours.

**Answer**
These are all product features that have had no relevance to the selling process or whether Johnny bought the ashtray or not.
Question
What did Joe do to get Johnny to buy?

Answer
- Built some commonality—made friendly small talk.
- Asked questions to get Johnny to determine and express his needs and expectations.
- Got Johnny involved in each step of a logical progression by asking for feedback time after time.
- Summarized the needs.
- Summarized the benefits.
- Asked Johnny's price expectations.
- Asked for and received a commitment.
- Reviewed how well the benefits met Johnny’s expectations.

Review Questions
1. How important was Joe’s questioning technique?
2. What role did it play in the sale?
3. How easy (or difficult) would it be for any reasonable person to have said “no” to this sales visit?
4. How was the compliance principle of reason used?

EXAMPLE 2
The ExtraBrands Story

The following is a true story, but the names of the principal players and the companies involved have been changed.

ExtraBrands is a very large international company in the food business and operates independently in Canada. It produces and markets several well-known packaged food products, many of which are either first or second in market share. It also manufactures products that are sold to the food service/hospitality industry.

The new regional manager in Ontario, Harold Lyle, analyzed the company’s sales record and discovered that while roasted coffee sales to the consumer market were second in market share, sales to the food service industry ranked about seventh in his region. As a result of this analysis, he made some sales calls with a number of sales reps and determined that the reason sales were so poor was that the reps didn't know how to sell. What they did was a “data dump.” That is, they listed all the attributes of the product, without relating those attributes back to the customer's needs.

Lyle called two other regional sales managers, John Campbell and Jack Tucker, into his office and the conversation went something like this:
Lyle: Gentlemen, we don't know how to sell coffee. Last year we sold a little over 300,000 pounds in a market that is growing at an incredible rate. If we were only third in market share, our sales would be about three million. What are your recommendations?

Campbell: What do you mean we don't know how to sell?

Lyle: That's what the statistics show. All I've observed is salespeople sounding like a product brochure, and that's not getting many new customers.

Tucker: How should coffee be sold?

Lyle: Well, I don't think a restaurant owner who has just opened a business, or one who's been around a while, is impressed with the fact we've been in business for seventy-five years, or that we're the second biggest food company in the world, or that we can supply his coffee in three blends, two roasts, and five different package sizes, or that our truck stops every week.

Campbell: How should we sell then?

Lyle: I don't know, but we've got to find out! John, who are the big potential customers in your area?

A discussion followed and it was determined there were several potential customers who bought around 1,000,000 pounds per year. One of these was NIB Catering, a coast-to-coast enterprise with five relatively autonomous regional managers, and a general manager, Bruce Bell, in Toronto. NIB operated 250 industrial commissaries and/or cafeterias.

Lyle: John, call Bruce Bell and ask for thirty minutes of his time for you and me. Tell him I want to meet him and ask his advice.

Bruce Bell was a man in his early sixties, very polite, extremely well dressed, very distinguished looking, and soft-spoken. He showed the two salespeople to chairs in his comfortable, if not plush, office.

Bell: How can I help you gentlemen?

Lyle: Mr. Bell, my name is Harold Lyle. I'm the new regional manager for ExtraBrands.

Bell: I saw the announcement of your appointment in the Globe and Mail. Congratulations.

A few minutes of small talk, including a brief discussion about the rapid growth of the food service industry, NIB's similar growth pattern, and ExtraBrands' success in general, ensued, at the end of which Lyle got down to business.

Lyle: We appreciate your setting aside time for us. Bruce, we've got a problem. We don't know how to sell coffee and I've come today to ask for your advice. Perhaps I could start by asking you this question: If you had a magic wand and could conjure up the perfect coffee supplier, what would you expect that supplier to do for you?
Bell: That’s an interesting question. I’ve never been asked one like it before. Well... you know, a cup of coffee is the last thing most of our customers taste just before leaving one of our cafeterias. It would be a really big accomplishment if the vast majority left with a good taste in their mouths! Now most, I'm afraid, do not. In fact, we get many complaints about the inconsistency of quality from coast to coast. So I guess my first wish would be to have suppliers who would work with us to establish a taste that will satisfy the majority of our customers and to develop a way to consistently produce that taste.

Lyle: Please explain how you work with your suppliers now.

Bell: Each region is responsible for purchasing locally. Currently we buy from three and sometimes four coffee companies, and the product is treated much like a commodity. That is to say, our buyers get quotes on the various sizes used in each facility and make a decision. Some regional managers personally approve the product and supplier, and others delegate those decisions to unit managers. The delivery is generally once a week, but in high-volume units it can be more frequent.

Lyle: What happens once the coffee is received? I mean, how is it stored, brewed, served? Are there standards that are applied to these activities?

Bell: We do not have a centralized food purchasing procedure. Each region determines how products are stored, and how finished goods are produced and served. Production people tend to be very opinionated as to which methods work best, so we have let them do it their own way. For example, some units store coffee in the refrigerator while others place it on shelves in the regular storeroom. Some believe their way of brewing is the best, so we have various methods and types of equipment being used. Depending on the type of environment in which the cafeteria is located, a cup of coffee might be served in a paper, foam, or china cup.

Lyle: Bruce, if your goal is to have customers leave every cafeteria with “a good taste in their mouths,” what steps do you see need to be taken?

Bell: Well, we probably should select the “right taste” first. Our experience shows that there are very different taste preferences across Canada. That's why we have encouraged regional management to take a hands-on approach to menus and food preparation. That would mean taste-testing in at least each region to select a preferred taste. Once that is done, we'd want to fix the formula and brewing method and create a quality control procedure.

Lyle: Our experience shows that different equipment produces different qualities and tastes of finished product. Would that mean that there would have to be a standardization of equipment?

Bell: I would think so, since we have a real mixture now.

Lyle: How about your local managers? Do they have the skills and the time to supervise a quality control operation?

Bell: I think those are the things we’d like the ideal supplier to look after for us.

Lyle: Let me summarize, then. The goal would be to consistently serve a cup of coffee in every region with a taste that is specific to the preferences of that area and one that is preferred by a majority of customers.
This would probably mean developing standards of handling, storage, brewing, equipment specifications, and serving. It might also include staff training and quality control supervision. Would your expectation of the ideal supplier be that they work with you to achieve this and then continue to work with your people to assure that the standards are consistently met?

**Bell:** That sounds right. The supplier's work would ideally include helping us determine the right tastes, set up the standards, train staff, supervise the quality control function, help us standardize equipment, and deliver directly to every unit in a timely way at a reasonable price.

**Lyle:** Bruce, our time is just about up. I really appreciate the discussion we've just had. Thank you. What I'd like to do now is go back to our office, confer with some of our experts in several areas, and over the next week put together a plan that includes as many of your expectations as we can possibly meet. Once I have a proposal developed, I'd like to review it with you. If you believe the proposed plan is something that will substantially help you reach the goal of serving your customers a consistently good cup of coffee from coast to coast, we'd then set up a meeting to present the program to your regional managers. Does that make sense to you?

**Bell:** Yes, it does.

**Lyle:** I expect to have the outline of a presentation ready in ten days. Can I call you a week from Friday to set up a brief meeting to go over the proposal with you? At that time we'll be able to set a date for the full presentation if you wish to proceed.

**Bell:** I'll look forward to your call.

Following this visit, Campbell and Lyle returned to their office and met again with Tucker. They immediately decided to call Ed Stevens, senior product manager in the head office, to get his support in developing a presentation that would include offering alternative ways of satisfying Bell's expectations. They realized that if a substantial portion of these expectations could be met, they would acquire a significant amount of business, and they would be developing an effective method of selling that could be passed on to the entire sales force. In fact, they were able to come up with such a plan, and at the end of a three-hour-plus presentation to Bell, the five regional managers, and one other executive, Lyle asked Bell what he thought the next step should be. Bell asked how soon they might get together to develop a strategic plan. Over the next 13 months, ExtraBrands sold just under 1,000,000 pounds of coffee to NIB, and the sales force was trained to sell by asking questions to determine customers' needs. Sales in a little over two years went from 300,000 pounds to well over 10 million. The company's market position went from sixth to first, and Lyle was promoted to division manager.

**Questions**

1. What was the significance of the fact that ExtraBrands had been in business for 75 years and was the second biggest food products manufacturer in the world?
2. Why was “sounding like a product brochure” not getting business?
3. List the compliance principles Lyle used.
4. What kind of questions did Lyle ask? Why?
5. What commitment did Lyle get from Bell and how did he get it?

EXAMPLES 1 & 2: SUMMARY

1. Both these examples demonstrate the application of compliance principles and the funnel technique of asking questions. They show how to get the customer to participate in the decision-making process and become involved in a logical argumentation that makes it easy to commit to going to the next reasonable step.

2. Note that in both examples, questions of a non-confrontational nature are asked, and the customer is put at ease by the salesperson's relaxed, friendly approach.

3. In the first example the salesperson completes the sale, while in the second the salesperson gains a commitment to proceed to a full presentation. This latter is a necessary strategy when it is determined that more than one person is involved in the decision-making process.

THE FIRST CONSULTATIVE SALES VISIT

Example

*Typical Script for the First Consultative Sales Visit*

The following is a script that presents a first-visit scenario in a bare-bones fashion. It demonstrates the essential consultative selling process and has been designed as a role-play model. To be able to use this process effectively you must master the funnel technique of questioning, know what you have to sell, and understand how your products and/or services can satisfy your customer's business needs better than anyone else's products and/or services.

Bill is a sales rep for the Canadian Professional Sales Association. The CPSA is an association with over 30,000 members in Canada. It offers seven significant groups of benefits to its national membership. These are savings on travel, vehicle cost, insurance, and communications, plus professional development seminars and courses, a substantial resource centre, and a professional certification designation capability.

Barry is the sales manager of a medium-sized national company that manufactures and sells windows to the home building industry. Bill got this appointment with Barry by suggesting, during a very short telephone call, that he had a solution to the high and rising costs of having salespeople travel extensively that will save Barry's company money, as well as time and effort. The appointment is for 10:00 a.m. and Bill arrives seven minutes early. The receptionist immediately informs Barry that Bill has arrived and she relays to Bill that Barry will be out shortly. At 10:02 a.m. Barry has not appeared. While Bill has allowed a little margin between this and his next appointment, he knows that if Barry keeps him waiting too long, his schedule for the day will be ruined. He smiles and asks the receptionist:

**Bill:** Excuse me, ma'am. May I ask your name?
Receptionist: Marian.

Bill: Hi, Marian, I'm Bill. Marian, I've got a ten o'clock appointment with Barry. Is he usually on time for his appointments?

Marian: Actually, you might be waiting a while.

Bill: Marian, please do me a favour. Would you give Barry a call and ask him if he's going to be much longer? Please tell him I don't wish to sound pushy, but I've got other appointments today and if he can't make it in the next ten minutes I'd appreciate rescheduling to a time that's more convenient for him. [The *Harvard Business Review* has reported that sales reps who display this behaviour are recognized to be highly productive people.] Marian calls Barry.

Marian: Bill, Barry says you can go right in. His office is the second on the left.

Bill: Thanks, Marian.

Bill walks through the doorway and down the hall. As he arrives at Barry's office, he notices a picture on the wall of a man and a woman on skis, standing on what appears to be the summit of a mountain.

Bill: [as he shakes Barry's hand] Good morning, Barry. Thank you for being able to see me. I really appreciate your time. That's a great picture of you skiing. Is that in the Rockies or in Europe?

Barry: It's at Lake Louise. We had our annual sales meeting there last February. The woman in the picture is the president of the company, Michelle Anderson. Do you ski?

Bill: I sure do. Just love it. Where do you usually go?

Barry: We ski as a family at Collingwood on weekends and try to get away for school break. This year we're booked into Mont Tremblant.

Bill: Wow. Have you been there before?

Barry: Yes, but not for about ten years. I understand they've done some really exciting things since then.

Bill: Have they ever! I had a house there for many years before the changes. Last year I went back with one of my sons. It was the first time I'd been back in about ten years. I hardly recognized it. It's wonderful. I envy you.

Barry: We're looking forward to it.

Bill: Barry, on the phone I promised I wouldn't take any more than twenty minutes of your time and I'd be able to show you how to save some selling expenses. As you know, I represent the CPSA. Are you familiar with our association?

Barry: Not really.
Bill: The CPSA has been... [Bill gives a short, concise description of the CPSA’s mission statement, history, and size.]

Barry: You know, I’ve heard of the CPSA, but I didn’t know the association was so big!

Bill: Barry, when we talked on the phone, I said I had a way to save you selling expenses. Before I show you the specifics, I’d like to explain how I like to do business. Is that okay?

Barry: Sure.

Bill: I believe in forming a long-term relationship with our customers. To best serve my customers, I’m dedicated to building a mutually profitable business “partnership” relationship. To do this, I promise to provide you with up-to-date, accurate information, and no matter how much time we spend trying to find solutions to your problems, you shouldn’t feel obligated to buy. In fact, I won’t pressure you to make a decision, nor will I waste your time. To help me accurately assess your needs and bring you real benefits, all I ask is that you participate in the process by answering some questions. Is that okay?

Barry: Go ahead.

Bill: I’d like to ask some questions to get to know your needs better. Do you mind if I take some notes?

Barry: No problem.

Bill: Could you tell me something about how you sell your products?

Barry: Although we do some business with consumers through a small number of dealers, most of our sales are directly to homebuilders. To accomplish that, we employ 25 sales reps and sell and deliver directly to our customers. Our sales reps act as consultants to our customers. They help them design the “right” window treatments for their house plans, considering such things as aesthetics, cost, the customer’s market niche, et cetera. They also help them set up production schedules, after-sales service contracts, and maintenance schedules.

Bill: We’ve just been through a building slump. Did the recession affect your margins like it did everyone else’s?

Barry: Yes, but things have really picked up. It’s not booming like the late eighties, but it’s pretty good. We were really squeezed on prices, and costs kept going up. We’ve all had a lot of pressure to cut costs.

Bill: So managing expenses is very important?

Barry: You bet!

Bill: Doing business from coast to coast with only 25 reps must mean they do quite a bit of travelling. What all does that include?

Barry: They do a lot of driving. Most of the travel involves the use of company vehicles. They average about sixty thousand kilometres a year. In addition, they stay in hotels and dine out.
Bill: That sure is a lot of driving. Who pays the travel expenses, the company or the reps?

Barry: The company pays all reasonable travel expenses.

Bill: May I ask how much that costs per year just for gas?

Barry: Gas bills amount to about $250 per month per rep.

Bill: Right off the top of my head, that amounts to about $3,000 per rep or $75,000 per year?

Barry: That's about right.

Bill: That's a lot of gas. Do you have a fleet discount arrangement?

Barry: Yes, we do. We get two percent off the top from Esso.

Bill: You said your reps stay in hotels. About how many nights do they stay in hotels each year and what would it cost per night on average?

Barry: Hmm. Let me think... There are 12 reps who actually stay out of town about four times a month, and 15 who come to sales meetings six times each year and stay over one night. So that amounts to approximately 650. The average cost would be about $60 after the commercial discount.

Bill: Where do you see this business going in the future?

Barry: Well, we've made a lot of improvements in our ability to deliver a great product consistently, on time, at a reasonable price, so we anticipate a big increase in market share.

Bill: You said you expect to appreciably increase your market share. Will this include increasing the size of the sales force, improving sales force effectiveness, or a combination of both?

Barry: Both.

Bill: Barry, on a scale from one to ten, where would you rate your salespeople on selling-skills knowledge?

Barry: About one-third would be in the seven-to-nine range, one-third in the five-to-seven range, and the rest below five.

Bill: What are the lower two-thirds doing to improve their skills?

Barry: The company has a policy of paying for half the costs of approved courses and seminars upon successful completion. We also have training sessions as part of our sales meetings. I spend quite a lot of time out with reps and they get some training that way.

Bill: Do you use videos, tapes, and other training programs?
Barry: I've used videotapes from time to time, but good ones are tough to find and very expensive to rent or buy.

Bill: Barry, would you mind telling me how your sales force is compensated? I mean, are they paid salary, commission, or a combination of both? And what kind of fringe benefits do they get?

Barry: They are paid enough salary to keep the wolf from the door and get a commission on all sales. It's a sliding scale that rewards more for higher sales, so the good reps make out really well and those who aren't so good earn less. Of course, they want all the fringe benefits, but we just provide the bare essentials. So far it's not a problem, but as the market gets better it may become one, because as more sales jobs become available, some may leave if they get a better offer.

Bill: Let's switch gears a little. How does the purchase decision process work in your company, and who's involved?

Barry: As far as sales force expenses go, I make the decisions based on whether it will help me build sales and if I've got room in my budget.

Bill: Do you belong to any associations now that offer discounts on such things as group insurance, travel expenses, vehicle costs, and that sort of thing?

Barry: We belong to the various builders' associations as associate members. That excludes us from being able to take advantage of some of the benefits members have. We did look at their group insurance, but found no advantage over our present package. Theirs was only basic, too.

Bill: Barry, what do you see as your most important challenges in the future, as sales manager?

Barry: The most immediate is to get costs down in proportion to sales and keep them down. It is also important to continually upgrade the sales force's selling skills and overall effectiveness. Another, I think, is to add new reps and at the same time keep the good ones from going elsewhere. And it's important to do all the things internally that will help get and keep customers.

Bill: What do you mean by "keep the good ones from going elsewhere"?

Barry: Well, as I mentioned, some feel our fringe benefits aren't very good, and they may be tempted to leave for a better package. My boss's attitude is "If that's the way they feel, let them go." But you and I know that attitude will lose good people. Gee, don't ever mention I said that!

Bill: I won't. So there are really five main challenges: cost cutting, skills training, hiring, improving fringe benefits, and increasing sales support. Would you please prioritize them for me? Which is the most important, second most important, et cetera?

Barry: I think they rank just about in the order I stated them. Costs, skills training, hiring, fringe benefits, and sales support.

Bill: Barry, let me go over what a CPSA membership for each of your reps would mean. Costs are everyone's main concern, so let's cover that first. You stated that you get a two percent discount on
$75,000 worth of gas. Your company's discount as a CPSA member would be four percent. That represents a saving of $1,500 over what you're getting now. You further told me that your salespeople stay in hotels about 650 nights each year. CPSA members get an additional discount over the commercial rate, which amounts to at least $10 per night. That would save up to $6,500. Some of the hotels on our list may not be convenient, so let's discount that by about 50 percent and make it $3,250. That means you will save about $4,750 on gas and hotels alone. CPSA memberships cost $105 each the first year including tax, and $80 each following year. That's a total cost of $2,625 the first year and $2,000 per year after that. The company saves $4,750. Where can you invest $2,000 to get over a hundred percent return on your investment every year?

**Barry:** I don't know of anywhere.

**Bill:** Your second concern is upgrading selling skills. Many of our members feel this is the CPSA's most important benefit. We have a lending library that's second to none, as well as ongoing training seminars and courses. You can get every sales-training video, tape, and book you've ever heard of at about one tenth the rental fees you'd pay anywhere else. How much this benefit will save you depends on how many sessions you have, but it can be really significant. The real benefit is being able to get programs you know are good when you want them and at a very reasonable cost. Not only that, but every salesperson can use the library and have tapes of ongoing training programs in their car, so they'll be able to learn as they go. The biggest benefit is that it's a great way to increase sales force effectiveness. I know you'd use this facility. Would many of your reps be interested?

**Barry:** I'm sure most would. Especially if we have discussions about a schedule of programs at our meetings.

**Bill:** Your third challenge is hiring. The CPSA Sales Institute has certified over 300 salespeople over the past two years. They all have a proven professional selling-skills level and are listed on the Internet so our members can check their credentials. This benefits you as the sales manager in two ways. First, when just one of your top sales reps achieves certification, it acts as a signal to all the others. The motivated ones also want to earn their certification. The result is the skill level of the whole sales force increases and sales increase accordingly. Second, when a rep who has the Certified Sales Professional designation applies for a job, you know he or she is qualified. Most of your hiring work has been done. Do you feel you would get value from this benefit?

**Barry:** Yes, I can even see another benefit. Sales reps with the designation will be respected more when the customer sees it on their cards.

**Bill:** You said the fourth challenge is fringe benefits. CPSA has a program that offers extended health and dental coverage as well as income protection insurance at the lowest possible cost. Product choices include comprehensive group medical and dental, extended health care, group life, auto, and home insurance packages. And as an added benefit, CPSA members receive an accidental death benefit up to $25,000 at no cost. The benefit to your company is that you will have a complete low-cost benefits package that is specifically designed for salespeople and second to none. With that in place, it is unlikely that your sales reps will consider going elsewhere for a better fringe-benefit offer. Barry, I can't help you much with the fifth challenge. Except to let you know that the CPSA sponsors many up-to-date sales management programs designed to keep members abreast of all the latest technologies concerning sales. However, I
can help you face the first four challenges by offering real savings and meaningful benefits. Where do you see us going from here?

**Barry:** What has to be done to get started?

**Bill:** If you will give me a list of all your reps and their addresses, I'll take it with me, fill out the forms ready for signature, and put together membership kits. Just let me make out this agreement while you're arranging the list. I'll get the whole package back to you next week. Would next Wednesday morning at ten o'clock be all right?

**Barry:** That'll be great.

Bill did everything correctly. He built rapport, introduced how he liked to do business, made promises to lessen fears people have of salespeople, and got agreement that the customer would participate. He continued by asking open-ended questions followed by clarifying and expanding ones, and listened actively. He summarized the customer's expressed needs and expectations, and clearly showed how the customer would benefit. He offered to do work that would make it easy for the customer to make a commitment. He got the order and set the stage for a long and mutually beneficial business relationship. If he had missed a step or not followed the process well, he may not have been so successful.

**FIRST CONSULTATIVE SALES VISIT EXAMPLE – SUMMARY**

- Thorough preparation is a must. Salespeople who “wing it,” depending only on their ability to tell all about their product or service, are failing because buyers are more aware than ever before and are looking for partners who will “care about” their business.

- Salespeople must be honest and competent, and demonstrate propriety and commonality.

- Generalized personality types include driver, analytical, amiable, and expressive.

- First consultative selling visits are comprised of eight steps:
  1. Building rapport
  2. Introducing the business
  3. Getting a commitment to participate
  4. Asking questions
  5. Summarizing
  6. Prioritizing
  7. Benefit selling
  8. Getting a commitment to go to the next step

- Consultative selling requires that the salesperson possess good listening skills and be very good at using the funnel technique of asking questions.
• Getting a “no” or a “maybe” means the salesperson has not covered one of the five P’s well, has not followed the step-by-step process, has not asked well-phrased questions, or has not built any commonality.

The Funnel Technique of Asking Questions

It has been said many times that to be a great salesperson one must be a great listener. True, but you can listen from here to eternity and never sell anything, unless you ask the right questions in the right order! An effective way to ask a logical sequence of questions is to practice the funnel technique. The sequence is as follows:

1. Open-ended questions, which are designed to promote discussion and get the customer to give his/her values, goals, ideas, beliefs, and feelings. “Please tell me about your company.”

2. Clarifying questions, which seek an explanation of significant points. “I don’t quite understand. Please give me an example.”

3. Expanding questions, which ask for more information. “Please tell me more.”
PERSONALITY TYPES

For many years, psychologists have attempted to categorize people according to their personal characteristics or styles of behaviour. One such characteristic is the speed of a person's movements, speech, or thinking: someone who thinks or speaks quickly likes to be approached at a relatively fast pace; a person who speaks or thinks slowly requires a comparably leisurely approach. People can also be categorized according to whether they take a logical or emotional approach to matters. These two characteristics – speed and logical/emotional orientation – can be graphed to create a matrix of four personality types.

The driver is a relatively fast moving, logical thinker. Drivers need to be approached with the same style they possess themselves, although this cannot be competitive or confrontational, just logical and fast.

The analytical type requires a somewhat more studied approach to matters, where issues are broken down into their logical components and methodically addressed.

An amiable personality type is someone who moves somewhat more slowly; amiable types are more feeling-oriented, and require an appeal to their softer sides.

The expressive type may require a somewhat faster, louder (or more emotional), and communicative relationship.

The Theory of Social Styles

A graphic matrix of two personality dimensions: speed of thinking and logical reasoning.

These categories can be helpful for identifying various customer styles and modifying your own style accordingly. For example, in order to appeal to a driver-type customer, an amiable-type salesperson must overcome his or her natural inclination to a relaxed, feelings-oriented approach. He or she will need to work at being more logical and to the point.

Personal-style categories are helpful in enabling salespeople to assess customers rapidly, adapt to a customer's style, and thereby build rapport. Keep in mind, however, that the categorization process is necessarily oversimplified — after all, human personalities consist of a lot more than two variables. Moreover, it is unfair to label people. So it makes sense to view this model (which we'll call a simplified version of "The Theory of Social Styles") as just a useful tool for making rapid, tentative, "unofficial" assessments of how you can build customer rapport.
COURSE STUDY QUESTIONS:

1. What process or method do salespeople often follow in client meetings?
2. Why do they follow this process or method?
3. Name a defining characteristic of consultative selling.
4. Even though trends have shifted between soft and hard selling over the years, why is it said that consultative selling is here to stay?
5. Are there any sales situations for which the consultative selling technique is not appropriate? Why?
6. Name the four key elements to building rapport with clients.
7. Name six ways to establish commonality at the level of speaking style.
8. Name three ways to establish commonality at the level of thinking style.
9. True or false: the principle of commonality states that when a customer has a big ego, the salesperson should allow his or her ego to shine as well.
10. How is it that building commonality with procrastinating customers may involve making life easy for them?
11. Explain why you should not have to pretend to be friendly.
12. With what internal departments do salespeople often build rapport?
13. Is selling no more than an attempt to get people to do something they don’t need to do?
14. What are the psychological factors that may influence a prospective customer’s buying decision?
15. What techniques can be used to uncover a buyer’s motives?
16. Name two compliance principles and define them.
17. What basic rule should be called upon when employing compliance tactics?
18. This section discussed how we are either born with the tendency to comply or are taught to do so. What role does compliance play for our species?
19. List various means by which salespeople project authority – that is, what can salespeople do to foster the impression that they know what they are doing?
20. Study the box below. In the left-hand column you will find a list of steps in a traditional selling cycle. In the right-hand column you will find a list of the various compliance principles. Draw arrows from the
right-hand column to the left-hand column, showing which compliance principles are used in accomplishing specific steps in the traditional selling model. A principle may be used in more than one stage of the selling cycle.

<table>
<thead>
<tr>
<th>Steps in Traditional Selling Cycle</th>
<th>Compliance Principles</th>
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<tbody>
<tr>
<td>Build trust</td>
<td>Authority</td>
</tr>
<tr>
<td>Ask questions</td>
<td>Reciprocity</td>
</tr>
<tr>
<td>Handle objections</td>
<td>Rapport</td>
</tr>
<tr>
<td>Sell benefits</td>
<td>Reason</td>
</tr>
<tr>
<td>Get a commitment</td>
<td>Efficiency</td>
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<tr>
<td>Follow up</td>
<td>Consistency</td>
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<td></td>
<td>Social Evidence</td>
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<td></td>
<td>Scarcity</td>
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21. State which compliance principle is predominant in each of the following situations.

a) You take a factory expert with you to a meeting with a prospect.

b) You give your customer a refrigerator magnet.

c) You attempt to make your customer service department as effective as possible.

d) You tell a prospect that you have been in this business for 12 years.

e) You promised a customer that you would do something, and you did.

f) You advise a prospect: “Given that your goal is to cut costs, I think it makes sense that you switch to my product; it is the least expensive alternative.”

g) The customer likes to fish, and you mention your own interest in fishing.

h) You notice the customer speaks quickly and you tend to speak slowly, so you speed up.

i) Your friend invites you to her house for a lingerie party with a group of eight others. She starts by serving tea and crumpets.

j) You remind a customer that he said he would be open to sampling one of your products someday, and that, consequently, you brought one with you today.

k) A stereo salesperson says, “This is the one I have at home.”