

10 RESEARCH-BASED



SALES CONCEPTS

*Ideas you can use
to kickstart your
training*

Hi, I'm Steve Meyer of the Rapid Learning Institute.

You've probably had a number of "aha" moments in your career, and in your private life, where you hear an idea and suddenly feel a tremendous sense of urgency to act on that idea. What's interesting about an "aha" is that it's not always a new idea. We may have heard it many times before, but this time it really stuck. More often than not, those sticky "aha" moments are triggered when they come from a source that we see as authoritative and credible.

Primary research provides that authority and credibility.

That's the reason the majority of Quick Take rapid learning modules in the RLI library are based on research into sales psychology, persuasion, communication styles, buying habits, or something else. Our goal is to trigger an "aha," create a sense of urgency to change behavior and drive better results.

This ebook gives sales trainers a valuable coaching tool – ten concepts that can boost sales and improve performance. Grounded in research, each concept takes an insight from sales research, psychology or interpersonal communication and demonstrates how to successfully apply it to sales.

Steve at Training 2014 in San Diego



The Rule of 45



LEARNING CONCEPT #1

Continually follow up on qualified leads for at least a year

WHY?

Prospects often raise their hands **WELL BEFORE** they're ready to buy. Stay on their radar screen; when they're ready, they'll seek you out.



1. The Rule of 45

ABOUT THE RESEARCH:

Conducted by James Obermayer, CEO of the Sales Lead Management Association. Obermayer studied thousands of B2B and consumer leads and found that 45% of them buy from someone within roughly one year. But they don't buy all at once. Surprisingly, Obermayer found that conversions-to-sale were almost evenly distributed throughout the year. If you receive 100 leads at the beginning of the year, about four will convert in January, four in February, four in March, etc.

Obermayer, J. (2007). *Managing sales leads: Turning cold prospects into hot customers*. Independence, KY: Cengage Learning.



1. The Rule of 45

ACTION STEPS

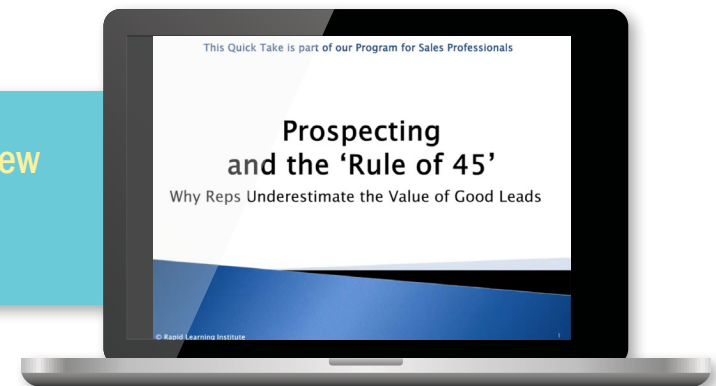
1. Put ticklers in your email calendar to contact good leads every few weeks for a year
2. Leave voicemails or send emails with useful research or competitive intelligence
3. Don't give up on a qualified lead until it's clear they're not going to buy from you

DON'T BE SURPRISED IF...

...you close a January lead in December. You got the sale because you understood The Rule of 45. You stuck around while most of your rivals dropped off the map.



[Click here](#) to watch the Quick Take Rapid Learning Module Preview ***Prospecting and the Rule of 45***



Prospecting: How to Get Buyers to Hear Your Message



LEARNING CONCEPT #2

Avoid language and behavior that could cause prospects to stereotype you as a “typical salesperson.”

WHY?

As soon as buyers conclude that you’re a “typical salesperson,” they literally stop listening to what you have to say. It’s not a question of whether they like or don’t like salespeople; it’s that they jump to conclusions about you and what you’re selling.



2. Prospecting: How to Get Buyers to Hear Your Message

ABOUT THE RESEARCH:

When the brain is busy and overwhelmed, it uses mental shortcuts to relieve the stress. It relies on previously learned patterns, or “schema,” to evaluate a new situation. Time-pressed buyers look for reasons to stereotype you so they can dismiss you and get back to work. They use their schema about salespeople to cut the conversation short.

According to research at Penn State University, once a salesperson fits a schema, buyers stop hearing what the salesperson is saying. They tune you out and hear what they expect to hear from the stereotypes they’ve encountered in the past. Interestingly, it doesn’t matter if the schema is positive or negative – your message still won’t get through once you’ve been “schematized.”

The way to disrupt schema, the study found, is to be unexpected in the delivery of your message. You have to sound unlike the salespeople the buyer has heard before. The research found that even subtle changes to a salesperson’s opening language are enough to disrupt schema and get buyers to pay attention. If buyers can’t categorize or dismiss a salesperson based on a schema, they really listen.

Sujan, M., et al. (1986). *Effects of consumer expectations on information processing in selling encounters*. Journal of Marketing Research, 23, 346-353.



2. Prospecting: How to Get Buyers to Hear Your Message

ACTION STEPS

Say and do the unexpected. For example:

1. Don't make promises of big numbers or returns. Instead, say, "I don't know if I can help, but I'd like to ask a few questions to find out."
2. Don't talk about your product until the customer asks about it (or is obviously ready to learn more).
3. Don't suggest a meeting unless it seems necessary.
4. Don't use a stock greeting. Instead of saying, "How are you today?" (which is what most salespeople say), experiment with unconventional lead-ins such as, "Are you feeling well today?"

DON'T BE SURPRISED IF...

...you start having longer and more productive conversations with potential buyers. When buyers don't hear the typical language, they become open to receiving your message.



[Click here](#) to watch the **Quick Take Rapid Learning Module Preview**
Prospecting – How to Get Buyers to Hear Your Message



Communication: Getting Your Buyer to See the Light



LEARNING CONCEPT #3

If you need to convince buyers that they're wrong about something, the best way to do it is through charts, graphs or other visuals.

WHY DOESN'T IT HAPPEN?

Salespeople love to talk. They perceive themselves as master communicators who are effective at persuading with words.



3. Communication: Getting Your Buyer to See the Light

ABOUT THE RESEARCH:

A study from Dartmouth University presented subjects with factual information that directly contradicted their political beliefs. The researchers deliberately chose topics that were highly emotional (the war in Iraq, unemployment) and tested three ways to get people to change their views:

1. They made the case with words
2. They made the case with words and added flattering language such as “You’re a reasonable person.”
3. They made the case with charts and graphs.

The most effective approach: presenting the information in with visuals. Cognitive research suggests that the human brain has evolved in such a way that it’s more likely to see visuals as “true” and words as, literally, “debatable.” Visuals work best because they’re how the brain prefers to receive information.

Nyhan, Brendan, et al. (2011). *Opening the political mind: The effects of self-affirmation and graphical information on factual misperceptions*. Unpublished manuscript, Dartmouth University.



3. Communication: Getting Your Buyer to See the Light

ACTION STEPS

1. When you run into trouble convincing a customer, create a visual representation of your information
2. Don't try to explain the chart. Use as few words as possible and let the visual do the talking.
3. Don't go out of your way to make the images flashy. They just need to be clear and simple.

DON'T BE SURPRISED IF...

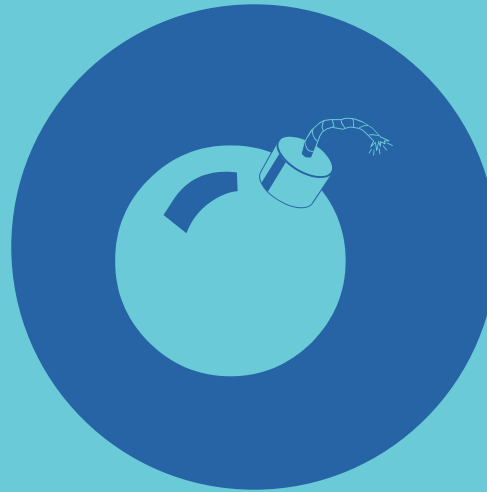
...your customer puts up less of a fight than you expected. Your use of visuals defused the debate and convinced the customer that you were right all along.



[Click here](#) to watch the Quick Take Rapid Learning Module Preview
Communication: Getting Buyers to See the Light



How and When to Disclose Risk to Prospects

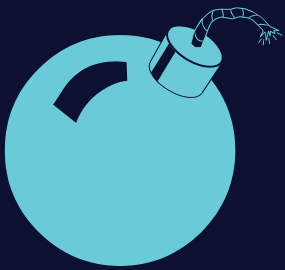


LEARNING CONCEPT #4

Reveal possible risks or downsides to your product or service early in the sales process. That builds trust and helps prevent last-minute surprises that can derail a sale at closing.

WHY DOESN'T IT HAPPEN?

One common reason that salespeople avoid early, candid discussion of risks is because they're afraid the buyer will immediately put on the brakes and they'll lose the sale. Many sellers assume it's better to disclose risks late in the sales process when the buyer is more committed.



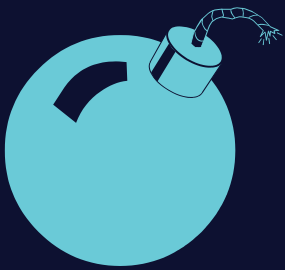
4. How and When to Disclose Risk to Prospects

ABOUT THE RESEARCH:

A team of international researchers found that disclosing risk early establishes trust with customers and can lead to higher sales. The study conducted sales experiments with several products that had health risks, including an artificial sweetener. The subjects were first shown ads for the sweetener – half saw ads containing health warnings; for the other half, the warnings were removed. Then participants were asked if they'd like to order the product; one group was asked to buy immediately (the near-future condition) and the other two weeks later (the distant-future condition).

As you might expect, the health warnings successfully dissuaded those in the near-future group from placing an order. They ordered 94% less than those who didn't see the warnings. However, in the distant-future condition, those who saw the health warnings actually ordered more than those in the group who didn't see the warnings at all – a surprising 265% more. The study concluded that there were two competing emotions for buyers: fear and trust. Fear kept people from buying in the near-future but, given time, the warnings were eventually viewed as a sign of trustworthiness and increased sales. In a transactional sale, where you're trying to get a buyer to buy RIGHT NOW, focusing on risk could hurt you. But in complex sales, the “distant-future condition” will apply, and disclosing risk early will earn your buyers' trust.

Steinhart, Y., et al. (2013). *Warnings of adverse side effects can backfire over time*. *Psychological Science*, 24(9), 1842-1847.



4. How and When to Disclose Risk to Prospects

ACTION STEPS

1. In complex selling, disclose the risks and potential downsides of your product or service (e.g., regulatory implications, software incompatibility, etc.) early on.
2. As issues arise during a long sales process, answer all questions about risk candidly and promptly to ensure the sale doesn't get derailed by surprises at the close.

DON'T BE SURPRISED IF...

...your buyers trust you because you disclosed the risks early on, and by the time you get to closing the risks are considered a non-issue.



[Click here](#) to watch the **Quick Take Rapid Learning Module Preview**
[How and When to Disclose Risk to Prospects](#)



How to Beat Your Toughest Competitor: The Status Quo



LEARNING CONCEPT #5

When buyers are stuck on the status quo option, emphasize only the positive benefits of change (not the negative aspects of the status quo).

WHY DOESN'T IT HAPPEN?

Salespeople often assume buyers will be more likely to change if they're confronted with the risks and dangers of the status quo. Unfortunately, increasing negative emotions makes buyers less likely to switch.



5. How to Beat Your Toughest Competitor: The Status Quo

ABOUT THE RESEARCH:

A study out of the Wharton School at Penn asked subjects to imagine shopping for a car. First, they were assigned a status quo option – a car that they should imagine they decided to buy. Subjects were then given four more options and asked if they'd like to change their mind. The additional car choices presented a variety of trade-offs. These choices were designed to pit two particularly powerful values against each other – the safety of one's family versus the price, or affordability, of the vehicle. These competing values created internal conflict and negative emotions. As a result, the majority of subjects ended up staying with the status quo option – even when it wasn't the best option.

Gourville, J.T. (2006). *Eager sellers, stony buyers*. Harvard Business Review, 99-106.

Luce, M.F. (1998). *Choosing to avoid: Coping with negatively emotion-laden consumer decisions*. Journal of Consumer Research, 24(4), 409-433.



5. How to Beat Your Toughest Competitor: The Status Quo

ACTION STEPS

1. Don't pressure the buyer and trigger negative emotions
2. Instead, attach positive emotions to the change option
3. Make a firm recommendation based on what's best for the buyer – your confidence will rub off

DON'T BE SURPRISED IF...

...your buyer stops hesitating, embraces the idea of change and decides to make a purchase.



[Click here](#) to watch the **Quick Take Rapid Learning Module Preview**
How to Beat Your Toughest Competitor: The Status Quo



How to Win in High-Stakes Sales



LEARNING CONCEPT #6

Assume that buyers in a high-stakes purchase are looking for the *safest* option.

WHY DOESN'T IT HAPPEN?

Salespeople often assume buyers want the “best” option, which is very often not the safest. When the stakes are high, the “best” isn’t a buyer’s number-one concern.



6. How to Win in High-Stakes Sales

ABOUT THE RESEARCH:

Research shows that when buyers are making high-stakes decisions, it comes down to one thing: risk. Sales expert Harry Beckwith calls this The Principle of Looking for Good Enough. Buyers aren't looking for the best option; they're looking for the safest option. They look to minimize their risk to ensure the decision doesn't come back to haunt them. Therefore, don't worry about looking like the best option, as long as you look like an excellent option and a safe choice.

Beckwith, H. (1997). *Selling the Invisible: A Field Guide to Modern Marketing*. New York, NY: Business Plus.



6. How to Win in High-Stakes Sales

ACTION STEPS

1. Build your sales message on being the safe choice
2. Demonstrate that your product/service has a long track record of success
3. Present contingency plans for problems that might come up
4. Help your buyer feel safe by assuring them that you understand their risks

DON'T BE SURPRISED IF...

...you start landing high-stakes sales when you position your product or service as the safe and reliable choice.



[Click here](#) to watch the Quick Take Rapid Learning Module Preview
[How to Win in High-Stakes Sales](#)



Negotiations: Should You Justify Your Price?

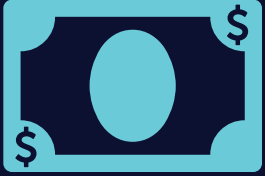


LEARNING CONCEPT #7

In price negotiations, state your price position and shut up.

WHY DOESN'T IT HAPPEN?

Salespeople are often temped to justify their price, giving multiple reasons why the price is right.

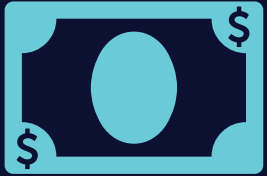


7. Negotiations: Should You Justify Your Price?

ABOUT THE RESEARCH:

Research published in the *Journal of Personality and Social Psychology* says offering a justification during a price negotiation can backfire. The study explored negotiations over the price of an apartment. The first group of subjects was told the rental price and then given justifications for the cost, while the second group was simply given the price. Surprisingly, the second group didn't bargain as hard and agreed to higher rent than the group who were given justifications.

The researchers concluded that the justifications made the buyers feel coerced and backed into a corner. The buyers started looking for flaws in the apartment to take back control of the negotiation. Price justifications may work for very low-stakes purchases. But for bigger decisions they tend to increase pushback and may make it less likely you'll get the price you want.



7. Negotiations: Should You Justify Your Price?

ACTION STEPS

1. If you feel the need to justify your product or service, do it early in the sales process, before you start negotiating price
2. During negotiations, simply state your price and wait for the buyer's response

DON'T BE SURPRISED IF...

...more buyers accept your price instead of haggling.



[Click here](#) to watch the Quick Take Rapid Learning Module Preview
[Negotiations: Should You Justify Your Price?](#)



Negotiation: Offer Buyers Choices, Not Concessions



LEARNING CONCEPT #8

In negotiations, give buyers multiple options that offer relatively similar outcomes for you. In other words, don't give them a "best offer." Give them several "best offers."

WHY DOESN'T IT HAPPEN?

Salespeople often lead with their best offer or present "good, better, best" options to their buyers. These approaches can lead to haggling, leaving money on the table, or making concessions to finalize the deal.



8. Negotiation: Offer Buyers Choices, Not Concessions

ABOUT THE RESEARCH:

A study of negotiation techniques from Northwestern University's Kellogg School of Business illustrates the advantages of Multiple Equivalent Simultaneous Offers (MESOs) – several deals presented at the same time that all deliver essentially the same bottom line. With MESOs, all offers possess roughly the same value at roughly the same price, but each package is structured slightly differently. In the study, the packages were varied through financing plans, levels of service and levels of support.

MESOs make buyers more likely to agree to a deal by giving them more ways to say yes. Researchers found that salespeople who use MESOs close more deals and get better returns. Buyers view the negotiations as flexible even though all of the options cost about the same; they also end up more satisfied with a MESOs negotiation, even if they pay more in the end.

Medvec, V., et al. (2005). *Choice and achievement at the bargaining table: The distributive, integrative, and interpersonal advantages of making multiple equivalent simultaneous offers*. In Proceedings of the 18th Annual Conference for the International Association for Conflict Management (IACM), 12-15.



8. Negotiation: Offer Buyers Choices, Not Concessions

ACTION STEPS

1. Negotiate using MESOs: two to three different packages work best. The financing, services, and levels of support may differ but the value and the cost to the customer remain nearly the same.
2. Allow the buyer time to review the options and decide.

DON'T BE SURPRISED IF...

...after using MESOs, both you and your buyers walk away from negotiations satisfied with the final deal.



[Click here](#) to watch the Quick Take Rapid Learning Module Preview **Negotiation – Offer Buyers Choices, Not Concessions**



Closing: Set Your Buyers Free



LEARNING CONCEPT #9

Tell prospects they have a choice – that they don't have to go with your product.

WHY DOESN'T IT HAPPEN?

Most salespeople want to control the conversation by pushing buyers toward their own product and trying to narrow the buyers' options.



9. Closing: Set Your Buyers Free

ABOUT THE RESEARCH:

A body of international research shows that, when making a request, recognizing the person's freedom of choice greatly increases the likelihood he or she will say yes. This has been proven in a variety of research scenarios, from panhandling to charitable donations to participation in group activities. Adding a simple message such as “but you are free to say yes or no” can boost your sales considerably. Note: the wording can change, but the message must be delivered person to person to be effective. For example, it has no significant effect when it's part of an ad.

Acknowledging the truth about sales – that buyers control their own purchasing decisions – surrenders nothing while making you appear more straightforward and likable to your potential customers.

Carpenter, C.J. (2013). *A meta-analysis of the effectiveness of the “but you are free” compliance-gaining technique*. *Communication Studies*, 64(1), 6-17.



9. Closing: Set Your Buyers Free

ACTION STEPS

1. Clearly state that you recognize the buyer's freedom to say no to your sales proposal
2. Deliver this message personally – face to face, by phone or e-mail. It has to come from you to establish a personal connection and trust

DON'T BE SURPRISED IF...

...this technique results in better relationships with your buyers and an increase in sales.



[Click here](#) to watch the Quick Take Rapid Learning Module Preview
Closing: Set Your Buyers Free



How to Unseat an Entrenched Competitor



LEARNING CONCEPT #10

When trying to unseat a competitor, ease your prospects' fear of change by accentuating the similarities – not the differences – between your product and the competition's.

WHY DOESN'T IT HAPPEN?

To gain an edge, salespeople often assume it's always best to emphasize the differences between their product and the buyer's status quo option.



10. How to Unseat an Entrenched Competitor

ABOUT THE RESEARCH:

According to research published by the *Harvard Business Review*, buyers perceive change as added cost and aggravation. When you emphasize the need to change, you trigger avoidance mechanisms and buyers come up with reasons for not changing (exactly the opposite of what you want).

The study showed that the benefits of change had to be at least three times greater than the cost to motivate buyers to switch. This was demonstrated in a series of studies using products as diverse as lottery tickets and fine wines. The research concluded that to get buyers to switch without demonstrating enormous benefits, sellers must reduce the negatives associated with change.

Gourville, J.T. (2006). *Eager sellers, stony buyers*. Harvard Business Review, 99-106.



10. How to Unseat an Entrenched Competitor

ACTION STEPS

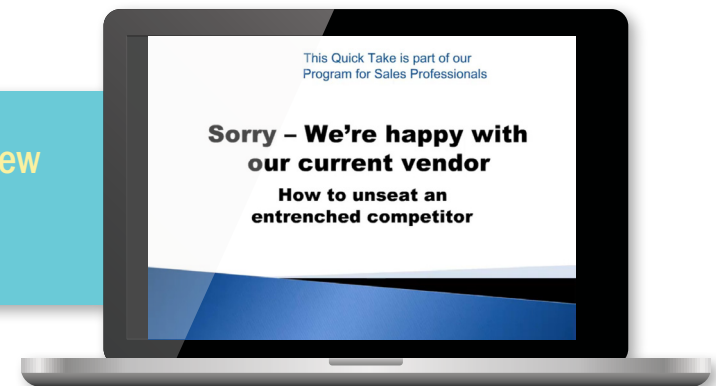
1. Emphasize the similarities to your competitor, not differences
2. Offer one compelling benefit – e.g. lower cost, greater reliability – that will entice your buyer
3. Communicate that changing to your product will be easy and painless – it's the same, only better

DON'T BE SURPRISED IF...

...emphasizing the similarities to your competitor levels the playing field and helps you unseat the competition.



[Click here](#) to watch the Quick Take Rapid Learning Module Preview **How to Unseat an Entrenched Competitor**



About the author



Stephen Meyer is CEO of the Rapid Learning Institute, which provides bite-size e-learning to companies, nonprofits, educational institutions and government agencies. Prior to starting the Rapid Learning Institute and its parent company Business 21 Publishing in 2002, Meyer was the Director of Publishing at The Hay Group, a leading HR, benefits and compensation consulting firm. At RLI he developed the model for six- to 10-minute “Quick Take” rapid learning modules. Meyer received his MBA from The Wharton School at the University of Pennsylvania.

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Rapid Learning Institute (RLI) provides online training and talent development tools for businesses, government agencies, nonprofits and educational institutions in the areas of sales, leadership and management, human resources, employment law compliance, and workplace safety. RLI’s approach is founded on three core principles: 1) Rapid Learning. Workplace training should be delivered in short bursts – just six to

10 minutes at a time. Today’s multi-tasking workforce has neither the time nor the attention span for traditional lengthy training formats. 2) Single-Concept Learning. People learn best when training is focused on a narrow concept where learning goals are clearly defined. When training is delivered in small packets, the brain can easily absorb, remember and apply what it learns. 3) Research-Based Learning. Training is most powerful when it’s grounded in verifiable research. When learners see training as credible, they’re more likely to translate the learning into on-the-job behavior. RLI’s signature six to 10 minute modules, called Quick Takes, incorporate these three ideas into unique training programs that get results.