

A Special Report

7 Strategies For Understanding Your Customer's Buying Process



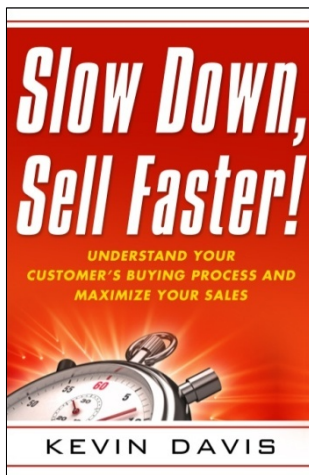
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About the Author



Kevin Davis is president of TopLine Leadership, Inc., a leading sales and sales management training company serving clients from diverse sectors. He is the author of two books on sales effectiveness: "Slow Down, Sell Faster!" (Amacom, January 2011) and "Getting Into Your Customer's Head" (Random House, 1996) Contact him at kevin@toplineleadership.com



Kevin Davis' latest book, *Slow Down, Sell Faster!*

Capsule Description

The speed of selling isn't measured by how fast you reach your close. It depends on how quickly a customer decides to buy. This counterintuitive book shows salespeople how to get customers to buy faster by slowing down the pace of selling.

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7 Strategies for Understanding Your Customer's Buying Process

If you're like most salespeople, the odds are good that you've been taught a lot about your company's preferred sales process and not very much at all about your customers' buying process. If this is true for you, I'll bet you tend to think a lot more about what YOU want to get out every meeting with a customer than what the customer might need... and what action you want your customer to take.

To win more sales, you have to reverse this situation. You need to get into your customer's head and think about what they need in order to make a purchasing decision. Here are seven strategies you can use to become more attuned with your customer's buying process.

Strategy 1: Slow Down!

Chances are that at one time or another during your sales career, you were trained on the **need satisfaction** sales approach. You were taught to understand the prospect's needs by asking a few key questions, then get right into a sales pitch to highlight the aspects of your solution that fulfills the prospect's needs.

Sounds good, right? ... Wrong!

Think of it this way. The only *sure* outcome of this need-satisfaction approach is that you'll take the focus off the customer's problems and put it on your solution. That may sound good, but really what you're doing is taking attention *away* from the customer's needs and issues. And that's *not* good.

Also, when you move into your pitch so early on, the customer thinks they've learned everything there is to know about your capabilities. They're sure you've hit all the high spots, so they will have little reason to ask *you* questions. You've dampened their natural curiosity.

In short, when you start talking about your solution in the first or even second meeting with a customer, you are moving through your **sales process** much faster than the **customer** is moving through their **buying process**. To avoid these problems, you need to **slow down** your sales process.

What does that really mean? Think of it this way: Anyone making a major purchase—including you—goes through predictable stages of first recognizing a need, learning about their options, making the purchase, and ultimately determining the value they got. I divide each of those four phases into two steps, as shown in the figure on the next page.

The Buying Process



If you move through your steps of selling faster than the customer is moving through their steps of buying, you risk alienating the prospect and losing the sale. For example if you launch into a description of your solution's capabilities and features when the customer is still wondering *if* they need to make a change at all, the *benefits* of those capabilities will be totally lost on the customer. And you may end up emphasizing capabilities that the customer later decides they don't want—meaning they will devalue what you've stressed as your differentiators.

Most importantly, you'll finish what *you* came to do and move out of the picture just as the customer is about to start the **most important** steps in their buying process. You'll miss out on the opportunity to help them:

- Prioritize the problem and the urgency for taking action
- Develop criteria for the solution
- Compare you against your competitors
- Overcome their hesitancy to purchase anything

Slowing down means spending more quality time with a prospect and building a better relationship. Slowing down also means matching your selling process with the customer buying behavior. You want to...

- Ask questions that challenge the customer's thinking. Get them talking about *all* of their needs that you can help meet, and the full impact of those needs. When customers realize that the impact of the problem (or the size of the opportunity) is much bigger than they initially realized, they'll put a higher value on your solution—and feel much more urgency to take action sooner rather than later.

- Architect the opportunity — shape how the customer defines their ideal solution and how they view your offering against your competitors. That’s how you can increase your win rates.

Strategy 2: Diagnose deeper needs and create a bigger perception of value

What are the most common objections that you hear from prospects and customers? Chances are, they are what I call “value objections.” Objections like, “I can’t afford it”, “it’s not a priority” or “it’s not in our budget”... We have bigger problems... We’re doing OK with what we have...

The absolute worst value objection is actually an unspoken one – it occurs when you have a decent initial meeting but then nothing happens thereafter, and you are unable to re-establish contact. Sound familiar?

With objections like this, the customer is telling you that their need is not big enough to justify making a change... in other words, the VALUE they PERCEIVE that you offer isn’t big enough to offset what it would take to implement something new.

And let’s face it, the # 1 competitor you have today isn’t another company. **It’s the customer’s decision to do nothing**, to make no change at all. To win against this most difficult of all competitors you must identify more customer problems and needs, understand why those needs exist, and probe the ripple effects and costs of those problems on the customer’s business.

That means you can’t stop with talking about only the first need you discuss with a prospective client. While that is the issue and/or need of greatest concern for the prospect at that time, for all you know, the first need they mention may be something identified by one of your competitors in a meeting the day before! By failing to probe for the second need, you may be allowing your competitor to define your customer’s vision of a solution.

Clients usually have more than one need, and the second need is almost always less developed and less explicit than the first need. Same goes for the third and fourth needs. Exposing these additional needs and underlying root causes of problems will be critical for developing a solution that the client perceives as superior to all other options.

The customer will be more likely to buy if you **widen this gap** between where the customer thinks they are now and where they *could* be. The wider the gap, the bigger the value they will perceive in taking action. To do this:

- Probe each need the customer talks about in more depth. Too often, we as salespeople take the first need the customer talks about for granted. We don’t understand why it exists, its ripple effects, or what the customer has done in the past to try to solve it. Without that information, we will never fully understand **the value to the customer of solving this need.**

- Identify additional problems or needs the customer hadn't previously considered. The first need you discuss with the customer is the need they understand the most. By identifying a 2nd need – and then a 3rd need - you are defining yourself as a true consultant.

Strategy 3: Address both types of customer needs

Recent studies by several leading think tanks have concluded that with all the information now available to customers via the web, between 50-70% of the buying process is occurring before the customer agrees to meet with a salesperson. But just because the customer thinks they are far along in the buying process doesn't mean that they really are.

There are two completely different types of customer needs that every salesperson should know about. The 1st type of need is what I call the "Why change?" needs. These are the reasons why it's in the customer's best interest to take action.

The 2nd type of customer need revolves around what requirements a solution should have—its features and capabilities—in order to solve the identified problem. These needs are sometimes referred to as **solution requirements**.

A common mistake salespeople make is to not dig deep enough into both sets of customer needs. They hear about all the problems a customer has—the issues that give the salesperson fodder to make a compelling argument around "why change now"—and stop there. You can improve your odds of making the sale if your proposal or presentation covers both types of needs: the reasons why the customer will be better off if they make a change *and* the specifics around the requirements the solution must meet.

Strategy 4: "Plant seeds" for your differentiators

Pam worked for an office supply company and learned that one of her sales reps was about to present a quote for 600 computer monitors to a healthcare company with 20 locations. The quote included just a 3% markup—a very low profit margin in this business. When Pam looked at the RFP, she could tell the prospect was shopping around based on price alone, and she suspected they had not thought through all their needs. Rather than let the sales rep respond to the RFP, Pam convinced the customer to agree to a meeting.

During the meeting, Pam confirmed the number and type of monitors the customer wanted, then began asking questions about all the logistics associated with getting rid of the old monitors and installing the new one. She asked questions about...

- The storage of the new monitors prior to installation
- The time and effort needed to install the new monitors, including travel to all 20 locations
- Who had responsibility for correct installation and post-installation support

- How they were going to dispose of the old monitors and packing materials, and whether the process was eco-friendly

It quickly became apparent to both Pam and the customer that the customer hadn't thought through all of these logistics—which represented additional costs the company would incur.

Pam knew, of course, that her company had unique capabilities that the customer could benefit from—such as a local storage location, knowledgeable staff who could handle installation, transportation services, and an eco-friendly recycling program.

But Pam didn't just launch into a pitch about her company's unique capabilities. Instead, she asked questions that **planted seeds in her customer's mind**—questions tied to her differentiators that helped the customer to recognize that there were issues and needs they had not previously considered.

Along the way, the customer also realized that having a vendor who could save them the time, cost, and hassle with the logistics would provide a lot more value to his company than one that only sold them the monitors. The customer scrapped his plan of waiting for bids from 6 or 7 vendors based on price alone!

Pam did her job very well. She not only helped her customer to clarify and expand his criteria for a solution, but also create a vision for a solution that slanted the odds in her favor. Eventually, she won the sale at an 8% margin, almost 3 times what the original sales rep was prepared to offer. And the customer made a better decision!

Strategy 5: Be sure you are providing a solution

Many salespeople have the mindset that they are “solutions providers.” But you can't tell it by looking at their sales proposals or presentations or the pitches they make over the phone. Most proposals and pitches are very detailed in describing the seller's product or service, but very light in terms of describing the *customer problem* that the “solution” is trying to solve!

To stand out from your competitors, fill that gap. When a customer tells you they have a need, understand as much as you possibly can about that need. Provide clear descriptions of the problems, challenges, or opportunities you've uncovered (using the customer's language). Then make sure that you link the differentiating capabilities of your solution to the specific needs of that customer, so they will clearly see how your offering will solve their priority problems.

Strategy 6: Deal with more than one decision maker

Few major purchasing decisions today are made by just one person. But too often, salespeople deal with only one person in the customer firm. They have a great meeting with their first contact, come away full of confidence, and thereafter continue to groom only that one contact. The sale falls through, and the salesperson is never sure why.

Here's the explanation: If there is more than one person involved in making the purchasing decision—which is likely!—the odds are good that these people will be at different steps of buying at any given point in time. By tailoring all your conversations and proposals to one person, you are ignoring the needs of the other people involved.

Whenever you get involved in a sale, work to identify *all* the people who will have a say in the final decision. Meet with as many of them as possible, and make sure you address all their needs/concerns.

For example, a decision maker who is just starting to recognize a problem and its seriousness will appreciate your help in diagnosing the need. But a decision maker who is further along, perhaps already thinking about what they want in a solution, will want you to talk about the functional requirements and capabilities they are interested in. A decision maker who is comparing alternative solution providers needs proof that you're the best choice. And so on. Work with your contact to determine where each buyer is in the buying process.

In any sale where more than one decision maker is involved, your single most powerful weapon is going to be information. In these situations, you can't possibly have a full arsenal if you only contact one person. You need to get to the second decision maker *as quickly as possible* in the buying process—and then get to the third and fourth and fifth.... When you know all the players and what is important to each one, you can describe your solution in ways that are more persuasive to each decision maker.

Strategy 7: Get better at selling value

A prospect who sells industrial products to power plants recently told me that his sales people were really good at selling features and benefits, but not so good at selling value. So, when a sales manager urges a salesperson to “sell value, not price” what does he or she really mean?

The value of what you sell is determined by each customer and their business needs, not by your company's sales person. So, your value will change from one customer to the next – depending on the perceived significance of the need(s) by the customer.

Value not understood by the customer is not paid for. A salesperson's job, through effective questioning skills, is to identify and develop customer needs – so as to create greater value inside the customer's head. When a customer doesn't appreciate the value your products or services provide, they will quite logically default to price. Or worse, they will just go away.

The decision-maker that your salespeople are calling on can be a crucial factor in selling value. Often, salespeople will choose the path of least resistance. **The critical question here is: Which decision maker is most adversely affected by not having the benefits of our/your solution?**

In the case of the industrial products company, salespeople were calling on facilities maintenance personnel and support people—the cost-conscious support personnel responsible for fixing existing problems and maintaining operational efficiency. But the value of my prospect's product was not best recognized, nor appreciated, by

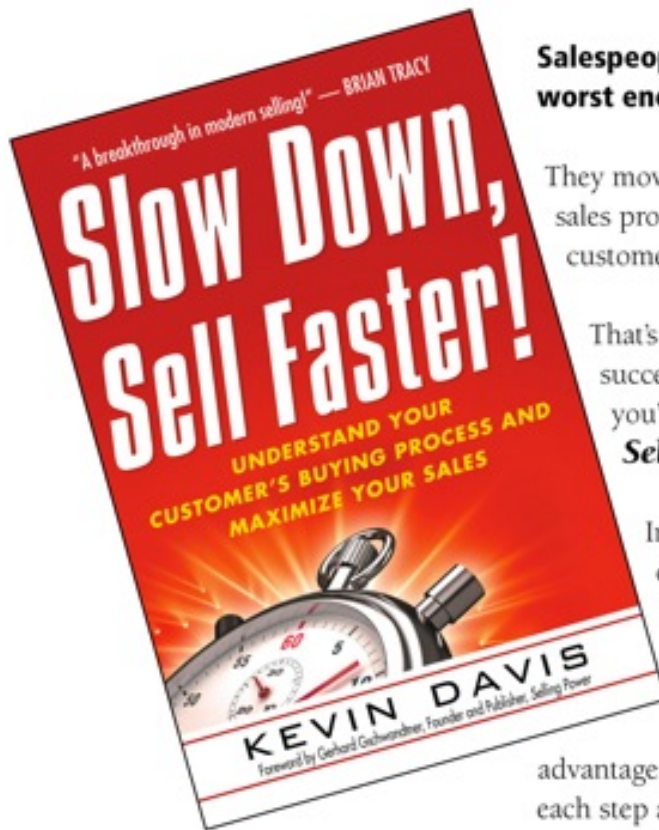
maintenance personnel. The industrial products company's product makes all the other products in the manufacturing process perform at a higher production level. And these concerns – overall production and output – were primary in the mind of the production manager, not maintenance personnel.

“Sell value, not price” means selling to the right decision-makers, decision-makers who value your product or service.

Conclusion

Knowing how to get into your customer's head and understand their needs at each step of their buying process is a critical skill for you. If *you* take the time to slow down, ask more effective questions focused on the buying process, your customers will end up buying faster. Plus you'll have a much stronger relationship with your customers.

And the good news is that your competitors are likely still focused more on themselves than their customer. This can work to your advantage! By slowing down and getting in sync with your customer, you will turn *how you sell* into a competitive advantage. My advice to you ... *slow down* ... and you will *sell faster*.



Salespeople are often their own worst enemy.

They move too quickly through their sales process, disconnected from the customer's buying process.

That's why the secret to sales success today is counterintuitive: you've got to **Slow Down** to **Sell Faster!**

In this new book from sales expert Kevin Davis, you'll learn how to match the pace of your selling to the pace of your customer's buying process—and gain advantage over your competitors at each step along the way.

We've used the flexibility of the program to train the majority of our sales force on this powerful methodology. We've measured outstanding results.

Dan Cooper, Executive VP
Xerox Global Imaging Systems

Download Chapter 1 today at SlowDownSellFaster.com.

TopLine
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Attend one of Kevin Davis's Sales Management Leadership workshops— a program for sales managers on how to develop an elite high-performance sales team! Go to TopLineLeadership.com for details and to download a **free** whitepaper, **"Overcoming the 10 Biggest Mistakes Sales Managers Make."**