

BMKT 114 Psychology of Selling

Course Schedule



Week 1:
Units 1 - 3

UNIT 1

Course Materials

- Establishing Trust

Assignment

Think about questions a prospect may have about your *common* interests, your *credibility*, *professionalism*, and *positive intent*. Establishing trust on your first call is important. To make this process easier, preparing and addressing questions a prospect may have on your first call will help him/her trust you sooner. Often a potential prospect will not ask you the questions they need answered to trust, they simply wait until they are proven.

Write two questions a prospect may have about your propriety, commonality, competence, and positive intent. You can use any sales profession you wish if it helps you think of the questions you would need to answer.

UNIT 2

Course Materials

- The Discovery Process

Assignment

For each of the products/features listed below, identify one rational reason and one emotional reason for buying. Be specific. (Do NOT simply put “more power/less effort” – describe the motive in detail).

Product/Feature	Rational	Personal
Life Insurance		
A Dozen Roses		
Michelin Tires		
Home Alarm System		
Handheld GPS Navigation System		
Radio Advertisement		
Antique Phonograph		
Pet Dog		
Automatic Thermostat		
Online Educational Course in Selling		



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UNIT 3

Course Materials

- Problem Analysis

Assignment

Read the following information and complete. Provide as much relevant detail as possible.

A businesswoman talking with a representative of a bank other than her own said that she likes her bank to be convenient and handy to her place of business. She wants it to be safe and reliable, but she believes all banks are. She likes her present bank because the people are very cordial and willing to listen. They treat her as an important client and she can see the top people to get things done. And that's important because she is in the process of expanding her business. They were very helpful with her capital improvement loans. The business itself is doing well. Too well, in fact, because she feels loaded down with purchasing and paperwork. She works overtime trying to keep track of who she owes, and who owes her. This means bills get out late, and that puts her even further behind in collecting the cash she needs to operate. And the overtime is keeping her from delivering the service she feels is important. She worries about growing too fast and having the whole thing from getting out of control.

How would you analyze this buyer's problem?		
Question	Task	Personal
What has she got?		
What does she want?		

In talking with a local homeowner, a garden tools salesman found out the prospect owns 3 acres of lawn, does all of his own maintenance, and sometimes his 14 year old son helps out. He is looking to replace his current lawn tractor with a new one. He typically trades up every three years. His current lawn tractor is a John Deer that his brother in law sells, but the problem is it requires considerable time to make adjustments to accommodate his lawn in hilly areas. The tractor he is now looking at is a Kubota that adjusts much more quickly saving valuable time. The real problem is his brother-in-law would be upset if he didn't buy his new tractor from him.

How would you analyze this buyer's problem?		
Question	Task	Personal
What has he got?		

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	<table border="1" style="width: 100%;"> <tr> <td style="width: 33%;">What does he want?</td> <td style="width: 33%;"></td> <td style="width: 33%;"></td> </tr> </table> <p>The prospect is a physician who currently utilizes a pager to get important messages from the hospital and his patients. The prospect prefers a pager because it allows him the ability to return calls at his discretion without interrupting a patient he may be currently evaluating. He has considered a cell phone, as finding a phone to return emergency calls is difficult if he is traveling between hospitals. Unfortunately, the hospitals use pagers as their primary contact method for all medical staff. In order to realize the benefits of a cell phone, he would have to carry both a phone and his pager. That way he can prioritize whom to call back and when. He feels if he uses his cell phone exclusively, he would be answering both emergency and non-emergency calls that would take up all of his time. He also thinks the additional cost vs. a pager would not justify the inconvenience. He sees the potential benefits, but values the ability to prioritize his own time.</p> <table border="1" style="width: 100%;"> <tr> <td colspan="3">How would you analyze this prospect's problem?</td> </tr> <tr> <td style="width: 33%;">Question</td> <td style="width: 33%;">Task</td> <td style="width: 33%;">Personal</td> </tr> <tr> <td>What has he got?</td> <td></td> <td></td> </tr> <tr> <td>What does he want?</td> <td></td> <td></td> </tr> </table>	What does he want?			How would you analyze this prospect's problem?			Question	Task	Personal	What has he got?			What does he want?		
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<p>Week 2: Units 4 & 5</p>	<p>UNIT 4</p> <p>Course Materials</p> <ul style="list-style-type: none"> ■ Discovery Agreement <p>Assignment</p> <p>Read through the following case studies. Provide a written list of questions you would ask the prospect to discover their needs. (What they <i>have</i> and what they <i>want</i>) Be sure to be complete. After making your list of questions, answer them in your head and see if the answers provided would provide sufficient detail to allow for a complete solution. Be specific with your questions and assume your potential prospect does not possess significant knowledge about the product. Do not sell, or provide written answers to the questions. Although you do not need to <i>separate</i> "<u>fact finding</u>" questions (questions that solicit information about what they "have") and "<u>feeling-finding</u>" questions (questions that solicit information about what they "want") ~ be sure you ask both types to get the information necessary to identify the problem, want or desire. Remember, a problem is defined by the difference between what a prospect <i>has</i> and what a person <i>wants</i>. That difference being the problem.</p> <p>I am aware that each of you may not have the same knowledge about each product being used in the following examples. Do not let that discourage you from doing some research</p>															



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if necessary. Put yourself in the position of the buyer ~ that will assist you in determining what needs to be discovered.

Instructions: This case study is repeated twice. The first part requires that you make a list of relevant questions to determine the emotional and rational reasons this specific client(s) possess. The second run through of these case studies provide the information you would have likely received if you asked appropriate questions. Here, you write a complete discovery agreement. Remember the two components. 1. A review of the relevant information related to the prospect's problem. 2. A request for agreement.

Case 1

Assume you are a sales representative for a national cell phone company. A new prospect, who has never owned a cell phone before has come into your store. She has expressed some doubt that she would really use the phone since she has done just fine without one. She feels that since everyone she knows owns one, and they claim they can't live without one, she should consider obtaining one .

Make a list of questions, you would ask as a salesperson to determine her needs. Use some questions that also educate. An example of this would be: "Many of our phones offer a feature that allow you to check your email from anywhere, do you think you would use such a service?" This type of question explains a feature, that this prospect likely doesn't know exists, and determines interest. Please don't make all of your questions like this as basic information needs to be sought first.

Case 2

Assume you are an advertising representative for a local television station. A young entrepreneur has just opened up his first business. The business is a restaurant that specializes in Mediterranean cuisine. He is a great cook, has management experience, yet lacks in the marketing skills required to let the public know he exists.

List the questions you might ask of him to determine whether or not he would have a need for your advertising services. Be sure you include both *fact-finding* and *feeling-finding* questions.

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Discovery Agreements

Review Unit 4 if necessary. The *discovery agreement* is made up of two separate components. 1. A replay of the information discovered relevant to the problem, and 2. A request for agreement.

Original information provided in your assignment from Unit 4 is included below ~ assume the information discovered is as follows. Using this "discovered" information, write a complete discovery agreement. Write it in narrative form as if you were speaking to the client.

Case 1:

Assume you are a sales representative for a national cell phone company. A new prospect, who has never owned a cell phone before has come into your store. She has expressed some doubt that she would really use the phone since she has done just fine without one. She feels that since everyone she knows owns one, and they claim they can't live without one, she should consider obtaining one .

Based upon the information discovered, the prospect is a young mother of 2 children, one boy age 3, one girl age 8 months. She works 3 days per week from 12:00pm until 9:00pm at night. She is married, attends college part time and loves eBay. She has used a beeper in the past and believes that a pay phone is available whenever she needs to call home. Her children are not in school yet, but attend daycare while at work. Her husband works fulltime as an accountant. She feels a cell phone may be helpful, yet not required. She thinks access to the internet via a cell phone would be great when bidding on eBay, but again, a luxury, not a necessity.

Write a complete discovery agreement. (Do Not Sell - replay the information without judgment and be sure to request agreement)

Case 2:

Assume you are an advertising representative for a local television station. A young entrepreneur has just opened up his first business. The business is a restaurant that specializes in Mediterranean cuisine. He is a great cook, has management experience, yet lacks in the marketing skills required to let the public know he exists.

After asking your probing questions, the young entrepreneur believes that word of mouth is the best form of advertising. He is confident his cooking ability and unique recipes will have the clientele backed up down the block within weeks. There is little competition

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specializing in Mediterranean cuisine, so he feels success is certain. He believes that advertising expenses are an unnecessary use of funds at a time when the business is just starting out. After all, he has many friends and a large family.

Write a complete discovery agreement. (Do Not Sell - replay the information without judgment and be sure to request agreement)

UNIT 5

Course Materials

- The Discovery Process

Assignment

In Unit 5 we discussed the fact that people don't buy features, they buy benefits. List a common benefit for each feature listed below. It is possible that there are many distinctly different benefits for each feature. List one major benefit for each feature.

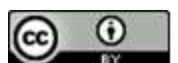
Feature	Benefit
Automatic coffee maker with built-in timer	
Heads up display (on the windshield of a motor vehicle)	
Handheld GPS unit	
Life Insurance Policy	
Ambien Sleep Aid	
Night Vision Binoculars	
Home Alarm System	

**Week 3:
Unit 6**

UNIT 6

Course Materials

We have now progressed through the major components of facilitating the early sales process. We have established trust (Commonality, Competence, Propriety and Positive Intent), identified buying motives (Personal and Task), established a strategic questioning strategy to identify problems (Problem Analysis), completed a *discovery agreement* to be certain we understand our prospects' position, and finally presented our solutions by emphasizing benefits (rather than simply using features).



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At this point, it is helpful to obtain information from industry professionals. This will be accomplished by completing this week's assignment. (See Assignment - Unit 6)

Completing this interview assignment is only a part of the process. All reports will be shared among the class. After hearing each participant's feedback, you will have gained a greater appreciating and understanding of the sales profession.

Please proceed to the assignment section of Moodle.

Assignment

Interview Lab

Objective: Students will interview and share information from local sales professionals.
Process: Seek and contact a professional salesperson who is willing to participate in this interview.

Qualifications: The person you interview must meet the following criteria:

1. 50% or more of their income must be commission based
2. They must engage in direct sales

What does NOT qualify:

1. Be an employee of a chain store and/or
2. Work for a box store (Wal-Mart, Target, etc...)
3. Be a clear or involved in exclusively customer service.

Example:

Examples of qualifying sales professionals include – Car Sales, RV Sales, Advertising, Real Estate, Direct Sales Reps, Qualifying Business Owners.

Although customer service representatives are important in the sales process, this assignment is designed to solicit information from sales professionals who cultivate their own customers, work primarily on commission, and are not simply cashiers.

DO NOT: hand this questionnaire to the person you are interviewing and ask them to fill it out, or answer the questions. You MUST personally interview them. You are not just answering questions, you are interpreting their body language and nonverbal responses to your inquires.

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	<p>Obtain the answers to the following questions. Please expand on the information requested and do not limit your interview exclusively to these questions. Do not skip any information requested, and do not assume these answers.</p> <p>Name of Sales Person: Type of Business: Years in Business:</p> <ol style="list-style-type: none"> 1. What is the most difficult part of your job? 2. What is the most rewarding part of your job? 3. What are the common misconceptions that new salespeople have about the sales profession? 4. What are the characteristics and attributes that would make a successful sales professional? 5. Describe the worst story/experience you have had in your sales career? 6. Describe the best story/experience you have had in your sales career? 7. Describe your worst client? 8. Describe your best client? 9. How do you handle rejection? 10. How do you cultivate new clients? 11. How many contacts do you usually make with a new client prior to your first sale? 12. Who is your mentor, and why? 13. How is your sales style unique to anyone else? 14. What is your basic sales philosophy? 15. What “words of wisdom” would you give to new sales professionals?
<p>Week 4: Unit 7 & 8</p>	<p>UNIT 7 Course Materials</p> <ul style="list-style-type: none"> ■ Supporting the Buying Decision <p>Assignment Anticipating/Handling Objections:</p> <ul style="list-style-type: none"> ● See FLIR and OnStar Assignment Handouts <p>UNIT 8 Course Materials</p>



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- Full Circle

Assignment

Scenario 1:

You work for a nationwide automotive service shop. You sell everything from tires to batteries and everything in between. You also provide installation and repair services. Your district manager has recently made a store visit and noted that your sales of brakes and mufflers are below store averages. To increase sales, the district manager implemented a new bonus system where sales associates receive a \$25.00 cash bonus for each brake job they sell, and a \$15.00 cash bonus for every muffler system they install. Due to this new incentive, brake jobs and muffler installations have increased 4 fold. Female customers represent a majority of the sales.

- What are the possible ethical considerations?
- Do you believe these programs should be legal?
- If you were one of the sales associates in this situation, what would you do?

Scenario 2:

You work for a local new car dealer selling used cars. You have a customer interested in one of your minivans, a 2006 Toyota Previa. You have agreed on a price that includes a substantial profit of \$3,300.00. When the vehicle was traded in, you overheard that the vehicle was in a flood. The vehicle was repaired and did not receive a "salvaged" title designation. While completing the paperwork with your customers, you discover they are old childhood friends of your spouse.

- What are the ethical considerations?
- If you were the salesperson, what would you do?
- Do you believe the rule of "buyer beware" applies to all sales?
- Would you disclose the information you possess prior to the sale?

Scenario 3:

You sell boats for the local Cobalt dealership. You know the markup of a specific model is \$6,600.00 over dealer cost. You just sold a unit for \$2,200.00 over cost, which is typical. This profit covers dealer overhead and sales costs. Your manager just ran an ad in the local newspaper that promises the same model, "\$50.00 over cost." You know that the full price listed for this promotion is actually \$3,600.00 over dealer cost, not \$50.00 as it implies. "Cost" in your managers mind includes overhead and his Mercedes Benz

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	<p>payments. A customer walks in and asks if the ad is truthful. You believe he will buy if you say yes, however, you know it's a bit more complicated than that.</p> <ul style="list-style-type: none"> • What would you do in this situation? • If the money to be made is good, would you work for a company with practices like this? • Do you feel being truthful puts a salesperson at a distinct disadvantage? • If everyone is using these deceptive practices in the sales world, does it make it more acceptable? <p>Scenario 4: You work as a sales associate for a successful funeral home. A very emotional upset woman enters your showroom, highly suggestible since her long time husband just died suddenly. She has 4 kids, and will receive the benefits of a decent life insurance policy. She has never had experience with funeral homes in the past, and wants to show her husband how much he meant to her.</p> <ul style="list-style-type: none"> • What would you do? Sell the highest priced products? Show her the entire range of products and prices? Or shoot for the mid-range? • Will you tell her that the burl wood says "I Love You" more than less expensive models? After all, \$25,000 increase in profits never hurt anyone! • Would you education her and explain all her possible options, recommending that she consults with her children prior to making any decisions. • What other ethical considerations apply to this case?
<p>Week 5: Unit 9 and Final Case Study</p>	<p>UNIT 9 Course Materials</p> <ul style="list-style-type: none"> ■ Operation/Financial Justification (Techniques: Pay-for-itself/R.O.I) <p>Assignment Final Case Study See final Case study hand out.</p> <p>Complete the final case study using the content learned through this course and assignments. The objective here is to apply the content learned within the course and demonstrate it in this case study. (Be complete!)</p>