

THE CUSTOMER WHISPERER | BY GREG BILLINGS

Presentation: Part 3

This may come as a shock: People are basically lazy. And we're especially lazy when it comes to making decisions. We may gather information, consider options and apply logic, but when it's time to make hard decisions, we shut down. The customer whisperer understands the best way to guide clients to a purchasing decision successfully is to make the choice easy — irresistibly easy.

Too often, we establish our expertise with a good pitch, ignite emotions with a clever demo, turn features into benefits and present three great options, only to have our clients tell us they're confused when we try to close the sale. It's frustrating. If we've done a proper pitch and demo, our clients shouldn't be "confused." They should be enlightened and excited. Their fundamental needs and desires haven't changed in the last half hour, have they? So why can't they pull the trigger?

Clients tell us they're confused because what started out as a simple desire to satisfy an urge has become an arduous decision-making task. It's not fun any more. The customer whisperer rarely encounters this problem because he has learned how to present easy choices.

PREDICTING THE IRRATIONAL DECISION-MAKER

In his book, *Predictably Irrational*, MIT behavioral economist Dan Ariely explores how people make purchasing decisions. Here's his premise.

Contrary to conventional wisdom, we *do not* typically choose between alternatives rationally. However, the patterns of our irrationality can be predicted scientifically. If you've ever suspected that the big-box retailers know something about pricing and

selection you don't know, you're right! They do. There's a science to this, and Ariely offers it up for us on a silver platter.

Through a series of simple experiments, he demonstrates how people naturally gravitate toward an easier decision, even if it's not the best decision. He proves what many salespeople have learned through hard experience. The easier the decision, the more likely the customer is to make it.

I highly recommend Ariely's book, but for readers looking for a quick take, here's a glimpse into what his research reveals. Since we are psycho-

+ CUSTOMER WHISPERER:

A calm/assertive sales associate who gently turns prospects into customers.

logically hard-wired to choose by comparing rather than by reasoning, clients are most comfortable deciding between two alternatives. But, their intellect tells them they need three options (e.g. good, better, best). Fortunately, we know they instinctively lean toward the middle option — just as a pilot is happiest landing a plane on a runway between two rows of landing lights.

USE A DECOY

The choice between A, B and C can be tough. The customer whisperer has to figure out how to make the choice easy. The quickest way to simplify the process is to provide a disposable option: a decoy.

Here is a simple example from our friendly service station, illustrating how the theory applies. Consider these options:

- Oil change, \$29.95
- Tire rotation, \$9.95

This choice has many vari-



Prevent confusion on the sales floor by making choices as easy — and limited — as possible

ables: need, price and perceived value. It's going to take serious consideration, and it's easy to decide to do nothing.

Let's see how adding just one item can make the choice easier.

A. Oil change and tire rotation, \$29.95

- A-. Oil change, \$29.95
- B. Tire rotation, \$9.95

In this example, option A- is a *decoy* to enhance the value of option A. The decoy exists because it's easy to discard, leaving a simple and obvious choice: Do I want a free tire rotation with my oil change? It's an irresistibly easy decision. (Why would the service station want to give away tire rotations? Well, what is the cost of goods sold of a tire rotation; what is the likelihood of selling tires when you have the wheels off the car; and what is the gross profit on a \$29.95 oil change?)

Here is how it might work in a music store. Let's consider two slightly different sets of options for a prospective guitarist.

Set 1

- Major-brand electric guitar, \$899
- Store-brand electric guitar with gold hardware, \$495
- Store-brand electric guitar, \$395

Set 1 is difficult, and it has many variables — brand, quality, features, price and even the last digit of the price.

Set 2

- Major-brand electric guitar, \$899
- Store-brand electric guitar with gold hardware, \$495
- B-. Store-brand electric guitar (decoy), \$495

The second set is a simple choice. Almost all the variables are different on option A, but there's only one difference in the remaining two options. It's easy to pick the one with more features when both are the same price. (Even if we don't need or want the added features.)

The choice was made easier by increasing the price of option B-. And remember, if our guitarist doesn't pick

the middle option, he is most likely to choose up.

No product is inherently a decoy. It's only a decoy relative to other choices. That pink Fender Strat you bought by mistake might be a decoy if you're trying to sell a sunburst Gibson Les Paul, or it might be the A- option if you're try-

ing to sell a black Strat. Just be sure they're the same price. The decoy might be the A option if your client wants a pink guitar.

Ariely also explores the impact of free stuff and proves it is even more powerful than we have imagined when used properly — but that's a whole other article.

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PUT IT IN WRITING

Applying the fundamentals of behavioral economics on the sales floor can be challenging, but it's certainly worth the effort. Forethought and planning are required.

First, we have to determine which specific products will be most appealing to our clients and most profitable for our store. Then we have to construct a price structure that's easy for our clients to understand. Finally, we have to present choices that are irresistibly easy to make.

Finding the most popular and profitable items should be the easy part. Pricing strategy is also pretty easy. We need lots of items priced the same and a few decoys. If two items are the same price and one is preferable, the customer's decision becomes very easy. This strategy can often be implemented by simply raising the price of the decoy.

Presenting easy choices in

real time is tricky. The customer whisperer has to be prepared and focused if he's going to help his client make a selection and send him home to enjoy his new purchase. Showing good, better and best instruments will direct a client's attention to a likely choice. All the customer whisperer has to do is ask, "Is this the one you like the best?" If it is, but he can't close the sale immediately, he can seize the moment and present options that make this instrument appear to be the logical choice, which, of course, it is.

For example, if the client likes a 5-foot baby grand piano in polish ebony for \$12,995, the customer whisperer might briefly show the same piano in satin ebony, also \$12,995, on his way to a 5-foot, 1-inch grand of a different brand in polish ebony for \$17,770. When asked which one he likes best, the client will likely retreat to his first choice, or he

might plead confusion. Gracefully, the customer whisperer excuses himself to put the options on paper to help sort it out. This leaves his client free to play or admire his preference.

My father used to say, "Nobody ever bought anything big standing up." By presenting the options in an informal written form, while sitting, the customer whisperer helps make the choice easy and obvious.

He is also better prepared to address the inevitable objections

and other logistical issues because he's seated with his client in a comfortable place without distractions and with all the tools needed to close the sale.

The simple sheet on which the customer whisperer presents the options looks something like this (without the A and Bs or "decoy"):

- A. Brand Q 5-foot, 1-inch grand piano in polish ebony, \$17,770
- B. Brand M 5-foot grand piano in polish ebony, \$12,995
- B-. Brand M 5-foot grand piano in satin ebony (decoy), \$12,995

When the customer whisperer is seated with his client, considering options presented on paper, he has created the perfect closing situation. This is ideal, but it's also where the dreaded objections might come up, as if from thin air. In the next installment, the customer whisperer will examine this subject, and answer the age old question — customer objections: friend or foe?

In the meantime, see if you can present your customers some easy choices, and the next time you're out shopping, look for decoys. You'll see them everywhere. **MI**

Greg Billings whispers to customers at the Steinway Piano Gallery in Bonita Springs, Fla. He welcomes questions and comments at greg@steinwaynaples.com.

+ 4 EASY STEPS TO EASY CHOICES

1. Establish the client's preferred product.
Just ask, "Is this the one you like the best?"
2. Find a decoy that can be obviously eliminated.
3. Find a similar item that's slightly less desirable or more expensive.
4. Present it on paper, with the preferred product as the middle choice, to a sitting client.

+ THE SALES PROCESS

The customer whisperer organizes the sales process into nine stages. For those he has already discussed, we've given a brief explanation and the issue of *Music Inc.* they appeared in. Go to musicincmag.com to download these articles.

