



Understanding and addressing buying influences

Presented by Nick Thomas
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Welcome and Thankyou

Webinar format - 60 minutes including Q&A and polls

Slides and recording provided post-session

Nick Thomas

- Background in Insurance Broking Sector. Sales and Sales Leadership specialist
- Widely qualified coach and personal development specialist
- Coaching, training and consulting – Insurance M&A



Nick Thomas & Associates

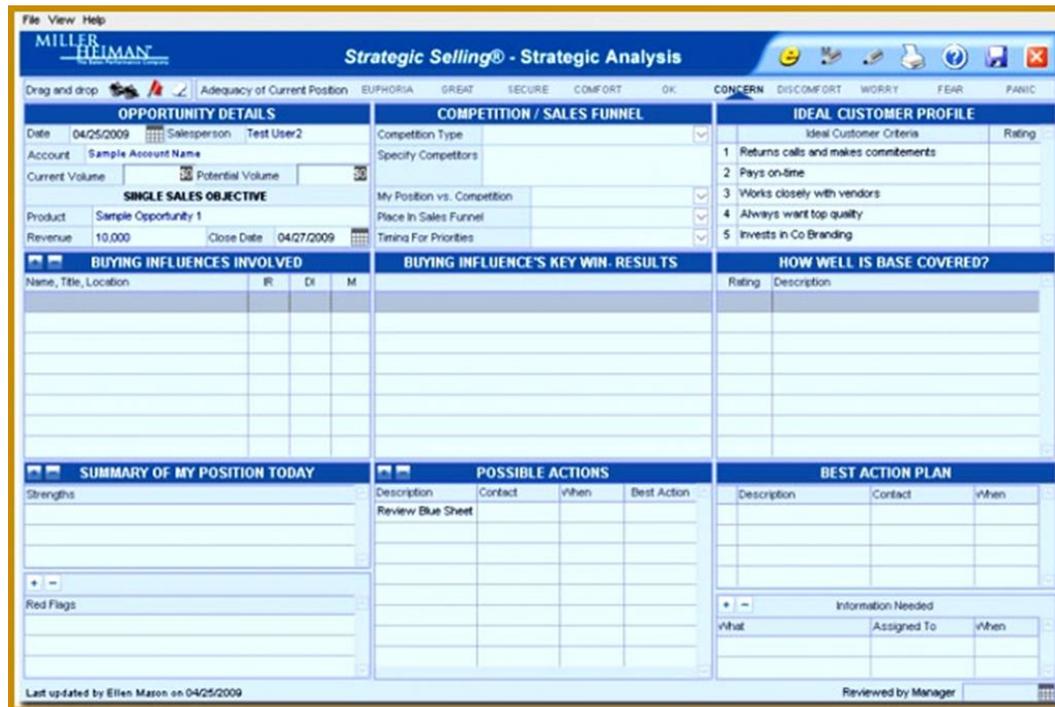
- Up to the minute training solutions addressing the challenges of the modern insurance professional
- Technical insurance; sales, business and soft skills; performance, resilience and wellbeing; management and leadership

Objectives

*'Begin with the end in mind'
Stephen R. Covey,
The 7 Habits of Highly Effective People'*

- Consider the different buying influences and the decision-making structure at your client or prospect
- Understand the importance of a structured approach to identify and address these influences to maximise your chances of success in account acquisition and retention
- Understand different types of buyers and their position in the buying process
- Understand buyer types' differing needs and drivers
- Key influences on modern B2B buyer behaviour and the lessons for sellers

Strategic Selling



The screenshot shows the 'Strategic Selling - Strategic Analysis' software interface. It features a top menu bar with 'File', 'View', and 'Help'. Below the menu is a status bar with a 'Drag and drop' icon and a scale from 'EUPHORIA' to 'PANIC'. The main workspace is divided into several panels:

- OPPORTUNITY DETAILS:** Includes fields for Date (04/25/2009), Salesperson (Test User2), Account (Sample Account Name), Current Volume, Potential Volume, Product (Sample Opportunity 1), Revenue (10,000), and Close Date (04/27/2009).
- COMPETITION / SALES FUNNEL:** Includes fields for Competition Type, Specify Competitors, My Position vs. Competition, Place in Sales Funnel, and Timing For Priorities.
- IDEAL CUSTOMER PROFILE:** Lists five criteria: 1. Returns calls and makes commitments, 2. Pays on-time, 3. Works closely with vendors, 4. Always want top quality, 5. Invests in Co Branding.
- BUYING INFLUENCES INVOLVED:** A table with columns for Name, Title, Location, IR, DI, and M.
- BUYING INFLUENCE'S KEY WIN. RESULTS:** A table for recording results.
- HOW WELL IS BASE COVERED?:** A table with columns for Rating and Description.
- SUMMARY OF MY POSITION TODAY:** A section for Strengths and Red Flags.
- POSSIBLE ACTIONS:** A table with columns for Description, Contact, When, and Best Action.
- BEST ACTION PLAN:** A table with columns for Description, Contact, and When.
- Information Needed:** A table with columns for What, Assigned To, and When.

At the bottom, it says 'Last updated by Ellen Mason on 04/25/2009' and 'Reviewed by Manager'.

Rejects manipulative selling tactics, emphasizing selling as a process to achieve 'win-win' results.

'...both you and the buyer win. That is you both come out of the sale feeling satisfied'

Leads to:

- *Satisfied customers*
- *Long-term relationships*
- *Repeat business*
- *Good referrals'*

Strategic Selling, Miller Heiman

Buyer Types

In any [large/complex] sale, there will be multiple buyer types (can be more than one of each) – **Economic, User, Technical, Coach**

- **Economic Buyer**
 - Holds the purse strings. Ultimately says 'Yes' or 'No'
 - Concerned with effect on their core strategy – how will you help them achieve this?
 - Only ever one economic buyer in a sale



Buyer Types

In any [large/complex] sale, there will be multiple buyer types (can be more than one of each) –

Economic, User, Technical, Coach

- **User Buyer**
 - Uses/supervises the solution after purchase.
 - Rarely the same person as economic buyer.
 - Linked personally to your solution and judge it based on the impact it will have on their specific job performance.
 - Often more than one User Buyer
 - Examples – Insurance Manager, Claims administrator?



Buyer Types

In any [large/complex] sale, there will be multiple buyer types (can be more than one of each) – **Economic, User, Technical, Coach**

- **Technical Buyer**
 - Ensures the solution adheres to technical, regulatory and compliance requirements. Purchasing manager?
 - *“Does this mean I’ll have more work to do?” “Are there are other better options out there, even if I don’t know them”*
 - They can’t say “yes,” but can only say “no”
 - There may be more than one Technical Buying Influence per sale



Buyer Types

In any [large/complex] sale, there will be multiple buyer types (can be more than one of each) – **Economic, User, Technical, Coach**

- **Coach**
 - Wants you to win, and can provide insight to give you inside track
 - Can be any of the above or not directly involved



***Take a moment:** identify a current prospect and jot down the names and positions for each of the different buyer types. Is it possible there are more buyers you have not identified? How will you do this? Is there a coach who can help you?*

Buyer Response Modes

*'...the next thing you need to know is **how they feel about your proposal**. In Strategic Selling, you determine that by **identifying their current receptivity to change, specifically the change to their business, that your proposal represents**'*

'Understanding their perceptions of change is what helps you to predict their level of buyer receptivity'

*'There are always **four possible reactions that a buyer can have in a given selling situation**. We call these reactions response modes'*

'The New Strategic Selling' Miller, Heiman and Tuleja



Buyer Response Modes

Response modes are determined by:

- Buyer's perception of immediate business situation
- Buyer's perception of how your proposal is likely to change that situation
- Buyer's *perception of whether that change will close a gap or discrepancy between what's seen as the current reality and the results needed.*
- No matter how good the match between your proposal and these needs, **no buyer will be receptive to change unless he/she first recognises the discrepancy**



Buyer Response Modes

Four Response Modes should be defined for each of the Buying Influences:

- **Growth:** wishes to improve on the current situation in some way. Ready to invest in a solution that improves this
- **Trouble:** have a problem that is causing results to deteriorate and looking for a solution that will fix or avoid a crisis.
- **Even Keel:** content with the current situation; does not see a need for change.
- **Overconfident:** has an inaccurate understanding of the current situation and therefore believes that results are even better than expectations.



Take a moment:

- *Define the response modes for each of the buyers you have identified*
- *What are the best buyer response modes for a seller?*

Win-Result

- **Result** – ‘the impact your product or service can have on the buyer’s business processes’
- **Win** – *personal* gain that satisfies an individual buyer’s perceived self-interest
- **Win-Result** – a result that gives one of your individual buying influences a win
- To gain support of any Buying Influence, you need to satisfy their *needs as both a representative of their company and as an individual.*



***Take a moment:** to consider whether you are in a position to satisfy the needs of each buyer you have identified as a representative of their company and as an individual. Will you achieve a Win-Result in each case? If not, what do you need to do?*

Redflags

Redflags – hazards that can jeopardise the sale

Highlight obstacles to obtaining Win-Results for Buying Influences. The use of Red Flags helps in tracking one's progress in working with the Buying Influences

Barbells – leveraging from strength. Highlight areas that differentiate you from the competition as a way of offsetting/minimising threats to strategic position

Analysing alternative strategic approaches – leverage from strength and/or eliminate redflags [ideally both]



Take a moment:

- *Can you think of any Red Flags for the Buying Influences you have identified?*
- *Consider how you might address these in order to move that Buyer towards a win-result*

Review and Qualify

Dynamic Environment – businesses, their external environment, decision makers and their needs and attitudes, your competitors and their influence/strategy **all change constantly**

Continually qualify [after every prospect interaction] and update your strategy position



Influences on buyer behaviour

Emotional and rational buying

- People buy at the rational and emotional level - when they work together, it is a powerful motivator for action
- ...when they are at odds, the emotional side typically wins
- Powerful consequences for sales – rapport and trust have a significant affect on sales success
- Keys to Rapport – Empathy, Authenticity, Collaboration, Similarity...
- People like people who are **similar** to them – names, movement, interests, behaviours

- Rapport feeds intimacy...a feeling of closeness [intimacy + capability + dependability + integrity = trust]
- People engage with, buy from and recommend people they trust.

‘Rapport is the ultimate tool for producing results...if you can develop rapport with the right people, you’ll be able to fill their needs, and they will be able to fill yours’
Tony Robbins

Influences on modern buyer behaviour

- B2B sales with multiple decision-making influences – **consensus hard to achieve**
 - Multiple providers and options – different pros and cons
 - Multiple stakeholders with different needs and drivers as representative of company , and as an individual
- **‘No decision’** - the most common result
- Factors influencing buyer behaviours – **decision paralysis, status quo bias, loss aversion, early influence**



Influences on modern buyer behaviour

Decision Paralysis

- Rigorous analysis of thousands of B2B customers to understand buying-group consensus
- Greater the number of decision makers the less chance of consensus – ‘no decision’
 - Single decision maker – 80 % chance of ‘positive purchase decision’
 - Six or more < 30%
- High value sales – number of decision makers rising. Average 5.8

‘The Challenger Customer’ – CEB [Gartner]

Implications:

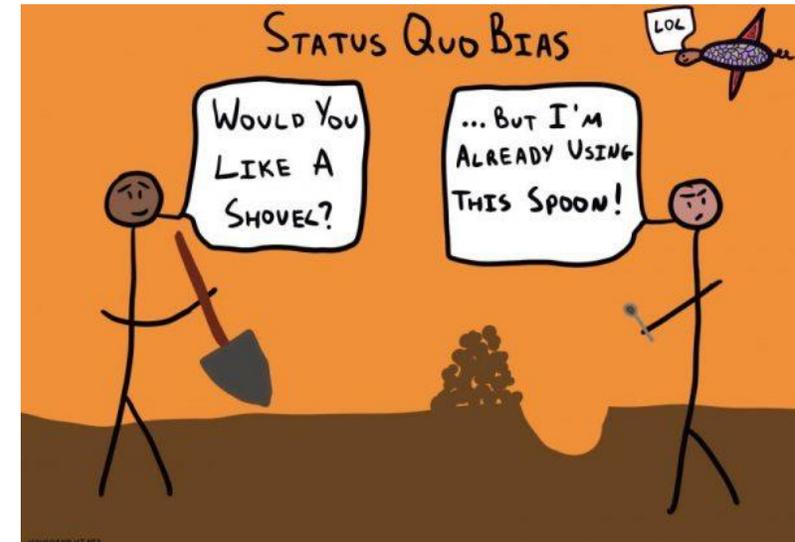
- Need to help the buying group achieve consensus for change
- Target ‘challenger’ [‘mobiliser’] customers not ‘friendly’ customers

*Mobiliser customers value new ideas for their business, they’re skeptical and deeply supplier agnostic...they do value new direction for their business. Conversations with Mobiliser customers are difficult to say the least - they push back, they ask hard questions, they play “Devil’s Advocate”. But these qualities are exactly what gives the Mobilizer customer the credibility to inspire change inside their organization. When they lock onto an idea, their colleagues listen
‘The Challenger Customer – Are you targeting the right decision maker’*

Influences on modern buyer behaviour

Status Quo Bias - preferring one's environment/situation remains as it already is

- 'Status quo bias in decision-making' Samuelson and Zeckhauser 1988
- Can be explained by
 - **Sunk costs** – the more resource an individual invests in the status quo, the more likely they will continue
 - **Cognitive dissonance** – trying to avoid the unpleasant effect of experiencing conflicting thoughts
 - **Mere exposure** – the more we are exposed to something, the more we like it
 - **Loss aversion...**



Implications:

- Change perceived to be risky
- Need to show status quo to be risky – build 'outcome gap' between cost of inactivity and value of change [new reality]
- Perception of gap drives change

Influences on buyer behaviour

Loss Aversion

- Decision-makers 2-3 time more likely to take decisive action in response to the threat of loss than in response to the opportunity for gain [Daniel Kahneman, behavioural economist]

Implications

- Selling benefits of your solution may not be enough. Need to build buyer understanding of seriousness of current threats/problems
- Introduce additional threats/problems of current situation



How do we achieve each of these?



Influences on modern buyer behaviour

Early Influence

- Research by global consulting and research business, Forrester, found that the Seller that does most to shape the prospect's vision of a solution wins circa 75% of purchase decisions. Because
 - They got in early – influenced at early stage
 - Were able to reframe the prospect's initial perspective – drive the process

Implications:

- *Focus on Ideal Client Profile business where you can bring most value*
- *Nurture and engage the prospect on an ongoing basis well before any formal review process*
- *Bring perspective and seek to influence prospect vision and review process itself*
- *Importance of targeted marketing content*



Summing Up

*'Tell the audience
what you're going
to say, say it; then
tell them what
you've said'
—Dale Carnegie*

- **Adopt a structured approach to identify and understand ALL buyer types** – don't just focus on your contact
- **Ideally meet all buyers** – first-hand understanding and enables you to influence emotional buying
- Seek to address their needs/drivers at an **individual level and as representative of the company**
- Be cognizant of the dynamic nature of decision-making and buyer influences – **qualify and review strategy on ongoing basis**
- **Engage early with buyers, build influence and lead with perspective** – don't wait until formal review
- **Focus on cost of inaction** as much as your own solution – major competitor is 'no decision'

Thankyou! Questions?

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