

NEW BUYING INFLUENCES IN TODAY'S MARKETS



OVER-INFORMED & NEEDS-HELP

The Impact of New Buying Influences on the Sales Process

Today's Buyers Are Changing

Complex sales require the involvement of a wide range of buying influences to complete a purchase. Decisions are no longer being made by a single mid-level manager. They are made by a large cross functional team, of which each member is a stakeholder in the process.

Over the years, numerous books have been written on the subject and talk about a wide range of buying influences (Financial Buyers, Technical Buyers, Coaches, Adversaries...) and their roles in the sales process.

The challenge for today's Sales Reps is that those buying influences all still exist, but they are changing and becoming more difficult to engage. One of the reasons is the availability of information.

Today's Buyers can go online and find whatever they want about a product, company, technology or service. They are better informed than ever before, and they use that information in their buying process.

The problem is that every buyer doesn't use it to the same level. Some are able to use the information to help them fully develop their decision criteria and options for fulfilling their requirements. Others gather information, but since they do so before fully clarifying what they want or need, the information only clouds the picture and creates confusion.

For now, I want to say that I am not trying to re-write the definitions of buying influences encountered during the sales process. The same list of buyer types listed above will still always be present. What I'm saying is that all these buying influences can now be grouped into two new categories: *Over-Informed* and *Needs-Help*.

One other point I'd like to make is that I am not trying to create more complexity into selling process. On the contrary, I'm trying to simplify it. All major decisions will be made by the consensus of a team, and everyone on the team will be either an Over-Informed or Needs-Help buyer. In order to understand this, let's look at how people gather information and how they use it.

Most people leverage their friends, trusted resources, and have access to online peer groups, as well as the internet, as a first step in researching the information they need. Whether it be a review of a new movie, performance of the latest electronics, or how to resolve a complex business issue.

The challenge is that some people are good at using these resources and love to spend time gathering information. Others only do so in a cursory fashion or in a non-linear way, which in the end only leads to confusion or no decision.

The Over-Informed Buyer:

The Over-Informed Buyer knows what they need and have researched their options in exhausting detail before calling you. They love researching and gathering information.

The Over-Informed are armed with a ton of data, and in many cases, testimonials from friends, peers or trusted peer groups. By the time they reach you, they are typically only asking for a quote. Why? In their mind they have done all the research, identified their options, and now all that's required is finding the cheapest alternative.

This is particularly true with technical people (Scientists, Engineers...). Why? First, they have made a similar purchase in the past and many of their decision criteria are based on previous purchases. Second, they have a technical understanding of the product they are purchasing, and as scientists, have processes for analyzing and developing conclusions from information.

For example, I recently was at a large conference for companies supplying products to the analytical market. In discussion with a marketing executive at one of the instrument suppliers who was exhibiting there, he told me that their “high-tech” , \$150,000 analytical instrument had become “commoditized”, and that customers were making a decision on their “blue-box” vs. the “grey-box” from their competitor.

I was stunned. I’ve seen products become commoditized, but not at this level. In reviewing “why”, we found that part of the problem is the Over-Informed group, and how they are gathering and making decisions based on available information. The other clearly rests on their sales and marketing organization for allowing this to occur, but that is the topic for another story.

The Over-Informed group poses a new challenge in that they are confident in what they know, and the information they have obtained. So unless they have decided your product is what they want, changing their decision criteria, or their minds will be difficult.

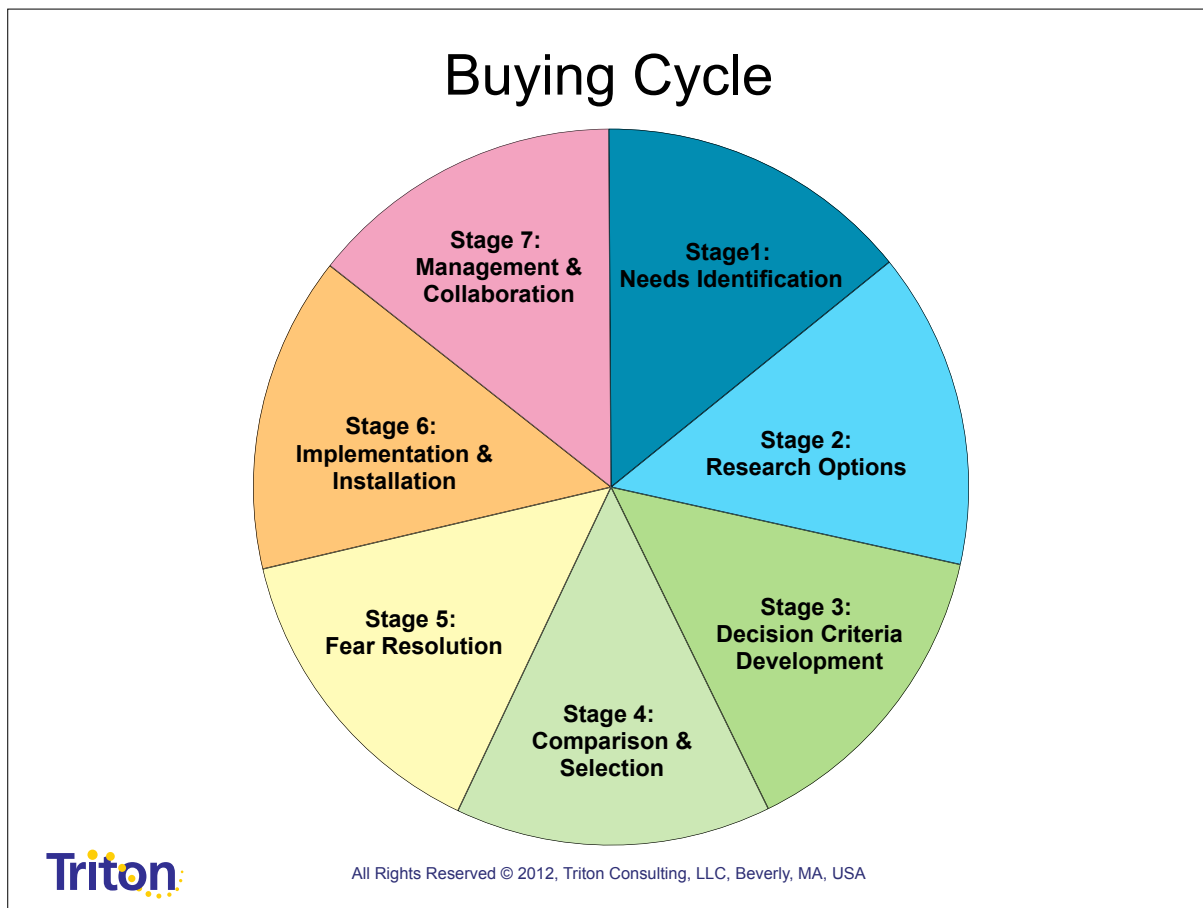
It’s possible, but will be harder to accomplish than in the past. It requires arming yourself with a new set of tools and resources, that allow you to present new options to the customer, with support from references who the customer will trust, and potentially believe are even more credible than the ones they have in place.

The Needs-Help Buyer:

In contrast to the Over-Informed, the Needs-Help Buyer doesn’t fully understand what they need. They need help, but may not know it yet. In many instances, they begin researching options before determining what they need and why. They spend a lot of time gathering information on options for what they *think* they need, but have no means to properly evaluate them.

The reason they can’t evaluate them is that they are working the middle part of their buying cycle before completing the earlier stages.

Let me explain. Everyone goes thru the same process in making a buying decision. It's called the Buying Cycle, and the various stages are listed in the graphic below.



It starts with needs identification and proceeds through researching options, developing decision criteria, and evaluating and comparing options before making a decision. Pretty simple. And if you think of any purchase that you've made, your process has included all of these stages. The only difference, is that the time spent at each stage will vary based on the size and complexity of the purchase.

The issue for the Needs-Help group is that they start looking at, and evaluating options before they complete the needs identification stage. This causes them to waste a lot of time analyzing and evaluating options that may not even fit what they really need.

If by chance the Needs-Help enlist your sales reps in the process, they will be barraged with requests for information, and a wide range of data that ends up going nowhere. The end result is confusion and frustration for both parties.

I could cite numerous business examples, but find that personal examples tend to resonate better to illustrate a point. My girlfriend and I were recently planning a big vacation to celebrate a big “_0” birthday for her. Let’s just call the blank a number > 4.

She told me that she wanted to do something special, which was go to Alaska and go salmon fishing. I thought she was clear on this (my mistake) and so I spent a lot of time researching fishing expeditions, fishing camps...

After much work on my part, and objections to all the options I presented, she told me that wasn’t what she really wanted. She then suggested we explore a wide range of other options. Instead of just rushing to my desk and investing more time doing research, I actually gave her a copy of the Buying Cycle, explained it to her, and said that I wouldn’t do any more research until she first decided what she really wanted to do. What were her “need to haves for the trip” and what were her “want to haves”. Because if she first didn’t figure out what she wanted, my efforts would have been wasted again.

In this case, she was being a classic Needs-Help buyer. She was looking at options for the trip, *before* figuring out what she needed. Therefore, she had difficulty evaluating options because she had not yet identified her needs or established her decision criteria.

Once we narrowed them down, the decision progressed quickly, and she got exactly what she wanted. We had a wonderful vacation on a skippered bareboat, where she also went salmon fishing.

The Solution

Surprisingly the approach to selling to both types of customers is essentially the same, however the focus of that effort is slightly different for each. In both cases it requires helping the customer *learn* about something they didn’t know already or by *teaching*

them about their business, markets, company, technology... that allows them to improve the way they do business or make their companies more competitive in their markets.

For the Over-Informed you need to educate them on information that builds on their initial research. Find something they didn't know and help them integrate it into their initial vision of what they think they need. You need to help them re-engineer their decision criteria to include your solution.

For example after my girlfriend and I had finally decided what we wanted for the Alaska trip, we transitioned from being Needs-Help to Over-Informed, and one of our criteria was that we wanted a bareboat charter. I have 35 years experience captaining boats, and didn't feel the need to have a captain - nor did we want the extra expense. This was a firm criteria in our search. However, in discussion with one of the charter companies, the owner asked me to consider another thought process based on his 30 years experience booking charters. He said that if he were to charter a boat in my home port, he would hire me to captain for him. Not because he couldn't do it himself, but because I would have local knowledge that would allow him to go to places he probably wouldn't find on his own. And he was right. By helping us think about a different aspect and teach us something we hadn't thought of before, he was able to re-engineer our decision criteria for the trip.

Unfortunately for him, he helped us develop new criteria for which he did not have the best solution, so his competitor, who we were not previously considering, was the company we contracted for the trip. So be careful about developing solutions for which you do not have a competitive advantage.

The Needs-Help buyer also needs you to educate them, but you first have to get them to step back into the early stages of the buying cycle. This allows them to utilize your expertise to help them identify what they *need* and *why*, so that the best solutions can be developed.

For example, as my training business was getting started, I realized that I needed a good website to support my business. I started reading up on website design, down-

loading papers, asking questions... After a lot of time researching online, I contacted a few consultants and website companies about quotes for their services. Several asked me what I wanted and quoted me on what I requested. However, there was one who took the time to walk me back to Needs Identification, and help me redefine what I needed. Somehow he realized that I didn't have a clue what I needed, and took the time to educate me on the basics. What we found was that most of what I was requesting was correct, however, there were a few things I'd missed. He taught me why they were important, and we rebuilt my request. Since he helped me understand all the components, why I needed them as well as developed my trust by demonstrating his expertise, I chose him to do the work. And that decision was made after the first meeting.

Summary:

Buyers will continue to evolve and how they make purchasing decisions will continue to change. By understanding these dynamics, sales teams must adapt with them, to ensure that they continue to add value and are included in the buying process.

Regardless of the buyer type, the approach of *educating* customers to *learn* something they didn't know before is the key to driving sales in today's markets. It is more difficult than ever before, but by being a *resource* and *knowledgeable expert* in your field, you can improve your chances of reaching and influencing today's new buying influences.

If you would like to learn more about this topic, then please go to our website www.tritonconsult.com and download the paper titled: Why Do They Need You?