

PART ONE

EXCHANGE BEHAVIOR IN SELLING AND SALES MANAGEMENT (X-Be)



OVERVIEW OF THE (1 + 7) ELEMENTS OF X-Be

Exchange behavior in Selling and Sales Management, or X-Be in short, is a comprehensive conceptual framework that deconstructs, systematizes and elucidates selling, sales management and the various actions that are related to them. Composed of (1 + 7) fundamental building blocks or elements (a model for the purchase process, plus 7 concepts), X-Be has its theoretical foundations in psychology and sociology. Its central precepts reflect extensive experience within the field and are based upon various kinds of selling and sales management practices that the authors have been exposed to. As will be demonstrated later in this book, the (1 + 7) building blocks of X-Be are logically integrated by a series of bonds that make use of relevant theoretical knowledge about buyers' cognitions, psychographics, and behaviors. While X-Be and its building blocks are easy to comprehend and implement, the framework also allows the sales staff (salespeople and sales managers) to define a complete roadmap for selling and sales management that accounts for various complex issues related to the latter activities.

The goal of this chapter is to provide an overview of the (1 + 7) building blocks of X-Be, while the next eight chapters of the book will focus on presenting a detailed discussion of each building block.

THE PHASES OF THE PURCHASE PROCESS

The first building block of X-Be is a universal model that describes consumer and organizational buying decision-making processes. We shall refer to this model as the Phases of the Purchase Process, or PPP. The basic idea that underlies the PPP is that consumers and organizations are value-pursuing engines and that buying decisions are at the root of value

formation and exchange. Above all, X-Be does not consider the buyers' underlying motives to be a black-box that cannot be understood, described, or explained.

The PPP model has five phases which we will refer to as follows:

1. Need Emerging (NE)
2. Need Defining (ND)
3. Selective Qualifying (SQ)
4. SeLecting (SL)
5. Follow-up and Control (FC)

This model provides an effective tool to analyze the purchase decision-making processes of almost any organization. While the nature, content, and effectiveness of buying activities may vary by organization or products, the basic flow of the purchase decision-making processes remains consistent with the PPP model regardless of context. The following Figure 1.1 describes this flow in a graphical form.

As a purchasing organization goes through these five phases, not necessarily in a linear manner though, its structural focus, behavior, and rhetoric will change. When X-Be is implemented, it allows the seller to establish which one of the five stages the buyer currently occupies and thus devise an appropriate strategy of approach and communication to get involved most effectively in the process of value formation and exchange on the part of customer.

The PPP model not only applies to organizational purchases, but to consumer purchases as well. However, consumers tend not to follow

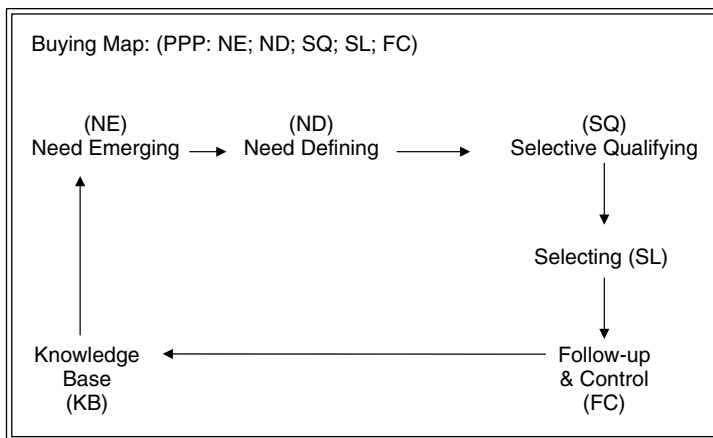


FIGURE 1.1 The Five Phases of the Purchase Process (PPP).

quite so formal a process as organizations may be inclined to. Consider a simplified example: Imagine that you want to buy a house, here representing any product or service that is particularly significant. To carry out the purchase, you would normally go through the following phases:

- NE: Before buying a house (regardless of what or who caused you to think about it), you would ponder whether or not one was needed.
- ND: If you thought that a house was needed, you would then look at its criteria – for example, the location, the price, and the type of house. At the end of this stage, you would define your views on the relevant criteria, which you would use to carry out your search in the real-estate market.
- SQ: Based on your own views on criteria (VOC), you would select a specific set of real estate agencies and/or builders who could provide you with your dream home.
- SL: Once you have selected the agencies and builders, you might weigh-out the pros and cons of each house based on your VOC. At the end of this stage, you would select a house that best satisfies your VOC.
- FC: After living in a house for a year or so, you would probably be able to gauge your satisfaction with the house and its features. In the end, you would realize whether the choices you made corresponded to what you had originally thought of the house (before actually living in it). Through this process of post-purchase evaluation, you would enhance your existing knowledge about house purchasing and/or develop new knowledge that would contribute to your own internal knowledge base (KB). This KB would in turn influence future behaviors in situations that are similar to that of buying a house.

Although the above example is necessarily abstract and simplified, it provides an illustration of the PPP model and shows the processes by which value formation and exchange occur for customers when dealing with important purchases.

The question that arises now is that how does the PPP model account for consumer behaviors that underlie the purchase of more everyday items? For example, if a person feels thirsty while walking, she may visit a nearby shop and buy a drink. This kind of spontaneous purchasing behavior is very common and occurs in most economies. Because of its seemingly impulsive nature, it has led many researchers and academes to doubt whether it is possible to develop a model to account for it. Purchasers

do not seem to take much time to go through all the PPP when dealing with less important products or services. Once they realize that something is needed, they go ahead and buy it. They seem to go from the phase of NE straight to the SL phase. But this behavioral shortcut does not mean that buyers have never gone through the five phases outlined in our model; it is an indication that buyers tend to rely on their prior knowledge to deal with these “inessential” purchases. Thus, they do not require a formal decision-making process in which they may have to repeat all the five steps of the above PPP model. It is similar in nature to the shortcut one usually uses to carry out the multiplication of a whole number by 100, for example. There is no need to apply a complex algorithm to reach the product; two zeroes appended to the initial number shall suffice. However, this algorithmic shortcut is not the result of impulsive thinking, but is rather a consequence of knowledge previously acquired through experimentation, examples, formal education, and/or learning in general.

Consumer behavioral shortcuts develop in a similar manner, but with one difference. Algorithmic shortcuts in computer science and mathematics can be accounted for in terms of logic, while consumer behavioral “shortcuts” are accounted for by means of the introduction of a new concept *default-value behavior* (DVB). The “default-values” in a person’s behavioral makeup can be compared to defaults found in a computer’s operating system. For a computer to begin working properly after it is powered up, its operating system needs to internalize (which is to say, commit to memory) those defaults in advance. These defaults are also required for the computer to respond adequately to the user’s requests. Similarly, it is the internalized behavioral default values that guide a purchaser through less multifaceted purchasing contexts, especially those involving inessential purchases. For our purpose, we consider default values as the result of direct or indirect experiences of similar events and/or similar situations assimilated into one’s system of actionable values.

In Figure 1.2, we have updated the PPP’s Buying Map and added the concept of DVB to it.

The DVB and the corresponding behavioral “shortcuts” can be illustrated by various examples in everyday life. For instance, it is not very likely that a person will wander into a shoe store and ask for a plate of spaghetti. Cases like this are not considered in X-Be, because they are fundamentally irrational. Our discussions will focus on people who act with reason (no matter what this reason is) and are responsible for their own behaviors. PPP can provide a universal model that accounts for the purchasing behaviors of any rational person (“rational” refers here to a behavior that is agreeable to some set of reasons, no matter what these

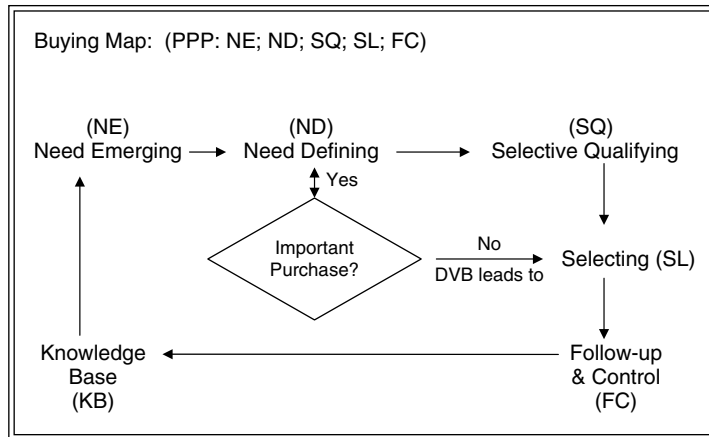


FIGURE I.2 The Five Phases of the Purchase Process (PPP) Including the Default-Value Behavior (DVB).

reasons are or how they have been defined by the individual under observation). “A shoe store is a place that sells shoes” – this is a default value engrained from youth, deep into the minds of anyone living in the context of a market economy (in Chapter 5, you will read the case of a nightclub owner who takes advantage of these default values in naming his establishment to attract a younger customers base). Education, experience, or learning in general endow us with many default values which precipitate and facilitate seemingly thoughtless and “natural” behaviors – these are referred to as DVBs. Children, for example, who have been taught that electrical sockets are dangerous to the touch will fear them, even if they have never touched one. Adept cyclists can ride on the road gracefully; the peculiar rhythms and precarious balance of bicycle riding is second nature to them.

Default values shall be discussed at length in the next several chapters of this book. For now a précis:

- Buyers may go through the entire cycle of the PPP model, even when facing routine purchasing situations in their daily lives. The distinction lies in the fact that the less essential and more frequent purchases would rely more heavily on the customer’s DVB.
- DVBs exist even in corporate purchasing processes. The experience and belief systems of organizational buyers working within a company influence the company’s buying decision-making processes.

- One can view the DVBs of the customers as a consequence of the deployment of their KB (as per Figure 1.2), the content of which has accumulated in the past in many different forms. Various activities such as advertisements and promotions, personal experience, “word of mouth,” and other sources all have something to do with the formation and development of our default values, which often influence our purchasing activities.

KEY PERSONS AND CORE OPINION LEADERS

The second building block of X-Be is concerned with people who play key roles in the purchasing decision-making process. We usually refer to those people as “customers,” “purchasers,” or “buyers”. In complex selling situations, however, this term is too general to provide an effective description of “who really does the buying.” For instance, when one sells goods or services to organizations, several or even more people – with widely varying interest in the purchase – can exert their influence over purchasing decisions. Thus, various labels are applied to these figures: decision makers, advisers, influencers, gatekeepers, coaches, mentors, anti-sponsors, sponsors, and users. These terms are rather inexact, though, and indiscriminate in responding to the question of “who really does the buying.” In X-Be, we adopt a simpler approach. In addition to those people who are often highly visible during the purchase process (e.g., buyers, purchasing managers, purchasing engineers, etc.), we also propose a straightforward model – the **MAP** (see Figure 1.3) which allows a seller to identify other people who may not be so visible at purchase, but can also play key roles in the purchasing decision-making process. All these people, visible or

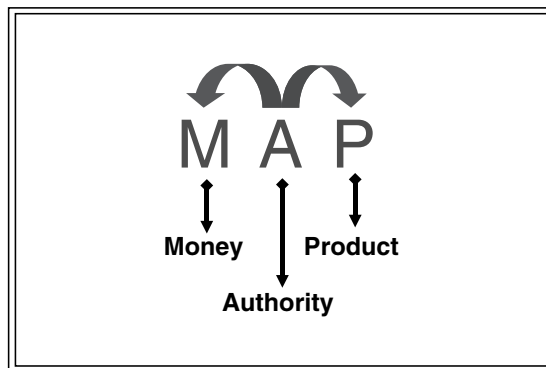


FIGURE 1.3 The Key Persons are Those Who have Authority Over Money Spending and Product Selection.

not, could each have an impact at different phases of this process; we shall refer all of them as *key persons*. Among them, there are those whose influence is most acute, who exert the strongest influence (be it positive or negative) upon the purchasing process and its result, and consequently upon the selling activities – these people are the *core opinion leaders* (COLs).

In some simple selling situations, sellers may deal with a purchasing process that involves one key person – the customer. In a hypothetical situation in which the customer is not influenced by anyone else, the key person may also necessarily be termed the COL [in the sense of “communication with self” – Mead (1934)]. In this case, the sales task of identifying key persons is easiest to parse and evaluate. But these sales situations – even in a retail setting – are fairly rare. Most of the time, the customer is under the influence of others who also function as key persons and even COLs in the various PPP. Although these people may be absent from the actual site at which the product is bought, they contribute to the synthesis of the customer’s decision. These people could be the buyer’s peers, acquaintances, relatives – or, they could be the seller’s competitors, who may have succeeded in inculcating certain default values to the customer through previous interaction or communication. These variables present difficulty to the act of selling, particularly when a customer’s or key person’s default values run contrary to the seller’s value proposition.

By nature, organizational sales tend to be this complex. For, in sales involving companies, or governmental departments or offices, the personnel concerned with and interested in the sale can be myriad, and differences of opinion are to be expected. Sales of OEM products, industrial products, or large quantities of wholesale products are examples. In these cases, the sales process will most likely involve several and even more key persons – perhaps even several COLs. Well-organized purchasing entities are likely to ensure that each key person or specialized group of key persons is concerned with a different aspect of the purchase in question. Each key person and COL involved in a purchase develops his or her own self-defined views on how the customer’s needs can best be addressed.

VIEWS ON CRITERIA

Many companies currently rely upon the express “voice of customer” – *vox populi* – to describe the customers’ expectations from a sales transaction. But the term’s definition is vague, and, worse yet, the “voice of customer” is inexact and can be unreliable in practice.

In X-Be, the customer is not simply taken at face value. Steps are enacted to meaningfully and usefully interpret a purchaser's behavior, in the context of his or her phase of the purchasing process. To do that, we propose rethinking this old concept in terms of views on criteria (VOC), which, applied to a customer's expressed and implied attitudes and beliefs, can be a reliable measure of this customer's values, wants, and expectations before, during, and after a transaction.

VOC are characterized by two elements: one is a key person's perception about the specific factors, aspects, or dimensions relevant to his purchase decision situation, termed *selecting points*. Each selecting point has the rationale behind it – the feeling, belief, or logic accounting for a key person's or COL's valuing the corresponding selecting point in terms of importance. This rationale, whether it is explicit or implicit, clear or not, felt or emotional, may be termed *selecting rationale*.

It should be noted that the VOC might not be directly related to any specific sales offer on table at all, although in many cases, the previously experienced sales offers often do contribute to its formation and contents.

In the real estate industry, there is an old motto that runs, "Location, Location, Location!" While location is certainly a selecting point (relevant aspect) for many home buyers, the rationale that account for why location is so important differs considerably from buyer to buyer. Deploying the nomenclature of X-Be, one may note that each buyer boasts a different selecting rationale for the selecting point of location. For a seller (salesperson or sales organization) to succeed in correctly interpreting the voice of a customer, and understanding his needs and wants, she must take heed that rationale is as important, if not more so, than the selecting point it entails – as per the following critical formula of X-Be:

$$\text{Views on Criteria} = \text{Selecting Points} + \text{Selecting Rationales}$$

Consider the following case. A young, middle-class sports reporter is looking to buy a house and her real-estate agent quickly recognizes the purchaser's concerns regarding the potential home's location – contiguous, she has suggested, to public transportation. But the salesperson's approach is much different, and he largely discards this nugget of information. And, all this is the product of the agent having paid scrupulous attention during the cul-de-sac of small-talk that presaged the sales discussion in earnest: the woman made passing reference to a fondness for leisure sport – golf, tennis, equestrian. Ah! – thinks the real estate agent – this customer must belong to the upper crust. So he thinks and congratulates himself for so astutely isolating the basis of his customer's interest in location. Based on

his perception of his client's economic strata, he shows her an assortment of homes in ritzy suburbs, promoting at all times the adjacent natural environment, golf courses, exclusive tennis clubs, and other local frills congruent to what he perceives to be her social class. He spends two hours on this tack – trying to “sell” her on these features, only to realize that this very patient client still seems to have no particular intention to buy. Why? Because the agent built his selling strategy on the wrong buying rationale. This “wealthy” customer had, in fact, limited means, and while she desired the best possible home in the safest possible place for her money, she was entirely uninterested in living in some far-flung suburb with no access to the public transportation that would link her to work downtown. The agent was not skillful enough to understand that, zealously pursuing his own interests and his presumptions about her, and the client was too reticent (feeling that the agent has ignored her insinuations) to surrender any further information.

BUYING POINTS AND SELLING POINTS

The fourth building block of X-Be is concerned with factors that help bring about a motion to purchase (a state of readiness to buy) in the customer – they are related, very specifically pertinent to the sales offer at hand, and of paramount importance. These “purchase catalysts” may be categorized into two types: *buying points* and *selling points*. As far as their content or denotation is concerned, buying points and selling points can either be identical, completely distinct, or overlap. They relate to those aspects of the sales offer that are attractive to the individual purchaser as a solitary entity and to this same individual purchaser as a social entity, respectively. They are accordingly related to this individual purchaser, even if they reflect tangible aspects of a sales offer.

The purchase behavior of a key person is influenced by two discrete spheres: namely, the personal and the socio-cultural. buying points originate from the former sphere; they refer to those factors that may motivate the key person, as an individual agent beholden to no-one, to make a purchase. They thus reflect personal benefits – the immediate dividends the sales offer may pay to the purchaser's private life. Selling points originate from the latter sphere and refer to those factors that enable the key person to socially justify – in effect, “sell” – his buying behavior to those whose opinions he values or whose approval he requires. Since these people can influence the key person's buying decision, they act as *de facto* key persons during the purchaser's decision-making process. Selling points,

thus, reflect collective benefits and dividends rather than individual ones. So, customer value is like a coin – one side of it involves a key person’s buying points, and the other his selling points. Below is an example that illustrates the concept.

A young man enters a fashionable boutique and is struck by a particularly ostentatious suit, pastel-colored and with a sexy, tapered cut. Impressed with his choice, a salesperson compliments his daring nature, as the suit is also form-fitting and iridescent. The man thought the suit was innovative and would make for a memorable entrance at an important party he is organizing with a friend of his. As he removes the jacket, however, he recalls that his friend’s parents will be joining them for dinner and fears the suit would be inappropriate for such an occasion. He, therefore, abandons the idea of buying the suit on the basis of its contextual inappropriateness in the eyes of his friend’s parents, whom he wishes to impress, and opts for a more conservative suit instead.

In this example, the customer’s buying point was the striking design of the suit. The customer, in a social vacuum, would have, in an instant, been willing to purchase the suit for this reason (assuming the presence of another buying point – a reasonable price). However, he could find no attached selling point which would permit him to justify wearing this suit in front of people with whom he was to interact – (in fact, in this case, the buying point was clearly in conflict with the customer’s ability to “sell” his buying behavior). Because of this, the sales transaction could not be consummated.

THE INTEGRATED PRODUCT – DELIVERING UPON BUYING POINTS AND SELLING POINTS

The fifth building block is concerned with the customer’s perception of the deliverability of the buying points and selling points in a sales offer. Sellers are relied upon to deliver what we term the *integrated product* – not merely the items (or services) changing hands, but those items with all the accrued and encrusted add-ons and incentives which constitute the customer’s buying points and selling points. The integrated product’s importance stems from the fact that purchasing, like any action or decision taken in the course of life, has risks associated with it. The customer’s aim is to minimize this risk. In the case of purchasing, the risk is as follows: when the buyer makes the final decision to consummate a purchase, he also makes a decisive assumption that the sales offer provided by the seller will satisfy his buying and selling points. But this assumption could very well be faulty. The risk is even higher when the purchased product is one

which, for example, is new or has been newly introduced or considered, and thus there is no or little “KB” in place to guide a potential purchaser, who must necessarily also have no personal experience with the product. And, thus, the sales offer’s and/or seller’s ability to convince the customer and actually deliver upon his buying points and selling points (before, during and after sales) is paramount. Below is an example that illustrates the interrelation of buying points, selling points, and the integrated product.

A woman looking to buy a lap dog is told (by the pet store owner) that the breed in which she is interested is one which displays particular devotion in catering to the whims of its master. As the customer examines the dog, she is enamored; its beautiful coat and slightly melancholy mien wins her heart, and she is also reassured as to the dog’s docility and intelligence by observing it carrying out various complex commands with grace. She then bargains with the store owner and accepts the price; the woman’s buying points (the promise of the dog’s affection and obedience, and the good price) are addressed. But the expenditure, however reasonable, is still substantial, and the customer has yet to consult her husband, with whom she shares control of the family’s finances. She hesitantly closes her purse. Now, the store owner has to address the potential purchaser’s selling points. He appeals to her, suggesting that her children could stand to gain enjoyment and edification from the company of a pet; he is certain that her husband would agree and invites her to call and check with him.

The store owner developed this argument on the basis of the following precepts: (1) if the woman is to “sell” the purchase to her husband, she shall have to deploy a line of reasoning congruent with his own values; (2) the husband’s values include a desire to keep his children happy and educated.

The woman then phones her husband and convinces him to buy the dog after explaining how happy the children will be. And despite his passing misgivings about the investment, he acquiesces. The customer’s selling points were addressed: this lap dog may bring happiness to the children and teach them about responsibility – it is also a cost-effective means of doing so and has been approved by her financial partner (another key person). Her purse reopens.

Just as the store owner begins the maneuvers by which he may close the deal, the telephone rings – it is the husband, in a panic, inquiring as to who will bathe the dog – an arduous task particularly for a family who already have children to whom to attend. The store owner thinks quickly and offers her an incentive to buy the dog: he will provide a dog bathing service, under certain conditions. (He also realizes that this could serve as a way of bringing in new business and internally revises his establishment’s promotions strategy.) This promise does indeed soothe the

couple's concerns and leads to the store owner's success in delivering upon the buying and selling points associated with the sale transaction. Coupled with the dog-bathing service, what changed hands was not a mere lap dog, but an integrated product – personalized to the individual customer.

It may also be useful to define selling by means of a functional formula:

$$\text{Selling} = f(\text{VOC, buying points and selling points, Deliverability})$$

In other words, selling is a function (f in the above formula) of (1) the VOC of the key persons and COLs; (2) the combination of buying point and selling point aligned with these same people; and (3) the deliverability of these points by the seller or the sales offer. Thus, according to the above formula, if a seller has a good handle on the purchaser's VOC, and specific buying points and selling points expected of a sales offer, as well as on the proofs of the deliverability upon the latter two, the sale itself should be within the seller's effective control.

APPROPRIATE COMMUNICATORS AND NETWORKED RESOURCES

Not merely does a salesperson orchestrate sales “dialogue” – direct seller-to-customer interaction – but salespeople also play an active role in facilitating communication among any other parties that may be involved or interested; for the seller may not necessarily be the most appropriate communicator of ideas and values at all stages of the selling process. Depending on the complexity and nature of the sale in question, the salesperson may have to involve different people, at different PPP, to best position the sales efforts and the offer to the key persons. Hence, the concept of the *appropriate communicator* – the sixth building block of X-Be.

The appropriate communicator can be anyone who helps a seller with the sales process (address the customer's concerns, and advocate – at any given time – for the seller's cause to bring the sale to consummation). The concerns and attentive focus of the purchaser or purchasing organization may change with the phase of this process currently occupied. Indeed, different key persons become involved at different phases to emphasize different selecting points – and each possesses its own corresponding selecting rationale. As a consequence, besides the salesperson herself, she may need to consider finding and mobilizing other communicators

to effectively facilitate communications with specific key persons. For instance, the appropriate communicator for a key person concerned with quality will probably be a quality-control engineer or manager, while the appropriate communicator for a key person concerned more with storage and stock management will be a logistics manager.

Nowadays, selling is becoming increasingly teamwork-oriented and often involves and deploys different people from various departments within a sales organization. Companies that limit sales functions to only their sales and marketing departments often needlessly jeopardize their own true selling capacities.

Most successful salespeople have built a network of professional relationships, which are termed *networked resources* within X-Be. The networked resources a salesperson has, whether they are from the relevant industries, her own company, or are simply satisfied customers, are indeed a priceless asset in getting needed customer information, in convincing new customers as to an offer's value, and in putting them at ease during the transaction. And a truly skilled salesperson should be aware of the benefits of linking an appropriate communicator to a similarly concerned key person; knowing whom is just as important as knowing how.

Later on in the book, we will further explore why and how various relationships can help salespeople hone their selling techniques. The question will be considered sociologically and explore why some key people are willing to provide valuable information, while others are not.

SELLING STATUS INDICES

Selling, in a sense, amounts to a process of communication – the exchange of information among individuals with disparate interests and levels of interest in completing a transaction. But the trouble with processes of communication is that they are, to each participant, a necessarily subjective experience; the underlying thoughts and motivations of the involved key persons may be elusive or deliberately clandestine. It is a difficult proposition, then, to systematize, monitor, and evaluate communicative relationships.

And yet salespeople are often called upon to “think on their feet,” to effect rapid changes in sales strategy or positioning in accordance with level and quality of communication with the purchasing party. They must be able to assess the direction in which the sale is moving, but, to do so, they have no agreed methodologies by which to abide and can rely only upon their own erratic “gut feeling” or “instinct.” Such uncertainty

should be unacceptable in a sales environment demanding maximum efficiency.

While subjective feelings do represent an important barometer for the progress of a sale, they are by no means sound enough to be the sole one. More objective, rational measures are needful, with built-in contingencies to guide sales behavior through crises and past bulwarks. Any process must have some monitoring indices established for it; otherwise, the process would not be manageable.

To this end, X-Be introduces three easy-to-implement selling status indices – spectra based upon consideration of which the seller may form judgments on how the sale is progressing, and to what extent one can be confident about its success. These indices are defined in a way that reflects the value-pursuing behavior of customers.

Relating Status Index

Can you assess relationship in an objective manner? And how? The *relating status index* is concerned with the personal relationships that the seller shares with those key persons to whom the sale is being targeted. In simple terms, it evaluates a key person's "comfort level" with the seller. It is measured by the following four incremental stages:

1. **Critical Stage:** the key person is silent – or obviously unwilling to discuss any issues pertinent to the sale.
2. **Public Relations (PR) Stage:** the key person speaks only officially, divulging information that can be easily obtained through public channels.
3. **Acquaintance Stage:** the key person speaks relatively freely on business matters. The information offered is probably not secret, but perhaps difficult to glean through public channels.
4. **Partner Stage:** the key person is willing to share any relevant information with the seller, including but not limited to information that may or may not be considered privileged.

The relating status index evaluates a seller's progress by measuring the amount of information (conducive to the sales process) that a key person has volunteered. It is ultimately objective, as the rate of information exchange (and the nature of its content) is outward and tangible; furthermore, the seller is rationally aware of the extent to which the information in question is pertinent to the sale itself. The resulting assessment of status is therefore unambiguous.

The Attitude Index – the Purchaser’s Attraction to buying points

Can you assess a key person’s motion to purchase? And how? The concept of “attitude” has been widely discussed in psychology and in studies of organizational behavior; generally, the term itself is defined as an individual’s disposition toward a particular event or person. Within X-Be, the attitude index refers specifically to a measure of how a key person ranks the importance of the various buying points in the sales offer, and how important this key person deems these buying points in the grand scheme of things; in other words, it measures a customer’s interpretation or feeling of how effective the sales offer will be in bringing him closer to happiness.

Of course, nothing in the world is ideal; no key person expects any offer to fulfill at once all his various and varicolored needs. However, as regards any given offer, there are some things (buying points) that are utterly essential to piquing a purchaser’s interest and convincing him that an action to obtain them will be worthwhile; the very idea of a purchase cannot be entertained unless these buying points are included. Other buying points would be just nice to have or otherwise minor. So the attitude index assigns a rating to each buying point describing the purchaser’s relationship to it: some buying points are essential; some are desirable; the rest are minor. The seller’s goal is to ensure that the customer views as many of the sales offer’s features as possible as essential.

Chapter 8 will outline how the seller can make use of this ranking system to evaluate her own success in highlighting the virtues of the sales offer – and also in reconciling the customer’s expectations with the offer’s limitations.

Confidence Index – Attitude Toward selling points

“How confident are you about sales targets?” This question has obsessed companies and salespeople since the dawn of organized sales. In many Enterprise Resource Planning (ERP) and Customer Relationship Management (CRM) software packages, for example, salespeople are required to input their confidence levels for each sales task. Such an input amounts, though, to an educated guess at best.

Because of the way it is generated, this input will vary with the individual salesperson who formulates the judgment about her confidence. And close to the end of the year, concerned managers invariably become highly apprehensive about achieved target for the year and sales forecasts for the following year, lacking as they do a comprehensive assessment

of sales performance for the preceding year. This apprehensiveness stems from not having an objective, rational means measuring the company's success or failure before the finished figures of an annual report are in; in many cases, managers find themselves mere spectators to their own businesses, as a litany of unpredictable factors make themselves felt upon sales levels and rates. It is, therefore, critically important to develop a method that allows salespeople to evaluate their confidence in an objective way, while acknowledging the various risks that surround the selling process.

This is why we introduce, within X-Be, a third selling status index – the *confidence index* (CI). The CI is defined as the extent to which a key person has publicly acknowledged the selling points of a sales offer. “Extent,” here, is understood to refer both to (1) the *amount* and *prominence* of acknowledgment and to (2) the *type* of forum.

Indeed, forum is of particular importance during occasions for attitude declaration – those times when a purchaser (or purchasing organization) articulates his attraction to the selling points in the sales offer. A casual mention to low-level workers should give rise to a low CI; acknowledgment only to the salesperson is even lower, but certainly not unfavorable. But if a key person's attitude is expressed in public, in the media, or at a meeting of executives or shareholders or any significant others, the CI rises sharply.

The rationale behind the CI is pretty simple; when a specific attitude and/or behavior are publicized, people who have done so will find it difficult to reverse this attitude – because to do so would be to contradict what has already become a matter of corporate or social record or policy; it may damage his image, and he may not be worthy of trust by others any more. This might explain the phenomenon of so-called escalating commitment (Staw, 1981) among decision makers: the tendency to continue in a previously chosen course of action even when feedback suggests that it was a failure.

COMPETITION

Unless business is transacted in a no-competition or weak-competition environment, or a product is essential and available nowhere else, a seller's position relative to that of (his or) her competitors within the marketplace is a key factor in any sales activity.

Within X-Be, competition is viewed in its broadest sense, encompassing all – and any – factors that might impede a seller's success. General

market information about the seller's industry competitors is to be solely used as a reference point. X-Be's concept of competition is not represented by, for example, an opposing sales organization offering the same item or service, but rather by how those factors in the key person's VOC tend to hinder the seller from winning the sale.

To develop a working concept for salespeople, X-Be introduces the concept of impeding factors – impedance to sales progress in the form of buying points and selling points about which key persons may feel the seller and/or her sales offer will have trouble delivering. It should be obvious that a seller needs to parse and develop an understanding of all those factors which may prevent a key person from commencing their motion to purchase – and fundamental to this process is to establish why deliverability is in question. X-Be allows a seller to reach conclusions on these questions and to establish or ameliorate a competitive position.

X-Be provides sellers with a conceptual framework for virtually all sales activity – personal selling or non-personal selling – organized in a systematic and easy-to-follow fashion. Because of the clear logical relationships that X-Be establishes among its internally defined elements, this conceptual framework will help salespeople or sales manager to evaluate and direct sales activity with a degree of effectiveness much greater than that of a sales framework based upon subjectivity, mere experience, or trial and error. X-Be's building blocks reflect the highly dynamic nature of the cognitive, psychological, and behavioral characteristics of the customer, a value-chasing engine. The logic and internal consistency among these building blocks represent the key features that make X-Be universally applicable and effective in day-to-day selling work and its management.

The following chapters will provide a thorough discussion of the building blocks of X-Be and their applications in various selling and sales management cases.

