

Media Selling, 4th Edition

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Chapter 9 – Prospecting and Identifying Problems

Solution Selling

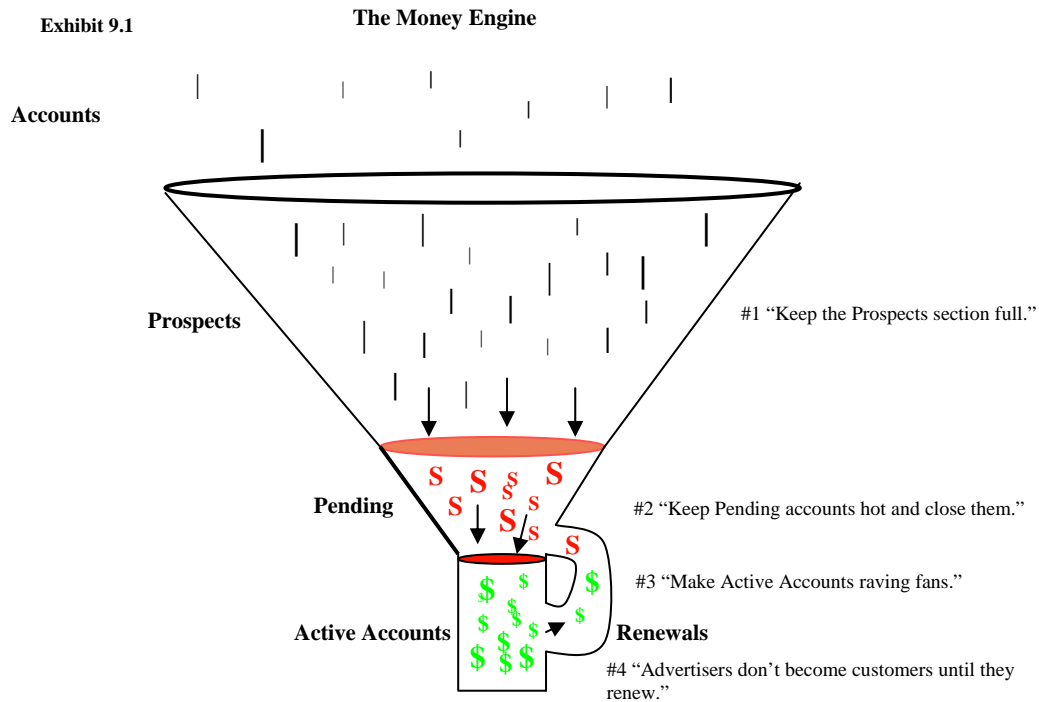
This chapter covers the first two steps of Solution Selling. You will learn techniques to improve your skills on these two steps and you will learn a system called the Money Engine that will help you organize your efforts for each step.

The Six Steps of Solution Selling

1. Prospecting
2. Identifying problems
3. Generating solutions
4. Presenting
5. Negotiating and closing
6. Servicing

The Money Engine

The Money Engine is a system for not only getting customers, but also keeping them. It is a system the will help you organize your time during the above six steps, as seen below in Exhibit 9.1.



The model for The Money Engine was suggested by the Sales Funnel in *The New Strategic Selling*ⁱ and by Ron Steiner, who ran the annual Broadcast Sales Academy and teaches the sales funnel model. You will notice in Exhibit 9.1 that at the top of the Money Engine there are number of perpendicular lines. These lines represent all of the accounts that are on your *account list*.

Generally, media companies provide salespeople with some type of account list, which sometimes include hot prospects and even a few *active accounts*. The Money Engine will help you divide your selling efforts appropriately. If you are not given an account list and have to start from scratch knocking on doors and looking under every rock for someone to call on, the Money Engine model will work well for you, too. In either case, a typical account list might include 100 accounts – sometimes more in small or medium-sized markets and less in large markets or in national media where salespeople call primarily on advertising agencies.

Prospects are those accounts in the top part of the engine. While prospecting will be covered later in the chapter, it is imperative for you to understand the first principle of the Money Engine: *Keep the Prospects section full*.

Think of The Money Engine as a steam boiler that runs a revenue locomotive. You have to keep the top part, the tender, where all the fuel for the engine is stored – filled with prospects to make sure that you continually stoke the boiler fire. Out of a list of, say, 100 total accounts, 80 of them might have reasonable potential. You should spend enough time prospecting to make sure that about 40 of these accounts are bonafide prospects for your medium. Bonafide prospects are those whose target market (women 25-54, for example) your medium reaches. In other words, if there is a good fit between your medium's audience or readers and an advertiser's customers, that advertiser is a bonafide prospect.

Forty is an arbitrary number and in some sales situations, 60 might be a realistic number of prospects, and in others, 10. After a couple of months in a sales job you will know what an appropriate number is so that you can concentrate your selling efforts on legitimate prospects and not spin your wheels with those who will never buy anything.

The second section of the engine contains Pending accounts. This section is the boiler where prospects, the fuel, are heated up. Prospects become pending when, after you have qualified them, they are in the market to buy and have made a decision to invest in your medium. When salespeople get a request for a proposal (RFP) or call from an advertising agency buyer to make a proposal, the business is now pending.

This brings us to the second principle of the Money Engine: *Keep Pending accounts hot and close them*. Once an advertiser or an agency buyer has decided to make a buy, you must stay right on top of the situation constantly, cover all the bases, and create a sense of urgency in order to get a commitment. You should shoot for having about 20 accounts pending at any given time, depending, of course, on your medium and market. In order to have 20 accounts always in the Pending section, you have to work hard to keep the Prospects section filled. You should always strive to achieve a closing ratio of 50 percent with accounts in the Pending section and, thus, move them to the Active Account section of the Money Engine.

The bottom section of the boiler is the Active Accounts section. Active accounts are advertisers who produce revenue. If you have kept the Prospects section full, and if you have kept Pending accounts hot and have closed 50 percent of them, you should have 10 Active Accounts that are generating money for your company and for you. This brings

us to the third principle of the Money Engine: *Make your Active Accounts raving fans.* Provide superb service and make sure your active accounts get results.

Note that there are accounts in a section of the Money Engine that looks like a handle that goes from the Active Accounts section back up to the Pending section. This is the Renewal section, which brings us to the fourth principle of the Money Engine: *Advertisers do not become customers until they renew* and its corollary: *Always sell for the second order, not just the first.* This second order will come if you under-promised when you were creating value and you over-deliver. In other words, you managed your advertisers' expectations properly and they got better results than they expected. The lower you can set their expectations, the higher their satisfaction with over-delivery will be.

The principle that advertisers do not become customers until they renew is important to remember because there is too often a tendency for salespeople to forget about accounts once they have been sold. Too many salespeople see their job as over once they make a sale. On the other hand, buyers believe a relationship is not a one-night stand and is just beginning when they make a buy. In local broadcasting and cable attrition rates are often as high as a 60 percent from one year to the next, some of it from inattention. Attrition is lower in newspapers and magazines where the inverse is often the case. But whatever the case, it is vital to manage active accounts intensively and give them excellent service in order to reduce the amount of natural account attrition, as it is much easier to maintain and renew an account than it is to create a new one.

Prospecting

Prospecting is *creating opportunities to make a proposal.* The key to successful prospecting is working smart, which means learning how to find the right people to call on by using all of the methods of prospecting and then developing an organized system for setting up appointments and presenting to prospects. You should spend approximately 7.5 percent of your productive time each month prospecting, perhaps twice that if you are just beginning a job or you have no assigned account list. Chapter 24 covers techniques for developing and implementing an organized prospecting system.

Methods of Prospecting

The first thing to do when you begin prospecting is to *select a method.*

1. By current advertisers in other media
2. By season
3. By category
4. By geographic region
5. By advertisers in your medium
6. By inactive advertisers
7. By current advertisers
8. By business, civic, or social organization

The obvious first place to start prospecting is in *other media.* Try to find businesses that are advertising but not in your medium. It is generally easier, and thus a more efficient use of your time, to try to sell prospects who already have an advertising

budget than to have to start from scratch with someone and sell them first on advertising, then on your medium, and then on your product.

To prospect in other media, you should know something about their rates so you can estimate advertising budgets. In many larger markets, *newspaper checking bureaus* keep track of ads by client categories. Also, many markets have TNS Media Intelligence competitive media reports (CMR) online that radio and television station can subscribe to. Each month CMR publish details of all radio and television advertising schedules that ran the previous month. If your market does not have monitoring services available, you can ask advertisers or their agencies for rate cards of other media outlets in your market and you and your fellow salespeople can monitor other media on a systematic basis.

For national media such as broadcast and cable network television, magazines, and websites with national appeal, you can go www.adage.com, then go to the “Data Center” and click on “Leading National Advertisers Corporate Profiles” to get total spending levels by media and by the top 100 national advertisers.

Next, in your monitoring, you should try to pick out the creative approaches your prospects use, the images they are trying to project about their businesses, and their approximate target audiences for the advertising.

In a local market, the *Yellow Pages*, known as the Prospector’s Bible, is the place to start because anyone in business who sells a product or service to the public will be in the Yellow Pages. It is the place to start and to go back to time and again when you prospect in a local market. However, today the best source of prospecting information is the Internet. If you are fortunate to have an auto dealer or two on your list, there are several places you can go on the Web to get a wealth of information. The website for the National Association of Automobile Dealers, www.nada.org, has up-to-date news on auto industry trends and www.hoovers.com is a good resource to research companies and industries in general as is BusinessWeek.com, Investing and Stock Research – go to www.investing.businessweek.com/research/company/overview/overview.asp.

If you get a job or work for a television station that is a member of the Television Bureau of Advertising (TVB), its website has some industry profiles.

There are other industry associations, such as the American Beverage Association, that have informative websites (www.ameribev.org). If you do not know whether or not a business or an industry association has a website, Google it.

If you sell broadcast, cable, or Interactive, *read newspaper ads* carefully, for they are the most fertile ground for other media. Look for a newspaper advertiser’s selling points, image, creative approach, and target audience when you examine newspaper ads. If advertisers are continuously getting positions with low reader impact, such as bottom-left, back-of-the-section, or gutter positions (next to the fold), they might be ripe prospects for broadcast, cable, or Interactive.

If you sell for a local newspaper, radio station, or website, monitor television for commercials for local businesses. Television is vulnerable because it is expensive and many local businesses, especially car dealers, tend to over-invest in television.

Prospecting by *seasonal sales patterns* is a productive way to organize your prospecting efforts. Most advertisers have seasonal sales patterns; therefore, advertisers should be contacted anywhere from three to six months before their peak selling seasons begin. A salesperson should find out when advertisers set their annual advertising budget

and make promotion plans and contact them at that time. November is obviously too late to start selling advertising for the Christmas season.

Another way to organize your prospecting is by *category*. Select a business category, such as men's clothing, for example, and begin contacting as many of these companies as you can. Combine this category method with the seasonal one and choose a category that has a seasonal sales peak coming up. You will find that this category method is an excellent way to become an expert in a particular business category and helps you get referrals. As you get prospects to tell you about their advantages over their competitors, you will also learn how to approach those competitors. You can also go to www.adage.com in the "Data Center" and look in the Marketers/Advertisers section (click on READ MORE) for the advertising to sales ratios for over 200 business categories.

Many successful media salespeople have carved out profitable careers by specializing in one or two categories, such as telecommunications, supermarkets and food, automotive industries, and so on. There are many excellent resources on the Internet for prospecting by category.

Often it makes sense to organize prospecting efforts *geographically*. This is particularly the case in markets that are spread out physically, such as Los Angeles. Isolate an area of town that looks promising and start making phone calls to set up appointments. When you do get your appointments, you will save time and gas money by going to one general area. You can use the Internet to help you prospect in a new geographical area by going to www.mapquest.com or Google Maps at www.maps.google.com and get a map of the area, which you can download onto your cell phone.

You can prospect in *your own medium*. However, this type of prospecting tends to encourage parasitic behavior and leads to hordes of salespeople trying to carve up the same advertising pie, which, in turn, often leads to price cutting and overall lower rates. It is better to try to increase the size of the pie by developing new advertisers whenever possible.

Prospect internally by looking at *inactive account lists*. Go back several years through the files of completed contracts and look for advertisers who were once active but are not currently running. You might be amazed when you ask someone why they are no longer advertising with you and the reply is, "No one asked for my business again." This inactive account would be another easy sale for the disciplined, well-organized prospector.

Furthermore, do not overlook the obvious. Do not forget your *current advertisers*. While serving these customers, think of ways to get them to increase their schedule with you. Sell promotional packages, special events, longer schedules, or more ads, but do not fail to look at them as potential prospects for new revenue.

Finally, you can organize your prospecting efforts *organizationally*, by civil, social, or business clubs or by sports, church, or fraternal organizations. Insurance salespeople often prospect this way, and so can media salespeople.

Referral Prospecting

You should never pass up the opportunity to ask a prospect, a customer, a friend, or an acquaintance to refer you to someone who might be a potential advertiser. The best referrals are from happy customers, so get in the habit of politely asking for referrals, because you have nothing to lose and sales to gain.

Prospecting is where selling begins. Good prospectors can always make a living; they do not have to depend on economic conditions, ratings, circulation, or rates. They can find new customers time and time again, year in and year out. Successful salespeople know how to organize themselves and to plan their time using The Money Engine to keep the Prospects tender full, to keep Pending Accounts hot and to close them, and to make Active Accounts raving fans.

Identifying Problems

The next step, after prospecting, in the solutions selling process is *identifying problems*. This step has two phases: *qualifying* and *identifying problems*.

Qualifying

After you have identified prospects and have made an initial appointment, qualifying prospects comes next. Qualifying is finding the *right* people to call on. According to Mark McCormack, author of *What They Don't Teach You at the Harvard Business School*, effective selling is more a matter of timing and the quality of the doors you knock on as it is the quantity of doors you knock on.ⁱⁱ

Qualifying is an important part of the selling process because it is in this step that you *begin your relationship with your customers*. Qualifying is largely a matter of finding out if a prospective customer has the resources to advertise and if there is a fit with your medium so that you can get results for the prospect. Qualifying is when you begin to identify needs—both business and personal. You must carefully observe prospects' surroundings and behavior and learn to read the room and their desk.

Learning About Your Prospects

Harvey B. Mackay, Chairman of the Board of Mackay Envelope Corporation and author of the successful book *Swim With the Sharks Without Being Eaten Alive*, says, that knowing your customer is not a cliché, it is the foundation of a sale.ⁱⁱⁱ In an article in the *Harvard Business Review*, Mackay wrote about a mythical conversation with a salesperson who cannot get a buyer, Bystrom of International Transom, to quit using Mackay Envelope's competitor, Enveloping Envelope. Mackay looks at the account folder with the salesperson and says sternly: "Did you read his desk? Were there any mementos there that told you about him? How many plaques on the wall? What's his alma mater? If he's businesslike with you, what are his aspirations? How does he identify with company goals? You don't have in here a recent article or current analyst's report on his company." Mackay gets up from his desk and gesticulates as he paces to and fro and continues. "How well have YOU shown him that you know and admire his company; that you know how it fits in its industry? Do you know the strengths and weaknesses of Enveloping Envelope in terms of International Transom? Have you emphasized to Bystrom those strengths that we have almost exclusively, such as centralized imprinting?"^{iv}

You do not want to be in the same position as the hapless salesperson above. Make sure you qualify prospects thoroughly, read the surroundings, the office, their desk, and their behavior. The first appointment is essential for gathering information about your prospects so you can begin to create a needs-based portrait of their business and personal needs and motivations.

The Qualifying Appointment

On your first qualifying appointment, it is usually best not to take notes. Taking notes while your prospect is talking is similar to tape recording the conversation; it makes many people nervous and unwilling to open up. It also means you are concentrating on writing and not on the prospect. If you are conducting a lengthy, fact-gathering interview, you might need to take a few notes very quickly, but be careful not to do anything that might reduce the opportunity to establish rapport during the first interview. Immediately *after* you leave the appointment, take detailed notes while the details are fresh in your mind. Also, follow up the initial appointment with your prospect with more fact-finding interviews with people who work for the prospect. Learn the prospect's business thoroughly before you make a sales presentation.

Here are your goals for your first meeting:

1. To build rapport instantly: You never get a second chance to make a first impression. You have about fifteen to sixty seconds to create a favorable first impression. Prospects will continue to judge you based on this first impression and reinforce their judgment the remainder of the time they know you. Your initial goal from the moment you lay eyes on your prospects is to get them to like you, which requires using the emotional intelligence and influence skills you learned in Chapter 6. You must also use the communication, effective listening, and understanding people skills you learned in Chapter 7.

When you shake hands, do exactly what the other person does. If prospects have soft, limp handshakes, you reciprocate. People of this type are not prone to enjoying aggressive handshakes that involve a tight grip, firm squeezing, and vigorous pumping. In contrast, if people grab your hand, squeeze, and pump heartily, follow their energetic lead. Remember, people like and trust people exactly like themselves. As you do when you talk to prospects on the telephone, synchronize with their speech patterns in person.

2. To build trust. The quickest way to build trust with people you do not know well is to find something on which you can agree and then agree 100 percent. In your conversations with prospects, you will touch on a number of subjects, many of which you will disagree on. On the other hand, do not be hypocritical and say something you really do not believe. Keep probing until you find something you can agree on and then say, "I agree 100 percent." Try to compliment your prospect on something specific, which usually gets prospects talking.

If prospects bring up any negatives about salespeople, your medium, or your company, honor them and compliment them for bringing up the point. People will trust you if you show confidence in yourself and in your product and are not afraid to deal with negatives, especially if you bring it up. Be totally candid. The two-sided argument is particularly effective at this time. For example, you might say, "There are some problems with using radio, Mr. Jones. You can't demonstrate or show products on radio, but an effective creative approach can work wonders."

3. To become a partner with prospects. You must communicate your desire to become a partner with your prospects in solving their problems and making them successful. Sell yourself as a media expert and an advertising problem solver. By not trying to sell prospects anything while you are qualifying them, you plant the seed that you and your

product might become the solution, instilling a sense of cooperation. You are beginning to cultivate a relationship, build a partnership.

- 4. To qualify creditworthiness.** Qualifying also means that you must check a prospect's credit. There is no future for a salesperson who sells advertising to someone who will not or cannot pay for it. Many small- and medium-market media pay commissions on collections and not on billing. Thus, a salesperson who sells to prospects that have shaky credit ratings is taking time away from selling to prospects that will pay their bills and generate sales commissions. .

Checking credit ratings is a task for a business manager and not for salespeople, particularly on the first call. Salespeople, however, should make it a point to know the results of credit checks. If a business office, for whatever reason, recommends getting cash in advance from a prospect whose credit has not yet been established, salespeople should ask for cash in advance very delicately, so as not to risk offending or insulting a potential customer. If a prospect gets upset, a salesperson can blame an overzealous business manager, who is paid to take the heat in situations such as this. This tactic leaves the door open for future contacts. By the way, all political advertising is cash-in-advance, and politicians and those who plan and buy their advertising understand this policy.

Most beginning salespeople find that qualifying is not an easy step to master. One reason for this difficulty is that proper qualifying requires salespeople to be tough-minded and to not waste time with people who are not good prospective advertisers or with people who are not in a position to make the final decision, no matter how pleasant they might be.

- 5. To assess perceptual set and readiness.** Every person enters every situation with a *perceptual set*, which is a predisposition to perceive things in a certain way. People come to any encounter with values, attitudes, beliefs, and opinions about virtually everything. For example, they might not like salespeople in general or they might not care for either female or male salespeople. They might not like your medium. They might not like young people.

It is important for you to ferret out prospects' perceptual set so you can plan your sales strategy and set your selling priorities. For instance, you may recognize that a particular older male retailer does not seem to care to deal with young people or with females. If you are both, you will have to build source credibility with qualities other than similarity. Thus, you might concentrate on being especially businesslike and try to develop trust through your expertise and extensive product knowledge (but do not use industry jargon—talk in the prospect's language).

Readiness is the notion that people will learn what they want to learn and are able to learn. A wide variety of variables, such as educational level, emotions, ambitions, success, past experience, and selective perception condition people's readiness.

A prospect that has had a bad experience advertising in your medium is not willing to learn about what you are offering. You might have to focus your sales strategy on discussing several successful case histories of similar businesses in your medium just to get this prospect to listen to a presentation of the benefits you offer.

- 6. To get an appointment for a discovery meeting.** Remember that the qualifying appointment is not be a sales call, it should be a call in which you gain permission to

learn more about your prospects' business, to ask a series of discovery questions so you can bring back an appropriate solutions-based proposal.

Identifying Problems Phase

The entire premise of solutions selling rests on the idea that a prospect has marketing and advertising problems – virtually no one is ever satisfied with the number of customers they have; they always want more. So, once you qualify prospects and find out they have the resources to advertise, and you believe your medium can legitimately help them, the next phase in the solution selling process is to get access to prospects' information so you can identify their problems. How do you do this detective work? You ask a lot of the right questions.

A quote by the artistic/creative genius, Pablo Picasso, pinpoints the vital importance of asking the right questions in a somewhat humorous light. He said, "Computers are useless. They only give you answers."^v

There are three types of questions, or probes: *open-end questions*, *closed-end questions*, and *verification questions*. Start with open-end questions, such as "Tell me more about your business?" You get a lot more information with open-end questions because you are not asking for specific information. Your prospects will often wander off in several directions and sometimes, even, give you more information than they intended. Remember, most people like to talk, so let them.

Closed-end questions are those that ask for a specific answer, such as "What is your advertising budget?" Think of your questioning technique as a funnel that starts out wide, with open-end questions pouring lots of information into the funnel, and as you learn more, you can be more selective and ask narrower and narrower, more specific, closed-end questions in order to get the information you want. The reason you start with open-end questions is that they build trust in the relationship, and once trust is established, the prospect is much more likely to give you informative answers to your closed-end questions.

A verification question is an efficient information-seeking question framed in a way that elicits a yes answer to verify information that you believe is correct. For example, "As advertising manager, you make the final decision. Is that correct?"

Discovery Questions

Ask the 26 Discovery Questions shown in Exhibit 9.2 in a series of interviews with appropriate people in prospects' organizations. It may not be possible to ask all of the questions on one call – always be sensitive to the time constraints of your prospects. You might want to spread the questions out over several appointments and among several people.

Note that the first several questions are ones that you should know the answers to based on your research. This is perfect situation to use verification questions to make sure your information is correct and to show your prospects that you are knowledgeable about their business and industry.

As you can see from the list of Discovery Questions, the questions are quite thorough and are obviously not appropriate in every situation. I suggest using the questions in Exhibit 9.2 as a guideline and that you develop your own list of questions that are appropriate for your market and your medium.

Finally, the most important questions are follow-up questions. After you get an answer to one of the following Discovery Questions, ask “Why?” Also, when you are following up and probing, probe for feelings, not just for the company line. If you ask the right probing questions, you can get people to think about their problems from a new perspective and to think more deeply about their problems and potential solutions.

Exhibit 9.2

Discovery Questions

1. Before making a call, you should research the following information about a prospect. Your first question should be a verification question to confirm that the information you have gathered is correct. For example, “Our research indicates that your revenue is \$6 billion a year, your profit is \$550 million, and that you have 11,000 employees. Are my assumptions correct?”
 - A. Size
 - i. Revenue (sales)?
 - ii. Profit?
 - iii. Number of employees?
2. In your research, you should also develop a profile of the company and find answers to the following questions. If you can't find the information, you should ask appropriate, closed-ended questions.
 - A. How long have you been in business?
 - B. Business structure? (Examples: Public company, privately held, corporation, partnership, sole proprietor, franchisor, franchisee, e.g.)
 - C. Number of locations/outlets?
 - D. Distribution channel? (Retail, direct marketing, wholesalers, online, catalogues, e.g.)
 - E. Type of product/service? (Example: Impulse purchase, planned purchase, high priced, low priced, middle range, mass consumer, luxury, e.g.)
 - F. Peak selling season(s)?
 - i. Percent of yearly business at peak seasons
 - G. Business cycle? (Examples: Purchase once a day, once a week, once a year, once in a lifetime, e.g.)
 - H. Five largest customers?
 - I. How has your business changed in the past year?
3. Before making a call, you should research the following information about a prospect. Your next group of questions should confirm what you have learned.
 - A. Total marketing budget?
 - i. Direct selling?
 - ii. Advertising?
 - iii. Promotion? (% trade, % consumer; advertising/promotion ratio)
 - iv. Cause marketing, corporate relations, PR budget?
 - B. Total advertising/direct marketing budget in dollars?
 - i. Advertising rank in industry? (Who is #1, #2, and #3?)
 - ii. National, national spot, and local budgets?
 - C. Advertising as a percent of revenue (sales)—Ad/Sales Ratio.
 - i. Ad/Sales Ratio rank in industry (Who is #1, #2, #3?)
 - ii. Advertising rank in industry? (“What competitors spend more in what media?”)
4. During the discovery process (which will take several calls at different levels of an organization), you should find answers to the following questions:
 - A. “What research do you look at and what does it tell you?” (You need to know the answer to this question so that your eventual proposal doesn't contradict what they believe from their research).
 - B. Who in the organization will make the final decision?
 - i. A single decision maker (CEO, SrVP, Marketing, e.g.)
 - ii. The key influencers (CFO, SrVP Advertising, e.g.)

iii. Influencers (Ad committee, consultants, e.g.)

C. What is the organization's decision making process like (fast, slow, consensus, CEO only, consultants, e.g.)

5. "If I could wave a magic wand, and make three wishes come true for your company next year, what would you wish for?" (Examples: Increase profitability, reduce expenses, sell more product/service, introduce new products, increase share of mind (branding), increase stock price)
6. "What are your marketing goals?" Examples:

Introduce new product/service	Create demand
Introduce line extension	Change customer attitudes
Develop/increase traffic	Feature specialty products
Maintain market dominance	Develop seasonal buying
Recapture old customers	Build destination
Expand target market (age, geography)	Build private label
Establish or re-establish image	Increase profit margins
Build brand awareness	Increase response level
Reinforce leadership position	Promote special sales
Promote special events	Increase market share
Increase usage	Move up one market rank
Expand size of pie (market)	Dominate (own) a market
7. "What problems are you having in achieving those marketing goals?"
8. "What are your primary marketing strategies?" (Examples: Differentiation, Focus/niche marketing, or Low-cost Producer)
9. "What are your secondary marketing strategies?" (Examples: Defense, Offense, Flanker Brand, Fighting Brand, Guerrilla Marketing, Ambush Marketing, e.g.)
10. "What is your current market position?" (Examples: Dominant leader, number one, close second, follower, last, e.g.)
11. "Who are you trying to reach—who is your primary target customer?"
 - A. "What percentage of your business is done by your heavy users/big customers?" (Example: 85% of product bought by 15% of customers.)
 - B. "Who are your secondary target customers?"
 - C. "Who are your most profitable customers?"
12. "Why do your customers buy from you—what is your major appeal?"
13. "What messages or creative approaches have been most successful for you in the past?"
 - A. "Who (organization) does your creative?"
 - B. "Who (organization) does your media planning?"
14. "What advertising media are you currently using?"
 - A. "How is your budget allocated among the media you use?"
 - i. "Does this allocation reflect current media usage by consumers?"
 - B. "How effective are the media you are currently using?"
 - C. "How to you track the results/response to your advertising?"
 - D. "What advertising problems are you having and which ones are you trying to solve?"
 - E. "Are there any perceptions about your brand that you would like to change?"
15. "What do you want your advertising/direct marketing to do for you?"
 - A. "What are your advertising goals?" (Examples: Sales/transactions, branding, awareness, information, persuasion, or reminding/reinforcing)
16. "Who are your three/five biggest competitors?"
17. "Why do your customers buy from each of your major competitors?"
 - A. "What strategies do you have to capture share from your competitors?"
 - B. "How are you differentiating yourself from your competitors?" (Examples: Price, Quality, Convenience, Location, Selection, e.g.)
18. "What do you do better than your competitors?"
 - A. "What do they do better than you do?"
19. "What do you think of my medium of advertising?"
 - A. "Who owns the search terms most valuable to your business and industry?"

- i. “Have you been monitoring your competitors' advertising activity, campaigns, and creative?”
 - B. “Are there any specific goals you have in mind for your advertising?”(Examples: Low CPMS, low CPCs, promotions, e.g.)
 - C. “What advertising/marketing element has produced the best ROI for you?”
- 20. “What time of year do you (A) plan and (B) buy advertising?”
- 21. “Are there any co-op dollars available?”
- 22. “Do you use promotions—if so what kind?” (Example: Sales, rebates, contests, sweepstakes, coupons, free samples, e.g.)
 - A. “Is your decision to purchase a medium based on doing a promotion?”
 - B. “Do you create your own promotions or do you depend on the media or an outside agency or promotion company?”
- 23. “What are your criteria for judging the best proposal?”
 - A. “What are your metrics for success?”
- 24. “What do you think of my company?”
 - A. “What is the likelihood that you'd buy from us?”
- 25. “Is there anything I should have asked you, but haven't?”
- 26. “What questions do you have for me?”

When you ask your Discovery Questions, the conversation should not be interrogative or manipulative, but should be relaxed and comfortable. In Chapter 6 we wrote that old models of selling do not work any more, which is a major reason why the solution-selling model evolved. Experienced advertising agencies media buyers have seen every trick. They know full well when a salesperson tries to manipulate them or tries to close them.

Some salespeople have been trained to ask manipulative questions that lead prospects to a conclusion that the salespeople want them to reach, regardless of what a prospect might want. Even though in Chapter 6 I recommended Neil Rackham's *SPIN Selling* because it contains some useful sales lessons, I do not recommend using the technique of asking the SPIN Selling questions. The mnemonic SPIN stands for four types of questions that salespeople should ask: Situation questions, Problem questions, Implication questions, and Needs-Payoff questions.^{vi}

Rackham chose an unfortunate mnemonic, unwittingly I'm sure, because SPIN has a pejorative meaning. Spin is a term that means spinning a news story that could be negative away from the underlying truth toward a meaning that is more favorable to the spinner. Spinning news or information is manipulative. Also, the book, published in 1988, was based on research conducted over several years before that, before solution selling became the modern model for selling, which means that SPIN Selling is an outdated method.

The last two types of SPIN questions (Implication and Needs-Payoff questions) also tend to be manipulative, as Rackham suggests asking them. Using these types of questions is using the Socratic method.

If Socrates was the greatest teacher of all time, how could he be manipulative? In her book *I Only Say This Because I Love You*, author Deborah Tannen writes:

“The Socratic method, according to philosopher Janice Moulton, is frequently (though not accurately) identified as ‘a method of discussion designed to lead the other person into admitting that her/his views were wrong’ ... I use the term *Socratic method* to refer to a style of arguing in which you try to get others to admit they are wrong – and to agree with your conclusion – by getting them to agree to

one after another step along the way, which the Greek philosopher Socrates (as we see in Plato's dialogues) posed a series of questions, the answers to which exposed others' ignorance or uncovered contradictions in their beliefs."^{vii}

We all know what happened to Socrates – he committed suicide by drinking hemlock rather than being exiled from Athens. Salespeople who try to manipulate and use tricks on savvy customers and media buyers will be exiled. When you ask Discovery Questions, do not ask leading questions; ask straightforward, authentic, non-manipulative questions.

Once you have asked enough questions to identify the marketing and advertising goals, strategies, and problems a prospect has, do a thorough diagnosis of the problems. Come up with solutions that are unique to your medium, and generate proposals that offer your solutions effectively – the subject of the next chapter.

Test Yourself

1. What are the four principles associated with the Money Engine?
2. What are the five prospecting goals?
3. What are the twelve guidelines for effective prospecting on the telephone?
4. What are the eight methods of prospecting?
5. What are the two phases of identifying problems?
6. What are the six goals for your first qualifying appointment?
7. Why is the Socratic method manipulative?

Project

Assume you are a salesperson for a website. Write a script for a prospecting telephone call to a local business in which you try to get an appointment. Assume the prospect you are calling answers yes to all of your questions. Rehearse reading your script several times, and then record yourself. Play back the recording. Did you sound friendly and confident? Would you give you an appointment? Make notes on how you could improve your telephone technique and try again. Repeat this exercise until you are satisfied that you sound effective, friendly, and confident.

References

- Stephen E. Heiman and Diane Sanchez with Tad Tuleja. 1998. *The New Strategic Selling*. New York: Warner Books.
- Harvey Mackay. 1988. "Humanize Your Selling Strategy," *Harvard Business Review*. March-April.
- Harvey Mackay. 1988 *Swim With the Sharks Without Being Eaten Alive*. New York: William Morrow.
- Mark McCormack. 1984. *What They Don't Teach You at the Harvard Business School*. New York: Bantam Books.
- Neil Rackham. 1988. *SPIN Selling*. New York: McGraw-Hill.
- Deborah Tannen. 2001. *"I Only Say This Because I Love You."* New York: Random House.

Resources

www.ameribev.org (American Beverage Association website)
www.hoovers.com (Website containing financial information about companies)
www.iab.net (Interactive Advertising Bureau website)
www.nna.org (National Newspapers Organization website)
www.nada.org (National Automobile Dealer's Association website)
www.onetvworld.com (Cabletelevision Bureau of Advertising website)
www.rab.com (Radio Advertising Bureau website)
www.tvb.org (Television Bureau of Advertising website)

Endnotes

- ⁱ Stephen E. Heiman and Diane Sanchez with Tad Tuleja. 1998. *The New Strategic Selling*. New York: Warner Books.
- ⁱⁱ Mark McCormack. 1984. *What They Don't Teach You at the Harvard Business School*. New York: Bantam Books.
- ⁱⁱⁱ Harvey Mackay. 1988 *Swim With the Sharks Without Being Eaten Alive*. New York: William Morrow.
- ^{iv} Harvey Mackay. 1988. "Humanize Your Selling Efforts." *Harvard Business Review*. March-April.
- ^v http://quotationspage.com/quotes/Pablo_Picasso/. November 11, 2007.
- ^{vi} Neil Rackham. 1988. *SPIN Selling*. New York: McGraw-Hill.
- ^{vii} Deborah Tannen. 2001. *I Only Say This Because I Love You*. New York: Random House. p. 80.