

## **ARITHMETIC OF SELLING**

In business it is always important to understand the logic and the sequence with which consumers buy.

In impulse buying, the consumers buy immediately based upon emotion, a taste, an immediate appeal, peer group pressure or friends near buy etc and the decision is impulsive and highly emotional.

In more considered decisions, where there is a shopping or a specialty action or even a professional purchasing decision, the decision making process is one in which there has to be logic and appeal to the consumer's rational thinking. There may be some emotion but often it is a rote position where they want to go through the motions and make the best decision from a range of options. In addition, they are trying to satisfy the best utility value for their dollar.

It is therefore essential to understand that consumers need a framework that can be presented to their logic and their rational reasoning built up over time through tradition, training, experience and previous transactions that have worked or not worked.

The Arithmetic of Selling provides an excellent basis for this and an excellent framework for developing your selling proposition to customers, both those in relationship situations and those that are cold called or early buyers. The Arithmetic of Selling works as follows:

### **1. Addition**

The first thing you do is to add up all the benefits of your product from the consumer's viewpoint. Merely putting down all the advantages of the product from your perspective will not get you the result. You must have research, prior understanding or even intimate knowledge of the consumer's position and try to put yourself in their shoes or their place in order to present benefits from their perspective. This is a consumer driven perspective of benefits.

Note: Benefits are different from features. Features are the physical or the rational parts of a product or service that have appeal. Features can be numerous, but the actual appeal of some features may be very negligible in a purchase. Benefits are those features which have high appeal to the customers so you need to test features from the customer's perspective to turn them into benefits and you need to, where possible, test those features for beneficial delivery to customers.

### **2. Multiplication**

Once you have worked out which benefits will drive the customers thinking towards considering your product or service the next thing you must do is to multiply the benefits to the customer through overtime or within the selling situation. A typical multiplication would be:

- This would give you 5 years of trouble free service under a warranty before you have to pay any money from your own pocket

- If you purchase this machine, you will get equivalent of half an employee for the next 4 years
- If you use our service, you are able to save up to 40 hours of time in addition to getting the best service available and the best brands.

Multiplication is very important and again, the multiplication should mention the benefits and be relevant to the situation. This requires some adjustment on your part, prior knowledge of the customer, direct questioning to ascertain what benefits and multiplications might be important etc.

When looking at multiplication, you are also appealing to Maslow's Hierarchy of Needs. Consumers like to buy and to multiply their benefits as against risk over a number of important values, which can vary from consumer to consumer. These values are:

- Security and Safety
- Meeting basic needs (start-up and first time buyers)
- Belonging or working with successful products or working with the market
- Self-esteem
- Self opinion or actualisation

### 3. Subtraction

Once you have worked out what the benefits are and how these are multiplied through, you then **subtract** the disadvantages to not purchasing your product or service. If they buy from somebody who has no experience, then they increase their risk. This obviously creates some intrepedation on the part of the consumer and subtracts from not making the right decision.

By using subtraction you are able to point the consumer towards your goods and services, especially against competitors, doing it themselves or undertaking the risk with another party. Always subtract again in realistic terms. Do not over exaggerate and make certain that you understand the competition and the risks involved in not making a decision with you before you present these arguments.

### 4. Divide

This is the most important aspect of the Arithmetic of Selling. Always divide the cost of the purchase into a unit that is familiar to the consumer. If it is a salesman buying a car, then it is the cost per kilometre or per week or per year of selling using the car. If it is a machine, then you divide the cost of the product into units. A typical example with business machinery is to divide it up into a cost per page or per copy. Always seek to divide, to show and demonstrate the value and the value

proposition of purchasing the product as presented by you. I often use a cappuccino as a basic unit where I don't have an understanding of a consumer's background when talking about sums under \$500. A product doesn't seem so expensive when it is 125 cappuccinos in a year rather than \$500 per year.

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