

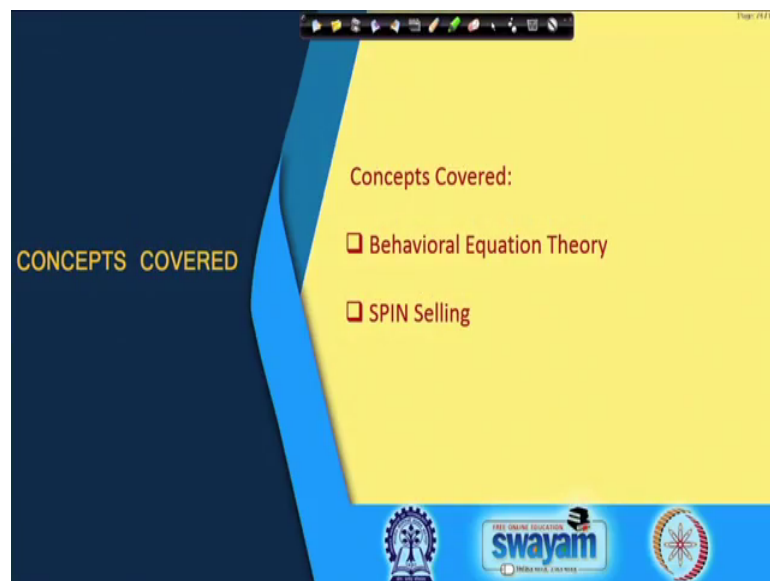
**Sales and Distribution Management**  
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**Lecture – 19**  
**Theories of Selling (Contd.)**

[FL] Today, we will be continuing with our discussion on the various Theories of Selling. This is our lecture number – 19, which is the 4th lecture in the 4th module. and, if you recall in the previous lecture we were speaking about the theories of selling where we discussed the idea theory of selling and the right set of circumstances theory of selling which were the 2 seller oriented approaches to selling. Thereafter we also did the buying formula theory of selling which is a buyer oriented or a buyer approach to the theory ins of selling.

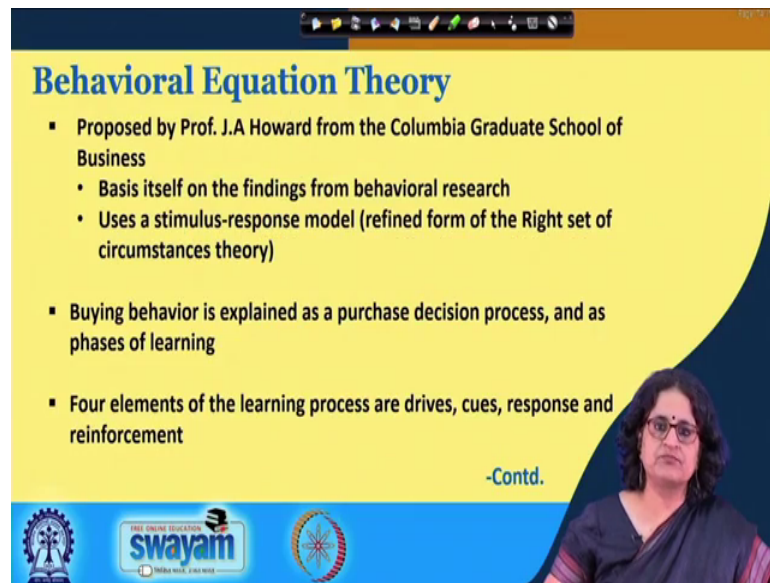
Today, we shall be moving on with our discussion on the various theories of selling and we shall be talking about one theory which is a buyer and a seller oriented both a combination of both which is the behavioral equation theory and then we shall also be speaking about spin selling which is actually a methodology it was not a theory, but it is a methodology so, how to bring about successful sales.

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So, let us begin with our discussion on this on on the behavioral equation theory.

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**Behavioral Equation Theory**

- Proposed by Prof. J.A Howard from the Columbia Graduate School of Business
  - Basis itself on the findings from behavioral research
  - Uses a stimulus-response model (refined form of the Right set of circumstances theory)
- Buying behavior is explained as a purchase decision process, and as phases of learning
- Four elements of the learning process are drives, cues, response and reinforcement

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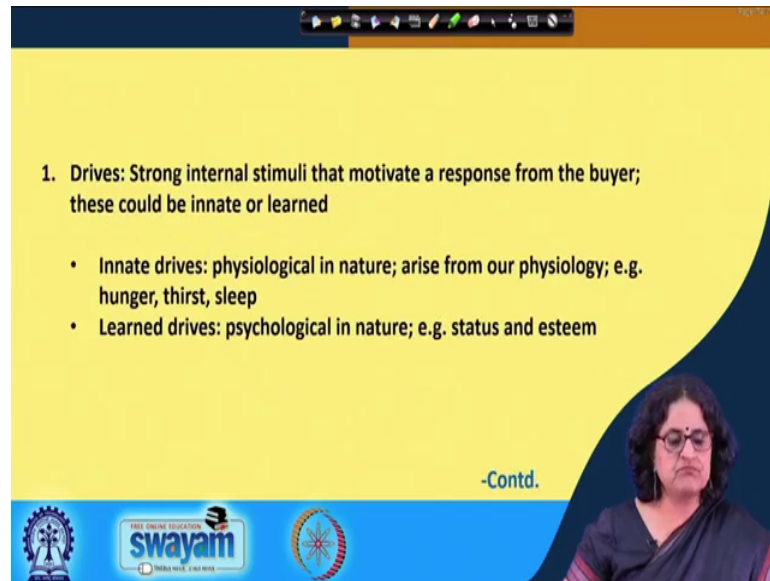
Now, the behavioral equation theory was proposed by Professor Howard from the Columbia Graduate School of Business and it basis itself on the findings of behavioral research. It is a combination of both a buyer and a seller oriented theory of selling and based on behavioral research it uses the stimulus response model. In one way it is also a refined form of the right set of circumstances theory.

So, the very behavioral equation theory now which basis itself on behavioral research uses the stimulus response model and we have seen earlier when we did the you know right set of circumstances theory that there itself also we saw that there was a combination of the stimulus and the response; however, the behavioral equation theory uses the right set of circumstances theory in a more refined form. So, it is in a way a refined form of the right set of circumstances theory.

Now, here buying behavior is explained as a purchase decision process and as various phases of learning which happen on the part of the buyer. The theory, at basis itself on 4 elements of the learning process which is, 1 drives, 2 cues, 3 response and 4 – reinforcement.

So, this particular theory at the behavioral equation theory is explained as a purchase decision process and as phases of learning and what it incorporates is 4 different elements of learning which are drives, cues, response and reinforcement.

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1. Drives: Strong internal stimuli that motivate a response from the buyer; these could be innate or learned

- Innate drives: physiological in nature; arise from our physiology; e.g. hunger, thirst, sleep
- Learned drives: psychological in nature; e.g. status and esteem

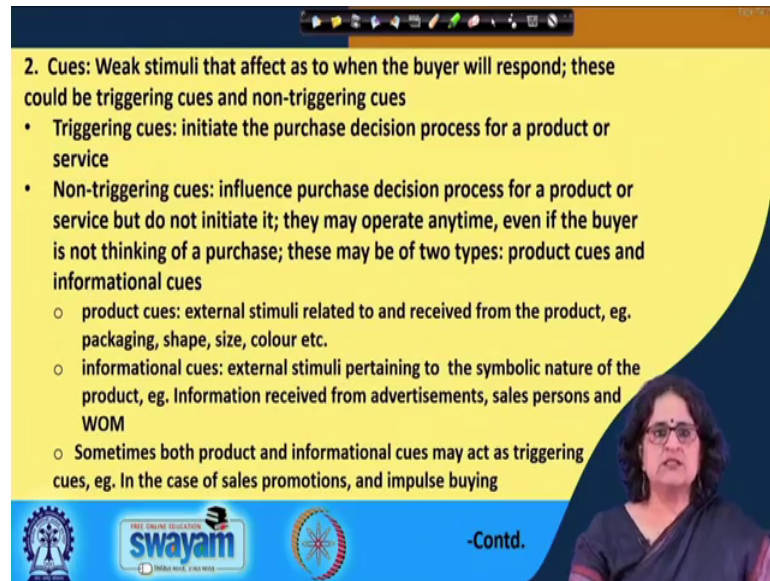
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Now, let us talk a little more on these 4 elements and let us see what they mean. Now, what are drives? Drive drives a strong internal stimuli that motivate of response from a buyer. Now, these drives are internal stimuli that actually motivate a buyer to respond you know particular manner. They motivate a response from the buyer and these drives could be either innate or learned.

Now, innate drives are physiological and nature and they pertain to a physiology they arise from a physiology; for example, need for food water sleep. So, we have hunger, thirst, sleep these are all innate drives which move a person towards a particular response. The second kind of drives which we have a called learn drives. Now, learner drives are psychological in nature. They arise out of our psychology. For example: the need for esteem, the need for status, etcetera.

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2. Cues: Weak stimuli that affect as to when the buyer will respond; these could be triggering cues and non-triggering cues

- Triggering cues: initiate the purchase decision process for a product or service
- Non-triggering cues: influence purchase decision process for a product or service but do not initiate it; they may operate anytime, even if the buyer is not thinking of a purchase; these may be of two types: product cues and informational cues
  - product cues: external stimuli related to and received from the product, eg. packaging, shape, size, colour etc.
  - informational cues: external stimuli pertaining to the symbolic nature of the product, eg. Information received from advertisements, sales persons and WOM
  - Sometimes both product and informational cues may act as triggering cues, eg. In the case of sales promotions, and impulse buying

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Second: now the second element here for in learning is cues. Now, cues are weak stimuli that affect as to when a buyer will react or when a buyer will respond to a particular stimuli. So, these cues can be further classified as triggering cues and non-triggering cues.

Now, what are triggering cues? Triggering cues are those which initiate a purchase process for a particular product or service. So, they instantaneously make a consumer react or respond to the stimuli. So, these are weak stimuli that will initiate a purchase decision process for a particular product or a service and so, they the triggering cues initiate the buyer to respond now or to act now. So, they initiate a purchase decision process for a particular product or service in the mind of the consumer. The consumer reacts or responds to towards the purchase or towards the intention to purchase.

Now, what are non-triggering cues? Non-triggering cues also influence the purchase decision for a product or service, but they do not initiate it. They are non-triggering as the term goes. If you see triggering is something which will immediately make somebody act, immediately make somebody respond or react but, non-triggering cues are those which influence a purchase decision process for a product or for a service offering, but they do not initiate it. They may operate anytime even if the buyer is not thinking of a purchase, even if he does not realize he has a need and these non-triggering cues again could be further categorized into product cues and informational cues.

Again, I would emphasize upon the difference of the triggering and the non-triggering cues. Cues are weak stimuli that will affect as to when the buyer will respond. Triggering cues will make any make a consumer or make a buyer react immediately; respond immediately, they will initiate the purchase process for a particular product or service. Non-triggering cues are those which will influence a decision process any time, but they will not initiate it. They may operate at any point in time even when the buyer is not thinking of a purchase and these non-triggering cues could be again categorized into 2 which are product cues and informational cues.

Now, what a product cues? Product cues are those which are external stimuli related to and received from the product. For example: The packaging of the product, the size of the product, the color of the product, the smell of the product, the size of the product. So, these are all external stimuli related to and received from the product received by whom? Received by the consumer or the buyer. So, the buyer receives a product cue. Now, again this product cue is something which is external to and related to the product and there external stimuli and they will may or may not initiate the decision process for a buyer because these are non-triggering in nature. Of course, they may suddenly get triggered as you know even when the buyer is not thinking of a purchase.

The second kind of cues, which we have are the informational cues. Now, informational cues are external stimuli pertaining to the symbolic nature of the product. They are not internal to the they are again external stimuli but, they do not pertain to the product as such or the product features or attributes, but on the other hand they pertain to the symbolic nature of the product.

For example, information received from advertisements or from sales persons or from you know word of mouth from others, ok. So, these become very symbolic in nature as and are typically more to do with a is typically to do with information which is which gives or talks about the symbolic nature of the product. So, these are external stimuli pertaining to the symbolic nature of the product, ok.

Information received from advertisement. Some advertisements we all know will not only talk about the product, maybe about the attributes features, but they will also have a creative strategy and executional frame work there will be lot of drama, there will be

colors, that with music, there will be jingles and the positioning of the product also gets affected by the way the advertisement has been designed.

Similarly, sales people may talk about both the functionality of the product as well as the emotional benefits of the symbolic benefits that the product brings about and again word of mouth communication which takes place between consumers when they share information or give advice to each other or you know you know share experiences. In all these cases also a lot of information that is shared is very symbolic in nature. So, these are a part of what we refer to as informational cues.

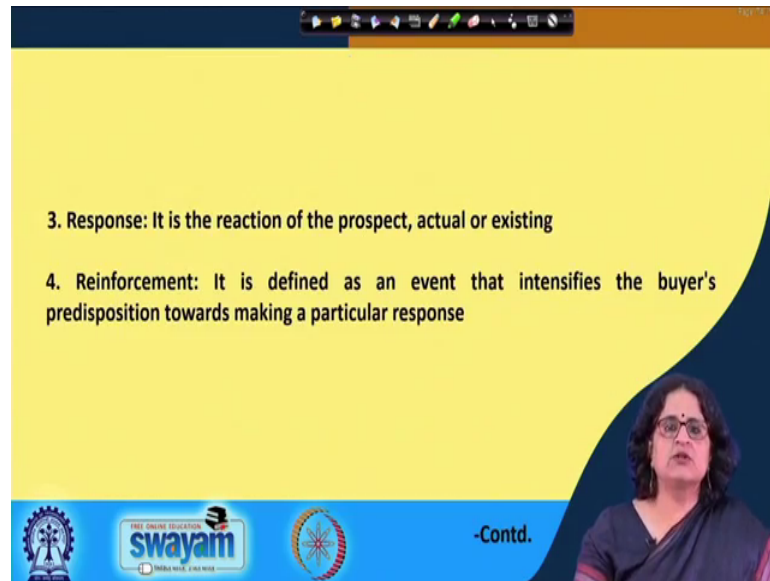
Now, both product cues and informational cues are actually referred to as non-triggering cues because they are weak stimuli, they may operate anytime, even when the buyer is not thinking of a purchase process, they will influence a purchase decision, but they may not immediately initiate it. So, these are both product cues and informational cues.

Now, sometimes both product and informational cues may also act as triggering cues. They may become triggering, for example; in case of sales promotion where there are deals and discounts and prices suddenly drop. In those cases the consumer may rush towards the nearest store to buy a particular product or a service offering or he may order online and so forth.

Similarly, in the case of impulse buying also the product cues decide the color of the product or the packaging of the product or again in case of deals and discounts suddenly people decide to act on impulse and they go for impulse purchase even without planning for it or having you know the need for it as such. So, they which is more offer you know impulse purchase and. So, this again in this way prices and discounts could also you know as informational cues they may act as triggering cues.

So, this is what we mean by what cues are.

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3. Response: It is the reaction of the prospect, actual or existing

4. Reinforcement: It is defined as an event that intensifies the buyer's predisposition towards making a particular response

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Now, the third element that we have in the learning which are which actually become is incorporated into the theory is the response. Now, response is the reaction of the prospect or an actual and existing buyer. So, it is the reaction which comes from a buyer whether he is a prospective buyer or whether he is an actual buyer. And, that the fourth element which we have here is reinforcement. Now, reinforcement is defined as an event that intensifies the buyer's predisposition towards making a particular response.

So, we have response in the form of a reaction from the buyer, whether he is an existing buyer or a prospective buyer and we have reinforcements which is actually an event that intensifies the buyer's predisposition towards making a particular response.

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Howard proposed an equation based on the four elements:

$$B = P \times D \times K \times V$$

Where,

- B = response or the internal response tendency (act of purchasing a brand, or a company's product)
- P = predisposition or the inward response tendency (habit)
- D = present drive level (motivation)
- K = incentive potential (the value of the product; potential satisfaction)
- V = intensity of cues: triggering and non-triggering

*-Multiplicative relationship; in case any of the elements is zero, there would be no response.*

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Now, according to the theory you know we have a response or an internal response tendency from the buyer which is which is equivalent to the predisposition or the inward response tendency or the habit multiplied by the present drive level or the motivation multiplied by the incentive potential or the value of the product which will bring in potential satisfaction multiplied by the intensity of the cues whether they are triggering cues or non-triggering cues.

Now, that is how Howard proposed an equation and he said that B is equal to P multiplied by D multiplied by K multiplied by V. Now, what is B? B is the response or the internal response tendency which is the act of purchasing a particular product or a company's product or a brand and this internal response tendency is equal to a person's predisposition on inward response tendency which is habit multiplied by the drive level or the motivation, which is D multiplied by the value of the product or the potential satisfaction he sees in terms of the as an incentive potential which is seen in the product multiplied by the intensity of all the cues where they are they are triggering cues or non-triggering cues which is V.

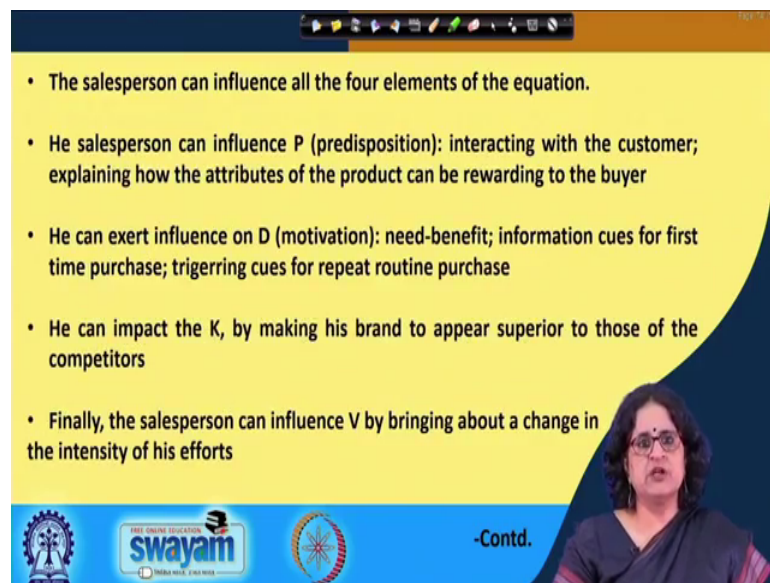
So, what Howard proposed is a multiplicative relationship and in case any of the elements is 0 there would be no response or no internal response from the buyer or from the prospective buyer. So, he said that for a particular response to occur, it is important that there is a you know a predisposition which is also matched or a you know



which goes along with at the level of motivation which again goes along with an incentive potential or the value of the product in terms of potential satisfaction which a customer sees or a prospective customer sees in the product and which is again multiplied by the cues which he actually receives and it is a strength of the cues which constitutes the V.

So, this is how he explained. Now the salesperson has a very vital role to influence a P, D, K and V in the salesperson can influence the predisposition or the inward response tendency, he can influence the present drive level or the motivation, he can influence the incentive potential or the value of the product in terms of the potential satisfaction that a customer is seeking, he can also and you know give strength to the cues whether they are triggering cues or non-triggering cues.

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- The salesperson can influence all the four elements of the equation.
- He salesperson can influence P (predisposition): interacting with the customer; explaining how the attributes of the product can be rewarding to the buyer
- He can exert influence on D (motivation): need-benefit; information cues for first time purchase; trigerring cues for repeat routine purchase
- He can impact the K, by making his brand to appear superior to those of the competitors
- Finally, the salesperson can influence V by bringing about a change in the intensity of his efforts

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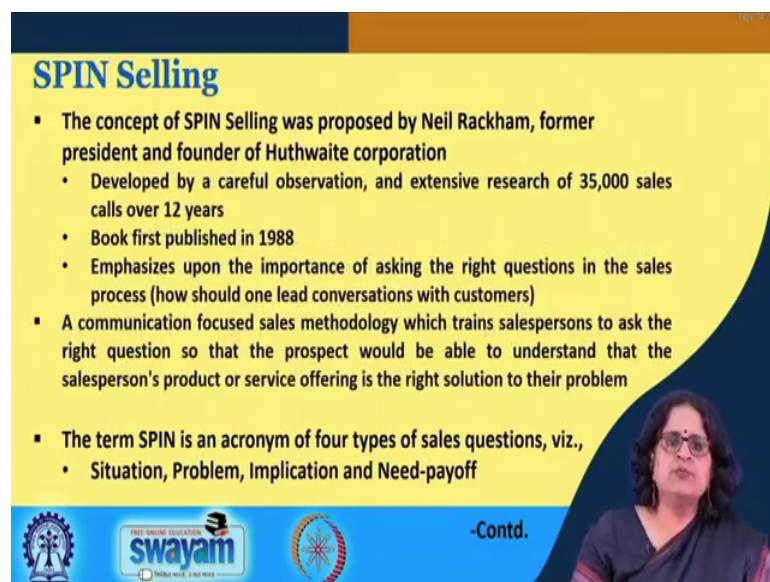
So, in this way the salesperson can influence all the elements. He can influence the predisposition by interacting with the customer explaining how the attributes of the product can be rewarding to the buyer. He can actually affect or influence the predisposition by showing a need benefit linkage, by providing information cues for the firstly, in the case of first time purchase, he can actually you know level increase the level of motivation or have any influence on D which is motivation.

In case of repeat and routine purchases he can also have you know influence the triggering cues which again would you know increase the level of motivation or D.

Similarly, he can, excuse me, he can impact the K by making his brand to appear more superior to those of the competitors and so, in this way he will be talking about the incentive potential. And, finally, he can also influence the V or the intensity of cues by bringing about the change in the intensity of his efforts, both in terms of product, cues both in terms of informational cues in terms of triggering and in terms of non-triggering cues.

So, this is how Howard explained the behavioral equation theory where he spoke about the response and the stimulus and the circumstances are in the right set of circumstances in a more refined manner.

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**SPIN Selling**

- The concept of SPIN Selling was proposed by Neil Rackham, former president and founder of Huthwaite corporation
  - Developed by a careful observation, and extensive research of 35,000 sales calls over 12 years
  - Book first published in 1988
  - Emphasizes upon the importance of asking the right questions in the sales process (how should one lead conversations with customers)
- A communication focused sales methodology which trains salespersons to ask the right question so that the prospect would be able to understand that the salesperson's product or service offering is the right solution to their problem
- The term SPIN is an acronym of four types of sales questions, viz.,
  - Situation, Problem, Implication and Need-payoff

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Now, we move to the next concept which is SPIN selling. Now, SPIN selling here is not a theory it is a customer you know communication focused sales methodology which we will see is used worldwide you know and it is become very popular as a way of conducting fruitful transactions and you know as a way of building very successful buyer-seller diodes.

Now, the concept of SPIN selling was proposed by a person by the name of Neil Rackham Rachtman. And Neil Rackham was the former president and the founder of the Huthwaite corporation. This concept calls SPIN selling was first published in 1998 which and what he wrote and you know explained was it was a result of a careful

observation and an extensive research conducted by him over a period of 12 years and with a sample of 35000 sales calls.

So, this concept of spin selling was developed by Neil Rackham in the US after a you know very careful study which he conducted an extensive research which he conducted on 35000 sales calls conducted over a period of 12 years. His findings were published in the form of a book and this particular concept emphasizes upon the importance of asking the right questions in a sales process and to focus more on how should one lead conversations with customers so as to result in fruitful you know consequences.

Now, a it is SPIN selling is a communication focused sales methodology which trains sales persons to ask the right kind of question, so that the prospect would be able to understand that the sales persons product or service offering is the right solution to their problem. So, what Rackham emphasized upon was that it is very important for sales persons to ask the right set of questions and this right set of questions in the sales process or you know would in a way lead from one stage to the other.

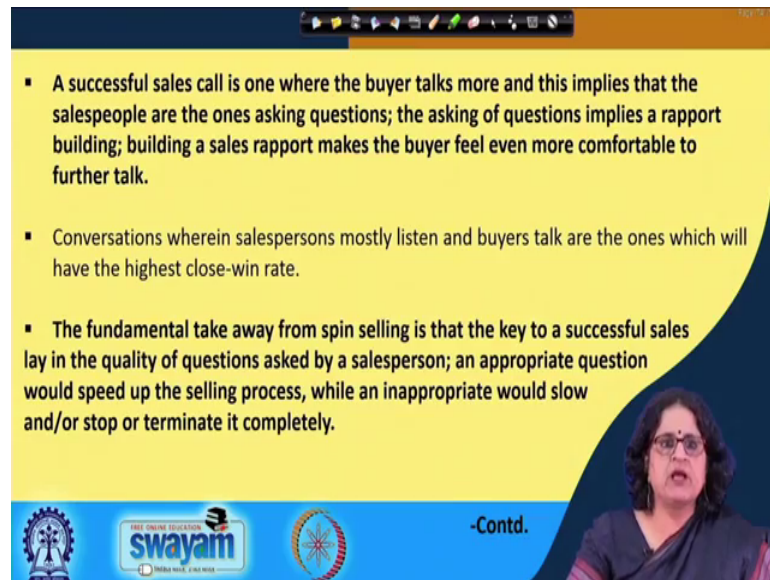
And, in this form through this communication focused methodology a sales persons would be able to ask this you know understand this you know the customer better. And, they would be able to show how their product or service offering is the right solution to the customers problem instead of the salesperson explaining that this would be the best solution the buyer of the prospect would himself be able to realize that the salespersons product or service offering is the best solution.

So, it is not the salesperson who would say that yes my product meets your need and we help solve your problem, but it is the buyer or the prospective buyer who would himself realize through the kind of questions which the salesperson would ask that you know this the prospect would be able to realize that, yes, what the prospect or what the salesperson is offering me is the solution to my problem.

So, Rackham emphasized upon the importance of asking the right questions in the sales process; that means, how should one lead conversations with their customers. And, asking the right questions so that the prospect would be able to understand that the sales persons product or service offering is the right solution to his problem.

Now, the term SPIN is an acronym for the four kinds of questions that sales persons were put forth. Situation questions, problem questions, implication questions and need-payoff questions.

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- A successful sales call is one where the buyer talks more and this implies that the salespeople are the ones asking questions; the asking of questions implies a rapport building; building a sales rapport makes the buyer feel even more comfortable to further talk.
- Conversations wherein salespersons mostly listen and buyers talk are the ones which will have the highest close-win rate.
- The fundamental take away from spin selling is that the key to a successful sales lay in the quality of questions asked by a salesperson; an appropriate question would speed up the selling process, while an inappropriate would slow and/or stop or terminate it completely.

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Now, according to Rackham, a successful sales call is one where the buyer talks more and this implies that the sales persons are the one who are going to ask questions and then listen. The asking of such questions implies a wrapper building between the salesperson and the prospect and building of this sales rapport would make the buyer feel even more comfortable to further talk.

So, according to Rackham the salesperson should be the ones asking questions, the buyers must answer and it is the job of the salesperson to listen. So, conversations with the salesperson will mostly listen and buyers will talk will be the ones which will have the highest clothes win rate. Now, the fundamental take away from SPIN selling is that the key to was successful you know to a successful sales lay in the quality of the questions which are asked by the salesperson and appropriate question would speed up the selling process on the other hand an inappropriate one would slow it down or would terminate it completely.

So, according to Rackham it is important that the sales persons talk less they listen more it is the prospect who should talk more. The sales persons job is to ask the right kind of questions and they listen to the replies which are being made by the prospects. The buyer

will talk more it would mean a rapport building the rapport building would also mean that the buyer would be comfortable to talk even more and the key to the successful sales would lie in the right kind of questions which are asked by the salesperson. An appropriate question would speed up the selling process, while an inappropriate one would slow it down or would terminate it completely.

Now, conversations where the salespersons mostly listened; ask questions and then listened, and let the buyer speak were the ones which were which had the highest close rate. So, for a sales process or a sales called to be effective, it was important that the right kind of questions were posed by the salesperson and then who then would assume the role of a listener and were such situations where the sales persons majorly listened and let the buyers talk were the ones which were going to be more successful.

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**Situation Questions**

- Situation Questions form the starting point of a conversation between the salesperson and the prospect
- Such questions concentrate on collecting facts and information about the prospect's current situation; Objective:
  - to develop an understanding of the prospect and his precise situation, and to establish the context; i.e. identify the problems and the pain points that a prospect is going through
  - To encourage questions from the prospect, so that a solution (via the salesperson's product offering) can be presented later; work backward from problems a product can solve for a buyer, and so it is important to generate such questions

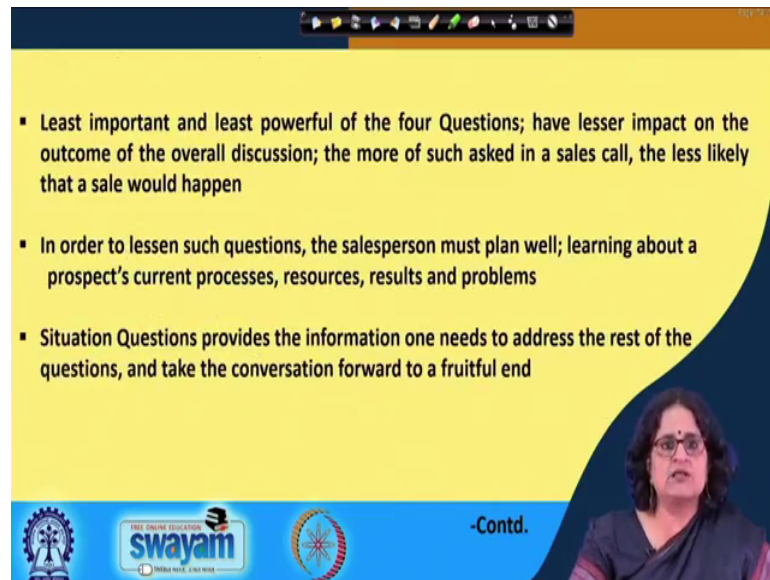
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Now, let us discuss what these different kinds of questions could be. First is what we have the situation questions. Now, the situation questions are the ones which start with start a conversation. So, they form the starting point of a conversation between the salesperson and a prospect. Such questions basically concentrate on collecting information and facts about the prospects current situation.

So, the objective of the salesperson here is to develop an understanding of the prospect and his precise situation and to establish the context or further dialogue, that is, to identify the problems and the pain points that the prospect is going through.

Now, to encourage you know questions from the prospect so, that is solution you know can be presented later you know. So, work backward from problems a product can solve for a buyer and so, it is important to generate such questions.

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- Least important and least powerful of the four Questions; have lesser impact on the outcome of the overall discussion; the more of such asked in a sales call, the less likely that a sale would happen
- In order to lessen such questions, the salesperson must plan well; learning about a prospect's current processes, resources, results and problems
- Situation Questions provides the information one needs to address the rest of the questions, and take the conversation forward to a fruitful end

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Now, it is also important to understand that situation questions are the least important and the least powerful of the 4 questions and they have very less impact on the outcome of the overall discussion. The more of such asked in a sales caught the less likely that the sales would happen. So, it is very important that the sales persons concentrate very little on the situation questions and in order to lessen these questions the salesperson must plan one plan well.

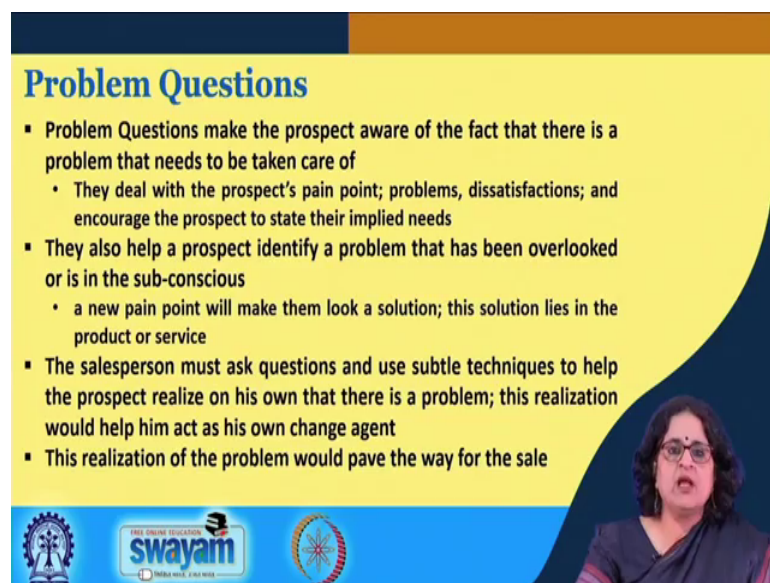
The how would they be able to do that? They would be able to do that by learning about the prospects current processes, resources, results and problems. So, in this way they would have lesser a situation questions to ask and it is always best to ask less situation questions because the situation questions I have lesser impact on the overall outcome and they are not they are least powerful or the least impactful.

However, situation a questions will provide the information one needs to address you know, the rest of the questions and take the conversation forward to a fruitful end. So, situation questions provide the information one needs to address, the rest of the questions and to take the conversation forward to a fruitful end.

Now, it for example, here what the salesperson is trying to do? He is basically trying to talk to the prospect and just inquire on his current state of the kind of problems he is facing or of the kind of problem he is into and, if so, in a way he is triggering as dialogue where sales where the prospect would suddenly I you know bring to surface the kind of problem he faces.

So, this is a situation question which would particular particularly deal with the kind of problem or the kind of pain point sales prospective customer is facing.

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**Problem Questions**

- Problem Questions make the prospect aware of the fact that there is a problem that needs to be taken care of
  - They deal with the prospect's pain point; problems, dissatisfactions; and encourage the prospect to state their implied needs
- They also help a prospect identify a problem that has been overlooked or is in the sub-conscious
  - a new pain point will make them look a solution; this solution lies in the product or service
- The salesperson must ask questions and use subtle techniques to help the prospect realize on his own that there is a problem; this realization would help him act as his own change agent
- This realization of the problem would pave the way for the sale

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Second is problem questions. Now, problem questions made the prospect aware of the fact that there is a problem that needs to be taken care of, situation questions would just lay the background. But, the realization of a problem, the realization that there is a problem that must be dealt with you know is something which is a problem question. So, they deal with the prospects pain point, the problems, the dissatisfactions and they encourage the prospect to state their implied needs.

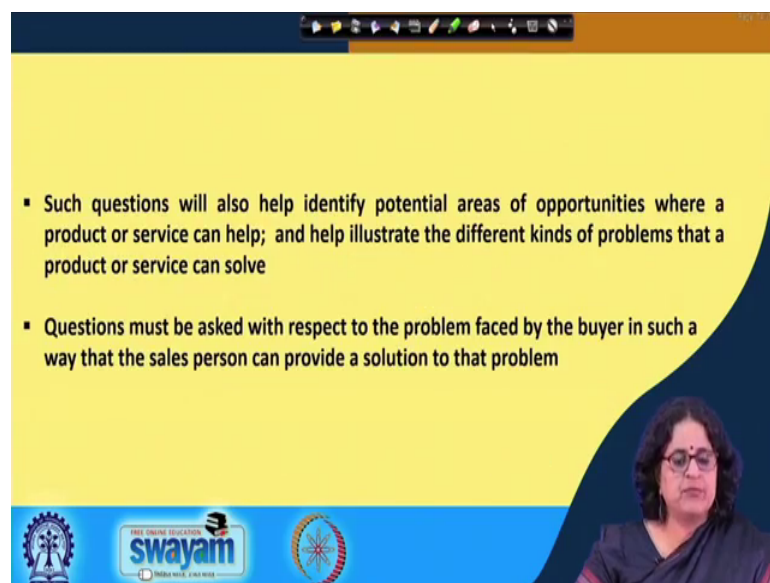
Now, they also help a prospect identify a problem that has been overlooked or has or has been in the subconscious. For example, a new pain point will make you know the prospect look for a solution. This solution ultimately would be the one which lies in the product or service offering which the salesperson has to offer.

So, the salesperson must ask questions and use subtle techniques to help the prospect realize on his own that there is a problem. This realization would help him act as his own change agent, ok. So, the realization of the problem would pave the way. So, if a question is are you into a problem? If this is a situation question the problem question would become do you think this is really a problem and it is impacting your business? So, this is the difference.

The situation question would just talk off say how are things, how are situations, what is a kind of you know experience these days in the market or in your factory or with the kind of things you are facing, but a problem question becomes is that really a problem do you think so? Is it really bothering you. This kind of a question when posed by a salesperson will immediately make the prospect realize. Yes, there is something I need to think of and take forward.

So, this realization of the problem would pave the way for the sale.

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- Such questions will also help identify potential areas of opportunities where a product or service can help; and help illustrate the different kinds of problems that a product or service can solve
- Questions must be asked with respect to the problem faced by the buyer in such a way that the sales person can provide a solution to that problem

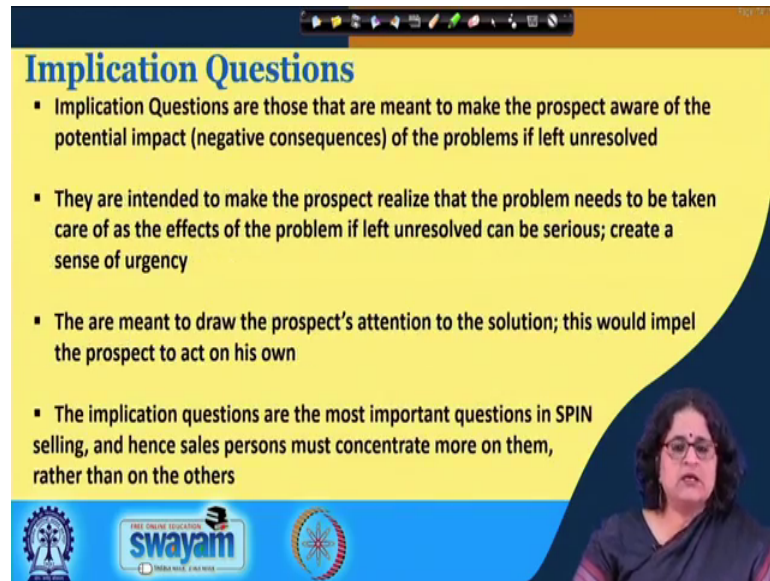
So, such questions will also help identify a potential areas of opportunities where a product or service can help and they helped illustrate the different kinds of problems that the product or service can solve.

Questions must be asked with respect to the problem faced by the buyer in such a way that the salesperson can provide a solution to that problem in the end and that solution



again is something which has to be realized by the prospect on his own. Instead of a salesperson saying that, yes, I can provide you a solution to the problem the prospect must be able to understand that what the salesperson sells or is the kind of product he is into is something which will help me solve my problem and is a solution to my problem. So, it is again something which is very backwards.

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**Implication Questions**

- Implication Questions are those that are meant to make the prospect aware of the potential impact (negative consequences) of the problems if left unresolved
- They are intended to make the prospect realize that the problem needs to be taken care of as the effects of the problem if left unresolved can be serious; create a sense of urgency
- They are meant to draw the prospect's attention to the solution; this would impel the prospect to act on his own
- The implication questions are the most important questions in SPIN selling, and hence sales persons must concentrate more on them, rather than on the others

The slide also features a video inset of a woman speaking in the bottom right corner and logos for 'swayam' and 'INDIA'S SKILL DEVELOPMENT' at the bottom.

The third kind of questions are implication questions. Now, implication questions are those which are meant to make the prospect aware of the seriousness of the problem, the negative consequence of the problem if the problem is left unresolved. So, they basically try to create an urgency in the mind of the prospect. They are intended to make the prospect realize that there is a problem that needs to be taken care of and if undersold there could be seriousness. So, they are meant to draw the prospects attention to the solution and this would also impair the prospect to act on his own.

Now, the implication questions are the most important questions in SPIN selling and hence sales persons must really concentrate more on them. They must carefully state such questions because if they are too negatively stated they may be perceptual defense on the part of the client or the prospect and he may just withdraw.

So, it is very important for the salesperson to show the seriousness of the problem or to exhibit or to illustrate how things you know to make the prospect realize about the seriousness of the problem, to make the prospect realize that if things are not taken care

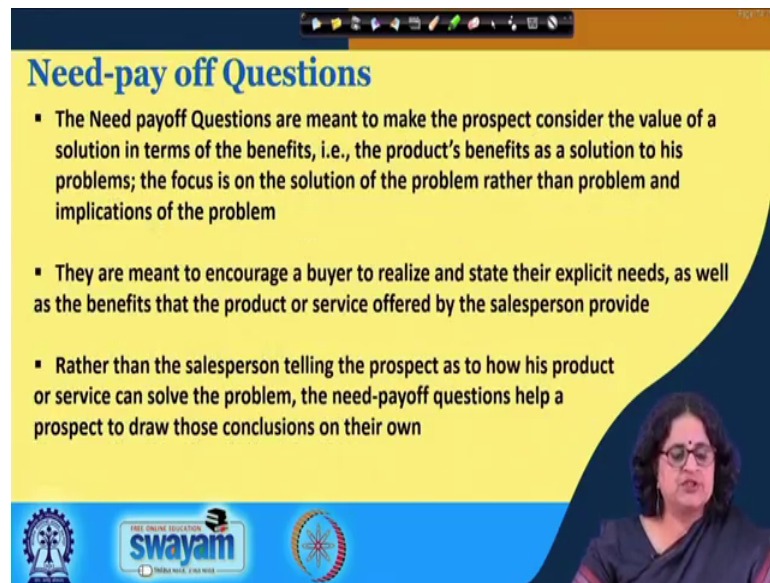
of there could be serious issues later. He must make the prospect aware of this fact that left unresolved the problem could further you know be a bigger problem. Yet it should not be stated so, very you know fearful you are so very negatively that the prospective or the client or may suddenly withdraw.

So, the implication questions need to be framed very very carefully. So, if we had a situation question which was, yes, sir I am here to just you know understand. So, hope things are fine going on fine in the factory or in the plant. So, the problem question is when the prospective customer may say yeah there are certain issues and I am I am and my production line my assembly line is getting disrupted due to certain issues.

So, that is a problem, but then the salesperson must be able to say oh is it really a problem and you think it is very serious? Yes, if it is serious, so, we move to the implication question and implication question would be oh, really sir, I mean this is something which can bring your you know create problems in your in final delivery of your product to the end customer. It could be something which the competitor can gain advantage of, it could be something shortage of this could mean many of your customers switching over to competitors.

So, so, that is kind of a question that kind of a question would it mean that your customers will defect it? Would mean that your customers and your would switch over to the competitor and do you think it is going to affect your market share? Such a question as an implication question is something which will immediately you know draw the attention of the client that yes, he must act immediately. So, this is what an implication question is.

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**Need-pay off Questions**

- The Need payoff Questions are meant to make the prospect consider the value of a solution in terms of the benefits, i.e., the product's benefits as a solution to his problems; the focus is on the solution of the problem rather than problem and implications of the problem
- They are meant to encourage a buyer to realize and state their explicit needs, as well as the benefits that the product or service offered by the salesperson provide
- Rather than the salesperson telling the prospect as to how his product or service can solve the problem, the need-payoff questions help a prospect to draw those conclusions on their own

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The need-pay off questions are meant to make the prospect consider the value of a solution in terms of the benefits. That is a product benefits as a solution to this problem. Now, the focus is on the solution of the problem rather than the problem and the implication now.

So, in this stage the salesperson must encourage the buyer to realize and state their explicit that needs, as well as the benefits at the product or service offered by the salesperson can provide and instead of the salesperson saying that he must ensure that the buyer realizes it.

So, rather than the salesperson telling the prospect as to how his product or service can solve the problem they need-payoff questions help a prospect to draw those conclusions on his own. The prospect must himself realize that the product or service offered by the salesperson is something which can help me, the benefits can help me solve a problem, then benefits can help me you know get rid of the serious implications that may result or that may follow in case I do not act now.

So, again it is something which is very very backward.

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-The Situation and Problem Questions are used to obtain information about the prospect

-The Implication and Need-payoff Questions are those where the prospect realizes the seriousness of the problem, and how a product or service offering can help solve the same through the benefits it entails

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Now, the situation and the problem questions are used to obtain information about the prospect and the implication of the need-payoff questions are those where the prospect realizes that the seriousness of the problem and how a particular product or service offered by a salesperson can help solve the same through the benefit that it is entails.

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*References*

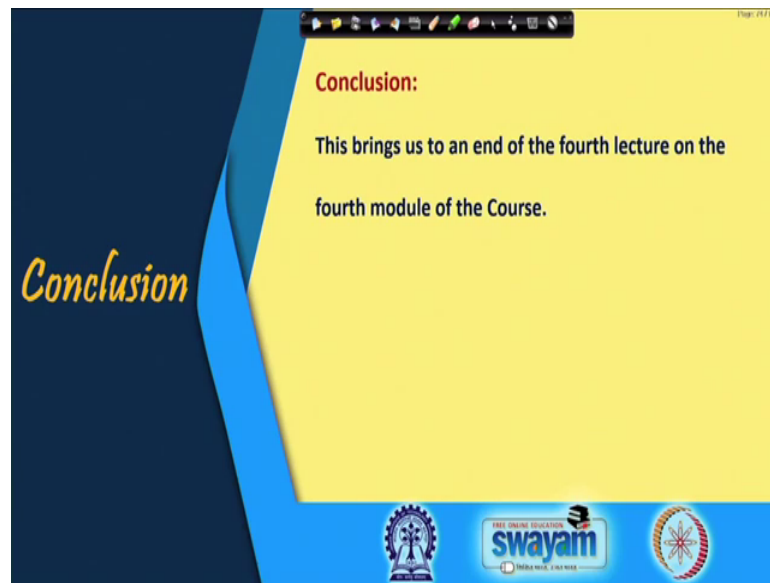
**References:**

- Still, R.R., Cundiff, E.W., Govoni, N.A.P., & Puri, S. Sales and Distribution Management, 6<sup>th</sup> Edition, 2017, Pearson India Education Services.
- Rackham, N., SPIN Selling (New York: McGraw-Hill, 1988)

The slide features a yellow background with a dark blue curved border on the left side. At the bottom, there is a blue banner with the Swayam logo and the text 'FREE ONLINE EDUCATION swayam' and 'INDIA WITH A FUTURE'. A small inset video of a woman is visible in the bottom right corner.

Now, this brings us to an end of this particular session. The references are Still and Cundiff, Govoni Puri, Sales and Distribution Management, 2017 Pearson India and we have Rackham, N, SPIN selling make McGraw-Hill.

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So, with this we bring we come to an end of the fourth lecture on the 4th module of the course. I hope you found the lecture fruitful.