

Marketing and Sales: What Science Tells Us and What Marketing and Sales Training Frequently Leaves Out

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Psychology and behavioral neurogenetics tell us that the decision to buy a product or service is not simple and depends on many factors that are not obvious and certainly not rational. Many sales training organizations are still operating as if the best marketing and selling techniques involved emphasizing the differences in terms of features between product and service. Successful sales and marketing people realize that they are in the relationship business rather than in the business of selling particular goods or services. Having a good idea of how human beings actually work helps us to hone our skills and widen our opportunities.

You are selling your services as a lawyer or an accountant. Or maybe you are selling an automobile or a piece of clothing. What makes a customer or a client buy from you? Is it your personality? Is it the quality of the service you offer? Is it that your product is 'different' from the others? All of the above? None of the above?

The answer lies in the way that humans make decisions, any decisions. However, no decision is more complex than the decision to purchase a product or a service.

My team and I are frequently asked to help corporations and professional service organizations in Europe, Asia, the US and Australia improve their marketing and sales performance. Many have tried all the traditional incentives—prizes, money and the promise of promotion,

threat of dismissal—to encourage their salespeople, or their partners, to be more proactive as if just doing more was the answer. It is not.

What my colleagues and I try to instill in these businesses is an understanding of the science of what motivates a human being to purchase a service or a product. We call it Human 101. We encourage them to experiment with practical tools which can be taken from this science and which have the power to transform a business' whole BD and sales trajectory. We have witnessed this transformation in global law and financial services organizations, industrial giants and major universities as well as in smaller more local operations. Human 101 works at all levels.

Unfortunately, many sales training organizations are still operating as if the best

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marketing and selling techniques involved emphasizing the differences in terms of features between product, or service, A and B and/or the relative cost difference between product or service A and B. To them marketing involves differentiating the product or service from its competitors.

Some of the more sophisticated sales techniques that are generally taught use a complicated, and often closely scripted, series of questions to get the customer (or the client) to talk herself into the purchase of the product or service on offer. Huthwaite is a good example of this approach.¹

Unfortunately, the brain sees through all of these techniques immediately. So how do successful salespeople, or legal or financial services partners, thrive using these? I believe that science shows that it is not because the specific sales techniques work but because the person selling the product or service is unconsciously tapping into the deeper drives that motivate every human transaction.

Psychology and behavioral neurogenetics tell us that the decision to buy a product or service is not simple and depends on many factors that are not obvious and certainly not rational. To understand the dynamic of the purchase decision, we need to go back over 10,000 years to the time of our remote hunter-gatherer ancestors making their living on the African savanna.

The Origins of Choice

The three things we know for certain about the conditions of that time are that it was dangerous, that it was plentiful, and there was no need for marketing or sales. Many scholars have pointed out that early hominids and their progenitors *h. erectus* and *h. habilis* had a standard of living unsurpassed by anything that has existed since (Hayward, 1995). There were vast herds of easy prey for the catching, berries and roots there

for the gathering, plentiful wood and mud for fire and shelter. If you ran out of food in one area you simply moved on, following the herds or the seasons. The average work week was between 5-10 hours (Hayward, 1995).

There were dangers, of course. Lions, cheetahs, leopards, crocodiles, snakes, hyenas, elephants to name only the most obvious ones. Facing these threats required that our ancient ancestors make quick, non-thinking, decisions and choices. Making 'reasoned' decisions would take time and could be fatal. The choices they made were genetically-driven (flight, fight or flee) or instilled into habit through constant practice (being sure to be upwind of elephants for example). These latter are the same kind of decisions we habitually make today when driving a car, or performing other routine tasks. They are controlled by parts of the non-rational brain such as the basal ganglia and the amygdala.

Many of our choices and decisions, which we think are the product of rational thought, are not made by any action of the brain at all, but are encoded in our genes. For example, the 'decision' to buy branded as opposed to unbranded goods is primarily genetic, as are our music preferences, and even our voting patterns (Hatemi, 2007). Our willingness to try new things, including new foods (Faith et al., 2013) or experiment in other ways is governed largely by the operation of a number of discrete genes. To say that these choices are genetically based is another way of saying that they are instinctual. With difficulty we can go against our instincts, but we generally do not. Like the instincts of any other mammal, those behavior patterns were instilled to aid either our personal survival or the survival of the group to which we belong. Altruism, for example, is largely genetic and is there for group as opposed to individual survival.

¹ <http://www.huthwaite.com.au/content/page/delivery-options>

Looking at all those threats on the savannah, it is pretty obvious that humans are probably the most defenseless of all animals. Our teeth are pathetic as weapons, our claws, compared to those of a lion, are laughable, our speed, compared to that of a cheetah is little better than that of a snail. Our ancestors' only real defensive strategy was to surround themselves with a band of mutually supportive people. Together they could fend off the predators, craft the primitive stone, bone and wood spears, axes and knives which would, to some extent, reduce their vulnerability. This drive to protective socialization is so strong within us that it has been estimated that almost 80% of our genes and about the same percentage of our neurobiology are involved in promoting it. Our aim in almost all our actions and behaviors is to surround ourselves with a nexus of what we believe are real, or potential, supportive relationships. It is at the very core of our survival instinct (House et al., 1988). Our choices, and our decisions, therefore, are very largely geared towards increasing our value to those whose support we feel we need most. Of course this realization has profound implications in all spheres of human activity, and none more so than in sales and marketing.

Decision to Buy: Rational or Non-Rational?

We have all read a considerable amount about behavioral economics, and I certainly do not want to repeat all that has been said in that regard. The essence of what behavioral economists say is that humans tend to make non-rational choices when it comes to their finances and the 'rational man (or woman),' so beloved of traditional economists, is a fallacy.

The larger question is this: Is there, in reality, any such thing as 'rational' choice about anything? Can we divorce our reason from our emotions, our genetics, our unconscious biases and assumptions, or even the effects of the 100+ different neurochemicals swirling unconsciously around in our brain, sufficiently to make any rational choice about anything? I think the answer is no. Most recent research tends towards that rather, on the face of it, dismal conclusion.²

One of the traditional arguments against this is that we often actually change our minds. How many times have you bought a piece of merchandise, or hired a service, only to cancel the sale or the hire later? That looks an awful lot like free will, the decision-making function of our magnificent prefrontal cortex, the so-called command and control center of the brain. But is it? Ants, mice, octopi, dogs, chickens and birds, to name but a few, have all been observed performing activities which look very similar to what we would class as free will, even as rational decision making. They seem to change their minds in the same way we do (Nocolis et al., 2013).

The only difference is that we rationalize our decisions—find reasons which we think are 'logical' for the choices we have made—and, as far as we know, those other creatures do not (though the jury's out on dogs) (Malpas, 2011).

I have had many engaging discussions with marketing directors, sales managers, and academics in schools of business over this issue. They are willing to accept—due to the overwhelming weight of research—the main thesis of behavioral economics but accepting the newer findings regarding how and why the brain makes particular choices is, for them, a step too far. The idea of rational decision-making is too embedded.

² Much of this is detailed in many of the studies reported in the research section of our website www.fortinberrymurray.com

What Are You Selling?

I am writing this sitting 30,000 feet up flying between Sydney and Chicago, via Hong Kong. To get here I have made a series of decisions, choices and purchases. I am going to Chicago to give a keynote address to a prestigious gathering of some of America's finest legal minds. In agreeing to give the talk I had to turn down other work and disappoint some well-established clients. I bought a Hugo Boss suit for the occasion and a new piece of Samsonite luggage. I made a choice to fly Cathay Pacific whereby I acquired One World Alliance points and status credits (which allow me entrance to first class airline lounges when I fly a mere business class), despite there being cheaper, and more direct, alternatives available. I booked myself into a Hilton Hotel, again, in spite of less costly alternatives. A perfect example of the dictates of behavioral economics.

At each stage of this process, I have been sold either a product, a service or an opportunity. At each stage, there has been a dialog (albeit mostly via the web) between the exterior seller of the product, service or opportunity and various parts of my brain, (including the neurochemicals that send persuasive signals to those interconnections of brain cells), and my hormones, my genes and even the microbiota in my gut (Montiel-Castro et al., 2013).

It seems fairly obvious what has been sold to me—a suit, a suitcase, an airline ticket, a speaking opportunity, a hotel room. The currency I have used to 'buy' each has been money, of course, but also time, and other lost opportunities. Put that way, it is standard Economics 101. It would seem that I weighed the balance of reward and loss in each case and came to a conclusion to buy.

However, it looks very different from the perspective of Human 101. Allow me to unpack the opportunity 'sale.'

The opportunity to speak was presented after lunch by John, a good friend who is also a leading

light in a company that I wanted my firm to form an alliance with. Two of the five main genetic drivers of human behavior were at work here: Firstly, the need to strengthen a supportive relationship and to acquire new potentially supportive relationships (another term for clients). My unconscious assumption (which may or may not have been true) might have been that to turn down John's offer would have seemed to him like a negative relationship statement and therefore would have been unsafe (think hunter-gatherers and cheetahs).

Secondly, the powerful drive to gain status (throughout the animal kingdom groups tend to protect and defend members of high status) by giving a keynote to august members of the legal fraternity.

There were also a couple of physiological factors in play as well in the decision. We are more susceptible to persuasion shortly after we have eaten (Danziger et al., 2011). Our cognitive defenses are down and we feel more communal (Sommer et al., 2013). Also between two and three in the afternoon, we feel least stressed. The stress hormone cortisol is at its lowest level of the day and because of that we are less likely to dispute what someone says (Lesser, 2003).

My agreeing to John's request, and his praising me for doing so (which he did), would prompt the nucleus accumbens (one of the prime reward centers of the brain) to give me a shot of the 'happiness' neurochemical dopamine (a natural opiate which we are addicted to and which we cannot function effectively without). This 'value reward' behavior will be stored in an area of the cortex called the ventral prefrontal cortex (which is right behind the forehead) causing me to seek further pleasure by agreeing to suggestions of his again in the future. None of this is conscious, none of it is 'rational' and the choice, the decision to 'buy' the opportunity, would have taken less than a few seconds.

My prefrontal cortex would have then quickly got to work to find excuses for the choice that I had made. Once this process was completed, I would have felt as though I had weighed up the options and come to a perfectly logical decision based on the facts of the matter. In fact, logic, reason or facts had nothing to do with it.

And the same analysis can be made for all the purchases that led me to be on this Cathay Pacific flight, with my Hugo Boss suit packed neatly in my Samsonite suitcase.

What was being sold in each of these transactions was the satisfaction of one or more of the five deeply seated genetic drivers I mentioned: To gain status, to increase my sense of certainty, to increase my sense of being in control (autonomy), to solidify and add to my supportive relationships and to make me feel that I, or people I care about, are being fairly treated (the so-called SCARF drivers) (Rock, 2008). Each of these is instinctual in the same way that mating, satisfying thirst or fleeing from danger are. Products and services are only means to these ancient genetic ends.

The sum of all those SCARF drivers is safety: the acquisition, deepening and defense of supportive relationships. In any sales transaction that is what is on offer and that is what is bought. It is the behavioral neurogenetics result that probably neither side realizes.

Selling Your Goods and Services

On a Human 101 level, you have five ways of selling your product or service. The thing to remember is that the intrinsic value of the product or service plays very little part in the sales process.

Selling Status

Is a Rolex watch really, intrinsically, any better than, say, a Gucci watch? Probably not, but it costs a lot more. Being able to afford a Rolex is why you buy it. It tells the world, including yourself, that you are a person of status, worthy of having your needs met.

Our sense of status can be defined, broadly, as the level of regard that we perceive that people have for us. In a sales or marketing sense, status is very personal and tied up with an individual's sense of self-esteem. It is also very limited. Humans—like most other animals—want to be held in high regard by those whose support they crave or rely on. The Rolex watch status symbol is not targeted at the newspaper vendor, or the immigration officer at the airport. They might be impressed by it, but they are not the targets. The Rolex is for the wearer's fellow executives, members of his or her golf club, or firm or corporate staff. For real or potential members of the person's nexus of supportive relationships.

When you are selling status, you have to bear in mind whom the sales target wants most to be held in high regard by. That is the safety you are selling and the Rolex buyer believes, unconsciously perhaps, he or she is purchasing.

Selling Certainty

Human beings crave certainty. We fear the unknown. In financial decisions, we tend to avoid the larger uncertain gain, opting instead for the lower, but more certain one (Cao et al., 2011). If you can show that your product or service can decrease a person's sense of uncertainty in any area important to them—especially relationships, which include, work (fear of job-loss for example), familial, or romantic—you will draw clients and customers to you. Clients seek legal advice because they need certainty, doctors overprescribe to meet patients need for certainty. Big Pharma sells certainty when advertising its pills and potions on TV (Cayley, 2013).

Selling Autonomy

Having autonomy is the sense that you are, to some extent, in control of your life. One of the major stressors of the modern workplace, and of life outside it, is the feeling that we are not in control. This feeling is behind acts of aggression,

anger, and controlling behavior. One of the strongest selling points that a professional service organization has—though generally they do not make the full use of it—is that their advice will grant their clients increasing control in areas of their work, or lives, that they are worried about or interested in.

As with the other SCARF drivers a good salesperson, or firm partner, will ask open-ended questions to probe where the real, as opposed to surface, issues of lack of autonomy lie. People are rarely consciously aware that autonomy is an issue and yet the lack of it might well be one of their greatest stressors. Having autonomy is, essentially, the ability to lay down boundaries which others will respect. Anyone who is not able to do that will feel, at some level, in danger. People want to be in control of their investments, their finances, their treatments, and their work life. The important thing is not to assume you know where their need for control, of secure boundaries, lies, or what they want to do about it. Making unquestioning assumptions leads to so many missed opportunities. Always ask, always question.

Selling Relationship

We humans fear rejection more than anything else (Baumeister et al., 2003). In particular, we fear exclusion from those whom we think of as members of our support network. This could be our fellow employees, our families, our teammates. Rejection in the form of layoffs, broken engagements or social ostracism, can lead to cardiac problems later in life (Dupre et al., 2012).

There are two effective ways to sell relationships. One is fairly well-known—it is called 'relationship selling.' This is where the salesperson concentrates on making a relationship with the client or customer rather than emphasizing the virtues of the product or service. He or she makes the customer feel that she is potentially part of his support network. It is extremely effective

when done well. The essence is that the person making the sale must be genuinely interested in the client and not push him or her too early into a closing. The sale will happen naturally as a means of strengthening a relationship that both parties want (Foster et al., 2000).

The other approach is more subtle but even more powerful. This involves finding out the customer's or clients prime needs in terms of their support network. It might be to strengthen their relationship with the board of the company they work for. It might be to get their reports to be more committed to them so that they accept their vision or authority. It could be to prevent a divorce, or loss of a place on the team. Never assume that you know, or even that they fully realize, the real underlying social exclusion fear, or social support gain desired. It may not be obvious and it will need careful use of open-ended non-threatening questioning. A good sales person can often get a customer or client to an important realization about a relationship issue that will change the target's life—and at the same time sell the appropriate product or service.

Selling Fairness

Like selling relationships, selling fairness has two meanings and two different approaches. One is internal to the relationship between the seller and the buyer and the other is external to it.

The relationship between salesperson and client is rarely equal. Most studies attest to that (Spencer-Oatley, 1996). However, the inequality is not what people usually assume. The general assumption is that the person making the sale—whether it is a cappuccino or a legal service—is the supplicant, the one with the lesser authority or power. In some cases, this is true, but mostly not. The person making the sale has the authority of knowledge and expertise—the ability to satisfy an immediate and often pressing need, to solve a difficult problem, to offer support (physical,

material or emotional). In terms of adult attachment theory this makes them a powerful 'parental' figure (Rholes and Simpson, 2006).

How is a parent 'fair'? Fair in this sense does not mean equal. A child needs his parent to be in control, to be boundaried, to be knowledgeable, to be clear, to be able to defend and support them and above all to be concerned about their welfare. A parent with these attributes is 'fair.' This is essentially what a client looks to her lawyer, accountant, doctor or financial advisor to provide. However, it applies to the sale of goods as well as services. 'Fair' can sometimes mean that the buyer is getting the product at a price which levels the playing field with other competing buyers (the other kids on the block who represent a threat).

However, often the use of price in this way backfires. A child does not want her parent to be too pliant. He feels safe if Daddy and Mommy are in control. Often reducing the price lowers the value not only of the product, but of the relationship, in the eyes of the purchaser (Sweeney et al., 2001). If a parent gives into the demands of a child too often the child will feel unsafe (Murray and Fortinberry, 2005).

A customer or client will make the purchase in order to strengthen the relationship with the 'fair' parent. That seller will get far more word-of-mouth referrals than his rivals.

Fairness also has another, and maybe more powerful, nuance in selling and marketing. This is the concept of fairness to others within a person's nexus of supportive relationships. "If I buy this could I make life/work fairer for my wife/colleagues, etc." Underlying this are two possible factors: the assumption that if I have made life fairer for them they will be better able, in turn, to make life fairer for me; or the altruistic drive to support other members of the customer's support network (tribe).

Someone skilled at dialog, particularly questioning, will soon be able to find people in the target's life that he feels are being treated unjustly and who they could help to level the field somewhat if the potential buyer had the use of a particular product or service.

Conclusion

Successful sales and marketing people use this science instinctively. At a deep level, they realize that they are in the relationship business rather than in the business of selling particular goods or services. For them, knowing the science is, perhaps, less important. For the rest of us, having a good idea of how human beings actually work helps us to hone our skills and widen our opportunities. It is a pity that it is not taught more widely. ☺

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