



Psychology of the Sale

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Psychology is the study of the mind and behavior. It is all about understanding how people think, act, and feel. As a psychology major at Princeton University, I vividly recall the following expression in a psychology 101 class, “People act the way they feel, and they feel the way they think.” To be successful in the business of insurance and risk management, it is imperative that you value the inner game...what motivates your customer. While you may take pride in your product and service offerings, it is essential that you explore the mindsets of those whom you serve. So, what is a mindset? It is a set of assumptions and beliefs held by people that orients the manner through which they think, act, feel, and handle situations. A mindset is a belief system that empowers people to interpret things. Mindsets drive emotions. And emotions drive decisions.

Logic vs. Emotion

Logic is reason supported by facts. Emotion, on the other hand, is the feeling that leads one to act and react. Perhaps, emotions are best described as signals that steer your customers’ decision-making process. Do you recall a situation where you presented bulletproof facts, reason, and logic, yet the other person declined your offer? What happened? The other person may have been persuaded by your logic but not moved by emotion. The balance between logic and emotion is much like the twin engines of persuasion and influence. For that reason, the psychology of the sale requires you to understand mindsets. I suggest that you begin by learning to read personality styles – analytical, driver, amiable, and expressive.

- Analytical people are systematic, deliberate, and organized. They value structure and process. They want you to present data and facts in a sequential manner.
- The driver is a no-nonsense person who is focused on results. The driver is action-oriented, assertive, competitive, and demanding.
- An amiable personality type is easygoing. Unlike the driver, they are not detail- or fact-driven. You immediately notice their warm, empathic, and considerate nature.
- Expressive people are high-energy, outgoing, and impulsive. They love being around people and are excellent connectors. Their positive, optimistic, and convincing nature is evident. They are idea generators but have difficulty putting their ideas into action.

The psychology of the sale requires you to identify personality styles so you may adapt your approach to build connections. Recognizing your own personality style is important. While your mannerisms must be genuine, you may need to adjust your personality style to align with the other person.

Listen to Learn

Active listening is a tactic that gives you the opportunity to study the other person's belief system as well as personality style. In today's fast-paced, high-tech world, genuine and attentive listening is a differentiator. It gives you a competitive edge. The 80/20 rule suggests that you will benefit from listening 80% and speaking 20% of the time...especially in a first prospect meeting. The more you speak, the more you concentrate on thinking about what you are going to say next rather than absorbing what the other person has to say. When you focus on what to say, you miss out on important information and clues that you could use to help the prospect.

The most important ingredient to active listening is to concentrate all your attention on what the other person is saying. No matter the personality style, people appreciate the opportunity to speak about their goals, passion, and struggles. If you dominate the conversation, you miss vital clues to mindsets, personality styles, as well as how to best establish emotional connections. A skilled active listener avoids interrupting at all costs, summarizes and repeats back what has been heard, and is carefully observing clues such as tone of voice and body language. Why is active listening so important? It redirects the focus of what is going on inside your head to the needs and wants of your prospect. Your ability to actively listen establishes credibility, demonstrates concern, increases competence and knowledge, deepens relationships, and permits you to gain clarity about the business opportunity. Most importantly, it enables you to better understand how the other person thinks, acts, and feels.

You may wish to consider the following techniques that support the concept of listening to learn:

- **Attentiveness:** Eye contact and posture demonstrate that you have a keen interest in what the other person has to say. A nod of the head, a small smile, leaning forward, and

occasional words such as “very good,” “interesting,” and “indeed” indicate that your prospect is priority number one.

- **Remembering:** As the other person is speaking, recall a few key points. Remembering details, names, ideas, and stories is an essential skill of an active listener.
- **Relevant Questions:** Periodically probe to demonstrate interest and deepen your understanding. When you ask relevant questions, the prospect sees you as an empathetic person who has an authentic interest in his or her world.
- **Summarization:** Your ability to absorb what you have learned and summarize key takeaways puts you on a path to success. Summarization evidence that you are a gifted problem-solver. Repeating the speaker’s exact words makes the other party feel that you value them in a meaningful way.

Think, Act, and Feel

Aided by active listening, the initial prospect interview should empower you to understand how your prospect thinks, acts, and feels about matters that facilitate your ability to maneuver through the sales cycle with confidence, competence, and clarity. Let’s take a look at the importance of knowing how your prospect thinks, acts, and feels.

- **Think.** The psychology of the sale requires you to understand what the consumer thinks about your value proposition...your reason for professional existence. A value proposition statement summarizes the reason why a potential customer should buy your product, service, or solution and how it exceeds that of your competition. The ideal value proposition appeals to your prospect’s strongest decision-making drivers. In the initial interview, you will benefit from learning:
 1. What the prospect values
 2. The biggest challenges facing the prospect
 3. Your capability to find solutions to these challenges
 4. The outcome if you can help the prospect deal with these challenges.
 5. The degree to which the prospect distinguishes your value proposition from others in the marketplace
- **Act.** The psychology of the sale also requires you to determine the degree to which your prospect will act upon your value proposition. It is all about stimulating behavior and aligning mindsets (i.e., a set of assumptions and beliefs). Let me offer an example. You have a unique, diagnostic risk assessment process that enables you to uncover the risks and uncertainties facing a business. Your process is logical, proven, and impactful. And it enables you to move the underwriting community to offer preferred terms and conditions. Your process separates you from all others in your marketplace. The psychology of the sale leads to the questions, “Does my prospect value my unique

approach? Is my prospect's mindset aligned with mine? And will the prospect act upon my recommendations?"

- **Feel.** The final and most important component of the psychology of the sale is to determine how the prospect feels. This encompasses stimulating and reading emotions. The single motivator in purchasing decisions is not data or facts. It is emotional response. People buy when they feel comfortable, when they feel they can trust you, and when your value proposition feels natural and reassuring. In simplistic terms, your prospects rationalize purchasing decisions based on facts, but make decisions based on feelings. There are a range of emotions that affect your prospects' purchasing decisions including fear, greed, pride, envy, anger, pain, and guilt, to name a few. You must ask yourself the following question through each step of your sale cycle, "Do I know what emotions my prospect is feeling?"

As you master the art of understanding mindsets, you will find yourself tapping into your prospects' unconscious...the part of the mind that holds fears, secrets, and insecurities. The unconscious mind houses the lock and key to how and why people make decisions. It sometimes comes to the surface through what is called a "Freudian slip." Sigmund Freud (1856 to 1923), an Austrian neurologist and founder of psychoanalysis, compared the mind to an iceberg, with the conscious mind being on top and the unconscious mind, the most prominent part of the mind, being under the surface. The unconscious holds things that your prospect may not wish to think about...unpleasant feelings that touch the boundaries of safety and security. As you are in the business of helping people deal with risks and uncertainties, it is natural that you pull from the unconscious. Your desire to stimulate the unconscious will empower you to serve your prospect in ways that your competitors cannot.

Through your ability to read personality styles, actively listen, and understand how your prospect thinks, acts, and feels your performance will skyrocket. The psychology of the sale. Embrace it!

About the Author

Scott Addis, CPCU, CRA, CBWA is the CEO of Beyond Insurance and is recognized as an industry leader having been named a Philadelphia finalist for *Inc. Magazine's* "Entrepreneur of the Year" award as well as one of the "25 Most Innovative Agents in America." Beyond Insurance is a consulting firm that offers leadership training, cultural transformation, and talent and tactical development for enlightened professionals who are looking to take their practice to the next level. Since 2007, the proven and repeatable processes of Beyond Insurance have transformed individuals and organizations as measured by enhanced organic growth, productivity, profitability, and value in the marketplace.