Direct Selling in Today's Tough Markets

By Terry Edwards

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Interviewer − Jan Howard

[Jan] Terry, I know that you have some very strong views on the need for salespeople to modify their sales techniques to cope with a changing market. How would you summarise this?

[Terry] OK Jan, first let me ask you one quick question and then I'll give you an answer. Can you think of anything at all that hasn't changed a lot in the last 10 years or so?

[J] No, I can't.

[T] Right! My first point is that selling has changed a lot as well. And yet, many sellers seem to refuse to accept this. They plod on with selling techniques that they were taught 5, 10 or even 20 years ago. They are so "off−beam" with what they are doing, that it's no wonder that their results have continued to decline. Of course, many will justify this decline by reasoning that there's more competition, the economy is in poor shape etc

Smokescreen excuses for sure − the problem lies very squarely with the seller and his way of selling ie his methodology.
He must change to adapt to the changes in the market and the changes in the buyers.
He must realise that, for many direct sales businesses, the market has changed dramatically in the last few years, let

alone the last 10 or 20! Mr Prospect is now very well informed. He has "Watchdog" and "Salesmen from Hell" type programmes on the TV. He has consumer reports from magazines such as "Which?" and he has built up an armoury of information provided by trade journals, the internet and his friends and neighbours.

[J] Are you implying that it's changed for the worse?

[T] No, but I'm saying that Mr Prospect is a changed man. He will eat salespeople alive given half a chance. Long gone are the days of the tough sellers taking candy from a baby. Today's buyers have teeth!

And it's these teeth which have scared many a salesperson and nudged them into giving up and returning to a regular 9 to 5 without the stress they were getting in the sales arena. In fact, around 60% of those who take on a direct sales position will quit within 6 months!

[J] So, is direct selling today still a worthwhile career?

[T] That's a 100% YES. For sure it's a tough job and is not for those who freak out when they hear the word "No". But, it's a wonderful career with very high rewards for those who get their act together.

[J] You've said that the buyers today are now much tougher and much more informed − so what is it that stops the seller being better informed and tougher?

[T] Nothing at all! But the problem is that many still expect to carry on with the knowledge bank of 10 years ago, with old hat techniques and a tendency to work with crossed fingers!

[J] What is it that gives salespeople the most problems?

[T] The part of the sales process that creates the most problems is the "close" − the bit where the seller says "OK, let's get this going Mr Buyer" and Mr Buyer tries to wriggle away from making a decision! It's eyeball to eyeball psychological warfare. The seller must get the order to earn his commission. The buyer wants to be 200%

sure he's doing the right thing.....

[J] But, surely closing has always been a problem area for most sellers?

[T] That's true, but what I'm saying is that 10 years ago you might have gotten away with sloppy technique, but today you just cannot. In fact, most folk who've left the direct sales arena, would invariably tell you that the actual job was fine, the product was great, the company was marvellous but they just couldn't get on with THE CLOSE! That horrible little monster that consumes salespeople!

[J] Do salespeople actually admit this to you?

[T] Too right! If I've heard this tale once, I've heard it a thousand times!

[J] Are you laying the blame at the foot of the seller?

[T] Not really. Many times it's not his fault. He may have been trained by his well−meaning sales manager who was trained by his sales manager who was trained by his sales manager, and so on.... You could be talking of technique and methodology that's 30 years old here! And the poor seller is sent out in the tough markets of today and told "Go for it!"

[J] Understood!

[T] Just to reinforce my thoughts on change, just think about this.....Years ago the Pony Express took 18 days to get a message from east coast to west. If our email takes 18 seconds today, we're calling tech support to find out what's wrong! Times have changed dramatically in all areas and selling is no exception.

[J] Is there one particular method or technique that you find is still in common use in many businesses, which should not be used in today's marketplace.

[T] There are lots, but there is one particular methodology which I hear about all too frequently and is worth "putting it to bed" right now. It's a very tired old idea which you may have heard of or some may even be working...heaven forbid!

It goes like this:
The sales process is split into three main areas:
Warm up, presentation of the product, then close.

In other words, the seller "warms up" the buyer with a little friendly chat about the weather, golf, holidays etc. He then moves on to demonstrate his product, showing the features and benefits and why the buyer should choose this product over any other one in the marketplace.

The buyer then moves on to the "tough bit" (the close) and normally the conversation goes from being pleasant and open to one with both parties twitching and getting more tense by the minute.

[J] I hate to admit this Terry, but I've seen this method taught recently at a seminar I attended!

[T] I know it still goes on and in a way I'm glad you've seen this. It's old hand−me−down stuff. But, without

question, in this day and age, this form of selling is nonsense. Let's put these tired old ideas to bed quickly by asking you to think back to your schooldays.....

[J] Just a few years ago!

[T] Me too! At breakfast, your Mum gave you your bowl of cereal and sprinkled a spoonful of wheatgerm flakes on top. You didn't notice the wheatgerm and you never questioned your Mum as to why she added these flakes. Just think, if Mum had let you finish your cereal and then popped a spoonful of dry flakes in your mouth! You'd have coughed, choked and spluttered and Mum would not have been the most favourite person on the block!

So it is with professional closing. If you separate the "closing" part, the buyer will choke. Make it a little more palatable for him. Just a little closing sprinkled throughout the presentation and he'll not even notice!

[J] Wow, that's a powerful analogy − I like that!

[T] Conversational, matter−of−fact closing throughout the meeting is a technique that's invisible to the buyer. It's methodology for today's markets.

[J] So, that's how the top salesmen do it?

[T] It is, but I bet if you asked a top salesman how he closes business, he'd scratch his head and probably be unable to give you a precise answer. I guarantee though, that his methodology was so rock solid that there was probably no need to "close the sale". It was a "done deal" part way through.

[J] So, the message for the salesperson is "get updated" then?

[T] What I'd say is this, Jan, if you don't know how to sprinkle the wheatgerm on your cereal, or you don't automatically integrate your closing, then you must be on "happy pills" to keep smiling after all those rejections!

[J] If they weren't before, they may be now! Well, Terry, It's been a real eye−opener speaking to you. Thanks for your time.

[T] Just a thought to finish our discussion, Jan. For your next appointment........... Why not use a "which would you prefer" question early on in the meeting?

Like, "Nice to see you, Mr Jones. May I ask...would you like your wheatgerm sprinkled so you'll hardly notice it, or would you prefer me to give it to you at the end, all in one mouthful, so that you cough and choke for ten minutes?"

Only a joke. Honest!

Terry Edwards, author of "How to Sell in Today's Tough Markets" and Principal of Direct Selling Masterclass − the leading "hands−on"direct sales training Company, based UK but working worldwide.
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Bull Markets And Bear Markets
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By Adam Masterson

The difference between a bull and bear market is something that every sucessful investor knows. When the market moves downwards for a period of time the market is referred to as a bear market. Upward moving markets are bull markets. If a particular stock is doing well, it is said to be bullish. If it is losing value it is bearish. Of course, there are more to bull and bear markets than that, as you will soon discover.

1. Bull Also, Bear Markets

These terms refer only to long term fluxuations, not short term changes in the market conditions. This is because even during a bear market prices may increase temporarily.

2. A Reflection Of The Economy

Usually stock market conditions reflect the state of the economy. During bull markets the economy is doing well, unemployment is low and interest rates are reasonable. Bear markets usually occur during times of economic slowdown. Investors lose confidence and companies may begin laying off workers. At the extremes, an exaggerated bear market can lead to a crash brought on by panic selling. An exaggerated bull market can be caused by over−enthusiasm of investors. It leads to a market bubble that will eventually burst.

3. When To Make Money

Although most money can be made during bull markets, there are also opportunities during bear markets. Knowing the characteristics of each type of market allows investors to profit from them. As would be expected, when the market is bullish investors wish to buy up stock. The economy is doing well and people have extra money that they wish to invest in stocks. This creates a situation of short supply that drives up prices even higher. During bear markets, on the other hand, prices are falling so investors wish to unload their stocks and put their money in fixed−return instruments such as bonds. As money is withdrawn from the stock market, supply exceeds demand that drives prices down even further.

4. Bull Markets Offer The Best Opportunities

It is easiest to make money during a bull market. Getting in right at the beginning will allow you to make the most profits. During a bull market any dips in the market are temporary and should soon be corrected. The upward rising prices cant go on forever, though, so the investor needs to be able to gauge when the market reaches its peak and sell at that time.

5. When To Buy

Bear markets represent opportunities to pick up stocks at bargain prices. Getting in near the end of a bear market offers the greatest chance for profit. The prices will most likely fall before they recover, so the investor should be prepared for some short term loss. Short−selling is also an investment strategy during bear markets. Short selling involves selling stock that you do not own in the anticipation of further price drops, so that when it comes time to deliver you can buy the stock for less than you sold it.

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