

# WHY PEOPLE BUY

UNCOVERING THE FOUR REASONS  
WHY ANYONE BUYS ANYTHING



BY THE REAL JASON DUNCAN

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# I Believe.....

I believe that if I **eliminate opportunities** from my pipeline that I am reasonably sure won't ever close, I will sell more and make more money because I will be spending more time on deals that will close and less time on deals that won't close.

I believe this because I've seen **hundreds of deals won and lost** over the past 25 years that can all go back to at least one of these four reasons I'm going to teach you today. Because of this, I've crafted a sales process that addresses each of these motivating factors and it has **significantly increased close rates** on deals actually pursued.

I believe that we cannot motivate anyone to do anything, that **motivation only comes from within**. We are able to tap into what motivates others and then create circumstances that influence the person's personal motivating factors to act the way we want them to.

– The Real Jason Duncan





# Uncovering Why People Buy

Name the last deal you lost:

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List the reason you think you lost that deal:

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## We've all experienced lost sales.

Consider the salesperson who had a great relationship with the buyer, and for a year they invested in the relationship. They did everything right...except for understanding the buyer's **true motivation** when it came time to close the deal. Some unknown factor de-motivated the buyer. (This is called an **inhibiting pressure**.) And, unfortunately, the salesperson lost the sale, which was especially frustrating since they'd invested so much time, energy, and money into the sale. This story should be painfully familiar to every salesperson.

**What is an inhibiting pressure?** It is a pressure that is present in every buying decision that inhibits a person from making the decision to purchase something. These inhibiting pressures can be known or unknown to the salesperson. If they are unknown, they are typically the very reason a deal won't close. If they are known to the salesperson, then the salesperson at least has a shot at influencing the prospect to emotionally and logically overcome the inhibiting pressure on their own.



*Can you think of any examples of inhibiting pressures in your prospects' situations?*

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

**What is a promoting pressure?** These are pressures that are present in every buying decision that promote (motivate) a person to make a decision to purchase something. These promoting pressures can be known or unknown to the salesperson. If they are unknown, it is less likely that a sale will happen. However, even a terrible salesperson can make a sale if there is enough promoting pressure present in the prospect's mind. If they are known, then it is extremely likely that a sale will be made since the salesperson only needs to accentuate how the product or service meets the requirements of the prospect's promoting pressure.

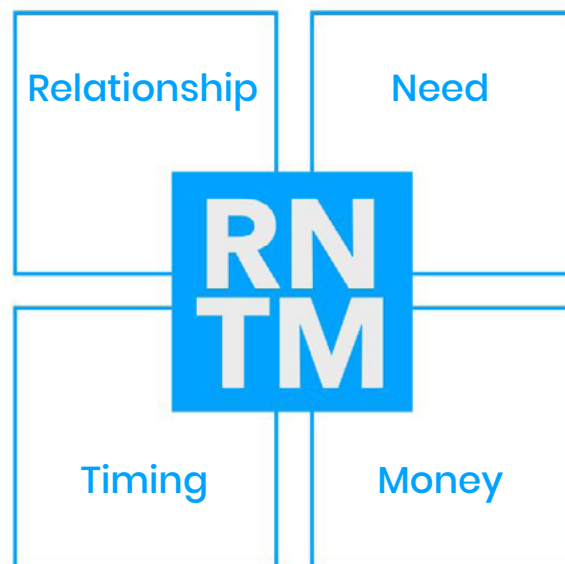
These inhibiting & promoting pressures can be categorized into four main reasons, which is the point of this ebook.



# Why People Buy

**There are only four reasons why anyone buys anything.**

People only do what they are motivated to do and you cannot motivate them—you can only tap into their motivating factors. Whether someone buys a new shirt, a new car, a home, a surgical procedure, a hamburger, or a vacation, the reason they decide to fork over money in exchange for that item or service boils down to at least one of these four motivating factors. No purchase was ever made for any other reason. In order to be successful as a Sales Professional, you need to understand how each of these four reasons play into your prospect's buying decision. For anyone to buy anything, at least one of these motivating factors must be present. The more that are present, the more likely the sale will happen.





# RELATIONSHIP as a Motivating Factor

**RELATIONSHIP** is the motivating factor in sales that has to do with the trust and goodwill the prospect has in the salesperson or the company.

Let's say you've built a great relationship with a prospect. Maybe he or she is a good friend already or maybe even a family member. Does this mean that he or she will definitely buy from you? Perhaps. Perhaps not.

The other three factors might not even matter in some cases. Your price may or may not have anything to do with their decision to buy because the relationship is strong. The fact that they need your product may or may not come into play if they just want to help you out. Whether or not the timing is right might not matter if they simply want to buy from you as opposed to another person.

- LIKE YOU
- LISTEN TO YOU
- SERVE YOU



**THIS IS TRUST**

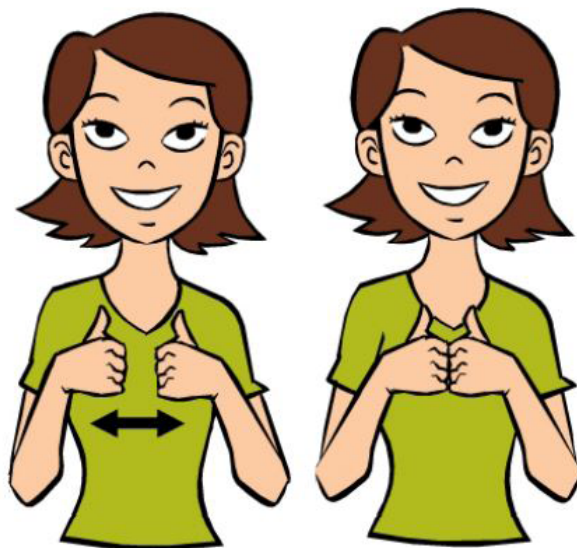
## Key Principle about RELATIONSHIP as a Motivating Factor

The key principle to learn here is that **RELATIONSHIP** can certainly make a sale happen when money, timing, and need simply don't matter. However, do not be fooled into thinking that relationship can trump these other factors most of the time. Quite the contrary. While relationship is a factor in closing many sales, it certainly isn't the only one. As you know, relationship can play a very small factor in many sales in the age of transaction selling.

### Examples of How RELATIONSHIP Won't Win a Deal

- Vendor contracts prevent your friend from buying from you (Inhibiting Pressure of **timing**)
- Your pricing is significantly higher than the other bids. (Inhibiting Pressure of **money**)
- Your product or service isn't relevant to your friend. (Inhibiting Pressure of **need**)

As you can see, relationship can make a sale happen sometimes, but it isn't always a guarantee. Be assured of this, though: where **RELATIONSHIP** isn't a huge factor for a sale, one of the other three factors must be.



“Relationship”





# NEED as a Motivating Factor

**Need is the motivating factor in sales that has to do with the prospect's perceived value in the product or service offered.**

If the value of the product or service outweighs the prospect's current situation without it, then a need (perceived or actual) is established. In other words, if the prospect believes that he or she can live without the product or service, then there is no need.

Sometimes people buy stuff just because they want to. They don't actually "need" the item, but they just had to have it. Generally speaking, people typically buy stuff based on need—whether it is perceived or actual.

## Key Principle about NEED as a Motivating Factor

The key principle to learn here is that **NEED** can certainly make a sale happen when relationship, money, and timing simply don't matter. Perceived value (i.e., "NEED") is one factor that causes people to buy. The relationship could be terrible, the timing nonexistent, and the money might not even make sense, but if the prospect needs or perceives a need for it, he or she will buy. Of all the motivating factors, **NEED** is probably highest on the list of what is **required** to make a sale.

## Examples of How NEED Won't Win a Deal

- Another vendor has the exact same specs and they are golfing buddies. (Inhibiting Pressure of **relationship**)
- Other urgent purchases have to be made before they are free to vet out your service. (Inhibiting Pressure of **timing**)
- Their bank prohibits them from entering into any unapproved contracts. (Inhibiting Pressure of **money**)



“Need”

An alarm clock with a white face and black numbers is the central focus, set against a bright yellow background. To the left of the clock, there are several stacks of gold coins of varying heights. The clock's hands indicate a time around 10:10.

# TIMING as a Motivating Factor

Timing is the motivating factor in sales that has to do with how the prospect's overall need for the product intersects with other factors inside the prospect's business. This is called context.

Timing is a huge buying factor that many salespeople simply don't pay attention to. Your product offering and sales process might have been textbook. The prospect likes you and the money of the deal makes sense, but the timing just isn't right. Maybe they're between budget periods and can't allocate the funds. Because the salesperson didn't prequalify the prospect based on their ability to buy **right now**, he may lose the deal. If a deal doesn't close, timing may be the culprit.

Examples of issues that affect timing: **Fiscal year, budget constraints, other competing objectives**, etc.

## Key Principle about TIMING as a Motivating Factor

Timing is typically a “**veto**” decision only. In other words, the relationship may be solid, the prospect may need your service, and the money may in fact be reasonable and affordable. However, **TIMING** can trump the entire deal. Always pay attention to **TIMING**. The worst thing that can happen in a selling situation is for the salesperson to spend the time positioning the product or service in such a way that the relationship between the buyer and seller is perfect, the money makes all the sense in the world so that the buyer can afford it, and the prospect actually has a strong desire and need for the product or service, only to find out that the **TIMING** won't allow him or her to execute a purchase order at this time. **TIMING** is important to establish early in the sales process so that you don't waste time.

## TIMING Is Usually Only Determined by Asking More Questions

The best way to understand timing is to ask more questions. The more you ask about timing, the more you'll know. You need to know they're desired timing and any factors that may affect that timing.

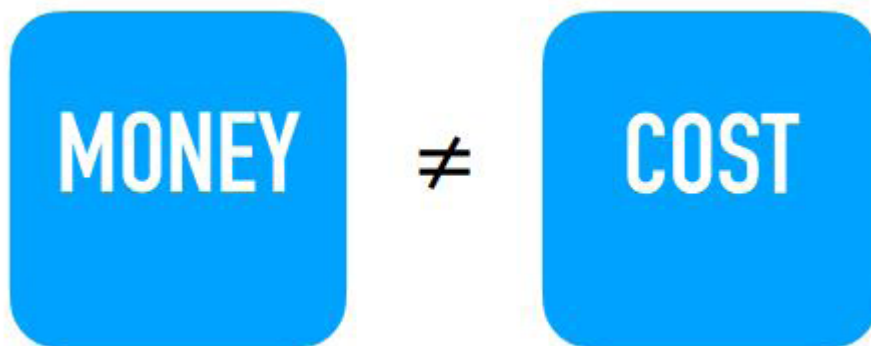




# MONEY as a Motivating Factor

**MONEY** is the motivating factor in sales that has to do with the prospect's ability to pay for the product or service.

Do they have the ability to pay, can they afford it, and what financial implications does the sale have on the customer after they make the purchase? It would seem to most people that money is the easiest factor to consider in any sales process. However, it is not as cut-and-dry as you might think. Sometimes the product or service is affordable and reasonably priced, but if the fiscal constraints are such that buying is impossible, the sale won't happen. Money as a buying reason isn't just about how much it costs, it's also about budgets, fiscal year issues, borrowing ability, etc.

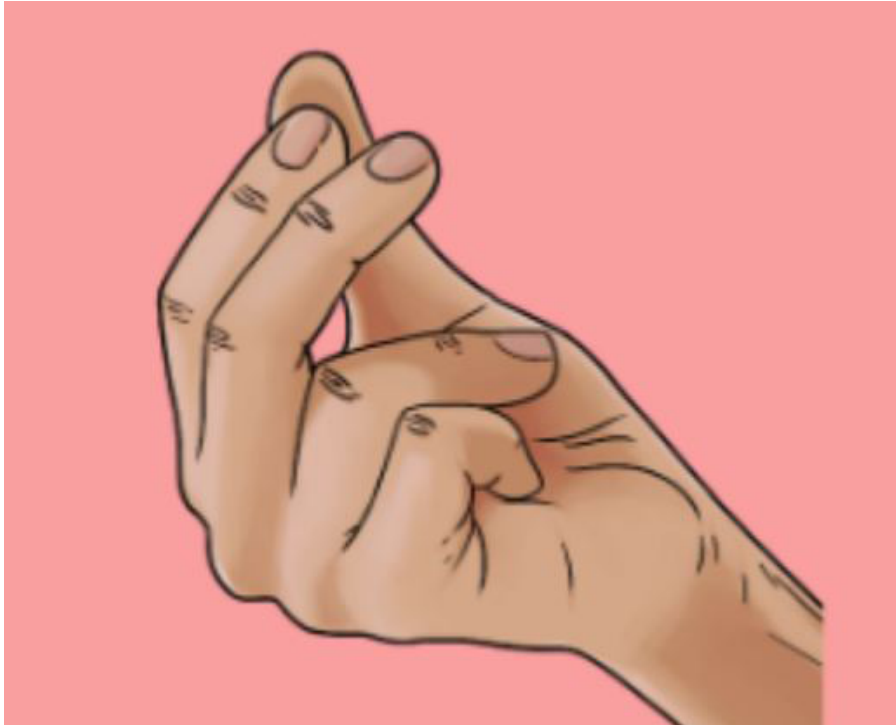


Let's assume you've presented your prospect with the exact and only way for her to alleviate a major problem she's been dealing with in her company. During the process, you and the prospect have become pretty friendly and you've played golf a few times. She likes you. Her company has been actively looking for a solution to this problem and have even put it in the budget for the next fiscal year, which begins next month. Your solution is timed perfectly, the relationship and trust factor is solid, and your solution is seen as the only viable way to solve their problem. However, when you present the pricing, it is too expensive. In other words, the cost of the solution is greater than the current problem they are dealing with.

For example, let's say that their problem is costing the company **\$2500** a month in lost revenue. Your solution costs **\$3200** per month to implement. While your solution solves the problem, the cost of the solution is greater than the current problem. The money doesn't make sense. The sale won't happen.

## Key Principle about MONEY as a Motivating Factor

**MONEY** is a motivating factor in nearly every sale ever made. You must make sure that your pricing demonstrates a value that is greater than the prospect's current problem. People won't pay \$100 for something they think is worth \$50.



“Money”



# Tactics

**A tactic is an action or strategy carefully planned to achieve a specific end.**

As such, in order to achieve the specific end of ultimately closing the sale, you must carefully plan your strategies to meet that goal. Haphazard results are the result of haphazard planning.

No coach would send his team onto the field/court without first coming up with some tactics to employ. In like manner, no salesperson should every engage in a sales process without first coming up with a plan.







# Tactics for Building RELATIONSHIP

In the Bible, Jesus gave a challenge to his disciples to take the good news to various villages around the area. (See Luke 10.) While I don't want to trivialize their mission, in essence they were selling something—the “something” just happened to be the Gospel of Christ. The way he told them to do it can be summed up in a concept I refer to as the “person of peace” principle.

This principle is based on how Jesus instructed them to interact with their “prospects”. If the person they were talking to **listened** to them, **liked** them, and **served** them, then they were to stay in that home and share the Gospel. If the person didn't listen to them, like them, or serve them, they were to move on to the next opportunity. This was the way they were to “qualify” their prospects.

Similarly, professional salespeople need to understand that people who buy from you have the same qualities: they **like** you, they **listen** to you, they **trust** you, and they **serve** you. So, in order to close a deal, you must make sure that the person has this level of relationship with you. This is called **trust**.

Two main tactics for building **RELATIONSHIP** with a prospect:

**PROFESSIONALISM** – Your level of professionalism has to be unquestioned: the way you **dress**, the way you **speak**, the way you **write**, the way you **look** and **smell** all have to be aligned with the value and quality of your product or service. To build your professionalism, invest in things that will sharpen your look and your communication skills. Pay attention to all the details. Don't overlook any of them. Even a wrinkled shirt can squash a deal with certain prospects.

**BUSINESS ACUMEN** – This means that in order to build a high-quality relationship with a prospect, you must understand their **business**, their **industry**, their **unique challenges**, etc. If you want to nail the relationship, make sure you have a basic to moderate understanding of how their business works so you can tailor your solution to meet their needs. One of the worst things you can do is to display a lack of understanding on the basics of the prospect's business. Take the time to do your **research** ahead of time. Look up their industry and try to understand their issues and their opportunities. If you walk in and ask about what they do, you may very well seal your doom because the relationship will never be built correctly.



# Tactics for Uncovering **NEED**

Tactically, in order to uncover the level of **NEED** the prospect has for your solution will rely on your ability to **ask the right questions**. Many times, the prospect will not have even considered some of the things you will present as a solution. Why? Because they don't yet understand the problem.

**Status quo** is a big competition to most sales people. The prospect has lived his life and operated his business quite successfully without your solution up to today. Your job is to ask questions that will make him see how he is missing **opportunities**, wasting **money**, or living with a **risk** that he didn't know was present.

You've got to identify the **emotional** drivers that the prospect has that would make him or her change the status quo. Asking questions like, "Why is this important to you personally?" and "Tell me about a time when that happened in the past and how it made you feel?" and "How would you feel if this problem were never to rear its ugly head again?"

Now, once you've identified the emotional drivers, it is your job to paint a picture in his or her mind that shows the **preferred future** where that pain or problem no longer exists. This helps lock in the prospect's need for the solution.

Then, once the need is locked in, you must then tell him or her how your company **uniquely** provides the solution and how you are the most qualified to handle it to get them to the preferred future faster and with more professionalism and at a value that cannot be matched by any other company.



# Tactics for Understanding TIMING

**TIMING** is the one motivating factor that you have the least control over as a sales professional. Since you have so little control over the timing, it is your job to ask the right questions up front so you understand the timing. For example, if your solution will require board approval, then you need to understand when and how often the board meets.

Another example: if your solution must be put into the budget for the next **fiscal year**, you must ask about the fiscal year and when they begin budget preparations.

Another example: if your solution is something that is a one-time use or expense, then you need to ask about when the prospect expects to use your product or service.

Finally, you need to understand on the front end if your prospect has a **delivery expectation** that your company can even meet in the first place.

Once you understand the timing factors involved, it is up to you to **tailor** your solution to fit that timing. You can have the best solution on the planet and the prospect may want it badly, but if the timing is off, you may lose the deal.

**Timing Example:** Car dealership had no security system and didn't see a big need for it. They'd been in business for nearly 100 years. Three weeks after the security company had pitched a camera system and were told no, the dealership had a break-in and several Corvettes were stolen. The next day, they called the security system company and ordered the cameras to be installed. This example illustrates how we sometimes are benefactors of timing and we have no control over it.





# Tactics for Uncovering MONEY Issues

**MONEY** is not just about cost. Primarily, **MONEY** relates to the prospect's **ability to pay**. You must have a deep understanding of cost and value and the interrelationship and distinctions of each. Let's look at each individually.

**COST** – The required **money, time, and effort** to deploy your solution. Money is only one-third of the “cost”, but is the one salespeople talk about most (and what prospects think about most). You need to ask the right questions on the front end to understand what your prospect expects your solution will cost. In addition, you need to help them understand the other cost factors of time and energy—especially if your solution will cost less time and energy than any of your competitors.

**VALUE** – The usefulness or return on a solution. In other words, how useful is this solution compared to my current situation or how useful/enjoyable will this solution be as opposed to other alternatives. Value has little to do with **cost**. Remember that. Ask questions that help illustrate how cost and value are not directly correlated. That being said, we've all heard a million times that “you get what you pay for”. While that is true, you need to understand that just because something costs a lot doesn't mean it returns a lot of value.

This all means that you must help your prospect understand how the cost of your solution is many degrees less than the value of your solution. If you cannot get him or her to understand and agree that your solution will provide a greater value (in money, time, and energy) than the cost (in money, time, and energy), then you will not make the sale.

## BONUS: Understanding ROI

There is a difference between the words “ON” and “OF”. ROI technically stands for “Return ON Investment”. It is the ratio between the net profit and cost of investment. For example, if you invest \$1000 and you make \$2500 over five years, the ROI is 150%. (see formula below)

$$\text{ROI} = (\text{Gain from Investment} - \text{Cost of Investment}) \div \text{Cost of Investment}$$

That being said, when people ask what the ROI is, most of the time they are not asking about this formula. Rather, they are asking about how fast their initial investment will be returned. That is not ROI, that is called Simple Payback Period (SPP). For example, if a project costs \$1000 and you save \$500 per year, the SPP is 24 months.

Remember that when someone asks you about ROI, it is necessary to reframe the question to ask what they really mean. Ninety-nine percent of the time they don't mean ROI; they mean SPP. So, if you know your stuff and answer their ROI question with a high percentage (like 150%), it will throw them off because they were really wanting to know how many months until they get their money back. This puts you at an advantage in the conversation.

**The fastest way to get your money back is not to spend it at all.**

If you really are more interested in getting your money back than you are on the return on the investment, then don't spend your money in the first place. SPP is not a smart way to think about an investment.

## What Is the ROI of Your Product or Service?

If you don't know the ROI of your product or service, then you cannot answer any questions related to ROI.

If you would like to work with a Certified RTI Coach who can help you work on your ROI, go to [ReasultsThroughIntegrity.com/RTIcoach](https://ReasultsThroughIntegrity.com/RTIcoach)





# Losing a Sale

**You won't win the deal every time, so be ready to lose early if you can.**

No salesperson will ever win 100% of the opportunities they pursue. We are all going to lose sales. The successful Sales Professional will remember the motto of great losers:

## **“Lose Early”**

You must be very selective when choosing which opportunities to pursue. It costs a lot of money and time to engage with a potential customer. If they eventually do not buy from you, you've spent possibly thousands of dollars for no return. That is **a bad investment**. Be an early loser!

In sales, it's all about your success rate and the possibility of winning. What is the statistical chance of winning an opportunity? Well, if you can increase that statistical chance by just a few points, then that can increase your income by tens of thousands, maybe even hundreds of thousands of dollars.

If you know the four reasons why people buy—if you ingrain these four reasons into everything you do in your entire process—you will close a higher percentage of the opportunities you pursue. By knowing these four reasons, you can lose early. If you want to win more deals, you need to eliminate the deals that you are going to lose anyway and free up your time to get more qualified deals in your pipeline.

# ABOUT THE AUTHOR

The Real Jason Duncan has founded over one dozen businesses that have sold millions of dollars in products and services. He has served as a pastor, teacher, coach, and mentor. His companies have been listed among the top entrepreneurial companies in America by *Inc.* magazine, *Entrepreneur* magazine, and other publications. He has been coaching and consulting entrepreneurs and business leaders since 2013. His passion is using his gifts of teaching and leadership to help people like you get the results they want out of life. He is the Founder of Results Through Integrity, a business coaching and consulting firm that specializes in working with entrepreneurial companies and their founders. He is also the Founder and President of Results University, the world's premier online educational platform that helps entrepreneurs launch, grow, scale and profitably exit a business. Jason has a B.S. in Ministry, an M.A. in Education and in Educational Administration, and has completed coursework in pursuit of his Ph.D. in Business. As a teacher, leader, investor, and innovator, Jason is positioned as an ideal guide for people like you who want a thorough, practical, and tactical education in entrepreneurship.

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