
The Four Factors Of Risk

by BRIAN TRACY

The critical factor in selling today is risk. Because of continuous change and rapid obsolescence, the risk of buying the wrong product or service becomes greater as change intensifies. Our greatest single need is for security of all kinds, and any buying decision that puts us out on a limb triggers the feeling of risk and threatens that security.

There are four main factors that contribute to the perception of risk in the mind and heart of the customer.

Size of the Sale

The larger the sale, the more money involved, the greater the risk. If a person is buying a package of Lifesavers, the risk of satisfaction or dissatisfaction is insignificant. But if a person is buying a computer system for

their company, the risk factor is magnified by hundreds or thousands of times. Whenever you are selling a product that has a high price on it, you must recognize that risk enters into the buyer's calculations almost immediately.

Number of People Who Will Be Affected By the Buying Decision

If you go out for lunch alone to a new restaurant, the risk is very low. But if you invite a group of business customers to a restaurant to discuss a large transaction the risk factor can be very high.

Almost every complex buying decision involves several people. There are the people who must use the product or service, the people who must pay for the product or service, there are the results expected from the installation of the product or service

and there is the reputation of the person making the final buying decision. If a person is extremely sensitive to the opinions of others, this factor alone can cause him or her to put off a buying decision indefinitely.

Length of Life of the Product

A product or service that, once installed, is meant to last for several years, generates the feeling of risk. The customer thinks, "What if it doesn't work and I'm stuck with it?"

How many times have you bought something personally that turned out to be the wrong item and you were stuck with it? You couldn't replace it with something more appropriate because of the amount you had already paid.

Customer's Unfamiliarity With You, Your Company and Your Product or Service

A first-time buyer, one who has not bought the product or service before, or who has not bought it from you, is often nervous and requires a lot of hand-holding. Anything new or different makes the average customer tense and uneasy. This is why new products or services, or new business rela-

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Now, here are two things you can do immediately to put these ideas into action:

First, demonstrate and prove to your customer that the people affected by this purchase will be happy and satisfied. Tell stories about other happy customers.

Second, show the customer that this purchase, even if it is new or unfamiliar is a logical extension of what the customer is already doing. Show the customer it makes perfect sense. □



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