



Enhance customer engagement through guided selling

How a sense of ownership creates commitment

The “Ikea effect” is not a myth. Studies show that people value a product more highly when they have a hand in constructing that product. Experts think it’s because people acquire a sense of personal investment in an item when their own effort is involved.¹ Call it sentimental value or sweat equity; there’s no doubt that people feel like they get more out of a product when they put more into it.

That shouldn’t be a surprise. Everyone involved in the persuasion business knows that nobody argues with their own data. Successful sales professionals know the power of fine-tuning a proposal to make a client feel like it’s all their own idea—a sense of ownership creates commitment.

Unfortunately, it isn’t practical to apply the Ikea model to every industry. You can’t really ask a customer to configure his own medical device or construct her own heating and cooling system. But you can do the next best thing by offering your prospects configuration and customization options during the quotation process. In an age when customers expect to be able to make their own choices, a company that can gracefully offer customers a range of options and features as part of the sales process can gain a major competitive advantage.

Increasing satisfaction with product variations

Virtually no one creates an entirely new product anymore—nearly all products constitute variation or enhancement or improvement on an existing item. You can't create a product with attributes that never existed before; but you can create a new variation on existing attributes to create something unique and compelling. That's enough to make most customers feel invested in the outcome. Guided selling through product configuration and customization increases customer satisfaction and loyalty by:

- Fulfilling customers' desire for an utterly unique product or experience.
- Allowing customers to have an active role in the formation of a complex product.
- Providing customers with complete knowledge of the available options and components for current and future orders.

The concept is pretty simple, but the detailed reality of accomplishing that goal can get complicated. Basic arithmetic shows that a simple product, such as a t-shirt, that varies in only three respects—color, size, and texture—and offers 6 choices in each variable, yields 216 permutations. That seems manageable enough. But swap a t-shirt for a boat, and it gets complex quickly. The number of variables involved in building a boat includes choices in engine size, hull color, upholstery, length, beam, navigation equipment, lighting, etc. This range of choices can easily overwhelm a customer and even confuse the service providers tasked with manufacturing the product.

Shifting from salesman to valued consultant

By employing modern product configuration management (PCM) software, the sales representative for a boat company, for example, can guide a customer through all the options, step by step, and explain the value of each option. The customer can then make product choices that best suit his or her own needs and interests. As customers choose one option after another, their sense of investment in the product increases, along with the probability that they will purchase something they “helped design.”

More importantly, the sales rep won't appear to be “selling.” He's just offering options, the ultimate “consultative sales” technique. Conversely, when prospects are choosing from an assortment of options based on their own taste and desires, they feel more committed—they've already created their own investment in a new creation and will anticipate its delivery.

Advanced PCM solutions can also generate images of the specified item with the selected options. For complex products, a 2D or 3D rendering of a configured product is the next best thing to a free sample. It provides a palpable (though not physical) source of assurance. There's a reason that so many food stores offer free samples—experience shows that free samples reliably boost sales.



Yet the sales benefits to offering too many options and choices may become self-defeating. Researchers find that in some cases, confusing customers with too many choices can actually reduce sales.² In an environment where consumer choices seem to expand exponentially every few years, it's not surprising to see many situations in which customers withdraw from the stress of indecision.

By deploying product configuration management technology that easily enables participation, companies can alleviate this dilemma for customers. A PCM-based sales process can be organized in a way that presents the hierarchy of customer choices in a logical sequence. It can also help focus customers toward the choices that previous customers have found most satisfying. When the configuration is complete, customers will feel more empowered, more knowledgeable about the product line, and more certain of a satisfactory deliverable.

More speed, accuracy, and reliability

Today's demanding customer expects immediate gratification. While that isn't feasible for most highly configured products, you can give customers a sense of immediacy with the help of a robust configuration process that can deliver images, specifications, and summaries quickly, along with prices and promised delivery dates.

Not only does a rapid, customer-driven configuration process boost sales, it also pulls together all the essential details of an order into a form that's easily



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digestible for all other departments involved—design, engineering, manufacturing, delivery, and installation. Advanced PCM software doesn't require you to pass an order from one department to the next—it allows all departments to share access to all details simultaneously. This prevents misunderstandings and miscommunications that lead to errors and disappointments. It also speeds the process of manufacturing the product, because everyone in the production chain has the necessary information to plan and allocate resources accordingly, avoiding waste and delay.

The first in a series of yes's

By getting customers fully involved in configuring or constructing the products they order, you're increasing their sense of involvement, which increases the likelihood that they'll make a purchase and become enduring, loyal customers. Selling with the help of advanced product configuration software can help cement a sense of partnership between you and your customer, which can lead to long-term repeat business.

Michael I. Norton, Daniel Mochon, and Dan Ariely, "The 'IKEA Effect': When Labor Leads to Love," Working paper, Harvard Business School, 2011

Sheena S. Iyengar, Mark R. Lepper, "When Choice is Demotivating: Can One Desire Too Much of a Good Thing?" Journal of Personality and Social Psychology, December 2000

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