



ProMACSM

Professional Martial Arts College

Session 8A, Section # 6

Section #6

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TOPIC #1 – Psychology of buying

Have you ever purchased something and then a day or two later regretted it?

Give me some examples:

1. _____
2. _____
3. _____
4. _____

More money and time has been spent studying buying habits than almost any other activity. There are countless books written about the psychology of sales. They have determined that there is a common factor in the sales of everything from automobiles to zucchini. Can any one tell me what that common factor is?

It all boils down to emotion. The stronger the emotion, the greater the desire to purchase, the easier it is for the salesman to make the sale. Typically the sales price is directly linked to the emotion... the higher the emotion the higher the price. This is most obvious in auto sales. It is also evident in auctions or any time there is a “bidding war” between buyers.

Think of 4 examples where you, or someone you know, bought something with strong emotions?

1. _____
2. _____
3. _____
4. _____

On the other hand, the lower the emotion, the more the customer has a “take it or leave it” attitude the more bargaining power the customer has. This ultimately means that the customer gets better terms and conditions.

I have found that in a competitive situation excessive emotion (positive or negative) is a distraction and reduces performance. Most people don’t realize that making big purchases is as much a competition as stepping into the ring. Those who are the most successful in the ring are well prepared, because they have trained hard, and entered the ring knowing the cold, hard reality that the best man will win.

In purchasing, the one who has trained hard (done his research - gained knowledge) who steps into the competition with the emotion shown in the “eye of the tiger” gets the best deal.

So what is the “eye of the tiger” emotion and how does that relate to humans in the purchasing environment? That question is best answered by a short story.

White Socks

Ever since I was a little boy, I have always wanted a hotrod. Well I decided that the point in my life had come to purchase one. After scouring the newspapers, going to hot rod shows, and studying the market I felt I was ready. Then one day, I saw an ad for the perfect hot rod in the paper. The asking price was about right for the market at the time. So I went to look at.

It was PERFECT! Exactly what I was looking for! The second I saw it I knew that this was the one... I had to have it, my excitement was hard to contain. I took a long time looking it over, every square inch top and bottom, I crawled under it looking for a reason not to buy this car. As I crawled out from under it the seller asked me why I kept saying "white socks" over and over again. In my excitement I was unaware of the fact that I had started saying my purchasing mantra out loud. So I explained to him that I was saying "white socks" to help prevent me from making a mistake. That I had learned over the years that in purchasing something or in selling something if one allows their emotion to rise above the emotion of buying a pair of white gym sox one would regret it the next day. Therefore when I find myself getting more emotional than buying white sox, I start saying "white sox" to myself attempting to control my emotions.

I went on to explain that his car was exactly what I was looking for and that I had obviously allowed myself to become too emotional. That his car was worth every penny of the \$16,000 he was asking for it only that it was out of my budget. I then handed him my business card (I had written \$8,500 on the back) and told him that if he could part with the car I would be happy to buy it for the insulting price on the back of my card.

He looked at the back of my card and said "so you can't afford any more that that?" I said. "No, that's not what I said, I could afford that but only had budgeted \$8,500 for a toy. Think about it and give me a call if he could possibly let it go for that price." I then left.



Two days later, he called me and said that he too had been thinking about the “white sox” theory and that he had some sentimental value on the car and that he needed the cash. So if I could come and get it today I could have it for my price. That afternoon I drove her home... with such a big smile that I got bugs in my teeth!

I have used this same theory in real-estate... now if I could only get my wife to think about white sox when she is in the shoe store!

A mom buys zucchini for her family not based upon logic... but based upon the desire to keep her family healthy & hopes it will go over better than brussel sprouts.

Emotion really comes into play when we purchase big ticket items like a car or a home. Emotion is evident when in a jewelry store.

Let’s take a little poll... What kind of car do you drive? (Get ½ dozed different models) (Then ask why they choose that model... dig in ... have some fun with it)

Here is proof that none of you are logical when it comes to purchasing an automobile...

It is a fact that the cheapest Hyundai is more reliable than the most expensive Lamborghini in terms of how often it needs maintenance. The Hyundai is cheaper to buy, operate and maintain. They are both restricted by the same speed limits besides in bumper to bumper stop and slow traffic they both will get you across town in about the same time... and you are less likely to be car jacked in the Hyundai... and it has a storage area larger than a small purse.

Yet I don’t see big success posters of a huge house on the beach next to a golf course with a Hyundai in the drive way

While a rocket scientist may use more logic in the purchase of bolts used in the launch sequence... the ultimate decision is based upon emotion. Let's assume that there were three bolt manufacturers each vying for the sales... each manufacturer has similar but different processes in formulating the metal that the bolt is made out of. Each meets the minimum specifications set forth by the rocket company... the final decision is usually made based upon the feelings of trust, loyalty, obligation etc. toward the manufacturer, or based upon what the purchaser hopes to accomplish (deciding between perceived quality and price and how he feels it will effect the mission and or his position with in the company)

Tony Robbins says that all human motivations are biased upon pain or pleasure; that we do things to avoid pain or gain pleasure. He also states that people will do more, go to further effort, make greater sacrifices, to avoid pain than to gain pleasure. I think that we need to distill this down a bit further. The addition of logic changes this formula in some subtle yet significant ways.

Logic allows us to do more than react to pain or pleasure it allows us to anticipate pain or pleasure.

In essence logic changes our decision making process from pain and pleasure to the fear of pain and the desire of pleasure. Combining this with what we know about the psychology of sales... this reduces the final purchasing decision down to only two emotions, fear or desire.

How does all of this apply to Martial Arts?