

# KELLER CENTER RESEARCH REPORT

# Closed-Loop Lead Generation

By Jeff Tanner, Ph.D.

Leads are the lifeblood of any successful real estate agent – there’s probably not a single agent with any experience who hasn’t heard that in one form or another. Yet most create a lead-generating strategy based on what worked for someone else or simply fly by the seat of their pants. So what works? What types of lead generating activities work best at generating which types of leads? How much should be invested in lead-generating activities, and how should those investments be allocated across different lead-generating activities? Software sales experts will tell you the answers to these questions lie in having the right sales force automation or CRM software solution – usually theirs. Consultants will tell you the answers lie in implementing the right sales system - which they will teach you for a price. The truth is that a software solution and a sales system can both help, but only when these are used to create a closed-loop lead management system.

A closed-loop lead management system is a lead tracking process that enables you to determine the relative effectiveness of any lead generating activity. A software system can provide the tools for closing the loop, or tracking the lead all the way to the sale. A sales system can help you close leads more effectively. Individually, though, neither gives you what you need. Nor do you need expensive software or expensive sales consulting and training to create an effective closed-loop lead management system.

## The First Step: A Lead Generation Strategy

The first step in creating an effective lead management system is to examine what has worked in generating high quality leads already. One tool that is helpful is the Position/Opportunity Grid. As illustrated in Figure One, the grid has two dimensions, strength of position and size of opportunity. A good first step at creating a lead management system is to plot all past successes along these two dimensions.

INSERT FIGURE ONE HERE

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When considering strength of position, evaluate whether you offer any competitive advantages for each individual buyer. These might include high familiarity with a particular area or type of property, strength in understanding a particular form of financing and relationships with lenders, strong referral network in that market segment, and other personal strengths that you brought to that sale. For opportunity, size of the sale is obviously important. Also important, though, are such elements as the client's ability to provide leads or influence others, whether the client is upwardly mobile (likely to trade up), stable, or near empty-nest (likely to trade down), and other factors that might influence that buyer's value to you over time.



As you plot each of these on the grid, identify the source of each client. Was it a referral, generated by an ad, identified at an event, or simply someone who happened to call the office on the right day? Then, when this exercise is complete, do the entire exercise again but for clients that either didn't pan out or were lost to competition. Compare your lists and determine if there are lead sources that are more likely to generate high-value clients than others.

From this analysis, you can create a strategy based on what has worked for you already. Further, as you are faced with new lead generating opportunities, you will be more prepared to evaluate those opportunities and make informed decisions about where to invest your time, effort, and cash.

### Closing the Loop

All leads are not created equal. As activities generate leads, a good habit to have is to score the leads. Many agents will score a lead based on urgency – will this lead buy or list now, soon, or sometime in the



- 1 POSITION/  
OPPORTUNITY  
GRID
- 2 LEAD  
GENERATING  
ACTIVITY
- 3 LEAD  
SCORING
- 4 SALES  
PROCESS
- 5 OUTCOME

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far-off future? *Now* is considered a hot lead, *soon* a warm lead, and *sometime* a cold lead. With your Position/Opportunity Grid, however, you can also assess how this lead fits into your market strengths and have a better understanding of the likelihood of closing the lead.

Closing the Loop is simply tracking the lead all the way to the sale, and plotting that sale on the Position/Opportunity Grid. While closing the loop seems simple, what this activity does for your planning purposes is incredibly powerful. Each agent's market strengths are different. Each market has its own subtle nuances and its own lead-generating possibilities. Closing the loop provides you with the information you need to make informed decisions about how to invest in the activities that will generate the most valuable business.

Source: Weitz, Barton A., Stephen B. Castleberry, and John F. Tanner Jr. (2009), *Selling: Building Partnerships*, Burr Ridge: McGraw-Hill.

### **About the Author:**

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Dr. Tanner received his Ph.D. in 1988 from the University of Georgia and joined the faculty at Baylor University that same year. Prior to his career in academia, Dr. Tanner worked in sales and marketing for Rockwell International and Xerox Corporation. He is an active consultant and speaker, having taught executives in France, India, Australia, Canada, Mexico, Trinidad, and Colombia.

Dr. Tanner's research regarding sales strategy has been published in numerous scientific journals, including the Journal of Personal Selling & Sales Management, Psychological Bulletin, Journal of Marketing, and the Journal of the Academy of Marketing Science. In addition to almost 70 scientific research journal publications, he has authored or co-authored 13 books. His most recent book is Sales

Management: Shaping Future Leaders (Prentice-Hall 2009) and he is also co-author of the leading college  
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sales textbook, *Selling: Building Partnerships* (McGraw-Hill). Along with George Dudley, Dr. Tanner published *The Hard Truth about Soft Selling* (Behavioral Science Research Press) for practicing sales executives.

## DISC Behavioral Styles and Selling Confidence

By Kirk Wakefield, Ph.D.

What DISC behavioral characteristics best describe individuals who have an ability to sell? Who has the least confidence in their selling skills?

In our latest studies examining behavioral styles according to the DISC model (see [previous](#) article for background), we sought to answer these two questions. Responses from 150 professionals in the residential real estate business, including 120 in selling and 30 in administrative/support positions help supply the answers.

### Are you confident in your sales skills?

How do you know if you are confident in your ability to sell? How do you know if someone else is? Individuals confident in their selling skills strongly believe that they:

- Know the right thing to do in selling situations.
- Are good at finding out what others want.
- Can easily get others to see their points of view.
- Have a temperament well-suited for selling.
- Have no difficulty putting pressure on others to do something.
- Have no problems convincing others, and
- Are *good* at selling.

If you are reading this and wondering if you really are cut out for a sales career, you are probably unsure what to do in selling situations, have a hard time figuring out what others really want, have trouble getting others to see your viewpoint, and don't like putting any pressure on others to take action. According to our research, this probably has as much to do with your behavioral style as anything else.

**What DISC traits translate into confidence in selling?**

Drawing from the 92 traits we use to measure one’s DISC behavioral style, the Top 10 DISC behaviors most related to selling confidence are displayed in order [below]. As you might expect, seven are Dominance traits and three are Influence traits.

Rank	Behavioral Traits Most Associated with Selling	Dimension
1	Very sure of self	D
2	Persuasive	I
3	Enjoy competition	D
4	Has a lot of energy & vigor	D
5	Decisive	D
6	A risk-taker	D
7	Self-confident	I
8	Convincing	I
9	Enjoys taking a chance	D
10	Assertive	D

Knowing that these are the best indicators of selling skills can guide hiring practices. Interviewers can observe the more obvious traits related to self-confidence (#1, #7) and communication skills (#2, #8), but also seek concrete evidence of a candidate’s ability to passionately compete (#3, #4), take risks (#6, #9), and assertively decide (#5, #10).

**What DISC traits = no selling confidence?**

In the same way, we examined which of the 92 DISC traits have the strongest negative correlation with selling confidence (see table below). The Top 10 traits least associated with selling confidence are related to Steadiness (four) or Compliance (six) traits. Interestingly, while our society seems to value traits such as being moderate (#1), modest (#2), tolerant (#4), or sensitive (#10), on an individual basis these traits are strongly associated with a lack of confidence in one’s selling ability.

The remaining traits largely describe individuals who appear to be calm, cool, and collected (#6-9) and unlikely to engage in debate (#3, #5). As most DISC fans have already guessed, our study confirms that the typical administrative staff (N=30 in this study) is high in Steadiness and Compliance traits. That’s a good thing, because someone has to be willing to put up with the high DI’s.

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Rank	Behavioral Traits Least Associate with Selling	Dimension
1	A moderate rather than an extreme person	S
2	Modest	C
3	Doesn't like arguments	C
4	Tolerant	C
5	Rather a shy person	C
6	Calm	S
7	Cautious	C
8	Controlled	S
9	Gentle	S
10	Is a sensitive person	S

Returning to the hiring process for sales personnel, interviewers should be wary of candidates who are unwilling to express or assert opinions and are slow to make decisions. Conversely, these are aspects of the High S and High C that makes an appropriate fit for customer service (e.g., not arguing with customers) and administration (e.g., cautiously following accounting rules).

### Who performs well in sales?

How important is confidence in one's selling skills? Across our two studies including now hundreds of professional sales people and sales managers we find that those most confident in their selling skills are statistically more likely to be top sales performers—and these are more likely to be high D's and I's.

*Top sales performers*  
**DOMINANCE 64.9%**  
**58.2% INFLUENCE**  
**STEADINESS 41.7%**  
**28.0% COMPLIANCE**

In the current study, we find that among professional sales people in residential real estate, individuals with these two behavioral styles have much better odds of being among the top sales people in their realty group:

<u>Top Sales Performers</u>	
<b>Dominance:</b>	64.9% of High D's are top sales performers
<b>Influence:</b>	58.2% of High I's are top sales performers
<b>Steadiness:</b>	41.7% of High S's are top sales performers
<b>Compliance:</b>	28.0% of High C's are top sales performers

It's important to note that some proportion of High S's and High C's can perform well at sales, so we should be careful in making blanket statements or judgments. For instance, over 1/3 of High D's in this study do not perform well relative to others in their groups and over 40% of High I's are not top performers. Also, the combination of an individual's two highest behavioral traits matters. Those who are

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High DI's (i.e., their two strongest traits are dominance and influence) are significantly more likely to be top performers, but a High IS or High DC is no more likely than others to be top performers. In contrast, High SC's are significantly more likely to exhibit poor sales performance among sales people.

### **Summary**

The key takeaway is that a clear sub-set of DISC traits predicts selling confidence. Selling confidence translates into performance. Show me someone who has self-confidence, communicates well, loves to compete, takes risks, and make decisions, and I'll show you someone who will be your next top sales agent.

### **About the Author:**

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Dr. Wakefield's current research focuses on (1) valuation of sponsorships, (2) marketing of music & films, and (3) how fans process information and make decisions. His book on Team Sports Marketing and 50+ publications (including Journal of Marketing, Journal of Retailing, Journal of Advertising, Journal of Leisure Sciences, Journal of Advertising Research, Journal of Business Research, and others) involve conducting research in virtually every professional sport (NASCAR, ATP Tennis, anything with a ball or puck) and with teams such as the San Antonio Spurs, Dallas Mavericks, Texas Rangers, Houston Rockets, Houston Texans, and San Francisco 49ers.

# The Three Most Important Words in Highly Effective Personal Selling

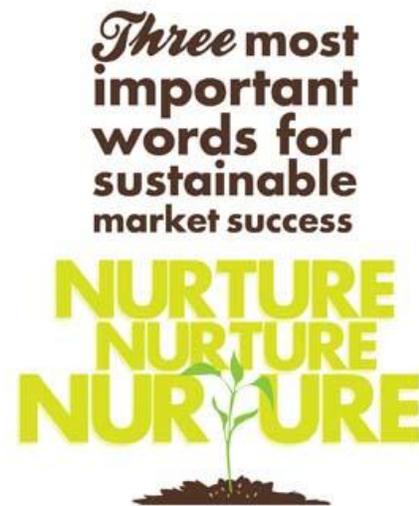
By Charles S. Fifield, M.B.A.

“Our self-interest and our mutual interests are today inextricably woven together.”  
-Former British Prime Minister Tony Blair

This interwoven reality demands salespeople and their sponsoring organizations become more relationship focused and proactively better aligned to their customers’ value perspectives. For the business in which personal selling is an integral component of its strategy for sustainable market success, the three most important words to guide its future buyer-seller interactions are nurture, nurture, and nurture.

Let’s commence this personal selling analysis with a working definition or suggested buyer-seller relationship building model. Personal selling is a multi-faceted interdependent process in which the salesperson sequentially:

1. Interactively engages a prospective buyer,
2. Initiates a trust-founded relationship,
3. Diagnostically discovers the buyer’s vision (needs, wants and goals) and the present or projected challenges/problems relative to the buyer’s desires,
4. Helps to define the pain and other implications of the indicated deficiencies,
5. Designs positive change recommendations,
6. Proposes value-enhancing product- or service-based offerings to successfully overcome the identified deficiencies, and
7. Delivers mutual long-term benefits.



Furthermore, today’s highly informed customer and commodity-based marketplace necessitate salespeople “team” with their representative product or service providers in a system-oriented manner to foster the building of potential buyer-seller relationship value.

This system view emphasizes highly effective personal selling to objectively be a continuously improving buyer-seller nurturing experience, not simply a transaction – the making of a sale or the obtaining of an order. It is not to be executed in a linear-designed process with a beginning and an end, but through a cyclical and continuously evolving relationship journey. To succeed, personal selling organizations will need to employ a

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systematic outside-in perspective that enables them to nurture mutually beneficial relationships with all stakeholders to the customer relationship, including suppliers and employees.

So what's the goal of highly effective personal selling? It's always to make money and to do so in the context of seeking to maximize long-term buyer-seller relationship value. To accomplish this goal, most organizations and their sales representatives will need to rethink their core personal selling strategies and the mindset and skill set needed to achieve them.

### The Necessary Mindset: Think Interdependently

Learn to shape your “outside-in” reality by building competitive advantage habits from the “inside-out.” In his 1989 published self-help book, *The Seven Habits of Highly Effective People*, Stephen Covey presented an “inside-out” character building framework for achieving personal effectiveness in an interwoven world. Most personal sales success literature focuses on change in issues such as skills and techniques. Covey refers to these changes as essentially personality or tactical in nature, and although they are valuable, they are secondary traits to the deeper primary traits that are character in nature. To illustrate the difference between primary and secondary traits, Covey offers the following example. Suppose you are in Chicago and are using a map to find a particular destination in the city. You may have excellent secondary skills in map reading and navigation, but you will never find your destination if you are using a map of Detroit. In other words, getting the right map is a necessary precedent condition before the secondary skills can be used effectively.

Covey's approach centers on changing oneself from within, for he believes our character (*or the culture of a business*) is a bundle of beliefs and habits that define our resulting behavior. To do so, Covey recommends working through his seven key character-defining habits, thereby progressing from a natural state of dependence (relying on others to take care of us) through a stage of independence (making our own decisions and taking care of ourselves) to the desired stage of interdependence (cooperating/collaborating to achieve something that cannot be achieved independently). One cannot achieve an interdependent mindset if you have not gained a state of independence. As he emphasizes, most personal success literature tends to promote independence, encouraging people to become liberated and do their own thing, as the desired character/habit outcome. Covey concludes, however, that the independent model is a necessary, but suboptimal mode of thinking for use in what is our interdependent, relationship-driven world.

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Closely paralleling Covey's seven habits, the following is a habit-based model for the personal selling interdependent mindset:

### Habit #1 – Be Proactive and Positive

Make decisions, anticipate and initiate change thinking to improve your business development role and overall relationship with customers – be solution-minded rather than simply responding reactively to external forces and thereby being more often than not a part of the problem.

### Habit #2 – Begin with the Desired Customer Relationship End in Mind

Have a clear principle-centered customer relationship mission statement and develop consistent short- and long-term goals.

### Habit #3 – Put First Things First

Prioritize your time based upon your mission statement and maintain a good balance between your relationship productivity and building productive capacity for future relationship growth.

### Habit #4 – Think Win/Win

Seek to achieve integrative agreements and relationships that are mutually beneficial, and the customer should realize the first win.

### Habit #5 – Seek First to Understand Others, Then to be Understood

Covey highlights this habit as the most important interpersonal relations habit for it requires putting oneself in the perspective of another.

### Habit #6 – Synergize

Through mutual trust, honest communication, transparency and understanding, find ways to leverage relationship differences and create options for mutual gain whereby the net value-produced whole is greater than the sum of the parts.

### Habit #7 – Practice the Discipline of Continuous Improvement

Take time out from production to build additional production capacity by overcoming high impact production-draining constraints and avoiding inertia.

### The Necessary Salesperson Skill Set: Heart Selling

How do you see the salesperson role in the typical buyer-seller relationship? Do you perceive it to be largely a process of “selling others” or is it more a process of “helping others to buy”? The role differences seem subtle, but they can auger significantly different relationship results. Selling from a “helping others to buy” mindset is an integral component to Heart Selling. Each salesperson must learn to manage what could be termed The Salesperson's Dilemma – When does the salesperson compete (win/lose thinking to claim value) versus when does the salesperson cooperate/collaborate (win/win thinking to create value)? Both are necessary, but a strong “selling others” perspective

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will usually foster a short-term “what’s in it for me” sales approach with too many long-term relationship burdening side effects. We tend to see things not as they are but as we are pre-conditioned to see them. Once we adopt a “helping others to buy” sales perspective, we can open the door to a paradigm shift in the way we “sell.”

The highly regarded motivational speaker, Zig Ziglar, has said, “People don’t care how much you know until they know how much you care.” Central to the concept of selling and building long-term relationship value the nurturing way is one’s ability to focus on the heart of the buyer’s value definition, measured primarily in affective terms and only secondarily in financial terms. Basically, people don’t make their buying decisions for logical or financial reasons, but rather for emotional ones.

There is an acronym that highlights the critical salesperson interpersonal skills necessary to achieve this buyer-seller nurturing priority:

**L**isten actively for good questions delivered in a counselor/diagnostic communication mode will best get to the heart of the buyer’s needs and wants while minimizing the buyer’s natural “fear of being sold” and resistance to change.

**O**vercome the “diagnosed” buyer challenges/problems through empathetic understanding of their perceived pain in their current state, why they desire to change, and how they envision and measure solution success – ultimate value is in the eyes of the beholder.

**V**alidate/legitimize proposed jointly-designed changes or solutions with third-party generated proof or evidence, including value summaries, to minimize buyer performance, process and personal risks.

**E**xceed, if financially feasible, customers’ expectations of your performance and service; expectations must be clearly defined and systematically revisited for customer satisfaction (expectation fulfillment) is the acid test of business, and any unhappy customer is a waiting-to-pounce competitor’s quality prospect.

Relationship-driven companies and their salespeople think in a distinctively different mindset from those that are either business- or transaction-driven. For personal sales organizations, there are four key drivers to building long-term relationship value:

1. Cultivate the creation of sustainable mutually beneficial options for relationship growth,
2. Operate day-to-day based upon a disciplined and systems-oriented approach to relationship building,
3. Build on relationship health as a competitive advantage, and
4. Galvanize a business culture committed to relationship integrity and transparency.

How relationship focused is your company or your personal sales team? To achieve highly effective personal sales success in our interwoven and interdependent business marketplace, nurture, nurture, and nurture will be the three most important words to

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remember. In closing, the final stanza of Robert Frost's poem, "The Road Not Taken," comes to mind:

I shall be telling this with a sigh  
Somewhere ages and ages hence;  
Two roads diverged in a wood, and I,  
I took the one less traveled by,  
And that has made all the difference.

### **About the Author:**

#### **Charles Fifield, M.B.A., Lecturer, Baylor University**

After 33 years in sales with an emphasis on financial services, Professor Fifield has spent eight years teaching undergraduate and graduate courses including Professional Selling and Communications, Negotiations and Conflict Resolution, and Operations Management. He serves as the coach for the Baylor Sales Team and coordinates the Music and Entertainment Marketing Degree. He holds an MBA in Finance and International Business from the Kellogg School of Management at Northwestern University and a BBA in economics from Southern Methodist University.

## Consumer Emotional Intelligence

By Heather McLeod, M.B.A. Candidate December 2009

How does emotion impact the purchase decision? In *Consumer Emotional Intelligence: Conceptualization, Measurement, and the Prediction of Consumer Decision Making* (Journal of Consumer Research, Inc.) Blair Kidwell, Davis M. Hardesty, and Terry Childers examine emotional intelligence, or a person's ability to skillfully use emotional information to achieve a desired consumer outcome, in the consumer domain.

### Think Point #1:

Emotions are a better predictor for behavior than simply a logical thought process. Be aware of your clients' emotions and do not assume that people are always thinking rationally when emotions are a factor.

### Think Point #2:

Are you doing everything you can to illicit strong positive emotional responses out of your clients? You can increase your ability to gain a favorable outcome by understanding how to make your clients feel positively about the process.

### Think Point #3:

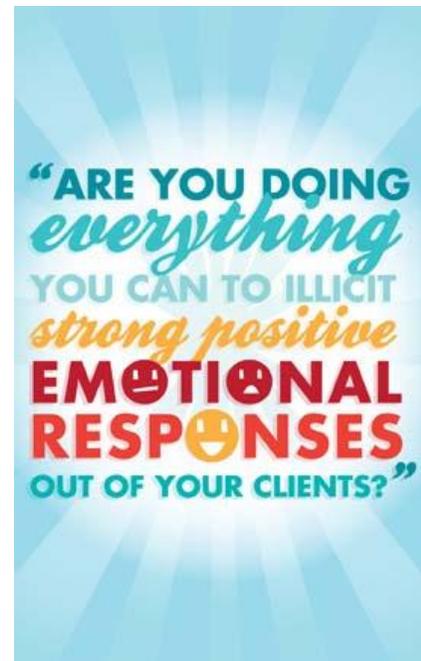
If emotional perception is a predictor for a decision, harness positive emotion and eliminate negative emotion. Recognize whether a client has any negative emotion towards an element of the purchase process and overcome it through the use of facts, individual support, and attention.

### Think Point #4:

Use every channel at your disposal to provide information to your clients. Develop your web site and use it as a method to convey information so that in their search, your expertise will be perceived.

### Think Point #5:

Even when a one product carries a strong brand name (and likewise strong emotional attachment) and another does not, consumers who are knowledge-seeking are able to identify superior attributes in one over the other. Use this to set yourself above the competition by providing knowledge-seeking consumers with information about the superiority of your service.



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*Please note, the industry studied here was not real estate, though the core findings will still be relevant to your field. The results of this research should not be applied blindly, but with serious thought as to how they might be relevant in your particular market.*

About the Author:

Heather McLeod, M.B.A. Candidate, May 2010, Baylor University Graduate Assistant, Keller Center for Research Heather is a first-semester graduate student from New Braunfels, TX. She earned her BBA with a double major in Marketing and Management from Baylor University.