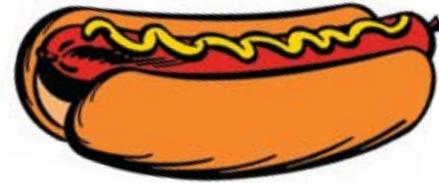




# Eat your competition for lunch

Minimize their choices to maximize your sales

by Phil Sasso



**M**y friend marveled at the line flowing out the door of the restaurant where I'd offered to buy him lunch.

"Is the line always this long at lunchtime?" he asked.

"It's usually this long almost anytime of the day or night," I said. "I hear there's sometimes a line out the door at midnight."

"Wow! The food must be great."

"Just wait," I replied. "There's more..."

As we approached the fast food counter my friend looked up at the menu board and chuckled.

"That's it?" he said "Two choices? Hot dog or double dog?"

"You also have a choice of condiments," I pointed out. "I think they have tamales, too. Although I can't find them on the menu, today."

"How does this place keep a line out the door only selling hot dogs as an entree?"

"They're very good." I said. "And by limiting choices they can reduce the decision process and increase sales. Look how fast the line moved."

"How many?" asked the counterworker, as if to help me make my point to my friend.

"Two," I said. I turned to my friend. "There's actually research showing that by giving customers too many choices you can decrease sales. So it seems that by reducing choices you can actually increase sales."

The same that's true for the restaurant business is true for you as a mobile dealer. Often you'll find yourself giving customers too many choices and closing fewer sales.

But you can also give your customer too few choices. By giving just one choice, for example, you're losing the chance to upsell — that is, sell your customer the most product to meet his or her needs.

Most sales trainers will tell you that showing your customer the next level up from what he or she asks for is upselling. I disagree. I think that's a poor excuse for salesmanship. Even a teenager at a burger joint can ask if you want to ultra-mambo-size your meal.

And I think showing your customer only one size up is a terrible disservice to him. You're limiting his choices too much. You aren't giving him the chance to get the best product you offer. Don't assume your customer doesn't want the top-of-the-line unless he tells you he doesn't want the top-of-the-line. By underselling your customer, you're also limiting your potential profits. I prefer using the "good, better, best" approach.

Here's how it works: by showing your customer say X, Y and Z torque wrench sets, you're giving him a full range of options at three different price points. Statistically, given three choices, most customers will gravitate to the middle option.

Some customers will want the biggest and best just because it's the biggest and best. And some will be satisfied with the lower-end choice because it better fits their needs or their budget. However, in most situations, more sales will fall in the middle — unless the pricing or quality is way out of line.

But beware. As I mentioned, research shows you can give too many choices. Columbia University and Stanford University researchers ran a simple field experiment to confirm this. They did a grocery store taste test. In one test, they gave samples of six different flavors of jam. Overall, 30 percent of people bought at least one jar of jam. So, you'd think more choices would lead to more sales, right? Wrong. When they ran a test giving customers 24 jams to sample, only 3 percent bought any of the promoted jam.

Why?

I believe that's because of information overload. Giving a customer too many choices can lead to "analysis paralysis." They can get overwhelmed by choices and prefer not making a choice at all to making a "bad" choice. And the bigger the price tag, the greater the fear.

In my experience, three is a good number of choices for a simple tool-buying decision. More complex equipment-buying decisions are sometimes best served by giving only two choices. Give your customer two choices, with a moderate price difference, and usually more than half will buy the less expensive choice. (Notice how by restricting choices to only two, you are pushing more of your customers down to the lower end of the spectrum.)

But that's preferable to too many choices. And, if you show your customer just one tool, you'll likely find yourself selling even less. That's because you've now limited the customer's choices too much. The natural choices now are to buy or not buy. In most cases more will choose not to buy than if given two choices.

Next time you're "toting and promoting," run a field experiment for me. In half the shops, bring one tool; in the other half, bring two: a good and better version of the same tool. You'll likely find that you'll sell more when you offer two choices. (Email [phil@sassomarketing.com](mailto:phil@sassomarketing.com) and let me know what happens for you.) 

*Phil Sasso is president of Sasso Marketing Inc. ([www.sassomarketing.com](http://www.sassomarketing.com)), a technical marketing agency specializing in tools and equipment. If you ever plan to be near Franklin Park, Ill., drop him a line and he'll let you buy lunch at Gene & Jude's. For just \$5 you can get a hot dog, fries, a drink and a lesson in limiting choices.*