SPIN in Selling

Introduction

SPIN is a sales model developed in 1988 by Neil Rackham and his company Huthwaite, Inc. who conducted in-depth research about what successful salespeople do to attract sales. In their research, they found out that effective sellers must give emphasis on the customer's buying cycle. Thus, the goal of this strategy is to deliver personal solutions to customers by asking good questions in the right order using active listening. This way, sellers will know where the customers are in the Buying Cycle which will then lead to a successful sale.

Definition

SPIN is a customer centered sales methodology that offers customized solutions to customers' problems by asking investigation questions. The acronym SPIN stands for different types of questions: Situation, Problem, Implication, and Need-payoff.

When to Use it

- When you want to communicate the value of your products and services in the right way.
- When you want to understand the needs of the customers.
- When you want to build stronger, lasting customer relationships.

Details

According to Rackham, there are four basic stages to every sale. These are also referred to as the 4 stages of SPIN selling:

1. Opening – This is where you must build a sincere relationship with your prospects, so gather as much information as you can without pushing your product or service too far.
2. Investigating – Investigation is at the heart of SPIN in selling. This is the stage where salespeople ask series of SPIN questions to uncover the needs of the prospects. You must understand the problems dealt by your prospects in the past. Reassure them that their best interests are what you have in mind.
3. Demonstrating capability – Try your best to tie your solution to the prospect's problem by allowing them to listen to how your products or services can solve their problems.
4. Obtaining commitment – Fortunately, this is the stage where you have converted your prospect into a customer. Make sure to handle your customer with care, thank him and celebrate your success.

Example

Take note that under the SPIN methodology in selling, our goal is to address the buyer's needs by asking SPIN questions. Here are examples of questions a salesperson may ask under each category.

Situation Questions – These are straightforward facts about the buyer's existing situation.
Examples:

1. Who are the big-time creditors of your bank?
2. Have you experienced malfunction of machines in your production area?

Problem Questions - Asking problem questions helps customers understand their needs, and ultimately it paves the way for you to propose a solution that seems beneficial to your customer.

Examples:

1. What problems have you experienced so far with your big-time creditors?
2. Are you satisfied with the productivity and functionality of your machines in the production area?

Implication Questions - Implication questions uncover the effects or consequences of a prospect's problems.

Examples:

1. If a big-time creditor fails to pay his loans, what would your bank managers do?
2. How much money would you allocate to fix your production machines in case of malfunctions?

Need-Payoff Questions – As the name suggests, these questions will help the prospect discover a way out by asking how his problem could be resolved.

Examples:

1. Would an automated AI creditor system make it easier for you to manage your big-time creditors?
2. How much money or resources would you save if I could help you find a way to cut down your maintenance costs for your machineries?

References:

https://2012books.lardbucket.org/books/powerful-selling/s13-04-how-to-use-spin-selling-in-you.html
SPIN Selling Guide: Stages, Questions & Examples | Zendesk India
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