Lessons From The Souq



Dr Phil Squire

Techniques passed down the generations in ancient trading centres are still relevant today.

Dating back some 5,000 years, Aleppo in Syria is one of the oldest continuously habited cities in the world. It was there that my wife Louise and I met Mohammed, a textile trader, six months before the civil war began in the summer of 2011.

Mohammed offered us some mint tea as we rummaged through his store packed with Syrian textiles (all unpriced). Our intent was to buy Hammam towels, but he also showed us a range of special textiles hidden away in a locked cabinet - although we were not interest in those, except to view.

Eventually we noted a range of expertly hand-woven towels, asked for his best price, and then left to see if we could find a better deal elsewhere. By the evening, we had decided that the choice and price at Mohammed's was the best.

On our return the next day, Mohammed sensed a more serious opportunity and welcomed us into his shop - another offer of tea. We explained we liked his towels, recognised their quality, but weren't sure how many we wanted to buy. We asked how much he would negotiate further if we were to buy more. His response: "Well, might there be some other things I could show you as well?"

Professional Interest

By now he knew that Louise was a conversation expert in Islamic textiles and wanted to show us these other items. "Not to buy; just to show." One particular item stood out, a beautiful double-bed sized textile. My wife took a professional interest in this piece and commented on the techniques used, and we all

complimented the expertise of the weavers and the time it would have taken to complete the work.

More tea was offered. Other clients had come into the shop and took an interest in the goods laid out on the floor. Mohammed asked Louise how much she would pay for such an item. She replied that she would not be drawn into any discussion on value. She knew and respected the craftsmanship of the textiles and had no intention of buying.

Mohammed responded: "How beautiful an item would you see in London and at what price?" He explained that he often sent such items to London Again, not to be drawn, Again, not to be drawn, my wife said there is no way that she would offer a price but would be interested to know what price he had in mind. Some of the other customers were interested as well.

Pointing to some of the textiles on the floor, he said: "These are in the range of £900 but the tambour stitched embroidered textile is £1,400." My wife responded: "There is no way I could afford to purchase the item; furthermore, I would not want to insult you by making an offer that is 'absurdly low'."

We then began the serious process of discussing a deal on some cushions and towels, and we pressed very hard to get the best price. As we did so, Mohammed often returned to the large embroidered piece, saying that it was not often he had people visit his shop who knew this type of stitching - he would want to sell it to us for a very special price. He pleaded with Louise to just give him a clue as to what she would pay for the garment. She continued to resist being drawn in.

Louise and I were seated opposite each other, while Mohammed was at the apex of the triangle. He not only directed his questions to her, but also glanced at me to gain a sense of where I was on the deal. He could read that I trusted my wife's decision, so he knew that all



he needed to do was convince her of its value - I would not be an obstacle.

Make An Offer

He said that he would be able to offer an even better price if we bought the towels, the cushions and the bed cover. He stressed again for us to offer a price. At this point, Louise looked across to me and said: "Well, £400'." Mohammed fell rather theatrically prostrate to the floor, and responded: "You, have indeed insulted me with this offer." Rising, he told us that £900 would be a better price: "Lets meet in the middle?" "No" came the answer. "£800?" "No." "£700?" "No!"

At this point my wife's mobile phone rang. Realising we were running short of time before meeting friends we decided just to buy the towels and cushions. Then, as we were turning to leave, Mohammed said: "OK you can have it for £500." Rather irritable Louise responded: "No we can't afford it."

Finally, as we were passing through the doorway he came back: "OK you can have it for £400." We looked at each other in surprise. The tambour chain stitched textile that had started out at £1,400 was now in our hands for £400; moreover, we knew that it was of the highest quality, and genuinely surprised Mohammed had reduced his price so far.

Loss Of Control

Discussing our conversation, Mohammed confided: "I realised once you took the call that I had lost control of the conversation." At which point he knew he had limited time left and needed to act quickly to close a deal. For him, this was a pivotal moment in the sales process.

Having paid and just as we were leaving for the final time, Mohammed smilingly whispered into Louise's ear as he held the door open: 'I got you!" The audacity of this statement visibly shocked my wife who felt that she had indeed done the better deal. We thought long and hard about this to understand what it told us about both Mohammed and us.

Lessons Learned

We had no intention of buying this particular item at the outset, and this undoubtedly hardened our negotiation stance. We got what we wanted at a price that was offered well below what we thought it was worth.

We admired the tactics and key strategies Mohammed had used to maximise the sale: his use of humour; the technical appreciation of the objects themselves; the relationship that had been built - recognising first, who was the decision maker and influencer and, secondly, adapting his approach expertly; the way he even played on guilty; and how he linked the objects together to maximise the value; finally his patient persistence. Furthermore, we reflected that having paid for the towels and cushion covers in advance, we knew we could not use that purchase to lever the price down even more - a clever negotiating tactic on his part or just luck?

Further reflection showed us that Mohammed had expertly made us very interested in the product by first showing some of the hidden gems that he did not bring out very often. Then, through the "collaborative" technical appreciation and enthusiasm for the product he created a "zone: where both he had Louise were at the same "level" - this was taken to an even higher level when they jointly explained the differences in craftsmanship to other interested customers. Mohammed knew that Louise understood the quality.

Once Mohammed had obtained her interest in a particular object all he had to do was to uncover the maximum price he would get for



the object, and then decided if that price was one that he was prepared to sell for. Hence, he constantly asked her what price she would pay. The moment she gave the figure he knew the minimum he could get, but he chose to play the game for longer. Every point he could extract would go to his bottom line. If we had a deeper emotional desire to make the purchase, we might have paid a higher price; however, our motive for purchase was driven more by a technical desire so he knew the price limit.

Mohammed knew he had lost control of the negotiating process when the phone went. He told us that he had both lost the cadence of the conversation and that time was now short he ran the risk of us leaving the shop without a purchase. He was clearly aware of a sales process through his comment about control.

Finally, the jocular use of the words "I got you!" demonstrated the excitement to be had when two parties trade, and the fact that all parties can end up winning.

Time-Honoured Sales Skills

Mohammed's two-step process of developing interest in the product and then determining the value as defined by the customer (not by the seller) would test even the most highly trained corporate sales people. Yet the process that Mohammed went through was both as pleasurable as it was seemingly effortless.

Hisskills, learnt through generations of family experience - and then honed through practice - were as developed as the artisan weavers who created the beautiful hand-woven towels and textiles we spent so much time studying. The value chain of production and sales has it roots in the most ancient of civilisations.

This piece has been adapted from Dr Phil Squire's forthcoming book: <u>Selling</u> Transformed.



About The Author

Dr Phil Squire is the CEO of Consalia. He completed his doctoral research project: How can a "client-centric values" approach to selling lead to the co-creation of new global selling mindset? in 2006. A paper based on his research and results with one of his clients Hewlett Packard was published by the SAMA (Strategic Account Management Association) in 2008. Since then numerous articles based on his work have been published in the International Journal of Sales Transformation. He is a Trustee of the Association of Professional Sales.