

SPIN interview framework

Investigative questioning

1	situation
2	problem
3	implication
4	need-pay-off

characteristics

author:	Rackman, Neil
country:	United States
period:	1988
type:	model
role:	consultant, change agent, coach, manager and trainer
activity:	analyse and reflect
topic:	marketing & sales
abstr. level:	group
perspective:	learning
status:	under review
module:	personal selling
comments:	1

description:

The research firm headed by Neil Rackman, the American behavioural psychologist, distilled the SPIN personal interview method from its large empirical study during the 1970's and early 1980's. SPIN -- Situation, Problem, Implication, and Need-payoff -- is most effective for complex, large sales processes at key accounts. The method encourages the customer to define the wider, organisational problem and state a desire for a solution during the investigation phase of a consultative sales process.

In the 1970's, Huthwaite Inc. studied the practise of successful selling and sales effectiveness on behalf of a many multinationals, such as IBM and XEROX. Over twelve years, Rackman led a team of 30 researchers who studied over 35,000 sales interviews in 20+ countries and assessed 100+ factors that could improve sales performance. They concluded that the key to successful selling was the behavioural differentiators of top sales people and not sale closing techniques.

The research also revealed that effective sales people discover customer needs using four types of questions that differ in function. SPIN stands for:

1. SITUATION Questions

gather background information and develop understanding of the context of the sale.

2. PROBLEM Questions

explore customer problems, dissatisfactions, difficulties and concerns.

3. IMPLICATION Questions

link isolated problems by examining their effect on customer business and organisation ("*if this problem is not solved, what are the undesirable consequences?*"). The goal of implication questions is to help break down the problems of specific customers in order to make implied needs explicit and to analyse the cost effectiveness of solving them.

4. NEED-PAYOFF Questions

help customers discover the value and benefits of the solution of an implied need by asking such questions as "how would e.g. reducing down-time help you?" Action-oriented, 'explicit needs' trigger purchase.

These four types of questions need to be addressed in sequence. The SPIN method is not a rigid implementation formula. The situation and problem question phases are often strenuous for customers and need to be limited. Desk research is required to draw up hypotheses of likely pain points and should be tested during the interview. The greatest effort should be during the implication phase when the customer becomes aware of the problem's severity. Those implied needs that are discovered to be relevant must be developed into explicit needs during the need-pay-off phase. Top salespeople incorporate a greater number of need-payoff questions into sales calls than less successful salespeople.

After using the SPIN interview framework to successfully conclude the investigation phase of the overall sales process, the sales person and customer are ready to move to the qualification phase in which the selling party must demonstrate its capabilities in effectively solving the customer's problem.

assets:



effective selling process to key accounts

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pros:

- SPIN's investigation phase helps the sales person and potential buyer focus on dealing with the customer's wider organisational problems rather than only on the immediate benefits of a product or service. It helps avoid seller-imposed limitations and encourages the customer to define the problem and desire for a solution.
- The method has proven to be successful in more complex and large scale sales processes. It is a helpful tool during the investigative phase on a consultative sales process. Rackman claimed that sales success is more dependent on the proper use of investigation skills than on any other factor.
- The questioning process helps build greater trust and rapport between sales personnel and customer.
- The method has been validated across industries and countries.

cons:

- Successful adoption of SPIN requires time-consuming practice by the sales person. Its application occurs on the behavioural level.

- The SPIN method primarily addresses the sale of a pre-existing product or service; it does not address the development of new products or services. The more intangible or undefined the offered solution, the less usable the model becomes. The sales person needs to know the product's characteristics to be able to connect it to a sought after solution.

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references:

- Huthwaite, the firm that invented the SPIN method
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