



Tapping into 'The Power of Three'

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Effective persuasion is both art and science. .

The art lies in the intangible ability to establish empathy and build trust and to read your audience.

The science comes from the growing body of research on how consumers make decisions – and what factors cause them to respond or not respond.



One area on which there's a growing body of evidence is the optimum number of examples to use and alternatives to provide when talking to an existing or prospective client. You want to provide enough examples to communicate that you've done your homework without having people feel overwhelmed.

Given that, research shows that remarkably often, you're best off to use three examples when providing evidence to support recommendations. As a general rule, four is too many ... people can't absorb, assimilate, process and remember many examples. And if you're trying to convey that you've thoroughly researched the options you're presenting or to establish a historical pattern, two can be too few to inspire confidence.

So if you're having a discussion of how markets have recovered from past declines, you could use 1980, 1991 and 2000.

If you're looking to point to examples in which US banks have been unduly beaten down in the last while, again think about three examples – perhaps JP Morgan Chase, Citigroup and Wells Fargo.

And if you want to point out attractively priced multinationals that tap into growth into emerging markets, you could use BMW, P&G and Nestle as examples.

One final example of the power of three:

A couple of years ago, I had a conversation with a real estate agent who for years had been the top producer in her firm. She talked about the fact that many rookies in real



estate sales make the mistake of showing buyers too many houses and overwhelm them as a result.

By contrast, the first time she goes out with buyers, she'll tell them that she's going to show them four to six houses, to get a better understanding of what they're looking for, but makes it clear that on subsequent occasions she's generally going to show them three houses. In her experience, she's better off showing three houses and going through them in depth than trying to look at four, five or six. She also leaves the house that she thinks that's most likely to appeal to them to the end.

The number three resonates in many aspects of our lives. In nursery rhymes, you have the three bears and the three blind mice. In the bible, you have the three wise men. In literature you have the three musketeers. In opera you have the three tenors. And then of course you have the three stooges.

That's why the next time you're going to present evidence to support your recommendations, consider using three examples.

[Dan Richards](#) conducts programs to help advisors gain and retain clients and is an award winning faculty member in the MBA program at the University of Toronto. To see more of his written and video commentaries, go to www.clientinsights.ca. Use A555A for the rep and dealer code to register for website access.

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