

Psychiatrist is right: Happiness is buying a new car

My last new car and the market forces that drove me to it came to mind recently when I got a release from a company called "Hog Research," a California-based research outfit that was founded by a psychiatrist who claims to have an understanding of the deep forces within that prompt people to buy new cars.

The current slump in car sales is partially due to something I, "Hog" calls "shopping anxiety," which was supposed to have diminished some what when the Berlin wall fell.

It's a fascinating theory which may explain some of the anxiety I had to overcome the last time I bought a new car. Or maybe it was when the dogs charged me as I

walked up to Mr. McLellen's front door.

THE LAST new-car purchase decision I made was the result of a careful study of the options and market forces as they filtered down to the side of the road just west of Hamilton, Ontario. Which was where the oil pump on the old Omni had decided to confirm that the red light on the dash wasn't really broken, but the oil pump was.

Shortly afterward the noise from the engine managed to overcome the noise from the loose muffler, and the car died in an epileptic fit.

In fact, the decision to actually buy a new car, rather than attempt another repair — this one the automotive equivalent of open-heart sur-



auto talk
Dan McCosh

gery — was made a little later.

FIRST, I wandered down the road to where an entrepreneur who advertised used hubcaps, apples and engine rebuilding had set up shop, fitting in the garage space in the corner of the junkyard, which wasn't on the sign, but which held, to and behold, a mirror image of my car — another Omni that had nearly every-

thing wrong with it except its engine.

At least that's what Mr. McLellen told me after I asked to use his phone and got into a bit of conversation about my problem. A half an hour later and my Omni was on the end of a tow hook heading for the engine rebuilding yard.

A couple of days later I returned by train to pick up the result — a completely repowered car, with a

guaranteed ("This baby won't give you any trouble.") engine, which hopefully U.S. customs wouldn't recognize as not meeting full U.S. emission certification. (This was also my first lesson in international trade.)

ANYWAY, THE engine did indeed last almost a month, or maybe even longer, for all I know, since shortly after I got home the front axle began making a little noise. By now I was attuned to the way to deal with such matters and promptly drove to a certified Dodge mechanic, who had set up shop behind a Dodge dealership rather than a combination apple orchard, junkyard and hubcap stand. I nearly made it, too. In fact I was rolling toward the door where they

buzz you inside, thankful for the lack of dogs like those protecting Mr. McLellen's establishment, when the driveshaft dropped on the ground.

That's when I decided to buy a new car.

THE SALESMAN told me it wasn't the worst car he had seen come in for a trade. The worst, he said, was one where the guy had got it rolling a half block away then jumped into the driver's seat and sort of coasted up to the front of the place. The idea was to hide the fact that his trade-in didn't have an engine.

It doesn't take a psychiatrist to tell me that sometimes the best way to relieve stress is to buy a new car.

finances and you **Sid Mittra** Grow with mutuals

Soon after the market crashed 2300, my telephone started ringing. The questions are all too familiar. Should I be fully invested? How should we split between stocks and bonds? Is the market headed toward 3000? Which no-load fund will make me 25 percent a year?

To partially answer these questions, I will cover this topic in a three part article.

Myth No 1. It matters when you invest.

Table 1 presents the results of a \$5,000-a-year investment on the worst possible times of each year when the market peaked. A \$50,000 investment was worth \$112,771 after 10 years. If you had picked the best day each year, the value would be \$137,546.

It doesn't matter when you invest, it matters that you do invest.

Myth No 2. Load funds are worst way to invest.

Table 2 presents the average annual compound returns of a load fund with a sales charge of 5.75 percent. The key is not to avoid a sales charge at any cost but to select a good mutual fund and invest for the long term.

Seminar: "Current Investment Strategy: Buy, Sell, or Hold?" sponsored by the Observer & Eccentric Newspapers and Coordinated Financial Planning will be 7-9 p.m. on Tuesday, July 17, in the offices of Coordinated Financial Planning, Sheffield Office Park, 3250 W. Big Beaver, Suite 540, Troy 48064.

For reservations, please call 643-8888.

Sid Mittra is a professor of finance, school of business at Oakland University and owner of Coordinated Financial Planning.

Table 1

date of market high	cumulative investment	value of account on 12/31
11/20/80	\$ 5,000	\$ 4,758
4/27/81	10,000	9,099
12/27/82	15,000	16,907
11/29/83	20,000	25,999
1/06/84	25,000	32,480
12/16/85	30,000	47,212
12/02/86	35,000	62,308
8/25/87	40,000	68,270
10/21/88	45,000	83,985
10/09/89	50,000	112,771

Table 2 Value of \$1,000 on 3/31/1990

10-year period		5-year period		1-year period	
total	annual	total	annual	total	annual
424.10%	18.02%	121.20%	17.21%	12.70%	12.70%

Balanced salesmen are the best sellers

By Mary DiPaolo
special writer

Every successful small business has it. Average businesses strive to achieve it. Failing businesses don't realize it exists.

What is it? Selling power. Effective selling power comes from a team of salespeople with high-caliber selling skills, people who are interested in maximizing their sales performance by capitalizing on strengths and overcoming weaknesses.

In today's competitive selling arenas, building profitable sales involves much more than a team of fast talkers with charming smiles. It demands individuals who have developed well balanced and professional selling skills.

How powerful is your existing sales staff? Powerful selling extends beyond the realm of product knowledge and a friendly, helpful attitude. Professional selling is actually a blend of two kinds of power representing two types of selling abilities. These are the skills of strategic planning and powerful persuasion.

Too often sales training efforts are geared toward "across-the-board" skill improvement to develop areas where management believes training is needed. Rather than implementing a "balance of power" approach, management may incorrectly focus on persuasive skills training as opposed to planning or vice versa.

In the worst-case scenario, both

areas are neglected and may lead to salespeople who depend on force to close sales. Because they lack both planning and persuasive skills, these salespeople rely on a reactive selling style.

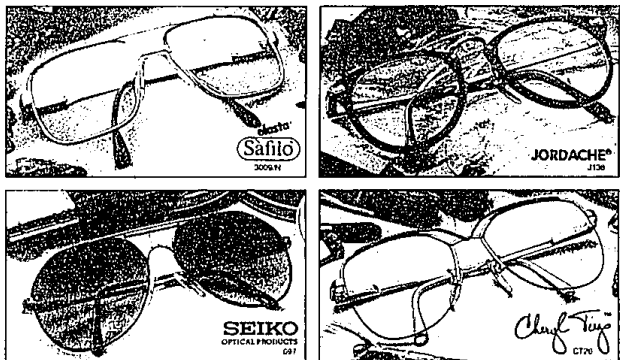
They often come across to customers as loud, uninformed and lacking compassion. They are also overly dependent on price cuts and deals. Salespeople with a reactive selling style need immediate attention because they are a negative factor in any business.

Ideally, a salesperson who has perfected his or her planning and persuasive skills is a sales genius. Realistically, there are very few people in the selling world who have all of the necessary planning and persuasive abilities. But the more of these professional selling characteristics a person has, the greater his or her chance of success.

Most salespeople are inherently more proficient in one area of professional selling than in another. A salesperson who is competent in planning but weak in persuasive power will often appear autocratic, demanding and impersonal. A salesperson who is a poor planner and excellent persuader is usually perceived by customers as manipulative and harassing.

In two weeks, we will discuss the specific skills and characteristics that distinguish a salesperson's natural selling style to assist management with identifying areas requiring improvement.

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