

Sales Statement Series #16

How to move Transactional Selling to Relationship Selling

The selling cycle in a transactional sale is short and clients know the product or service is of acceptable quality. Price is competitive but they want a lower cost. A poorly skilled salesperson will take the least path of resistance and agree to the lower price. In effect they are order takers making it impossible to sell products and services at a higher profit margin.

Transactional sale clients and prospects are:

- Very familiar with the product or service
- View the product and service as a commodity
- Switch suppliers easily and do so often
- Focus on the lowest cost and aim to extract as many concessions as possible
- Don't trust or value the salesperson relationship and are not loyal
- Strive for an *'I win you lose'* outcome.

Relationship Selling

Taking a client from a transactional to a relationship sale begins with you. You need to demonstrate that you truly care for the client and have their best interest at heart.

Relationship salespeople are dependable and loyal to their clients. They value the loyalty that clients give them and in return make sure they receive great service, and at a fair price. Clients treat them as their trusted advisor and therefore tend not to shop around for a better price. They see no need to do so because the value the salesperson brings to the relationship offsets a possible price difference.

If a competitor is able to offer the same or a similar product at a lower cost they will let the salesperson know but rarely will they change suppliers.

Salespeople who perform consistently well in Relationship Selling have the following attributes:

- A strong work ethic
- Independent and like to be self sufficient
- Cooperative and service focused
- Patient and persistence
- Good product knowledge and knowledge of clients
- Treat clients like partners
- Takes responsibility when mistakes are made
- Open honest communication
- Time and territory management skills.

Relationship selling does require a minimum of Level 4 Sales Competence and can provide huge returns. For example research detailing a study of 20,000 clients has shown that revenues from a totally satisfied client verses a somewhat dissatisfied client is 14 times higher.

For more information on this subject or if you want to discuss your situation please contact Kurt Newman on 61 412 252 236 or email kurt@salesconsultants.com.au.



Kurt's expertise is in improving the sales effectiveness of his clients' businesses by generating more sales and in a more profitable manner. He has guided companies to increases sales from 10-56%. Clients range from small to multinational companies and has completed projects in Australia, the Middle East, Asia and Europe.