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How to Succeed With Transactional & Relational Customers

Knowing how to work with each type of customer requires a different sales process.

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There are two defined types of sales processes — one is transactional, the other relational. While the former is often a swift affair, that speed comes at a cost. The relational sale is about knowing the customer and building a relationship with both them and the community, and typically results in a loyal following.

TRANSACTIONAL CUSTOMERS / RELATIONAL CLIENTS

There are positives and negatives to both types. Transactional customers only care about what they are buying right now. They will spend countless hours online researching products and then, after an over-investment of time, they believe they have become an expert.

The internet is laser-focused on this potential client, who is then bombarded with retargeting ads and lots of price-point marketing. This tactic gives new power to the purely transactional customer when they enter a showroom to confirm the information they have discovered. Once the transactional client has made a buying decision, the purchase they make hinges solely on price. The driving point behind this price fixation is the fear of paying too much, which is reinforced by online pop-ups offering extra discounts to take the next step.

WHAT ARE THEIR PERSONAS?

A relational client is a person who looks at the showroom — and more precisely the sales associate — as a vital component in completing their current purchases and as a resource to have over an extended period of time. They are looking for an expert that they can trust; they don't want to make a poor decision or a wrong choice. This customer considers the knowledge they have gained from showroom and salesperson as necessary and irreplaceable. The relational customer will

often become a repeat client who describes the salesperson as their friend in the industry. This type of client is a good source for word-of-mouth advertising; they will share in detail how great the showroom team is to work with and recommend everyone use this resource.

A transactional client loves to shop, yet they don't do it for the experience, the discovery of great products, or a cutting-edge showroom with a knowledgeable sales team. They shop for the next deal. Their only goal is to learn pricing, sharpen their negotiating skills, and get the lowest price available anywhere. The transactional customer also provides word-of-mouth advertising, but it involves telling everyone they know in detail how they too can get a great deal from you. This form of "free advertising" has minimal lifetime value.

While these are two simple descriptions of each persona, the major challenge in the sales process comes when the client flips personas in the middle of the interaction.

THE LINES ARE DRAWN 50/50

What the client is shopping for determines the style of client they are. Half the people you work with will be transactional and the other half relational; knowing how to work with both types is a necessity. Each person has a dominant style when he/she first encounters a salesperson, and you must decipher the customer "tells" early in the process so you know the path to follow at first.

The client with a Dominant Transactional style can be identified in various ways. This is a group on a win/lose mission. They are very formal and ask questions focused on immediate gratification and the right price. They may be straightforward in their questions, almost off-putting (as their research has made you, the "expert," unnecessary in their minds); you are only there to confirm the information they already know. When speaking, the transactional client makes "I" statements in their conversation that are focused on their self-interests.

The transactional client will check your ticketed price, and if it is higher than what they have seen in their research, they will typically react one of two ways. The first is one we want to happen; they ask directly if the ticket price is your best price. The way you respond provides the lynchpin of your success or failure. The reply should be a well-practiced part of your sales process; you will only get

one opportunity to make this sale with this client.

The second action the transactional client will opt for is one of no action. They will be courteous and polite, but won't buy from you. You have fulfilled the confirmation needs of their "trial and test" visit to your showroom. They will probably never be seen again. The transactional client prides themselves on getting the best price at all costs.

When we fail to talk about the price of the items we present to either of these client types, we are selling both of them from a position of weakness. Consumers have, over some time, been conditioned to accept ticket pricing at face value. This mentality has given way to the appeal of the "additional discount" pop-up ads that bombard our shoppers as soon as they hit an e-tail store. We must address price as part of our sales process.

The client with a Dominant Relational style has these tells: They are friendly from the start of the interaction and want the information you provide. This group will freely share their email address to obtain any available knowledge you can provide. The relational client will have questions, and they will ask you for your advice or opinion often. Rather than make the final decision based on price alone, the relational customer will take all aspects of the sales team and showroom into consideration. This client does not have a win at all costs mission; while still price-sensitive, they desire a long-term relationship with the showroom.

Trust is a significant part of this type of relationship; the client wants to rely on a person to help them both today and tomorrow, this is the main benefit to them. They want to know your

“Sales teams must adapt to customers who are both transactional and relational.”



“When consumers buy items that reflect their personalities, they want the reassurance of seeing and touching the items they want. This is why physical stores are important to Millennials and Gen Z.” – 2020research.com

professional and sometimes personal story, as they want to relate to you, trust you, and make you the expert they seek.

PRICE OR TRUST

The consumer’s purchasing process for the most important and subjective items today is greatly affected by two factors: Trust and price. Make no mistake, price and trust are the dynamic duo that will impact the decision-making process for both of these buyer types. These two factors of influence are only truly understood by a client after the sale is made when they can rely on their experiential data. In a well-choreographed sales process, we must bring both trust and price to the forefront of our prepared presentations.

The consumer’s digital shopping habits identify the primary challenge brick and mortar showrooms must combat, which is establishing a level of digitally perceived trust and perceived value pricing that is enhanced by easy access to the local showroom.

In the early days of digital commerce, the public feared releasing personal and financial information on the internet due to the somewhat cloudy reputation of new web-based shopping adventures. The consumer had no basis of trust in digital retailers and the media at the time reinforced caution.

Most e-tailers began their sales outreach in 1994 with low touch and no touch products and built their perceived reputation on low price and fast shipping. With time and effort, the perceived trust associated with digital shopping venues has gone from low to high. Now online merchants are applying those same mechanisms to build trust with subjective items such as lighting, plumbing, and furniture. Digital retailers have taken the lead in

establishing customer expectations when it comes to pricing and policy; now physical showrooms must catch up and adapt.

WHY BRICKS AND CLICKS?

Originally, e-commerce leaders thought all retail would move online. Nowadays, however, digitally native retailers are seeking out brand building with physical locations to increase their client acquisition and brand visibility. Traditional brick-and-mortar stores, on the other hand, are facing challenges in rapidly adapting to the digital changes. This demands that showrooms increase their digital presence immediately.

Consumers want to visit the bricks when they are spending money on high-ticket items, or when buying specialty products such as lighting and plumbing. They seek expert service when deciding on what they want or being told what they need.

The changes in the status quo have a stepped-up pace. Attracting foot traffic and then maximizing every opportunity in the face-to-face visit to convert the shopper into a buyer is the daily goal for a brick-and-mortar retailer. However, the digital consumer is not going to be pushed through the old sales process. We must ask for the order several times – and in a variety of ways – without being pushy. Provide the client with the chance to buy from you in the traditional fashion first. Then as a rehearsed release, we show the customer how they can buy from home on their devices. The adoption and adaptation of the digital catalog and wishlist have been around for a few years, yet too few showrooms have pulled the trigger on offering a shopping cart.

The clock is ticking: increase your digital exposure, create your own marketing materials, train your teams to be experts in the products they sell, and learn the new skills needed to make sales. When we reflect back in a few years, we will see that the focused, agile showrooms are the ones who bloomed, along with the legacy stores that made significant shifts away from worn-out traditional methods.

The new consumer-led sales process demands we do a self-examination. Are our processes evolving fast enough? Are there metrics in place to identify individual and team performance? It’s time to make and work a plan for success as the evolution of the showroom continues into the 2020s.

As Always Happy Selling! ❖



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