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Transactional Selling Vs. Relationship Selling

Building Credibility and Trust

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Selling and sales techniques go through evolution and sometimes revolution. Evolution is when we evolve and change slowly over an extended period of time. We experience revolution when our customers demand a change in approach quickly to be better served.

Whether building trust is a new key concept in the sales person's lexicon or not, it has come about through evolution or revolution; I am not completely sure which one. I do know that building credibility and trust are essential elements in the sales process in order to develop long-term sales relationships. Building credibility and trust is more important than ever before in real estate sales. Sales needs to be viewed as something we do with or for someone, not what we do to someone. That's a very key distinction.

There are two basic sales models and sales customers that have evolved over time. They are transactional selling and relationship selling. For too long, sales and, especially, the real estate sales arena were transaction based. We provided the conduit of access to the information and the properties. We secured and facilitated the closing of the property. The service usually ended at the conclusion of the transaction. That is not an effective model to create a long, successful business from, but we controlled the information, access, and fee structure.

The pendulum started to swing rapidly as our control started to slip away. When we lost exclusive access and other factors, the speed increased. In order to remain viable, Agents needed to establish a more relational selling approach for their survival and success, so we moved to a relationship model of sales. In fact, I would contend that we have over-corrected in many cases; that the use of relationship to an extreme is rampant in many Agents' businesses; that the relationship is the reason for doing business, not expert guidance and high credibility that leads to high levels of trust.

My evidence of this outcome is the high competition for commission dollars and the fees we charge. According to a Harris Interactive and Real Trends report, 62% of sales professionals feel pressure to negotiate commission; 81% said it was because of the competition. When all we have is a relationship with a prospective client, it's not enough to sustain our exclusive position as their Realtor®. It's not enough to protect our commission and value. The fact that we are a nice person and send them a calendar each Christmas is not enough to position ourselves as the expert – someone they will always use to represent their interests in real estate acquisition or sale.

The buzzword in real estate sales in the early 2000's had been "relationship selling." We were being taught to bond, connect, find common ground, soft sell, let the customer lead, and many other phrases and acronyms that we speakers and trainers can think up to get our message across. The over-correction into extreme levels of "relationship" sales or "consultative" sales is just beginning to be seen in our sales performance. This is because the marketplace made it so easy to make a sale at that time. For some Agents, this over-correction had allowed them to feel better about themselves in a sales career. I am not trying to offend anyone here, but it has also created a new breed of wimpy salespeople where the relationship is everything, and the skills

of selling are inconsequential. Which, in a market that has turned, has proved to be detrimental to their career.

Rather than focusing on building the relationship exclusively, I would encourage you to focus on building credibility and trust. The process of building credibility and trust should make up about 40% of your sales process, followed by identifying their wants and needs, which should represent 20%. Don't mistake this new focus of building credibility as a way to get around having to develop sales skills, as most did with relationship building. There is no substitute for Champion level sales skills. We need to sell the prospect on our credibility and trust through a knowledge and expertise platform.

Dirk Zeller is a sought out speaker, celebrated author and CEO of Real Estate Champions. His company trains more than 350,000 Agents worldwide each year through live events, online training, self-study programs, and newsletters. The Real Estate community has embraced and praised his six best-selling books; Your First Year in Real Estate, Success as a Real Estate Agent for Dummies®, The Champion Real Estate Agent, The Champion Real Estate Team, Telephone Sales for Dummies®, Successful Time Management for Dummies®, and over 300 articles in print. To learn more, please visit: <http://www.realestatechampions.com/SurvivorSalesSkills/>.