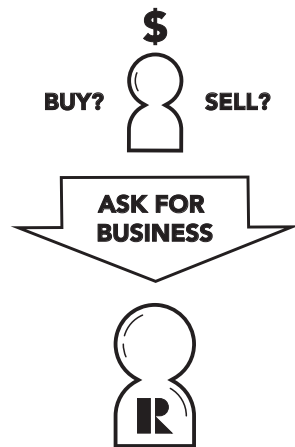


THE RELATIONAL SHIFT

There is a predominant philosophy of sales at play within the real estate industry at large. It can be seen in our industry's sales and coaching training, in our lead generation and incubation strategies, in our marketing efforts, and even in the recruiting strategies of most brokerages. This prevailing philosophy is built on a "Transactional Mindset" or a Transactional Approach to real estate.

TRANSACTIONAL APPROACH

Let's dig into a Transactional Approach (or mindset) to real estate sales.



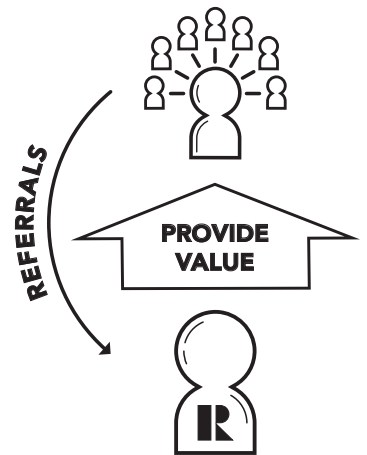
- First, agents and brokers begin from a position of scarcity. There is a limited set of buyers, lots of competing agents, and a need to capture buyer and seller leads in a largely commoditized REALTOR® marketplace.
- Agents are taught to focus on lead generation and naturally view individuals they encounter in a variety of contexts (open houses, their sphere of influence, online leads) primarily through the lens of "potential buyer or seller."
- This paradigm places a dollar sign above the consumer's head. They are a lead.
- The agent is then taught, through sales and script training, to use a variety of tactics to capture the person's information and attempt to win their business. "Are you working with an agent?" ... "Can I show you homes?" ... "Please sign in on this sheet" ... "Click here for this free report!"
- The natural result is that the individual being solicited feels like they are being sold something, much like anyone feels when they walk onto a used car lot or large furniture outlet. We all know this feeling, but as an industry, seem to forget it when applying our sales strategies.

- If the consumer does not buy or sell, agents feel that our efforts were unsuccessful and move on to another consumer/lead.
- The transactional approach is a "Short Game."
- Agents operating in the Transactional Approach don't enjoy prospecting because they are engaging in activities they would not want aimed at them.

RELATIONAL APPROACH

There is, however, an alternative (more relational way to engage buyers and sellers).

- First, agents and brokers in the Relational Approach begin with an abundance mentality. The market is abounding in opportunity for anyone willing to provide value to consumers.
- Agents are taught (rightly so) to focus on lead generation, but recognize every individual they encounter (open house, SOI, online) is connected to hundreds, if not thousands, of other individuals in a highly social and interconnected society.
- This paradigm views the individual as a customer with needs and wants. They are a person.
- This agent understands that if we can provide **value** to these individuals by providing a remarkable client experience and focusing on the relationship before the transaction, that people will gladly do business with them (when the time is right) or pass our services along to the many people they know.



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THE RELATIONAL SHIFT

- The natural result is that the customer feels valued, perhaps even feels a sense of indebtedness to an agent for the value provided.
- If the customer doesn't buy or sell, we have now generated a new point of connection to the marketplace.
- The relational approach is a "Long Game."
- Agents operating in a Relational Approach have confidence in their marketing and sales because they know they are truly working to provide value to buyers, sellers, and the public.

Breaking through the ceiling of complexity and creating a unique experience that is not subject to the downward forces of the commoditization trap, starts by making the two success decisions necessary for success in a Results Economy. Next, agents must step out of a Transactional Approach to real estate and embrace a relational sales and lead generation philosophy that truly values relationship with the consumer above the transactional value of the purchase.

Let's take this a step deeper as we examine what it means to "Work by Referral."