



What is Consultative Selling? *The Transition to Becoming a Real Estate Professional*

In business, a consultant's primary job is problem solving. Good problem resolution is based on doing a diagnostic before making recommendations. The realtor, to be really successful, must copy the consultant and diagnose the buyer or seller's needs to really understand what they want and what will move them to action. The key is understanding the buyer and seller - their goals and their problems and the realization that they may not be clear on what they want. The role for the consultative sales person, the real estate professional, is to offer solutions that are based on what is best for the principals in the transaction. The result is a prospect that feels a sense of added value from the realtor and the understanding that they are aligned with their goals. Goals they may not have realized they had until the consultative salesperson helped them think it through.

Think of the consultative sales person as being like a doctor. Doctors have two primary functions, diagnosis and then treatment. The typical real estate agent, both commercial and residential, focus on the *treatment* exclusively. That is, getting the sale and not much else. This kind of behavior can succeed, but at such a low level of client satisfaction that it does not build the kind of trust and value that many realtors talk about but don't actually deliver. They have to rely heavily on pricing because they don't add any other value. If you don't have diagnostic skills you can't ally yourself with a prospect's needs because you never really learn what they are. Any doctor can write any prescription. The key is not the ability to write the prescription, it is to determine the CORRECT prescription. Value comes from what the buyer or seller sees is the value, not what the realtor wants it to be. This is such a simple concept, but so few really understand it.

Typical Real Estate Salesperson vs. The Consultative Sales Professional

Typical Behavior	Consultative Selling Behavior
The selling strategy is price	The selling strategy is delivering value or problem solving
Typical agents have many adversaries both buyers, sellers and competitors	Consultative sellers have only one partner - the client or customer
Typical agents use price and comparative pricing as a sole source of reference	Consultative sellers use questioning technique, data bases of facts and understanding the client's real needs to close sales
Typical agents generally only talk about the price of the property	Consultative sellers are as good as the perceived value the buyer or seller sees

In summary, the typical sales person goes into a discussion with the buyer or seller with the goal in mind of either getting the listing or selling the property quickly. If that helps the customer in some way, that is fine, but it is not the primary goal. The primary goal is to move on to the next deal. The consultative salesperson goes into the discussion with the goal of helping the buyer or seller meet their goals. It is through this approach that the consultative salesperson realizes full potential as a resource the buyer or seller can trust over the long and short run, which not only closes more sales but generates many more referrals. If you do not understand your client's goals, even those on which they may be unclear, you are not doing your job.