You Need to Make an Important Distinction for Your Small Business

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Ultimately, the best customer service any business can offer is to be accommodating. The best customer service is often the result of observing how society is changing and adapting to meet the current lifestyle needs.

Let's consider the distinction between transactional and relationship-based visually for a moment. At transactional businesses, the cash registers are lined up at the front of the store. The emphasis is on the transaction and checking out.

In a high-end retail store, on the other hand, either no cash registers will be in view or there is a register for each department. Could you imagine seeing a lineup of registers like a cattle corral at a store like Neiman-Marcus? Similarly, you walk into your favorite local diner and there's likely to be a register with a bowl of mints. When you walk into a fine dining establishment, at most there's going to be a hostess stand but certainly not a register.

The important thing is to fully own whether you are a transactional or relationship-based business. Somewhere in between is the real problem. If customers feel transactional when your business needs to be based on building

relationships, that won't bode well for a sustainable business.

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This difference between transactional and relationship business is particularly important for small businesses to understand because most small businesses are built on relationships. It's the promise of a personal experience that draws a customer in. It's the relationship that keeps them coming back, and it's the experience that motivates them to refer. Without understanding the difference between a transactional business and a relationship-based business, it can be easy for a small business to fall into a transactional mode because that's what we tend to see modeled around us by much larger businesses than our own.

The most blatant example is when a transactional business, like a utility company or cell phone carrier, offers a special deal for new customers only. I'm sure you can imagine how customers of a relationship-based business feel when a deal is offered for new customers only. They, the loyal customer, don't get the same benefit. Rather, if you are a relationship-based business, there should be a customer loyalty program in place that honors their previous business that a new customer would never receive. That's how you build great customer relationships.

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So often, modeling the big guys, small businesses get this backward. They end up catering to attract new customers at the detriment of their relationship with existing customers.

The good news is small businesses that are relationship-based are now given a huge opportunity to shine on their core strengths of personalization and relationship building. As transactional businesses become less personal, albeit perhaps more accommodating, the more businesses that are relationship-

based are going to stand out. Where consumers are lacking that personal touch in some business interactions they are going to crave it in others. The division between transaction-based business and relationship-based business seems to be widening and this can be to the advantage of higher-touch businesses. Both types of businesses can win. The important thing is to know where you stand. As a small business, it's likely to be relationship-based. So, let those transaction businesses have at it. It's only going to make your business shine brighter and play into your core strength of relationship building.

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