

## **Are You a Relational or Transactional Practitioner?**

*By J. Kim Wright*

Marketers divide the population of customers/clients into two groups: the transactional and the relational. This is a new use of the word “transactional” in law, but I think there are some important lessons for lawyers to consider whether they want to be purely transactional or relational.

In marketing, transactional customers are most interested in getting the lowest price and best value. They aren't interested in a long-term relationship, just getting the best deal and going on their way. They see products and services like widgets that are all the same so they seek the best deal based only on finances.

Relational customers are interested in a longer-term relationship. They want the help of an expert who can give them advice. They're looking for a relationship that gives them confidence that they are making the right choices. They consider that the time spent in shopping around, looking for the lowest price, ends up costing them more than just finding a trustworthy vendor.

Marketers believe that the two groups are evenly divided in society. Often, we are relational about one thing and transactional about another.

Recently, I was looking for a personal water purifier, in anticipation of traveling some places where the water isn't safe to drink. Amazon offered it for \$74.99 but a competitor had the same brand for \$54.95. Since I am a Prime Member, Amazon offered free postage. The other company had a \$5 flat rate. I bought from the competitor. I was being transactional. I was buying a thing that was substantially the same from either vendor. In this situation, price was more important to me than my relationship with Amazon.

On the other hand, I sometimes make my purchases from a relational perspective. I am a big fan of Southwest Airlines. I like being able to check two bags for no extra cost. Even when Southwest charges a little more than another airline, I choose Southwest. I use them often enough that I sometimes get a free flight and they send me drink coupons (which I barter for window seats). I benefit from my loyalty to Southwest and I appreciate their customer service enough to pay extra.

What does this mean for us in the legal and mediation professions?

Transactional clients download their forms from the internet and they cut corners as much as they can. They view legal advice as a commodity that is the same no matter where you go.

While the two groups are roughly equal in size, the relational clients spend 72% of the total money. Consequently, transactional shoppers represent *lower* average sales and *smaller* profit margins. When they hire you, they are constantly trying to negotiate lower rates and pushing for more services without paying for them. (In my experience, these are also the clients who will argue with my advice. They don't value what I have to say!) They're quick to change lawyers as soon as someone offers what seems to be a better deal.

Relational shoppers represent a larger share of sales. Those relationships will endure while the transactional clients will just move on to the next cheapest service.

How do we attract more relational clients? By being relational. We can't expect to treat clients like faceless transactions and have them feel a connection to us. Taking the time to take care of ourselves so we have the energy to be present, stopping our busy minds long enough to actually listen to a client, engaging with the problems they are asking us to help with, returning their phone calls, and making a real human connection will help our clients see that we are not interchangeable widgets, but caring professionals who want to help.

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