

**PROFESSIONAL SALESMANSHIP – LECTURE 11**

**CHAPTER 11 – Expanding Customer Relationship**

**EXPANDING CUSTOMER RELATIONSHIP**

**Objectives**

**After completing this module, you should be able to**

1. Describe the process of checking in with customers to gauge their satisfaction levels.
2. Outline methods for leveraging technology to improve post-sale communication and strengthen relationships between buyers and sellers.
3. Delve into strategies for addressing customer feedback and ensuring their contentment through proactive measures.
4. Explore techniques for fostering transparent communication channels where both parties can freely express thoughts.
5. Elaborate on strategies for effectively addressing grievances and fostering constructive dialogues.
6. Outline approaches for broadening participation in collaborative efforts.
7. Detail methods for increasing the value proposition and creating mutually beneficial opportunities.

**BUILDING GOODWILL**

Salespeople have various strategies to transform new customers into dedicated, long-term clients. These strategies include (1) continuously adding value to the product to build goodwill, (2) addressing complaints promptly and thoughtfully, and (3) willingly processing rush delivery

requests, assuring the customer that their needs will be prioritized. Conversely, a salesperson can easily alienate a new customer by focusing solely on short-term gains rather than long-term relationship-building activities. This negative impact can result from overpromising and underdelivering, exaggerating to secure an order, and blaming others for issues. Exhibit 9.1 highlights relationship enhancers and detractors that can either strengthen or weaken a relationship. Relationship-oriented salespeople develop strong bonds with their customers, which can shield them from competitive pressures or reduce the significance of easily matched competitive factors such as price. This module emphasizes the critical role of follow-up in gauging customer satisfaction.

### **ASSESS CUSTOMER SATISFACTION**

The significance of diligently maintaining and enhancing customer relationships is highlighted by a survey of corporate buyers who identified "lack of follow-through" as the most annoying behavior of salespeople. This feedback underscores the growing emphasis on customer relationship management. John Haack, senior vice president of marketing and sales for Saint-Gobain Containers, understands the importance of focusing on customer relationships beyond making the initial sale. With clients like Anheuser-Busch, Quaker Oats, and Kraft, Haack asserts, "Making the sale is only the beginning. You must monitor the entire process to ensure timely delivery and meet customer expectations." Haack emphasizes that merely moving products isn't enough; if the product isn't suitable for the customer, it will become a significant issue. Professional salespeople like John Haack recognize their customer base as a crucial asset that must be preserved through diligent relationship management.

Salespeople such as Brett Houston engage in routine post-sale follow-up activities and continuously enhance the relationship by anticipating and adapting to changes in the customer's situation, competitive dynamics, and market conditions. Houston's efforts include field research,

joint brainstorming sessions, and sharing sales leads from his business network, demonstrating his commitment to service and relationship-building.

### **HARNESS TECHNOLOGY TO ENHANCE FOLLOW-UP AND BUYER–SELLER RELATIONSHIPS**

While the advantages of enhanced buyer-seller relationships are well-documented, recent research indicates significant room for improvement. For instance:

- Most Fortune 500 companies lose 50% of their customers within five years.
- The average company communicates with their customers only four times a year and with their prospects six times a year.
- Acquiring a new customer costs 7 to 10 times more than retaining an existing one.
- A 5% increase in customer retention can boost profits by 25% to 125%.

Effective salesperson follow-up should include specific actions to interact, connect, understand, and relate with customers:

**Interact:** Maximize critical encounters with buyers to encourage effective dialogue and involvement.

**Connect:** Maintain contact with multiple individuals in the buying organization who influence purchase decisions, and manage various touch points to ensure consistent communication.

**Know:** Coordinate and interpret information gathered through buyer-seller interactions to gain insight into the buyer's evolving situation, needs, and expectations.

Relate: Use relevant understanding and insights to create value-added interactions and strengthen the relationship between the salesperson and the buyer.

### **ASSURE CUSTOMER SATISFACTION**

Relationship-enhancement activities, though varying greatly between companies, are essential for fostering long-term relationships. These activities include:

- Providing useful information
- Expediting orders and overseeing installation
- Training customer personnel
- Correcting billing errors
- Remembering the customer post-sale
- Resolving complaints

Traditional selling emphasized securing the order, effectively ending the sales process once the order was signed. The salesperson then moved on to obtaining the next order, leaving product delivery and installation to other departments.

### **Provide Useful Information**

Many buyers feel neglected after placing an order, having received significant attention beforehand but then seeing the salesperson disappear. Once an economic relationship is

established, it is crucial for the salesperson to continuously provide timely, relevant, and high-quality information to customers. The task of educating the buyer is ongoing, and salespeople must update customers and highlight additional opportunities that may benefit them. By offering valuable information, salespeople show their commitment to the buyer, signaling that they are invested in a long-term partnership.

Salespeople should not only share information with the buyer but also with secretaries, receptionists, department heads, and other influential members of the buyer's organization.

### **Expedite Orders and Monitor Installation**

Typically, salespeople provide estimates for product delivery times and must work diligently to avoid delays. They are responsible for tracking the order status and informing customers of any delays as soon as possible. Although it is unpleasant to notify a buyer of a delay, this communication allows buyers to adjust their plans accordingly. Announcing a delay only on the expected delivery date is inconsiderate and damages the trust between the salesperson and the buyer.

While many shipping and delivery issues are beyond the salesperson's control, modern tracking systems enable salespeople to monitor orders and identify the causes of delays. It is essential for salespeople to keep customers informed about the delivery status and any potential delays.

Monitoring order processing and post-sale activities is crucial for strengthening the relationship with customers. Often, customers may have poor forecasting and rely on their salesperson to resolve their urgent issues satisfactorily.

### **Training Customer Personnel**

Companies are always seeking competitive advantages. Traditional salespeople are often content to receive their commission or bonus and then move on to the next sale once an order is placed. In contrast, relationship managers recognize that the real work starts after the order is signed. Training customer personnel might or might not be included in the contract's price terms, but salespeople can leverage this to gain a competitive edge. For instance, instead of training just one person as specified, the salesperson might train three people for the same price. Adding value should always be a priority for any salesperson.

When dealing with technical products, customer training might require assistance from the company's trainer or engineer. Nevertheless, the salesperson plays a crucial role because they know the customer best and should facilitate proper introductions and ensure a positive start. The salesperson should also schedule training sessions at the customer's convenience.

Customer education is a core aspect of Ontario Systems Corporation's marketing strategy, a collections software company. What sets Ontario apart from its competitors is its ability to provide timely training and education to all its customers. Understanding the importance of post-sale service, Ontario offers a 24-hour service hotline and hosts annual training sessions, seminars, and goodwill events at their headquarters. Ontario emphasizes a team approach to deliver exceptional customer service.

### **Correct Billing Errors**

Billing errors can lead to customer complaints if they are not identified and corrected promptly. Salespeople should review all orders and billing records to ensure accuracy before they reach the customer. By proactively addressing and correcting any issues, salespeople demonstrate to customers that they have their best interests at heart, reinforcing trust and reliability.

### **Remember the Customer after the Sale**

Methods for customer follow-up should be utilized to show appreciation for the purchase and to nurture the relationship after the sale. Poor service and lack of follow-up are consistently cited by customers as the main reasons for discontinuing purchases. In a Wallace branch office, a motto hangs above the door stating, "Remember the Customer between Calls." Personal visits should be the primary means of follow-up after the sale, despite being the most costly option, as it allows for face-to-face, two-way communication and observation of the customer's body language.

Telephone communication can also be employed for post-sale follow-up. While most salespeople send written follow-up messages thanking the customer for their business, the telephone can be used to reinforce the written message. This approach enables verbal feedback from the customer and allows the salesperson to ask questions and use probing techniques that are not possible with written correspondence. It is crucial to maintain contact with the customer even after the sale.

### **Resolve Complaints and Encourage Critical Encounters**

No company can completely eliminate complaints. However, every company aims to reduce how often they occur. Complaints usually happen because the product fails to meet the buyer's expectations. Buyers may complain for various reasons, such as late delivery, receiving the wrong order (too many or too few items), poor product performance, or the lack of attention to their issues from the salesperson's company.

Regular post-sale meetings between the buyer and seller likely address most major issues. "An Ethical Dilemma" explores one manager's struggle to get his sales team to follow up after orders

are signed. Salespeople should encourage buyers to be honest and discuss difficult issues, like late deliveries or damaged products, especially when the salesperson's organization is underperforming. Some buyers do not complain because they believe it is futile, while others expect the salesperson to be aware of their problems without being told. If salespeople prompt candid discussions and take action to resolve unmet expectations, it will benefit future meetings and the resolution of critical issues. If they do not address these problems, buyers will lose faith in the process and future meetings will fail to identify problem areas, as buyers will assume nothing will change.

### **A Procedure to Handle Complaints**

Customer complaints must be addressed promptly and with utmost sensitivity. Customers are not interested in the company's internal issues or the reasons behind the salesperson's subpar service. Relationship selling is crucial for customer retention because it involves maintaining open communication with the customer and encouraging both positive and negative feedback. Most customers will not voice their complaints. Therefore, the salesperson needs to build a relationship where buyers feel comfortable expressing their dissatisfaction. If customers do not complain, the salesperson cannot identify areas needing improvement. Research shows that if a company neglects to handle complaints, those dissatisfied customers will tell up to 10 others about their negative experience. Conversely, satisfied customers typically share their positive experiences with only four or five people. Furthermore, for every customer who complains, an estimated 50 more will stop purchasing the product.

### **Build the Relationship to the Point That Your Customers are Comfortable Complaining**

Salespeople have been overheard telling customers, "If I had known you were unhappy with our service, I could have fixed it." The typical buyer response is, "I gave you enough signals."

Why didn't you notice the problems I was having with your service?" To avoid such situations, the buyer and salesperson need to build a trusting relationship where both parties feel comfortable speaking up when issues arise. Open communication is essential for good customer service. Companies should not hesitate to ask clients, "How are we doing?" Some companies now conduct follow-up visits at 30, 60, and 90 days after the sale. Additionally, salespeople maintain quarterly follow-ups, even if only by phone.

### **Listen Carefully and Get the Whole Story**

The salesperson must carefully listen to both what the customer says and what is left unsaid. Effective salespeople express gratitude when a complaint is brought to their attention. If the customer feels uncomfortable making the initial complaint, they are unlikely to complain again.

It is crucial for the salesperson to avoid interrupting early in the conversation, allowing the customer to fully express their frustration. After the customer finishes, the salesperson may need to ask follow-up questions to understand the situation completely. For example, the buyer might not have mentioned who they spoke to at the salesperson's company, which could be vital for resolving the issue. This is an opportunity for the salesperson to show empathy, apologize for the inconvenience, and express gratitude for the feedback. The salesperson should reassure the buyer that they are eager to resolve the problem and maintain the buyer's satisfaction.

### **Ask Customers How They Would Like Their Complaint Resolved**

Many salespeople try to address complaints without understanding what the customer actually wants. For instance, a salesperson might assume that offering a 20 percent discount, which worked for a previous customer, will also satisfy the current one. However, the buyer might have a completely different resolution in mind. Salespeople should not hesitate to ask the customer what would make them happy.

A good approach could be, "Theresa, we value your business and apologize for the inconvenience. Can you please tell me what we can do to solve this problem and keep you as a

satisfied customer?" The salesperson must then listen carefully. The customer might simply want an apology, a discount, or a substitute product until the regular shipment arrives. Often, salespeople find that the customer's demands are less than expected. The solution should focus on what the customer wants, not what the salesperson thinks is appropriate.

### **Gain Agreement on a Solution**

Once the salesperson understands what the customer wants, they need to agree on a solution. Sometimes, the salesperson can fulfill the customer's request exactly as stated. Other times, the request might be unrealistic. The salesperson should always strive to meet the customer's expectations. When this isn't feasible, the salesperson should focus on what they can do and ensure it is done promptly. The conversation might go something like, "Jim, I apologize for the inconvenience we caused you. Here's what I can do to resolve this issue for you..."

### **Take Action—Educate the Customer**

Once an agreement is reached, the salesperson must promptly address and resolve the customer's complaint. Keeping communication open is essential, such as informing the customer about the arrival time of repair personnel. If possible, the salesperson should monitor the repair work and keep the customer updated on the progress.

If customers have unrealistic expectations, this is an opportunity to educate them about the realistic capabilities of the service. Some salespeople make unrealistic promises to secure an order, which leads to disappointment when the product fails to meet those expectations. This approach undermines trust and is not conducive to building a reliable relationship.

### **Follow-through on All Promises—Add Value**

Good salespeople must ensure they keep any promises made, and this is an excellent opportunity to exceed those promises. Salespeople who go above and beyond what is promised will impress their customers and build stronger relationships more quickly than their competitors.

### **MAINTAIN OPEN, TWO-WAY COMMUNICATION**

At the beginning of the sales process, the salesperson identifies the buyer's specific needs to ensure the product's attributes align well with those needs. This is achieved through effective questioning and attentive listening. After the sale, the salesperson must maintain open, two-way communication with the buyer, facilitated by periodic meetings for feedback.

Collaborative discussions are the most effective way to address customer issues. If the customer feels that the salesperson is sincere, listens carefully, and responds appropriately to their concerns, the already established trust will be strengthened.

### **EXPAND COLLABORATIVE INVOLVEMENT**

A salesperson's goal is to work with customers who have formed a strategic alliance with their firm, which is achieved by building trust over time. The salesperson should always seek ways to deepen the relationship and strengthen the bond. One method is to increase collaborative involvement between the buyer's and salesperson's organizations. For instance, the salesperson might bring a team of engineers to a sales call to meet with the buyer's engineers. These teams could work together to improve the product offering, as customers often provide valuable insights into the product's strengths and weaknesses.

Another way to enhance collaborative involvement is by hosting a week-long series of seminars, training sessions, and social events for customers to deepen the relationship. Brainstorming sessions with customers show a willingness to listen, demonstrate that the company cares, and

often lead to better ways to serve customers. Whenever the salesperson can involve more personnel from the buyer's company in the relationship-building process, the relationship is likely to become stronger.

### **WORK TO ADD VALUE AND ENHANCE MUTUAL OPPORTUNITIES**

Professional salespeople aim to cultivate mutually beneficial relationships between buyers and sellers by adding value and creating opportunities for the customer. This involves mitigating risk through consistent displays of the seller's ability to cater to the customer's needs. By demonstrating a commitment to serving the customer, the seller minimizes both real and perceived risks for the buyer, fostering a relationship with few, if any, unpleasant surprises.

Additionally, salespeople should set and maintain high standards and expectations. Many relationships falter when expectations are not met. Therefore, it's crucial for salespeople to ensure that the customer's expectations are reasonable and strive to meet or exceed them. Continuous efforts to improve performance are essential for sustaining successful relationships.

### **Provide Quality Customer Service**

Every salesperson seeks a competitive advantage to set their products apart in the eyes of customers. Often, the products they sell have similar features and benefits compared to competitors.

Customers are not swayed by slogans and service claims until they experience a moment of truth—when something happens that affects them directly. Salespeople encounter these moments of truth daily, brief instances where a customer interacts with them, training staff, installers, field engineers, or service personnel, forming an impression. During these moments, customers assess if promises made by the sales organization are being kept, and if the salesperson genuinely cares about their needs or is solely focused on making a sale.

Service enthusiasm offers four benefits that enable the sales organization to gain an advantage over competitors.

### **Customer Expectations**

A salesperson must fulfill the needs of their customers, starting with providing a warm and friendly demeanor. Buyers have busy schedules and dealing with a grumpy salesperson adds unnecessary stress. Warmth and friendliness are foundational elements for building a successful relationship.

Reliability is another key attribute customers seek in a salesperson. They need assurance that the promised service will be consistently and accurately delivered. Additionally, customers expect helpfulness and assistance. They want to know they can easily reach their salesperson when needed and receive prompt assistance.

Salespeople can address this by establishing a regular call routine to keep customers informed. Other customer expectations include following through on promises, showing empathy, and promptly resolving any complaints, mistakes, or defects. Customers need to trust that the salesperson will swiftly address any issues that arise.

### **Develop a Service Strategy**

Salespeople have the ability to assess the lifetime value of their customers. For instance, Hershey Foods Corporation can accurately track its candy sales at a specific Wal-Mart location, enabling them to calculate potential losses if a customer decides to switch brands. It's crucial for Hershey to meet the service expectations of each customer, as subpar service could result in losing them.

Developing a service strategy empowers salespeople to plan their approach for each customer. This strategy involves identifying the salesperson's business and clientele, understanding customer needs and preferences, and staying attuned to any shifts in their perceptions. Salespeople should not hesitate to solicit feedback from customers regarding their satisfaction and expectations.

Moreover, it's essential for salespeople to evaluate their company's strengths and areas for improvement. Ultimately, salespeople must determine how to position their company in the market to differentiate its products and services effectively.

### **Customer Service Dimensions**

The primary dimension of customer service is communication. Many issues arise because customers are not adequately informed about changes in plans, such as late deliveries or price increases. Salespeople, often pressed for time, may struggle to communicate effectively with all their customers. Utilizing communication tools like email enables them to quickly inform customers of such changes, with follow-up via telephone or personal visits over time to ensure customers are informed.

Another critical dimension is resilience, referring to a salesperson's ability to withstand verbal assaults or complaints from customers and maintain a positive attitude. Regardless of the challenges faced, a salesperson must remain composed and treat difficult customers with the same level of professionalism and respect as they would with easier interactions.

Lastly, the motivation of a salesperson to serve their customers is paramount. Dedication to addressing customer concerns and resolving problems promptly demonstrates genuine care for

the partnership. By eagerly resolving customer complaints, a salesperson fosters stronger customer loyalty and commitment.

## **SUMMARY**

To assess customer satisfaction effectively, salespeople must overcome any hesitation and ask their customers directly, "How are we doing?" Periodic follow-up is crucial for sustained success in sales. New customers often feel special due to the attention they receive initially, while older customers may feel neglected as the salesperson's attention is divided among numerous new clients. Regular follow-up conversations reassure customers that the salesperson cares about their satisfaction and is committed to addressing any concerns.

Harnessing technology can significantly enhance follow-up and buyer-seller relationships. Effective follow-up should involve specific components aimed at interacting, connecting, knowing, and relating to customers:

**Interact:** Maximize critical encounters with buyers to foster effective dialogue and engagement.

**Connect:** Maintain contact with various individuals influencing purchase decisions within the buying organization and manage touchpoints to ensure consistent communication.

**Know:** Coordinate and interpret information gathered through buyer-seller interactions to understand changing needs and expectations.

**Relate:** Apply relevant insights to create value-added interactions and build relationships with buyers.

## **Professional Salesmanship**

### **Chapter 11**

#### **Expanding Customer Relationship**

**Lecturer: Michaella DeLeon Castillo, DBA - Philippines**

Salespeople utilize technology-based sales force automation tools to track and manage complex buyer-seller interactions effectively. Popular tools like ACT!, Maximizer, and Goldmine enable salespeople to collect, organize, and access comprehensive databases containing information about individual buyers and organizations.

To ensure customer satisfaction, salespeople must take proactive steps such as:

- Providing useful information to customers.
- Expediting orders and overseeing successful installations.
- Training customer personnel.
- Correcting billing errors promptly.
- Maintaining contact with customers after the sale.
- Resolving complaints in a timely manner.

By consistently engaging in these relationship-enhancing activities, salespeople can solidify customer satisfaction and strengthen long-term relationships.

To maintain open, two-way communication, periodic meetings with the buyer are essential as they provide an opportunity for feedback. Listening attentively becomes the most effective tool when addressing customers and their concerns. The salesperson should actively encourage the buyer to be candid about their issues and problems, and to communicate when their needs are not being met. Building trust in the buyer-seller relationship hinges on the perception that the salesperson is sincere, listens attentively, and responds appropriately to customer concerns.

Resolving complaints and fostering critical encounters involves ensuring that periodic meetings occur between the buyer and seller post-sale. In all likelihood, most significant issues will be addressed during these meetings. It's crucial to have an agenda for these meetings, with tough issues explicitly included and not ignored. Buyers should be encouraged to discuss service areas that are not being met regularly. Without this communication, the salesperson won't know what needs attention or improvement.

### **Examination**

1. Salespeople cannot convert new customers into highly committed lifetime customers by building goodwill, handling complaints effectively, and processing rush delivery requests willingly.
2. Overpromising, underdelivering, and blaming others for problems can alienate new customers and hinder the creation of long-term partnerships.
3. Relationship-oriented salespeople create bonds with customers that can minimize the importance of easily matched competitive variables like price.
4. John Haack, a senior vice president of marketing and sales, emphasizes the importance of maintaining and enhancing customer relationships beyond making the initial sale.
5. Effective salesperson follow-up includes components such as interacting with buyers, maintaining contact with multiple individuals in the buying organization, interpreting buyer information, and creating value-added interactions.

6. According to research, most Fortune 500 companies lose 50% of their customers within five years.

7. It costs 17 to 50 times more to acquire a new customer than to retain an existing one.

8. Providing useful information, expediting orders, training customer personnel, correcting billing errors, and resolving complaints are all critical relationship-enhancement activities.

9. Customer follow-up methods should be used to express appreciation for the purchase and to further develop the relationship after the sale.

10. Complaints arise when the product fails to meet the buyer's expectations, and salespeople should encourage open communication with buyers to address issues effectively.

11. Resolving complaints quickly and sensitively is crucial for maintaining customer satisfaction and loyalty.

12. Salespeople must listen carefully to complaints, apologize for any inconvenience caused, and ask customers how they would like their complaints resolved.

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13. Salespeople should focus on meeting or exceeding customer expectations, establishing open communication channels, and providing quality customer service to build strong relationships.

14. Developing a service strategy helps salespeople identify their customers' needs, differentiate their products and services, and plan actions for each customer.

15. Communication, resilience, and motivation are not essential dimensions of customer service that salespeople must prioritize to maintain strong relationships with their customers.

#### **Answer Key**

1. False
2. True
3. True
4. True
5. True
6. False
7. False
8. True
9. True
10. True
11. True
12. True
13. True
14. True
15. False

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