

# Learning Without Scars

## Quarterly Newsletter

Dynamic Internet Based Learning  
TRAINING SOLUTIONS FOR EQUIPMENT DEALERSHIPS  
Construction • Mining • Agriculture • Cranes • Trucks • Trailers

Product Support Selling and Marketing

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An individual person sells the first machine to a customer, the product support teams and the work they do in providing exemplary service to the customer thereafter determines if you will get the replacement machine for your dealership. This is not an easy task. There are many moving pieces that are required to be done consistently and at high levels of performance. Providing solid marketing and professional selling skills will determine how effectively this is done.



### *Defining Customers*

Over the years I have asked many different people - all dealer employees - what the strategy is that we employ to serve our customers. What the 'sense of purpose' is for the parts and service departments. Believe it or not this is an area that is met with a poignant pause. The room is quiet. This is because typically there is NOT a clear purpose - there is no clearly enunciated goal.

Why is that? We do not have a clear statement of strategy - we do not treat any one customer differently than any other customer. We treat all customers the same. Isn't that interesting?

It is a meaningful goal. It is a pure goal. Yet each customer might have a different set of expectations. They might have different needs. They might all want differing levels of customer service.

The people that we have working in the dealership want to do a good job. They want to succeed. Yet if we do not clearly state what the goals are - what the sense of purpose is for the company and how that relates to

the customers we are nowhere. They do not know what to do.

### *Who is our customer?*

Who in your trade area is choosing to do business with you? Customers are a moving target. Has your customer base changed over time? Do the same people that used to buy from you still buy from you? Have their needs, from a business perspective, changed? Have your customers stayed the same over the years? Of course not. Has your strategy to serve these customers changed? Probably not. One other thing that is painfully true - we must constantly be assessing both our customers' needs and how we are satisfying them.

### *Who do we want our customers to be?*

Now we're dealing with a strategic question. The previous question "Who is our customer?" deals with today. "Who do you want your customer to be?" is a question that provides information that deals with the future. It might be that you have customers that you really don't want to do business with. Their needs are not consistent with what you really do. Should we sit down and make a determination on our business, that there are certain types of customers that don't fit what we do. Rather than reacting to those types of customers forever, we need to do things, establish strategies that will attract the kind of customer we want.

This is the beginning of obtaining information about your customers. We have been fighting and struggling with obtaining this data from our computer and manual systems for too long. Now in the information age, with more and better information about customers, we need to start putting this information to use.

Be careful that you don't deal with just reams of data. We have purchase information going back for years. By Part number. By repair type. By machine rental or purchase. That is data. We need to be able to organize this data into meaningful information blocks. Blocks of information that will be able to show us buying patterns.

We also have a whole range of disorganized and

scattered information that is owned by the people that contact the customers. The receptionist, the telephone order desk, management and service writers, the sales force, the switchboard operator. Every single one of these people has information about your customer. How can we organize that information so that it can be useful to everybody?

One of the basic elements of customer service is knowing what the customer expects. Expectations are difficult things to deal with. Most of the time service providers do not know what the expectation truly is for their customers. As you know, and will hear, over and over again, customer service is delivered when the perceived level of service received exceeds the expectations of the customers. That is very difficult to deal with.

***Did you know that our training courses are offered in English, Spanish and French?***

Expectations are based on past experiences. Expectations are influenced by the world in which we live. As customer service becomes a more prominently known element of doing business, we must ensure that our delivery systems and our people stand up well to that test. The films such as “Revolutionary Service” shows that we don’t stand up very well by comparison to companies such as Pizza Hut. I find that to be embarrassing.

One other thing that we have to be very careful with regarding expectations is that just because we satisfy the expectation, that doesn't mean that we have given the customer what they want. Be careful, just because the customer gets what they expect doesn't mean they got what they wanted.

So, what do your customers want? I suppose we could say that it breaks down into three basic feelings:

1. Their expectations still have not been satisfied.
2. They got what they expected, but nothing more.
3. They were delighted, they got what they expected and then some more.

Which level of customer do you think would become an “apostle”?

There are several important points to be made. This isn't about being polite or knowing names, although that is important too, but it is about expectations. This is one of the important things that we need to train the employees on - we must find out early in the discussion, in that “Moment of Truth” what it is that the customer is expecting - what it is that they want.

We have to be really careful. In a 1993 Harvard Business Review approximately three quarters of the customers that defected said they were satisfied with their former suppliers. That’s an important message.

If you do not have “delighted” customers, as listed above, “apostles”, you did not get customer loyalty.

It is also most important that we know what levels of service are being supplied by our competitors. It is important that we know at what stage in the customer service hierarchy the competitor operates. Do they provide really personal, one by one, service or have they grown and their systems stretched to the point that they can't keep up? Don't forget the personal touch.

If your competitors provide one level of service, one strategy, for the whole marketplace, they're vulnerable. If you are in the same place - you would be vulnerable as well. You might find, however, that your competitor has different service strategies for different market segments. Then you will have to be more skillful at establishing your strategic moves for those customers segments.

Finally, don't forget about what you do when everything fails. What happens when your customer receives a terrible experience? Do you recover well? Have you got a mechanism in place that makes it easy for your customer to report to you in the event things don't work well?

Normally, we make it difficult for a customer to give us a complaint. One of the most important lessons that I have learned along the way is that a complaint is a gift. Your customer is truly trying to help you get better. The customer that just goes away quietly is the one that worries me. I don't know that they were unhappy until it becomes clear from their buying patterns that they are not doing business with us anymore.

We need to be ever alerted to provide a complete system, the procedures that we use, and the methods

that our employees use, to make it easy for a customer to complain to us.

More and more companies are providing a straight line into the president or top executive office, for complaints. They staff this office with people that are in training for sales and management positions. Bright rising stars, people who can deal professionally with problems and help customers. It is a method and approach that more and more companies are using. Think about it.

### **Segmentation**

One of the key elements in improving customer service is the ability to match service capabilities with customer needs. This does not allow us the luxury of defining customers as a homogeneous group with similar likes and needs.

We stress process which is driven by the need for cost reductions. The penalty to this one-sided approach is a “sameness” across the dealerships. The group that deals with the customer has become transparent - they have a similarity. The layouts of the building even are similar. This has led many manufacturers to assume that the distribution portion of the channel is easy to replicate - an almost anyone can do that - type of attitude.

Segmentation is critical in that it allows you to provide value. Value is a very personal thing - we each have a value measure. To some it is speed of delivery, others it is initial price. We must be skilled and knowledgeable about what our customers perceive to be the values that we provide to them, which cause them to continue to do business with our company. This is critical.

Do you know what it is that brings your customers back to you?

Segmenting your customers is only one aspect of good customer service. True. But it is a very important aspect. Over the following pages in this section, we will delve into the various segments that we could find in this Industry.

Before we began let's start with some basic concepts, like marketing. Marketing is the process of identifying and satisfying customer needs. Some people think of marketing as advertising or selling - highly visible activities by which companies try to influence consumers, their customers, to buy products and services. However, marketing is much more than advertising or selling.

The goal of marketing is to provide the customer value, and to do it better than the competition. To do that, you must find that differentiated advantage where you can meet customer needs better than the competition and try to make this differentiated advantage sustainable over time. As the marketplace becomes more competitive, it's even more important to focus on the customer. If you lose this focus, you can lose your competitive edge and end up losing market share.



In effective marketing, you need to target the right customers for your firm, understand what those customers' needs are and then provide a solution to those needs - as a product and/or service - better than any competitive offer. In addition, marketers need to find ways to offer their products and/or services through the best distribution channels, promote them in ways that motivate customers to buy and price their offerings at the right level.

### **Customer Loyalty**

Loyalty is one of the measures we use to determine the level of satisfaction that our customer has with our company and our supplier. Your most loyal customers are not necessarily the ones who buy the most from you. They might be the ones who buy ONLY from you all of their needs.

Many times, that dollar amount doesn't reach the threshold that you have set for a “good” customer. As a result, some of these customers might not even be assigned a salesman for direct coverage. This class of customers probably deserves more loyalty from you the suppliers, than they currently get. Do you know who these customers are on your list? Sure, you do! But most likely you do not pay sufficient attention to them. After all, they are not part of your top 10%.

### **Should that matter? Shouldn't it Matter?**

The customer is anyone who owns or uses a piece of equipment in the size categories that you represent. It is also anyone who provides services to this group of people.

The number of customers that you deal with is large. Sadly, I say, the number of customers that you deal with *effectively* is significantly less.

**Expectations**

A fundamental truth about customer service is that the service provider must provide a perceived level of service that exceeds customer expectations. If you exceed their expectations the customers will view you as a company that deserves their business. Isn't that interesting? However, there is a catch with this.

**These expectations and perceptions belong to the customer.**

Do you know what they are? What are these expectations and perceptions that your customers have of you? How do you find out what these expectations are? Are they the same for all types of customers?

Again, a rather clear “no” resounds.

Not all customers are created equal and yet we provide one level of service for all customers irrespective of what they want or need. This shouldn't come as a big surprise to you - I don't find too many dealers that segment their market if you do segmentation, congratulations. If you don't perform any segmentation then consider this as an opportunity.

Segmentation - people say that it is too much work... that it is a “consultants cute make work idea”. However, I suggest that those of you that have not, and do not, align your customers within segments, will be exposed. You will be exposed to competition, you will risk having a high level of customer defections, and you will certainly risk failing to satisfy customer expectations.

**Don't forget, without a customer we have nothing.**

**Class References**

[Basic Marketing](#) | [Market Segmentation](#) | [Market Strategy](#)

**Learning Without Scars**



As a third-generation educator, it is easy to say that teaching and training are in the blood for Ron Slee. From his beginnings as a coach, through his time at McGill University, Ron developed a foundation for the work he does today.

Learning Without Scars provides comprehensive online learning programs for employees starting with an individualized skills assessment. These assessments allow us to then create a personalized employee development program. From their assessed skills, the employee is asked to select from classes designed for their skill level which allow them to address the gaps in their knowledge level. This allows the employees to move through four progressive categories of learning: Basic, Intermediate, Advanced and Expert.



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