



HOW DISTRIBUTORS CAN IMPROVE CUSTOMER RETENTION

This download explains what steps distributors can take to increase customer satisfaction and improve customer retention

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DRIVERS OF CUSTOMER RETENTION

In the highly competitive wholesale distribution market, every distributor knows it is tough to secure a new customer. Typically to win over someone else's customer you have to offer better pricing incentives, stock hard to get items, and offer superior order turnaround, delivery and great customer service. To grow your business, you have to do all of this, but you can also improve customer retention processes. With customer management software, increasing customer satisfaction and improving customer retention is also often easier to do and more cost-effective than acquiring new customers. Of course, you have to provide existing customers with great pricing, availability of goods and great service, but there are also some additional processes and tools you can employ too. In this article we're going look at some of the processes and tools that can help you keep and satisfy your existing customers.

HOW CUSTOMER MANAGEMENT SOFTWARE CAN HELP

CUSTOMER MANAGEMENT SOFTWARE

Before you can wow your customers, you have to make sure you understand how your customers view their relationship with your business. You need to understand what things they like and what things they would like to see improved. To do this you need to track and review all the interactions your customers have with your business. Good customer management software can help you to do this. You need to ensure that your personnel keep track of all interactions with customers, and store feedback from all meetings, calls and emails. With this data you can periodically review and identify things that may need to be changed with your sales, marketing, customer service, order management and processing and delivery processes to improve your customers' experiences.

IMPROVING SALES PROCESSES

SALES PROCESSES

Salespersons are on the front line with your customers – they routinely get customer feedback that can yield valuable insights. However, salespersons are notoriously bad at keeping detailed records. You first need to make available to your salespersons strong, easy-to-use, highly functional, customer management software to make it easy for them to capture information on all their customer interactions. Then once you're tracking all this feedback, you can review it and act on it to improve the customer experience. You need to allow your salespersons to always be able to access contacts and profiles for the right people in your customers' organizations, and see any comments entered. They need to be able to easily create calendar entries for calls, follow-ups and reminders. They need to be able to attach any transactions in the system directly to a calendar task. They need to be able to delegate calendar tasks to others for follow-up. They need to be able to keep records of emails, call notes and easily access these so that customers feel like your salespersons are always aware of their needs/wants. You need to provide the tools for salespersons to efficiently manage their leads pipeline to keep prospects and deals moving through the sales process stages. The right customer management software can help you accomplish all of this. In turn this will help improve customers' experiences and ultimately improve your customer retention.

IMPROVING MARKETING PROCESSES

MARKETING

To improve customer retention, you need to continually communicate with your customers to provide them with information they find useful. This information could include, for example, updates on supply chain issues, updates on your products or ways of substituting products. Customer management software can let you create outbound email marketing campaigns that focus on educating your customers on your offerings and alerting them to opportunities. You can make use of limited time promotional pricing campaigns and elect to have these override your everyday or contract pricing. You can also use data analytics and business intelligence to mine your data to find out which products or groups of products are often sold together. Once you have these products that are sold together, you can search for customers that are not taking advantage of this and have your salespersons contact them proactively. You can also keep tabs on which customers show declining sales of certain products and craft highly targeted incentives for them to buy more of these products. You can create reports and alerts of declining products and declining sales to specific customers. In conjunction with good customer management software, integrated business intelligence tools can greatly improve the success of your marketing programs. When you are communicating with your customers to deliver information they value, this will improve customer satisfaction and retention.

IMPROVING CUSTOMER SERVICE

CUSTOMER SERVICE

Delivering great customer service requires that your reps always have access to the latest data your customers are looking for. With customer management software, customer service reps will have access to full customer account information. They should be able to click into any transactions to see any notes made by salespersons or warehouse personnel and update customers with shipping and delivery information. You should consider using a ticketing system so that your customers don't have to wait on the phone or have to wait to get in touch with the specific customer service rep that they last spoke to. Instead, they can enter a ticket with their request and since the ticket includes the full conversation record, any rep can pick it up and respond effectively. You can also consider setting up automated emails to customers to provide them with notification of orders moving to fulfillment or shipping information. This type of automation helps customers get the information they need without having to call to get it. This always leads to increased customer satisfaction and will improve customer retention.

IMPROVING ORDER MANAGEMENT, PROCESSING AND DELIVERY

ORDER MANAGEMENT

Once your customers place orders, you need a system to manage these effectively. You need to be able to see all orders that come in from multiple selling channels. Strong order management software should be able to let you see all orders originating from different channels across multiple warehouses. You need to be able to efficiently process orders through each stage from orders to picking, packing, shipping, delivery to customers, returns and billing. Strong order management software is one of the most powerful tools in your program to create happy customers. Unless your order management software allows you to quickly and accurately process orders, you will not be able to meaningfully increase customer satisfaction. Your customer satisfaction scores will always be tightly linked with your ability to get customers the goods they need fast. Your customers need to be able to get updates on the processing of their orders easily, to improve their experience with your business. You should also explore and implement customer loyalty programs and pricing to reward repeat customers. Strong order management software together with customer-focused pricing and loyalty programs are very significant tools to improve customer retention.

Another critical order management software capability that can greatly improve customer satisfaction is to give your

IMPROVING ORDER MANAGEMENT, PROCESSING AND DELIVERY

ORDER MANAGEMENT (CONT'D)

customers access to a self-service portal to place their own orders. This frees up your customers from having to call in orders or place their orders during your business hours or having to call in to get order statuses and updates. A self-service portal can also let your customers browse for and find products that you carry, that they may not otherwise have known to ask about. Also, a self-service portal can give them access to reports on their own purchasing from your business. They can also pay invoices online rather than sending in checks. This is one of the most powerful tools you have, to increase customer satisfaction and improve customer retention.

SHIPPING AND DELIVERY

The bar for meeting customers' expectations for cheap shipping and fast delivery is very high. To increase customer satisfaction, your order management software needs to be able to offer multiple shipping options across multiple small parcel carriers but also through LTL and FTL carriers, if needed. If you deliver using your own trucks, you need to be able to track deliveries and capture proof-of-delivery using mobile apps. Exceeding or even meeting customers' expectations for shipping and delivery may be tough, but if you can, you will greatly improve customer retention.

SOLICITING CUSTOMER FEEDBACK

GETTING FEEDBACK

Requesting feedback directly from your customers is an easy and often-overlooked process. Using the tools in your customer management software, you can spin-up a Customer Satisfaction team of service reps to proactively solicit customer feedback. This Customer Satisfaction team can focus on your largest customers first then be rolled out more broadly. The data you can get from a Customer Satisfaction team call is often unfiltered and can be very helpful in determining what your customers want. In addition, the process of actively soliciting customers' feedback conveys to your customers that you value their feedback. It also signals the emphasis you are putting on customer satisfaction. As a result, this continual feedback process will improve customer retention.

IMPROVING CUSTOMER SATISFACTION LEADS TO CUSTOMER RETENTION

SUMMARY

Focusing on ways your business can increase customer satisfaction and thereby improve customer retention can have a big payoff. It starts with getting the right software tools in place: customer management software, business intelligence capabilities, customer service tools, order management software, order processing, a self-service portal for customers, multi-carrier shipping and delivery capabilities. If your current system doesn't do this, contact us to learn about Accolent ERP, a leading Cloud-based solution for distributors that delivers all of this in one integrated system. Then once you have the right tools, build a culture in your business of emphasizing customer satisfaction, this will automatically improve customer retention.



CONTACT US TODAY TO LEARN MORE

ADS Solutions is a leading provider of Cloud ERP software to small and medium-sized businesses.

Accolent ERP is optimized to serve the needs of distributors and building materials suppliers. Contact us for a quote or to schedule a demo.

Email info@adssolutions.com, or visit our website, [adssolutions.com](https://www.adssolutions.com).