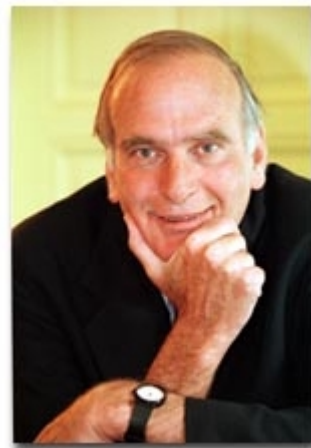
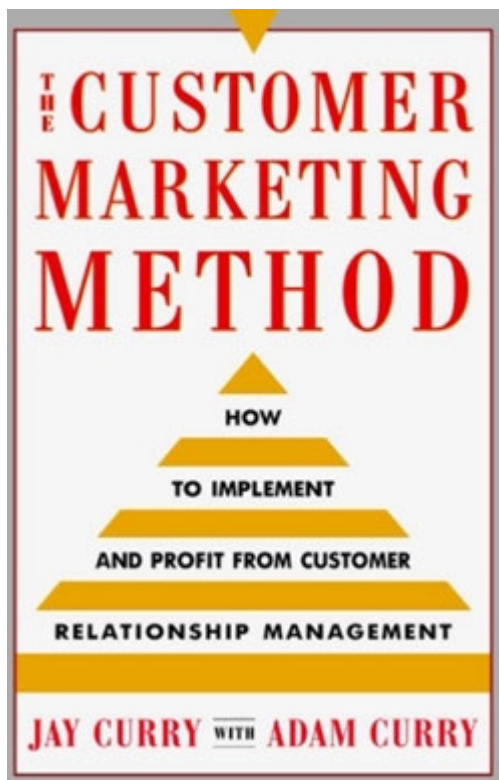


# **CRM Concepts for Small and Medium Size Companies**

## ***Conduct Customer Interviews***

## ***Form Customer Teams***

Chapters Excerpted From  
The Customer Marketing Method:  
*How to implement and profit from*  
*Customer Relationship Management*  
By Jay Curry with Adam Curry



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# Conduct Customer Interviews

by

Jay Curry

[www.customermarketing.com](http://www.customermarketing.com) and [www.jaycurry.com](http://www.jaycurry.com)

Customer interviews—ideally with each every one of your customers (and prospects)--are a critical element of Customer Marketing.

You can conduct these interviews face-to-face, via the telephone, through written or email questionnaires or via your website.

But no matter which method or medium you use for the customer interviews, the payoff will be dramatic.

*In fact, your first structured program of customer interviews is likely to be the most important marketing and sales activity you will undertake all year.*

Here's why:

- You will discover the real needs and problems of each customer. Armed with this knowledge, you will be able to tailor precisely your offers and products and services which meet the customer's needs and solve his problems.
- You will find out what aspects of your business are not satisfying each customer—and what things you are doing right. You can then immediately act to fix the problem for the individual customer and, with the aggregated information, improve aspects which seem to be less than satisfactory for many customers. A customer interview can also prevent the defection of a customer. It is not impossible that you will hear something like this: "I am glad you are here so we could straighten out this problem. Because, believe me, I was about to stop buying from you."
- You will be able to determine the current and future potential of each customer. Through the use of "funnel questioning", you can drill down to discover current budgets and future plans for purchasing your products and services. And if you do it correctly, you will also learn which of your competitors your customers are doing business with—or are trying to eat your lunch. This information is essential in helping you set realistic targets for each customer and decide how much time to invest in reaching the targets.
- You will deepen your relationship with each customer. "Let's talk about me!" is an unspoken wish of just about everyone. The most fascinating topic of conversation for anyone is themselves and their business. Aside from gaining critical information, the process of asking questions, listening carefully and responding appropriately will inevitably strengthen your bond with every customer you interview. Normally a face-to-face customer interview scheduled to take 45 minutes. But quite often the customers find the experience so positive that they cancel other appointments to continue it for another 45 minutes of "face time" so valuable to you.
- You will generate additional sales revenues immediately—and in the longer term. The customer interview is not a sales call. You inform the customer in advance that you want to get his opinions about his industry, his needs, his plans. And you tell him that you will

not bring your order book. But quite often, during the interview, the customer will say: “While you are here, let me tell you about a situation which company may be able to solve.” (It’s tough to resist the temptation to suspend the interview—but you should suggest that you will come back to the issue when the interview is completed!”

Let’s look at some examples of customer interview cases:

### **Temporary Help Agency**

This company identified 1,000 customers in the middle of their pyramid which, because of their industry and size, should have been using their services more often. Each of the 100 managers of the sales offices were assigned 10 customers to interview. Equipped with a structured questionnaire and a training session, the managers got on the telephone, made their appointments and conducted the interviews.

#### The results:

- The managers were able to make account plans for each and every customer visited.
- The sales results of the interviewed customers was tracked during the following six months. The *revenues of the entire customer base dropped 8%* because of a sudden and severe recession. But the *revenues from the interviewed customers increased by no less than 6%* in the six month period.

### **Clothing Retailer**

A discount retailer of clothes primarily for women and children had hundreds of thousands of customer visiting their 10 locations. They didn’t know much about their customers and decided to make a start building a customer database.

To get this information, they conducted a “customer interview” in written form, by putting a short questionnaire at the cash registers which inquired about family size and ages, satisfaction issues and preferences for store hours. The promise: if you fill in this questionnaire we will send you an advance copy of our door-to-door flyers, thus you can come in and get the bargains before other people.

#### The results:

- In a matter of weeks 200,000 “interviews” were completed and the information provided the basis of the long-overdue customer database.
- The normally slow January selling season was given a real boost because the retailer discovered two types of baby clothes buyers:
  - Type A: women aged 59-99 who they assumed were grandmothers and godmothers.
  - Type B: women aged 19-3 who they assumed were mothers.

On November 20 they sent a high-quality mailing featuring expensive and exclusive children's clothes to the Type A women, with a signed, "personal" letter which comments that they have bought children's clothes in the past, and suggests the offered collection as gift ideas. On 2 January they sent an inexpensive mailing sent to Type B women as a post-Christmas sale of fine clothes at reduced prices—resulting in a January revenue increase of more than 20% compared with the year before.

## Office Equipment Supplier (prospect interviews)

A supplier of photocopier machines wanted to break into a new market for their high-volume machines. Faced with need for qualified prospects, they used a combination of telephone and written questionnaires to interview the person in charge of photocopiers in medium to large size companies. The promise: the interviewee would get an analysis of copying patterns in his industry against which he could evaluate his own situation. (Plus an evening at a health club and the chance to win a weekend vacation. . .). The questions asked:

- How many copies per month are produced in your company?
- How many copier machines were installed in your company?
- What is the brand and model number of your machines?
- When is the expiration date of the rental contract date for each machine?

The result:

- No less than 70% of the interviewees supplied the required information
- The delivery of the report (by the sales person for qualified prospects) started a large number of sales cycles which resulted in a profitable customer base

## The Cost Effectiveness of Customer Interviews

Despite hard evidence and the “gut feeling” that customer interviews pay off, some managers have a negative reaction to the idea.

Sometimes financial managers react this way:

*“What? Doing an interview with every customer costs too much money! A telephone interview costs \$10 each and we have 3,000 customers. That’s \$30,000. No way!”*

But when you point out that it costs \$360 per customer per year to send invoices (the normal cost is about \$30 per monthly invoice), spending \$10 to find out whether or not a customer will continue to do business with you is a real bargain.

And sometimes sales managers have an initial reaction like this:

*“What? Spending an hour or two with each customer takes too much time! We simply don’t have the time to meet with each customer and find out what their needs are and how we can help them solve their problems with our products and services. We have to go out and sell!”*

But when you point out that face-to-face a customer interview can take place during a normally scheduled sales visit, that with more customer knowledge your sales visit frequency with that customer can be reduced and that a number of interviews will score an (unexpected) order, then they see the light.

In our book we go into the details of customer interviews, questionnaire design and selection of methods and media for your interviews. But this essay would not be complete without the story of Jan de Boer and his unique method of customer interviews.

## The Customer Marketing Interviews of Jan de Boer

One of the authors was invited to give a speech on Customer Marketing to a group of industrialists. During the pre-presentation coffee period one of the attendees approached him and offered his hand.

The man introduced himself as Jan de Boer of De Boer Industries and expressed his thanks. The reason: he had done everything suggested in an early version of this book on Customer Marketing. And it had really worked for him.

His \$100,000 Mercedes in the parking lot indicated that he was doing something right. And so he was asked if he would share some of his experiences with the group during the presentation. Jan agreed.

Halfway through the presentation the author invited Jan to reveal his most effective technique for moving customers up his Customer Pyramid.

Not without a look of pride, Jan de Boer stood up and addressed the group.

*“How do I get customers to move up the pyramid? It’s really very easy. I always carry my Customer Pyramid with me. When I visit a small customer I show him the pyramid and point to his position in the lower layer and say:*

*‘Sir, this is our Customer Pyramid. Look, here you are in the bottom section. . .’.*

*“The customer looks at the pyramid and then responds with a worried look:*

*‘Gee, that’s not so good, is it. . .’*

*“‘But maybe it could be better. . .so please tell me this: what can I do to get you higher in the Customer Pyramid?’”*

*“And then”, said Jan, “I hear answers the like these which keep me riding in a big new Mercedes”:*

- *‘De Boer, If you can give me 45 days credit instead of 30 days you get all my business.’*
- *‘Jan, I have a logistical problem. If you can deliver directly to my customers and spare me the logistics and warehousing costs, you will get many more orders from me.’*
- *‘Sir we are a small company and we buy only from you. I’m sorry, but it will take us some time to move up your pyramid. . .’*

Jan de Boer concluded his story with this interesting statement:

*“The great thing about these interviews is that the customers never, ever talk about prices!”.*

\* \* \*

Would Jan’s interview method work for you? Give it a try!

# Form Customer Teams

by

Jay Curry

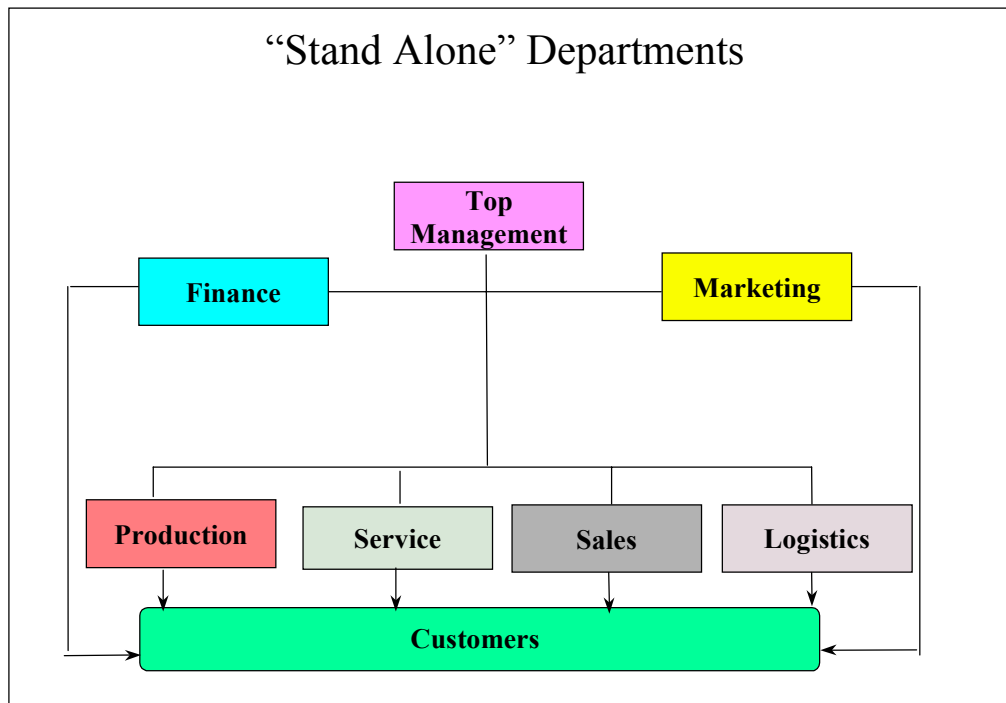
[www.customermarketing.com](http://www.customermarketing.com) and [www.jaycurry.com](http://www.jaycurry.com)

*“Nobody knows who I am!”*

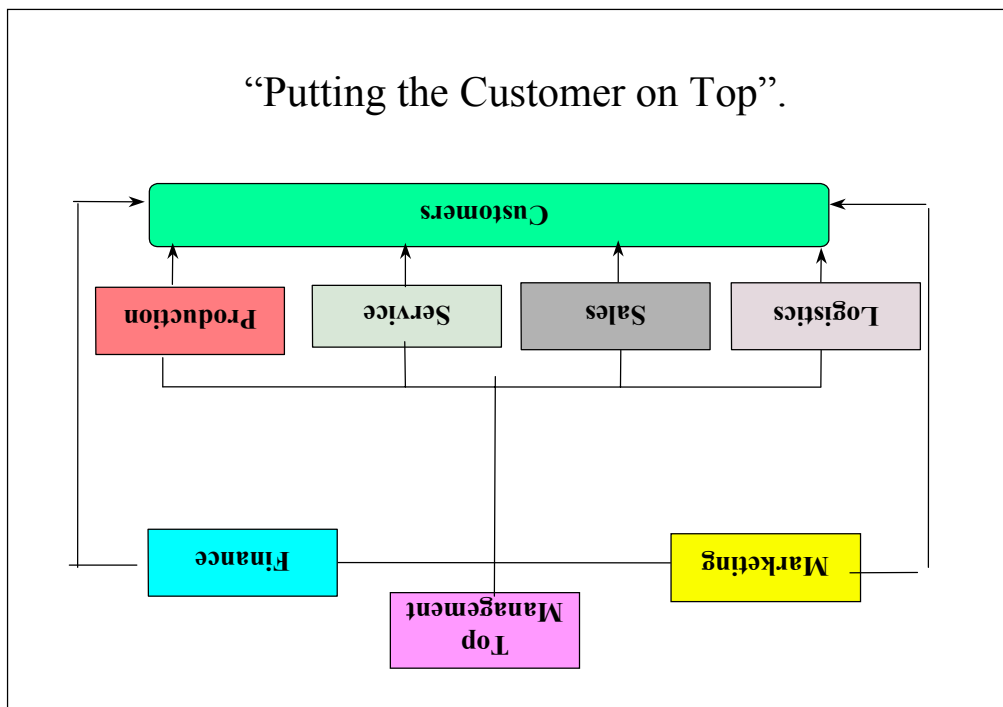
*“I keep getting transferred from one department to another!”*

*“Why don’t they communicate with each other??”*

These are often-heard customer complaints are usually the result of “Stand Alone” departments as shown below.



Some companies try to solve the complaints by problem by “Putting the customer on top”, like this:



But it doesn't work. The “stand alone” departments continue to deal with the customer from their own narrow perspective, leading to customer confusion and anger.

At some companies—certainly not yours—this scenario is not unusual:

*“Buy this product”*, suggested Sales. And the customer agrees.

*“What? You bought this machine?? I could have kept the old one going for another year”*, cries Service.

*“It'll take three months to make”*, says Production.

*“ What order for what machine ”*, asks Logistics.

*“We love you, we love you!”* is the message of the brochure sent by Marketing.

*“Pay or Die!”* is the message of the letter sent with by Accounts with the invoice which arrives in the same batch of mail with Marketing's love letter.

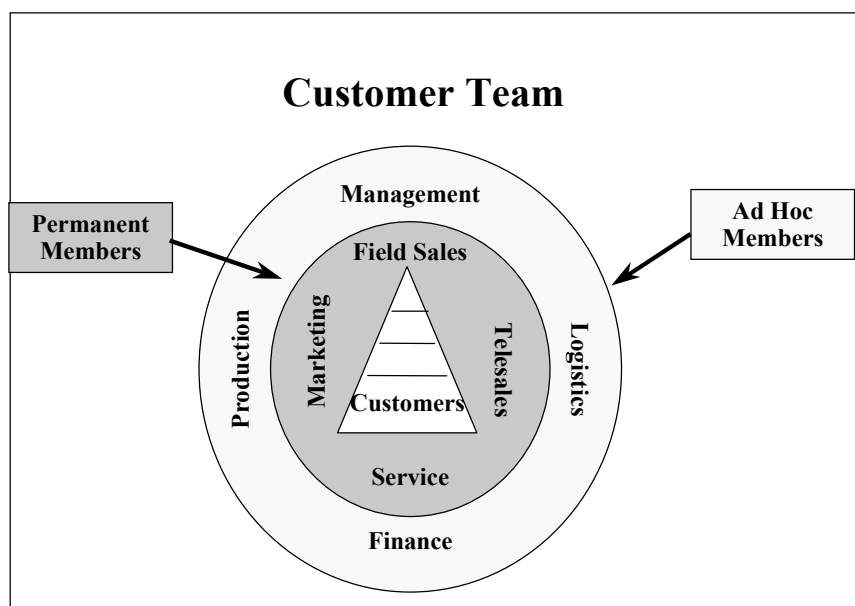
The answer to this cluster of problems: form Customer Teams!

The “Customer Team” is a powerful and fundamental Customer Marketing concept.

The primary Customer Team consists of people who have or are responsible for contacts with a specific group of customers, often represented in a customer pyramid.

In business-to-business situations, the roster of a Customer Team often looks like this:

- The Field Sales person assigned to the customer.
- The Telesales person who is “paired” to the Field Sales person or assigned to the customer.
- The Service Representative whose route or territory includes the customer.
- A Marketing Person, who may have responsibility for marketing communications or a product manager who represents the marketing department in the team.



When needed, the customer team can be enriched with representatives from other departments such as Finance, R&D, Production, Logistics, etc.

Here is how customer teams can work together to improve customer performance.

- A Customer Manager is assigned to each customer (or prospect). The Customer Manager is responsible for detecting problems and buying signals while ensuring that the proper person takes the proper action to achieve the goal
- While the customer may be under the impression that the Account Manager or Field Sales person is his primary contact person, the customer team agrees among themselves that a de facto Customer Manager is assigned to the customer depending on the current customer relationship. For instance:
  - the Field Sales person is manager of Customer X because there is a sales cycle in process for a major order.

- the Telesales person is manager of Customer Y, who is a steady customer who normally orders by telephone.
  - the Service person is manager of Customer Z who has just purchased a large machine, and the service staff is on premises installing it.
  - the Marketing person is manager of Suspects which he will, through telemarketing and direct mail, bring to Prospect status.
- The Customer Manager can change if the customer situation changes. For example, if Customer X gives the order and the Service staff has to install the machine, the Service person becomes Customer Manager. And when a Suspect becomes a qualified prospect ready to buy, the Field Sales person takes over the account.
  - Customer Teams do not usually sit and chat in meetings every Monday morning with coffee and donuts. While the teams do meet at critical moments for setting customer goals and making account plans (as described in the following chapter), Customer Teams are quite often “virtual”, communicating with each other via email, the telephone or through activities registered in the customer database system.

**Customer Teams: the pay-off.**

Customer Teams are not formed overnight. They take some time and energy to implement because Account Managers are not always eager to share power or allow other people access to "their" customers. But Customer Teams have proven to be profitable because they can increase sales and customer satisfaction while reducing marketing and sales costs as you can learn from these “real world” cases:

Customer Team Case: Health Care.

Elizabeth is a salesperson for a company which makes baths for elderly and sick people has a trial placement of a bath at a customer, a large home for the aged. A trial placement usually means a sale, because the product is of very high quality, and the product is already installed on the premises. Elisabeth returns to the customer with her order book in hand, confident of making the sale. But to her dismay, she discovered that, three days earlier, the thermostat on the bath had malfunctioned, and several old folks had narrowly escaped getting cooked. The complaint about the thermostat had been reported to Service, but the Elizabeth didn't know about it.

The result: a lost sale, not because of the technical fault, but because customer had lost faith in the company because Elizabeth showed up unaware of the problem. Had there been a Customer Team in place, Service would have informed her of the problem, and the order would have been automatic.

### Customer Team Case: Flour Miller

A

flour miller has a customer (industrial baker) in the middle his customer pyramid which is safe and steady, placing orders regularly by telephone. The baker is normally visited by Mike, the account manager, eight times per year. Mike takes his customer team-mate, Mary of telesales, along with him on a visit to the customer and says this:

*“Mr. Customer, We really value your business, so my boss says we should put two people on your account. I am your Account Manager, and you can call me 24 hours a day, seven days a week if you need me. But I am often on the road. Mary is in the office all day, so for the smaller problems (and the orders!), you can call Mary. As a matter of fact, Mary can call you once each week to see how your stock position is and solve any little problems. Is Tuesday the best day for her to call, or is Thursday better?”*

#### The result:

- The customer is delighted that you are recognizing his importance and apparently doubling your attention to him.
- Mary can be more efficient by planning her calls to the customer at an agreed day and time.
- Mary feels “empowered” with her new responsibilities as Customer Manager.
- Mike can cut his sales visits from eight to five per year, giving him more time to acquire new customers.

Make sense? Try it out for yourself!