



GENERATING SALES AND MAINTAINING CUSTOMER SATISFACTION

In its simplest form, every agribusiness firm performs four basic, but critical, functions. Each firm must perform the functions of financing, producing (a product or a service), accounting and selling. In the absence of selling, none of the others can remain viable for long. The function of selling is defined in its broadest sense and includes finding, capturing, and maintaining customers.

On the basis of my occupational work with college students, the topic of agribusiness sales and the importance of customer satisfaction are, by far, the most difficult to teach. While the functions of business finance, production management, and basic accounting adhere well to descriptive principles and established procedures, sales and customer relations are sadly lacking. Most management textbooks treat this matter only lightly and an instructor is often forced to draw bits and pieces of information from the fields of psychology and sociology in an attempt to prepare credible lectures on the topics. It's not surprising; therefore, that most surveys reflecting the occupational interests of college students reveal a strong preference towards "management" and an equally prominent distaste for job titles incorporating the terms "sales" and/or "customer service". It's almost as if we are to assume that agribusiness enterprises can begin and prosper in the absence of that which these terms described.

In the late 1970s, a large commercial bank in Canada commissioned a study of over 1300 agribusiness failures from a single year. In

48% of the failures studied, inadequate sales were a major contributing factor.

Attracting sales and maintaining customer satisfaction cannot be taken lightly. Furthermore, college students and agribusiness managers alike must reassess the importance of this function - their employment prospects and future economic welfare may depend on it. Generating sales and maintaining customer satisfaction are based on a simple enough proposition: the need to know what people want and make it available to them in a pleasant and convenient way. In the agribusiness industry, perhaps even more so than elsewhere, it is necessary to appeal to people individually. Only through a determined effort on your part can you see through the buyer's eyes, thereby determining those conflicts which must be resolved before that buyer will appreciate the good points and merits of what you offer for sale.

Back to the Basics

Adequate volumes of articles and popular literature are available on the topics of sales and customer satisfaction. It is not my objective to review or even summarize this vast resource. My goal is to simply restate the basic elements, thereby encouraging agribusiness managers and industry sales personnel to reassess their efforts, their focus, and their intent.

Experience has long shown that knowing how to appeal to customers through their individual needs is the secret to successful selling. Too often we in the agribusiness industry forget that people buy not for the products themselves, but for the service those products perform and the images they

create. Early in the history of tractor manufacturing, International Harvester painted their tractors gray and black. When that new equipment was used in a freshly plowed field and observed from some distance away, the equipment was nearly invisible. The company discovered that the tractor buyer, despite claims to the contrary, actually wanted his new tractor to be seen by neighbors and friends. The desire to "show-off" the recent purchase reflected basic human nature and was as fundamental to his needs as was his wife's desire to wear a new dress at the next social gathering. Brightly painted red tractors provided a service to the buyer that transcended the mere physical merits of the gray and black tractor.

And if you still doubt the validity of this analogy, just ask your teenage son or daughter what kind of a new car they would most like to own! To be certain, customers appreciate it when you show a genuine interest in helping them obtain the best product for their needs. But, there is a bonus value if that product is carried away by a customer who, with your help, possesses an active anticipation of thoroughly enjoying what he has just purchased; the customer buys not just a new tractor, but increased efficiency; not just a new form of chemical spray, but, freedom from the threat of a plant disease; not just a crop insurance policy, but the removal of a worry.

Agribusiness customers are inclined to be more value conscious. They will not always be drawn to the lowest-priced item if it can be shown that higher-priced goods will provide a substantial value. Such values, in this case, may take the form of level of effectiveness, certification assurances, operating efficiencies, residual or salvage value, useful life, hourly capacity, or the absence of an obsolescence factor. As a result, the salesperson must know the product thoroughly and demonstrate the ability to describe these factors in a value-to-added-cost context. Top ranking salespeople, therefore, are fountains of

information about the products they sell. Nothing is more devastating to a customer than an unanswered question about a product. This past summer I was shopping for a high capacity submersible water pump. In the course of discussing my needs, I asked the salesman a series of simple, but technical, questions about the pumps he sold. Answers were eventually provided, but only with the help of a manufacturer brochure and a brief visit with an employee in the repair shop. My confidence in the salesman (and hence, his product) was destroyed as I sought to buy such an item from someone who knew more about pumps than did his customers.

Approaching a Sales Prospect

It's only my opinion, of course, but my own experience suggests that many sales are lost in the agribusiness industry solely as a result of an inattentive first sales contact. Farmers and ranchers, in general, are not usually impressed by the "hard sell" approach. They are openly suspicious of any attempt by the salesperson to dominate a conversation. When approaching a sales prospect, the smart salesperson, therefore, asks a lot of questions first, listens carefully to the customer's expressed needs, concerns, and fears, and then responds sympathetically. Hopefully a shared camaraderie quickly develops as the customer slowly develops an understanding that the desire to help is greater than the desire to sell. In many texts this process is labeled the "sales contact". In a store setting, it first involves one's recognition of the customer's presence. Even if the salesperson is currently occupied, a polite acknowledgement or greeting will assure the waiting customer that service will soon be available. If the customer follows a self-service pattern of browsing and walking the aisles, the good salesperson is still observant of their actions.

A customer's buying motives can often be judged by his/her in-store actions. A price-conscious buyer may concentrate on the price tag of items. A value-conscious

shopper reads labels and manufacture specifications. A quality-conscious shopper persists in physically handling the merchandise. A friend of mine in the hardware business argues that he can even identify the itinerant shopper (the one passing time in the farm store while his wife shops for groceries down the street) by the way that shopper's eyes wander aimlessly from item-to-item, all the while keeping his hands firmly stuffed in his pockets!

Courtesy, of course, remains critically important in all customer contacts. Personal contact and direct engaging conversation are the most effective means to convey this sense of courtesy. Consider, for example, the role of a farm machinery salesperson. Not only must this person become a walking encyclopedia on the characteristics of the products for sale, but they must also openly display a sympathetic interest in farmers' problems in a courteous, but not demeaning, manner. As such, the salesperson must be thoroughly familiar with government farm policies, cultivation practices, soil conservation programs, and numerous other factors affecting the welfare and lifestyle of the farmer-customer. Courtesy is also conveyed by being discreet. The salesperson should not base the conversation on quasi-confidential information gained from contacts with other customers.

The Roles of Advertising and Salesmanship

As a general rule, our agricultural economy is no longer plagued by an endless array of "snake oil" salesmen. As a young farm boy, I remember well my father's scorn directed towards the itinerant salesman who would happen to drive up our winding farm lane mid-way through our morning or evening milking chores. His was met with less than a courteous greeting and often sent packing with our Collie dog barking at his heels. Times have changed and while the traveling salesman of the 1940s used his flashy car and well-rehearsed sales pitch as his best form of advertisement, today most agricultural

salespeople can be found in their glass-lined offices where they rely on media advertisement as a means to draw in customers and avoid Collie dogs.

Many agribusiness managers are novices when it comes to advertising. They are ill-at-ease dealing with a function, which largely confuses and dismays them. Instead they rely heavily on the professed talents of media experts to set their advertising policy. In many cases, this may be the best practice. However, I've often found agribusiness managers possess a more instinctive or intuitive knowledge about effective advertising than they give themselves credit for. The manager of a cooperative general farm supply store once acknowledged that his store stocked only two types of items, as viewed by his farmer-customers: some products were necessary and those remaining items which were judged only to be attractive. Hence, when he established a local advertising program, it was focused to make the necessary products appear attractive and the attractive products appear necessary!

Preparing and supervising an advertising program cannot be treated casually nor undertaken in your spare time or only when other more pressing business has been completed. Too often agribusiness managers/advertisers forget that in this modern day of mass media, the audience is no longer a captive one. Recalling once again my youth, all local dairymen would play a radio during the milking to "settle the cows". Only one station was available, but regardless, it was quite obvious that all our cows were "avid" country and western fans and refused to release their milk under any other conditions! Therefore, as listeners of the only radio station and being subject to our herd's musical preferences, we, the milkers, were a captive audience. Thirty years have passed and I can still remember those persistent radio ads for Shawnee Hills Flour - not because they were good ads, but because I had little choice but to listen to them so often!

Today's customers are no longer captive recipients of advertisements, and my own rapid disposal of "junk mail" is ample evidence of this change. Modern day advertisements must compete for the customer's attention, offer a benefit, prove its case, create a desire, and motivate people to go in search of the product. To create and administer an advertisement of this character, the ad must be simple, genuine, and descriptive. Words or pictures used in the ads must convey ideas, and those ideas must stimulate customer's wants and emotions. False promises are rapidly uncovered. Half-truths, insincere comparisons, and fraudulent claims have short-lived effectiveness and serve only to harm your business. Research has shown that written ads, which brag or employ an abundance of exclamation marks and bold-faced type, are only about 60% as effective in the long run as straight, honest consumer-benefit headlines. Games, gimmicks, and contests have generally proven ineffectual with agribusiness customers. It's not that such customers are more discriminating; it's just that they have less time for the frivolous.

Salesmanship, and all that it entails, is often viewed as a necessary evil; a sort of stepchild to the more reputable functions of production, management, finance, etc. It is this misconception which accounts for the college students' distaste for sales, as was noted earlier. This should not, and need not, be the case. Selling can be a creative and satisfying function. It is not a cold scientific process, but a friendly, person-to-person transaction wherein the salesperson needs to understand and apply basic principles of human behavior, such as analyzing a customer's needs and developing a recommendation, which results in the sale and customer satisfaction.

There is a common premise that "good salesmen are born, not trained." I'm convinced this is not the case. What is needed is the basic desire to sell, beyond which training can enhance one's ability to do a good sales job. Such training need not,

however, be comprised of classrooms, instructors, textbooks and exams. It may consist of little more than helping a salesperson: 1) organize ideas, 2) be more perceptive of people's needs, 3) access information about the products being sold, and 4) grow more comfortable with basic selling strategies.

Maintaining Customer Satisfaction

There are many who believe that we have reached the age of thought manipulation, where it is possible to alter a customer's perceptions and expectations. Perhaps I'm old-fashioned, but I'm doubtful that thought manipulation plays a very important role in agribusiness sales. I still believe that the best way to maintain customer satisfaction is not to change their perceptions, but rather to provide products /services which affirm their pre-existing perceptions. Quite simply this means giving a customer value for his or her money, intelligent service, and personal attention. Customers are kept satisfied by your demonstrated interest, an interest in their well-being, family, hobbies, or what ever it is that remains upper-most in the customer's life. Expressed graciousness is a factor we too often forget in the agribusiness industry. We too often take patronage for granted. I'm reminded of a farm equipment salesman who habitually follows each sale with a hand written note of thanks mailed to the customer. This seemingly insignificant expression of appreciation provides customers with a long-remembered feeling that their patronage was, and always will be, important.

Also, let's not forget that a smile is precious and a highly contagious act. For many farmers, shopping for high-priced items becomes an almost frightening act. Their emotions are energized as they confront their own limitless desires and limited financial constraints. A salesman's sincere smile and expressions of sympathy serve to reduce such tensions. Friendliness is sought by everyone and everyone is pleased and refreshed to find it in others. The retail food

business has long recognized that customer loyalty is less a function of product availability and more directly related to the friendliness of store clerks and checkout counter personnel. Consider for a moment the job of a repair and maintenance supervisor at a farm machinery dealership. All day long his task is to receive complaints and deal with customers' problems. Finding such a person with a smile, a relaxed greeting, and an expression of concern is both surprising and long remembered. Chances are you will go in search of this person time and time again simply because this attitude reduces your insurmountable problems to manageable proportions. This is customer satisfaction in its finest sense.

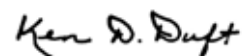
Looking Forward

During recent years I have visited with many agribusiness managers, some representing well-established businesses, who expressed concern that sales were slipping or not progressing as was planned. To a large degree, this reflects the nationwide decline in sales of all farm inputs and is inextricably linked to our serious economic recession in U.S. agriculture. Regardless of how valid this reason, nor how prevalent is the impact, agribusiness managers must look forward and look elsewhere for other factors which might be influencing their sales. Their products may be sound but no longer meeting competitive prices. Their advertising program may be technically perfect, but failing to produce prospects. Their sales force may be experienced and competent, but failing to achieve expected results. Such a setting, if it persists, requires research on the highest level. Finding the cause and implementing a remedy is time-critical.

Look first at your competition and your territory. What changes have occurred in recent years? Perhaps the character of your market has changed so imperceptibly that you failed to notice it. Be open minded in your search for factors and don't jump hastily to the "easy" conclusion that the "bad economy" is at fault. Perhaps the age-composition of

your rural patrons is slowly changing? Perhaps tillage practice and marketing patterns reflect a shift, the effects of which you had not even contemplated? Reflect on technology for a moment, to see if new products/services are replacing those traditionally offered? What about simple logistics of your market - have customer traffic patterns changed and/or has the mode of commodity shipment been altered? The type of research referenced above need not suggest a large expensive task - but rather something you can undertake yourself to review basic factors affecting sales and customer satisfaction. Solutions which may emerge from your review are not likely to be dramatic nor all-encompassing. It is a painstaking process requiring courage, imagination, and determination. Increasing or restoring sales will not be accomplished overnight by bold advertising and blitzkrieg hard selling. You must persevere through the steady application of your ears and eyes to market trends, improvements in advertising, effective salesmanship, and the desire to raise the character of your business to address these changing conditions. Remember, all such activities should contribute towards good public relations. Satisfied customers are the foundation upon which you can build long-lasting business success. If you have been successful in finding prospects, making contacts, securing sales and maintaining customer satisfaction, then your final move must be, "to make friends". Your long-term future may depend on it.

Sincerely,



Ken D. Duft
Extension Marketing Economist