

Relationship Selling: The Key to Getting and Keeping Customers

To: Sales and Customer Service Teams

Re: Building stronger customer relationships using Relationship Selling Techniques

The following is a review of *Relationship Selling: The key to getting and keeping customers* by Jim Cathcart. This book provides valuable insights into the importance of building customer rapport and encouraging sales interactions that develop into long-term commitments between us and our customers. The text provides information on the relationship building process steps and what approaches must be used to address customer needs efficiently and effectively.

This text also examines the importance of understanding customers' problems and needs in an effort to best fit our products to their particular needs/requests. It is important to know what type of customer and personality you are dealing with in order to align your communication style to them. Relationship selling also emphasizes the importance of listening, understanding and empathizing in order to gain your buyer's trust. Following this process will help you to ease the buyer's tension and enable him or her to work efficiently and productively with you.

Finally, in all of our efforts there should be a focus on building a relationship from which both parties benefit. The key issue of building these long-term customer relationships is follow-up. After reviewing this report, I hope you will understand the importance of focusing on the process of the sale, rather than the end result, as relationship selling stresses lasting interactions between you and our customers.

I've marked a few places in the text that "hit the mark" especially well – if really pressed for time, give an immediate look at places marked with 

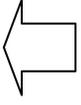
“Relationship Selling is focused on building a good relationship with someone and providing a valuable service through that relationship” (Cathcart, pg 1). In Jim Cathcart's book *Relationship Selling: The key to getting and keeping customers*, the sales process is described from the standpoint that our competition often does not focus on long-term commitment. By using Cathcart's method of building relationships over time, we ensure that our customers trust us and our product, and that we maintain contact long after a sale has been made.

By using the Relationship Selling method, you can gradually build a rapport with our customers to ensure that we are able to meet their needs efficiently and effectively. We want to sustain our relationships with our customers, allowing both parties to benefit from the long-term

commitment. As a result, our customers receive our consistent support and follow-up, and we establish a rapport that allows us to reap the cost benefits from long-term customers.

Relationship Selling Focus

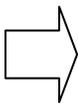
The key to understanding relationship selling is to understand what it is and why it is so important. Essentially, relationship selling is building profitable and productive relationships with our customers. Selling should be looked at as a “helping profession”, therefore emphasizing the importance of follow-up assistance that goes beyond pushing a product on a customer and then leaving them to do with it what they choose. If instead we use the method of focusing on what is in it for the seller-buyer



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Priority for all sales and customer service personnel**

team (WE) verses simply ourselves (ME), our company can build company and brand loyalty, save money and encourage growth through profitable and loyal customers.

In order to best comprehend why we need to attack our sales process with the relationship-building mentality, we first need to understand what skills are important in completing any sale. The three main skills that any salesperson possesses are technical, interpersonal, and self-management related. Contrary to popular belief, technical (product knowledge) is much less important than either of the other two skills. Knowing a lot about our product will only contribute to 15% of our sales success. The other 85% of this success is attained by relating and working well with others and managing time well.



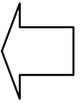
Prospect Differentiation

Another important facet of relationship selling is the ability to direct your sales effort to the specific type of person with whom you are dealing. We must be able to gain important insight about our customer's behavior and attitude during our initial meetings. This will enable us to better curb our approach to meet our customers' individual needs. Our prospects have the potential to fit into one of four classifications based on whether they possess direct or indirect behavior characteristics and whether they are open or more self-contained. Each of those four categories requires a different sales interaction approach in order for the buyer to be successfully sold on our company and products. Relaters are those who are indirect and open, whereas Directors are individuals who are self-contained and open. Thinkers are often indirect and self-contained, where Socializers are direct and open. As shown in the Appendix, each prospect type requires a different sales approach. It is essential that we understand what type of person we are dealing with so that we are able to target his or her needs in a matter that appeals to their personality. If we choose to ignore their specific personality, this could contribute to a poorly interpreted presentation

from the position of the buyer as well as a waste of time for both parties.

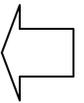
An Endless Flow of People to Sell

First and foremost, you need prospects. It is important to do your marketing and prospecting so that one sale naturally leads to another, as if you were playing dominoes and trying to line them up properly. Your job consists of converting the customer's desire for the benefits our products provide into a transaction. Essentially, understanding each market you work with is the key to success in selling to these markets. By listing key targeted markets as well as existing markets and developing a market profile involving key people, you will be able to identify a large group to whom you can sell. There are also several techniques to use in order to "cultivate" the market including: promotion, advertising and networking. You must commit yourself to understanding your market, appealing to it, and analysing it. Be aware of your field and qualify your prospects.



Diagnosis

Identifying your buyers' needs and preferences as well as knowing who the decision maker is are crucial if you want a successful relationship. Take the time to prepare your contact by asking basic questions such as "How are decisions made in this firm?" or "Is there a break-off where this person's decision-making authority ends?" The other part of the diagnosis is the importance of listening. The level of your listening determines the level of your understanding and the level of your relationship with the buyer. Keep in mind the C.A.R.E system: Concentrate-Acknowledge-Restate-Empathize. It will help you to avoid making mistakes that could irritate the buyer and jeopardize the sale. Do not hesitate to ask purposeful questions to show that you value your customer's time. Develop a questioning plan in advance based on the information you have so that you can ask clear, straight-forward, meaningful questions that clarify, verify, expand, and direct the conversation. Use open-ended and close-ended questions to help build a



relationship between you and your customer. To review, know your buyer, find the decision maker, gather information, develop a questioning plan, and LISTEN, LISTEN, LISTEN!!!

Confirming the Sale

“People love to buy. We just have to allow them to participate in the sale and feel good about the choice they have made” (pg. 83). You do not need to coerce people into buying; rather you just need to make them feel confident about the purchase they make. Always remember, people buy for three reasons:

- They trust the seller.
- They like the product.
- They feel the product is worth the price.

Several years ago, Aristotle identified three elements of persuasion, ethos (character), pathos (feeling) and logos (logic). Using ethos means using your personality traits to sell yourself and your product to your customers. Pathos entails relating your customers’ feelings to your product. Finally, logos involves rationally helping your customers justify their purchase. All of these elements of persuasion are crucial in your pursuit of a successful sale.

Unfortunately, selling is not that simple. As you know, we often encounter objections - these usually fall into:

No Need – Your customer does not believe he or she needs your product. You need to demonstrate what value he or she will obtain from it.

No Trust – Your customer does not have confidence in you or your product. You need to adjust your selling behavior based on your customer’s individual personality and approach him or her in a manner that will be appreciated.

No Interest – Your customer is apathetic about making a purchase. You need to connect with him or her, either on a rational or an emotional level.

No Rush – Your customer is in no hurry to buy. You need to point out the

benefits of buying now or the costs they will incur if they wait to buy.

No Ability – Your customer cannot afford to buy your product now or wants someone else to make the final decision

Do not rush him or her. Either check back later, or better yet, presell the product or service. That is, we need to find ways to get our offerings into the client’s hands – even if it means arranging for payment later.

So what if the previous methods are still not effective? You can also try using some of these techniques.

- “I feel...” – This articulates that “I understand how you feel... or, many people have felt that way, but I’ve come to realize that... or they’ve found that...” and then return to voicing benefits. This statement allows your customer to know that you empathize with them and that they are not alone in their feelings of reluctance.
- Convert to a question –customers may tell you that they have no need for our product. Do not refute it. Transfer that statement into the question “What kind of value would you need to see from our product for it to improve/help/etc...?”
- Lowest common denominator – A great way to handle the, “I really like your product, but your price is too high”, is to break down that price for them. Our product may cost \$500, but a customer may use it 5,000 times/yr. That breaks the cost/usage down to \$.10, which is mere pennies for the profitability he or she will obtain from buying it. Similarly, we already do this with Marketplace metrics reported to clients.

Winning Presentations

“The major factor every buyer contemplates is the relationship between price and value” (pg. 75). Begin your preparation for a presentation by examining the buyer in terms of the scale they weigh when making a purchase decision. Determine what the buyer receives in terms of

value versus what the buyer pays in terms of price. Then find ways to tip the scale by communicating what our product has in terms of value.

There are a variety of presentation styles, including direct mail, written proposal, recorded presentation, telephone calls, group presentations, and face-to-face calls. Each of these styles has its own set of benefits as well as caveats. Direct mail is a controllable form of communication, but because of its one-way nature, it is often difficult to determine exactly how customers will interpret the message. Using a written proposal to communicate your sales presentation is more professional than direct mail, but may still be misinterpreted. Recorded presentations have the ability to convey a lot of information in a short amount of time, but may only be effective when listened to under the intended circumstances. Use of telephones is a great way to make a quick, two-sided presentation, but does not allow for face-to-face communication. Group presentations are effective because they allow you to speak to a number of people at once. However, they also require good speaking ability. Finally, face-to-face calls express your interest and research, while at the same time they can be very expensive and timely.

Once you have determined a presentation style you must determine what type of presentation you are going to make. Types of presentations include memorized, outlined, and prescriptive. It is important for you to choose the type that you feel most comfortable with, because as Cathcart contends “a good presentation builds buyer confidence in both you and your product” (pg. 66). Memorized presentations work well over the phone but at the same time you do not want your delivery to sound “canned”. Speaking from an outlined presentation will allow you to better customize and interact with your audience. It also requires that you must be well practiced and knowledgeable of the material you are presenting. Lastly, a prescriptive approach will allow you to tailor a specific solution for a client’s specific needs. This approach is time consuming and can be

difficult, but if done effectively it can be quite impressive.

Assuring Customer Satisfaction

“More business is lost every year through neglect than through any other cause” (Cathcart, pg. 99). Meaningful customer satisfaction is vital to your sales success. It is important to realize that the highest amount of sales comes from existing customers. You have already put so much effort and time into building your reservoir of customers; it does not make sense to neglect them after a sale. The key to being a successful salesperson is keeping your customers year after year. In order to keep customers, you must service them well after the sale.

To be a successful salesperson, do not merely sell your product, but also install it after the sale. You can do this by devising a way to make your client feel comfortable with the product or service after the sale. “The key to continued success is showing the customer how to maximize the use of whatever was purchased”(Cathcart, pg. 101).

Another way to be a successful salesperson is to think of customers as members of your club. “As members, your customers deserve two things: recognition and special treatment” (Cathcart, pg. 102). Show this by thinking of ways to demonstrate your appreciation toward them and their business. Send notes to let them know you are thinking of them, and that you are there for them if they have any questions. Make a note of the names of their spouse and children and send holiday, birthday, or special event cards when appropriate.

How to Become Your Own Sales Manager

“Excellent salespeople think and act as the owners of their careers. Mediocre salespeople think and act merely as representatives of their firm”(pg. 108). To become an excellent salesperson, you must go the extra mile and not

just act as though you are going through the motions of your job. This can be done very easily by selling yourself as a professional.

To be a professional you must look and act like one. Look and act as the customer thinks you should. Develop tactics and strategies for managing your accounts, your prospects, and yourself. Professionals share some common traits that contribute to their success. They are committed to personal growth, coachable, willing to listen and learn, willing to pay their dues, non-blamers, supporters and givers, and aware of the “score”. Being coachable means that they are able take directions from people. To be aware of what the “score” is, you need to know where your career is headed, know what aspects of your sales process works and what needs to improve. This will contribute to your success as a salesperson.

Conclusion

It is truly up to you to become an effective salesperson. The techniques shared here will aide you in your pursuit, but you need to evaluate yourself along the way. Use these ideas to emphasize your strengths and develop plans of action for the areas that you need to improve. If you can successfully do this you will soon be able to, as Cathcart puts it, “write your own pay check for whatever amount you want to make as a professional salesperson”.

I hope you enjoyed this executive briefing.

I hope you learn from it and turn it into an opportunity for professional development. Also, consider buying Cathcart’s book for many more rich insights into successful selling.

Now, commit yourselves to making the ideas a part of your sales and customer service efforts!

Terrific performance awaits!

Will Murphy

Appendix

Open
(Relationship Oriented)

Relater

We're all in this together, so let's work as a team

Socializer

Let me tell you what happened to me

Indirect
(Slow Paced)

Thinker

Can you provide documentation for your claims?

Director

I want it done right, and I want it done now!

Direct
(Fast Paced)

Self-Contained
(Task Oriented)