



Don't Get Stung By Your Dealer!

The following true story illustrates how a dealer can negatively impact a manufacturer's sales.

An employee of the Loyalty Research Center had purchased a patio door from a local company. She knew she was paying a premium price but was buying on reputation of the company and the quality of products they represented.

Four years later, a burglar broke into her home through the patio door. Our employee contacted the local dealer the next morning to explain the situation and need for a replacement door. The dealer's customer service representative called back with a price within the hour as promised. Knowing what she originally paid for the door, she knew it would not be a 'big box store' price. Surprised by the price quote, she asked to schedule an appointment for a service technician to examine the door; thinking that only the damaged door would need replacing and not the frame and stationary door panel.

The customer service rep told her that the best she could do was schedule an appointment 10 days out! Although extremely disappointed in the customer service representative's lack of understanding of a very stressful situation, she accepted the appointment **and promptly called another company**. The competitor, understanding the sense of urgency, came to the house immediately. While the competitor did not sell the same brand, the salesman offered a comparable product for half the price.

Although impressed with the competitor's products and understanding of the urgency; our employee and her husband decided to give the original company one more chance, and contacted the sales department. Sales jumped on the call and a rep came out to the house that same afternoon. Unaware that his service department already quoted the job, the sales rep came back with a price that was 52% higher than originally quoted! Eventually, he came down in price, but it was still higher than the service quote. **Based on this experience, trust in the dealer took a major hit.**

In the initial purchase, price was not a purchase driver. It became an issue for the replacement purchase because of feeling taken advantage of by the door manufacturer's dealer.

Having learned who the door manufacturer was from the sales rep, our employee called the president of the manufacturing company to share her experience with his product and more importantly, with his dealer. The president called back immediately and understanding the potential loss of business through his dealer, offered to resolve the problem.

Given the president's immediate response and empathy, our employee agreed to give his dealer one last chance to make good. The next day, the owner of the local company called our employee and offered to

send a technician out next day. The technician arrived at the scheduled time and agreed that only the damaged door panel needed replacing. A new door was installed a week later at a significantly lower cost than all of the previous quotes.

As a manufacturer selling through a dealer/distribution channel, what do you know about the experience of your customers' customers? Are they satisfied with your products? What about the service they receive from your dealers? Your dealer channel is an extension of your brand. How well do your dealers represent your brand? What are you doing to make sure you don't get stung by your dealer?

Unlike our employee who manages customer satisfaction and loyalty measurement and management programs; most customers don't go to the trouble to find and contact the president of a company when they have a problem. They simply move on and do business with another company. However, that's not all they do. They tell their extended network of family, friends and business associates about their rotten experience.

Customer feedback, coupled with sales data for this dealer would have given the manufacturer a more complete picture. This dealer may have good sales numbers; however, the manufacturer has no idea how many of the dealers' customers would continue to do business with them or recommend them to family, friends or business associates!

If the manufacturer had a dealer customer satisfaction/loyalty measurement program in place, not only would they have customer feedback about their products, they would also have had quantifiable information about how this particular dealer is viewed by their customers. With that information, they may have been able to mitigate negative customer experiences through customer service and sales training, and our employee would have had a very different experience.

At the Loyalty Research Center, we are experts in measuring and managing customer satisfaction and loyalty. **And, as the above experience shows, we are customers too!**