



Become a Supply Chain Star!

Discover how world-class service sets you apart in the distribution chain.

Introduction

In today's competitive marketplace, fostering corporate growth requires more than expanding your sales force. Distributors face a rapidly changing business environment, full of both opportunities and obstacles. Globalization produces more suppliers to source from, but also contributes to lower prices on finished goods, leading to smaller profit margins for distributors. The Internet can help a distributor reach new potential prospects, but also makes it easier for customers to shop several competitors. E-commerce can automate some sales and reduce costs, but it also increases competition as manufacturers pursue direct sales online.

To stay ahead, distributors are strengthening their relationships with key customers, searching for new markets, and using technology to improve efficiency and save costs throughout their businesses. Many distributors are taking advantage of Customer Relationship Management (CRM) technology to maximize value throughout the supply chain.

The Growth Challenge

“Customers have come to expect satisfaction as part and parcel of the general deal, and the fact that they are satisfied doesn't prevent them from defecting in droves to a competitor who offers something extra.”—Peter Clark¹

Many of us assume that if we provide good quality products, we will turn a profit. We want to believe that if we process orders correctly and on time, we will instantly build a loyal customer base. Unfortunately, these assumptions can be wrong.

Consumers are no longer completely satisfied with a “good” product. For example, some high-end luxury cars have customer satisfaction rates of 90% or more, yet less than 50% of those buyers will return for future purchases.² The overall ownership experience, including ongoing service and support, has a strong impact on the loyalty of these customers. After all, Lexus makes an excellent luxury sedan, but so do Mercedes and BMW.

¹ The Wise Marketer.com "Six Key Factors that Influence Customer Loyalty"

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