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# Omnico Customer Retention and Satisfaction

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# MM577/ Sales Management

# November 6, 2011

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# Omnico Customer Retention and Satisfaction

# **Statement Of The Problem**

Omnico Inc. is below industry average in customer retention. The company is not lily to maintain long-term relationships with its clients. Mr. Towers sees this as a problem. Knowing that it costs more to attack new clients than it does to retain exists customers how can Omnico resolve this issue.

# **Summary of the Facts**

Buddy Towers is a veteran sales person with 35 years of experience under his belt, 20 of which he has been the top performer in the company. Towers believes he has mastered the are of relationship building with customers and because of the low customer retention rate at Omnico, Mr. Towers is encouraging his staff to follow this techniques. Towers believes that relationships and loyalty are built on the golf course and is encouraging his staff to build relationships and loyalty with their clients by playing golf with them. He has also offered golf lessons to those who do not know how to play. However, not all of his employees agree with him especially Laura Killburn. Killburn is a successful sales rep for Omnico for the past 5 years. She disagrees with Towers and his philosophy of gaining customer loyalty. She states (Rich, Spiro, & Stanton 2008) “Buddy you’re still old school. Today’s customers don’t come back to us because they’re our golfing buddy; in fact many of mine don’t even golf. Customers not re-buy from Omnico only when our products and service improve their bottom line. Follow-up is important, sure---but it involves a lot more than playing stupid games with the customer”.

# **Analysis**

Rich, Spiro & Stanton state that relationship building is made of trust, cooperation, commitment and information. With that said, we can assume that both Towers and Killburn have good arguments going for them. In today’s worlds, the customer wants to feel important and unique where all their requests are met. They want to have a personal connection with the seller. Thus the major factor in achieve the connection is through genuine communication and interaction. They sales person has to first “sale” himself or herself before the product meaning that they have to gain the customers trust comfort first. In Tower's case he believes that he can achieve trust and comfort from the customer by playing a game of golf with them. Nevertheless, Killburn argues that not all employees are comfortable with playing golf and also not all customers may prefer playing golf. The real issue is the level of rapport. Whether it is through playing golf or any other activity the employee needs to gain the customers loyalty and trust. For example, the employee can discover the customer's common interests and use that as to build the relationships. Instead of golf they can go out to dinner, play tennis, or just meet for coffee.

In some cases, the customer may be only business oriented and may only be concerned about increasing their business. Thus the sales person may just talk business to them. The overall point is that the employee should cater to the customer on each individual basis and not generalize an activity for all the customers.

# **Recommendations**

Omnico should find out what makes each customer happy and provide that. According to Dana Dratch "It costs five time as much to attract a new customer as it does to keep an existing one". Dratch offers twelve tips for taking care of customers:

* Get to know your customer - Talk to your customers regularly about what they want and need from your business. For more details, ask them to complete a survey or feedback form -- in return for a generous discount on their next order. If you have a Web site, make it easy for them to send an e-mail rating the service.
* Give customers something new - Come up with ways that are exciting enough to bring new customers in to buy and chances are you will keep your old customers happy
* Respond immediately to problems - Your goal is to make the customer happy and keep that person coming back.
* Stay in touch - Don't let customers go too long without thinking of your business. You can use a variety of methods to get your message across: direct mailer, e-mail, phone call or fax
* Set yourself apart - Differentiate yourself from the competition
* Follow up with customers - If you follow up with customers and correct problems to their satisfaction, they will probably be even more loyal because they know you care.
* Entertain your customers - You have to become almost a destination for your customers. Make them want to come and see you.
* Give your customers superior service and convenience - People are so busy that many customers are willing to pay for extra convenience. Likewise, if they get great service at your store they'll be less likely to switch when a new one moves in down the street.
* Emphasize value - If you're competing with a better company, you may not have the cheapest price in town, but you can still offer the best value.
* Find out what the customer wants and provide it - Provide what the customer wants not what you think they want.
* Give customers more than they expect - Whether it's spending a few extra (non-billable) minutes helping one client solve a problem, taking others to breakfast a few times a year, or becoming the expert they can call for solid research, give your customers more than they pay for.
* Reward your customers - From promotional calendars to pens to writing tablets with your logo, there are all kinds of inexpensive, inventive ways to say "thanks." Delivering things that are unexpected can help raise customer retention.

# **Conclusion**

Overall both Killburn and Towers are right in their own way. They both want customer satisfaction and retention but are approaching it from different angles. In order for Omnico to remain a leader in its industry they have to go above and beyond their competitors to keep their customers happy. Customer satisfaction should be on top of their priorities.

**References**

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