



MARKETING FOREST PRODUCTS

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Developing and Maintaining Customer Contacts

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Developing and Maintaining Customer Contacts

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It has been estimated that a business loses 20 percent of its customers annually. These losses may be a result of competitors' activities, changing material requirements, changes in purchasing policies, relocation, business failures, retirements, mergers, death, or litigation. In some commodity-like forest products, this percentage may be much higher. Somehow, the lost volume must be recaptured merely to stay even. There are many ways to locate new customers and maintain existing ones.

Locating customers

Continual change in the forest products industry forces salespeople to find new customers. As products and markets change, this may be your primary function. One systematic approach to obtain new sales leads is as follows:

- Analyze the product line or service in terms of benefits offered.
- List the kinds of businesses or individuals who would value these benefits.
- List sources of leads, such as directories, association membership lists, and mailing lists.

- From these sources, develop specific leads, including company names, addresses, telephone numbers, and individual buyers.

The following are proven sources of new leads.

Existing customers

The best qualified and most receptive prospects are your own satisfied customers. Many salespeople forget this. You know them, and they know you. Is it possible to increase their order size or sell them a new item? They may buy one item from you and another from someone else.

Referrals

There may be others in your customer's organization who could use your products, or they may have colleagues who would be ideal prospects. If you sell furniture to a retail store in your town, they may have outlets in other locations too.

The key to securing referred prospects is timing. Perhaps after closing a sale you can ask about other customers. Ask for a limited number of referrals at a time. Be sure it's OK to use a referral, and always state the source of the referral.

Old clients

All too often, once we lose a customer, we give up on them. However, their organizations also change. Go back to them in 4 to 6 months and try again. It's important to find out why they quit purchasing from you and to try to solve that problem. These customers also may be a source of referrals.

People who have turned you down

Ask for referrals; even though they may not need your product, they may know someone who does. Also, even people who turn you down today could develop into customers 2 or 3 years down the road. Maintain some contact, because decision-makers and people's needs continually change.

Spheres of influence

Some people can influence others with a recommendation or by lending their names as referrals. Your accountant, attorney, or doctor also may service others in the industry. If you belong to local civic organizations, members may know potential customers.

Yellow Pages

The telephone book's Yellow Pages often have a business section that identifies manufacturers of furniture, pallets, prefabricated homes, mobile

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homes, treating plants, wholesale distribution yards, flooring companies, home centers, and others.

Your competition

You may not normally consider getting prospects from your competitors, but it's possible. They may not supply the same products or service you do.

Trade associations of your customers

Often overlooked are the meetings and associations that your customers attend. Where else will you see their competitors? If you're a cabinet manufacturer and sell to home centers, a great place to find other home centers is at one of their trade shows or association meetings.

State directories

Most states have lists of primary and secondary manufacturers in the state. These can be obtained either from the state forestry office or the office of economic development. The lists contain manufacturers by product, location, number of employees, and a contact person.

Industry publications

Establish a relationship with someone in the key trade publications in your business. These may be the same publications you advertise in. Remember, these publications typically look for news or other articles. You may be able to supply them and in turn receive free promotion.

Industry directories

Many salespeople find these directories to be indispensable. In the wood products industry, important directories include the *Directory of the Forest Products Industries*, *Secondary Wood Products Manufacturer's Directory*, and the *Directory of Home Center Operators and Hardware Chains*.

Regional associations also may provide membership directories, such as The Western Hardwood Association, The Western Pallet Association, or The Wood Products Competitiveness Corporation.

Finally, a recent phenomenon is the formation of co-ops or flexible networks such as the Wood Center in Medford, Oregon; the Specialty Wood Products Cooperative of Oregon in Roseburg; and WoodNet in Washington's Olympic Peninsula. These organizations can be a direct conduit to their members.



Cold calls

While traveling, if you see a firm that could use your product, stop and visit the receptionist and gather information. Do not make a sales call at that time, but find out what products they manufacture and who does the purchasing, obtain their phone number, and set up an appointment for a later date.

Newsletters

One very good technique is to produce a newsletter that introduces your people in words and pictures, informs about the market, and relates changes in your company or product line. A newsletter that contains information of benefit to your customer can have a very positive effect on building customer relationships.

Suppliers

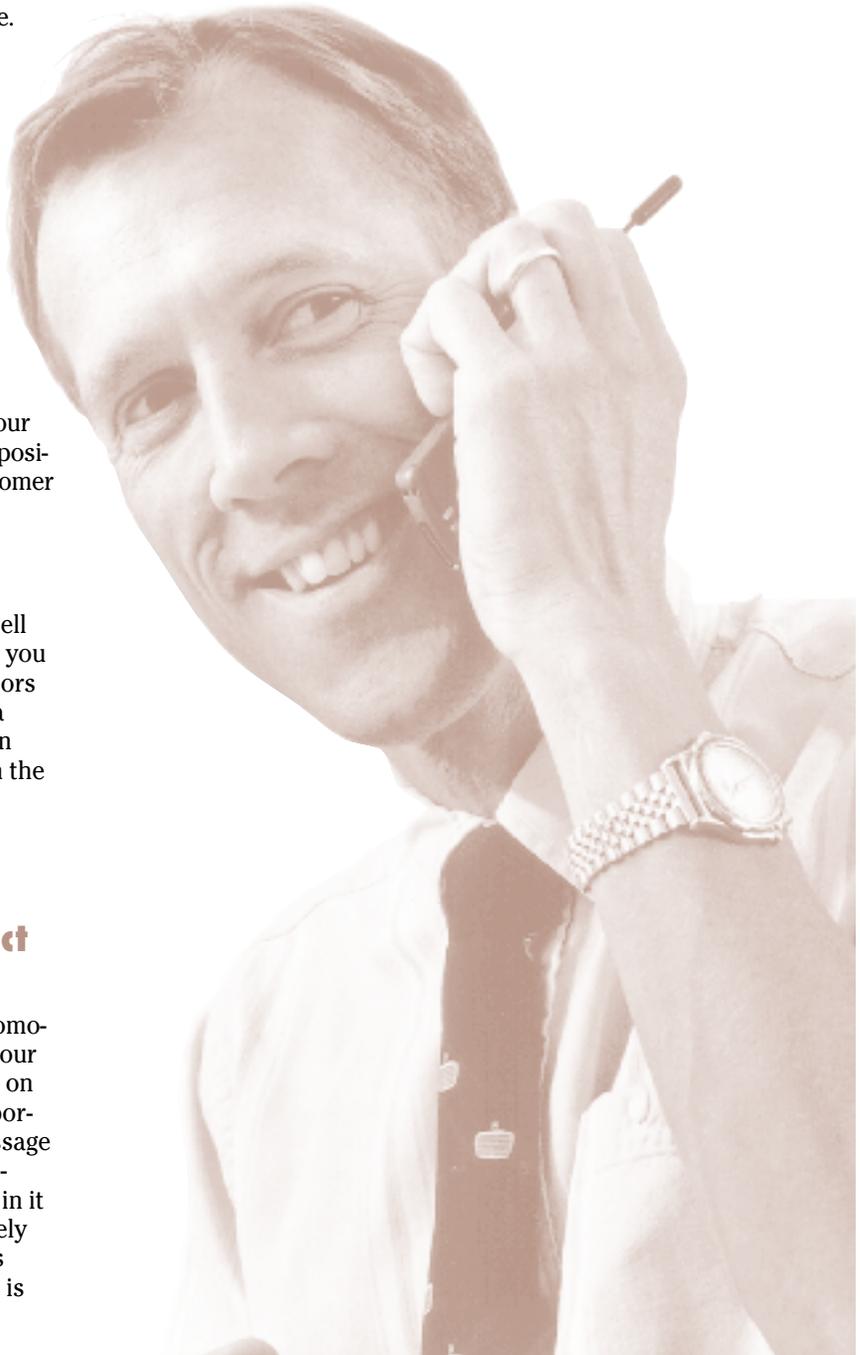
The same people who sell equipment or materials to you also supply your competitors and customers. They are a great source of information about what's happening in the market.

Responses to advertisements, promotions, direct mailing

Many firms conduct promotional activities to assist your sales efforts. Following up on resulting leads is very important. Your advertising message should respond to the customer's question, "What's in it for me?" It should effectively communicate the qualities and benefits the customer is seeking.

The message should reflect the total marketing program and other forms of promotion your company is conducting. Many forest products firms in the past decade have promoted

quality as one of their major product benefits. This quality theme should be promoted not only in advertising, but in public relations campaigns, at trade shows, and by the sales force.



Telemarketing

Many forest products are sold by telephone. However, although salespeople are expected to know how to properly converse on the phone, most receive no training. Studies have shown that a professional approach leads to more successful contacts and sales.

Selling forest products by phone makes financial sense. The average cost of a personal sales call exceeds \$200. You can make only three to four effective personal calls a day, so canvassing your territory by phone can save time and money.

The telephone can be one of the most efficient means to maintain contact with customers and provide the personal touch that selling requires. Setting up regular times each month for telephone appointments is a method to provide a higher level of service to customers by virtue of increased contact.

Each time you want to sell a load of lumber, line of furniture, or load of moulding, you need to have an objective for the customer. Use a phone log to know when the customer was last contacted, and a customer profile to know the customer's buying habits.

Two major factors are involved in successful telephone selling. First, the *tone and quality of your voice* should communicate a positive and friendly attitude. Second, *your introductory remarks are critical* because you cannot communicate with eye contact or body language.

Most experts recommend that you introduce yourself, state the company you work for, and if possible, use the name of a third party you both know. The idea is to create interest and intrigue about

yourself and the purpose of your call.

To improve your telephone approach, you might want to experiment on a home message recorder. Prepare your introductory remarks ahead of time, make the call, and deliver your message. Then listen to your message and react to your voice as though you were a potential customer.

Rules of telephone selling (cold calling)

- Have a clear objective before calling. Write down what you want to accomplish before picking up the phone.
- Strategize before calling. Have a few selected answers to possible questions.

Telephone tips

- Deepen your voice.
- Sound businesslike, but not stiff.
- Be upbeat and enthusiastic.
- Use the prospect's name.
- Show you're listening by asking appropriate questions and making remarks such as, "I understand."
- Plan the timing of your phone calls. Decision-makers more often are approachable on Mondays and Fridays and early in the morning.
- Call before sending the prospect anything.
- At first, call a woman prospect Ms. rather than Mrs., or Miss, or by her first name.
- Send a short note to confirm the appointment.
- Decide how many calls to make if the prospect doesn't return your calls.
- Return phone calls promptly.
- Always leave your name and the name of your company.
- Avoid using pauses such as "um," "ah," or "you know."
- Don't read a script word for word.
- Make it a game.
- Tape record your side of the conversation. Play it back and improve your methods.
- Say: "I'm following up" when checking back with a client. It demonstrates responsibility and professionalism.

- Start with “good morning” or “good afternoon.” It sounds better than “hello.”
- Give your full name and the full name of the person you are calling. Example: “This is Bob Smith calling for Jim Fisher, please.” Say it as a statement, not a question. If the receptionist asks who you are with or what it’s about, tell the truth. “I’m with Johnson Lumber Co., and we need to discuss your purchasing alder lumber for your new furniture line.”

- Be friendly to receptionists. Try to find out their names. Ask for their help. Don’t abuse the gatekeepers. If you have trouble contacting your prospect, ask the receptionist when is a good time to call.
- Control is won or lost at the very beginning of the call.
- Once you’re connected with your prospect, avoid over-used phrases such as “how are you?” or “you don’t know me, but . . .” Start by identifying your company and the

purpose of the call. If you can use a reference, all the better. Verify that you are talking to the right person.

Ask if the person is in the middle of something important. If so, politely ask when would be a good time to call back.

If they have time, you can start by saying, “The purpose of my call is to discuss how we might be able to do business together in the area of alder lumber for your new furniture line,” or

Measuring your telephone techniques

| <i>How often do you:</i> | Never | Seldom | Some- times | Often | Always | Improvement needed |
|--|-------|--------|----------------|-------|--------|--------------------------|
| Think about calling a prospect but fail to do so | 1 | 2 | 3 | 4 | 5 | <input type="checkbox"/> |
| Put a smile on your voice as you pick up the receiver | 5 | 4 | 3 | 2 | 1 | <input type="checkbox"/> |
| Fail to return a client call | 1 | 2 | 3 | 4 | 5 | <input type="checkbox"/> |
| Communicate a positive attitude | 5 | 4 | 3 | 2 | 1 | <input type="checkbox"/> |
| Sound annoyed when you answer a call | 1 | 2 | 3 | 4 | 5 | <input type="checkbox"/> |
| Solicit customer feedback by telephone | 5 | 4 | 3 | 2 | 1 | <input type="checkbox"/> |
| Accomplish the same results by phone as you would from a personal call | 5 | 4 | 3 | 2 | 1 | <input type="checkbox"/> |
| Save travel time through effective use of the telephone | 5 | 4 | 3 | 2 | 1 | <input type="checkbox"/> |
| Cover all four bases by telephone in a professional way | 5 | 4 | 3 | 2 | 1 | <input type="checkbox"/> |
| End the conversation with a pleasant, upbeat comment after summarizing the reason for the call | 5 | 4 | 3 | 2 | 1 | <input type="checkbox"/> |

If you circled a 3, 4, or 5, your selling techniques need improvement. Put an X in the right column where you are serious about making improvements.

Adapted from Elwood Chapman, *Sales Training Basics*, 3rd edition (Crips Publications, Los Altos, CA, 1992).

“Bill Fields suggested that I contact you. He thought you may be interested in the alder lumber we have been providing him for his new furniture line.” Explain briefly how you have helped others in a similar business. “Bill has been a customer of ours for 7 years, and our weekly deliveries helped him reduce his inventory cost by over 20 percent.”

- Get permission to ask some questions. “In order to see if we can be of service, may I ask you a few brief questions?”
- Ask questions politely. What products do you manufacture that use alder lumber? How much do you use? Who else may be involved in purchasing the alder? Where do you get the alder now? What would you change about the current suppliers?
- Close by setting up an appointment. Set a specific time to meet. “I’ll be in your area next Tuesday; what time would be good for you?” Ask the prospect to write your name in his or her appointment book. Repeat the time and date as a confirmation.
- Be courteous and thank the prospect for taking the time to talk with you. Ask if you can send some reference material beforehand. Send a follow-up thank you note, and confirm the appointment.

You can use the table on page 6 to diagnose your telephone techniques. Follow the directions at the bottom of the table to see where you might improve.

Trade shows

Trade shows of your industry and your customers’ industries are a great source of new customers. Over 45,000 people attended the International Wood Working Fair in Atlanta in 1994. There were more than 1,100 exhibitors demonstrating everything from the latest sawing technology to handmade wooden toys. There were more than 50 primary manufacturers of wood products showing everything from birdseye maple to radiata pine. They were demonstrating these products

because they knew people interested in wood machinery would be interested in sources of raw material to feed that machinery.

Trade shows provide a forum where a complete sales presentation can be made to many highly qualified prospects. After personal selling, trade shows are the dominant promotion tool used in the forest products industry. Since you likely will participate in trade shows, we will focus on maximizing the benefits of exhibiting at a show.



Objectives of the show

Start with a firm strategy for what you want to accomplish. Some objectives may be:

- Introduce a new product
- Meet new prospects
- Direct sales
- Generate sales leads for outside salespeople
- Research the market
- See existing customers
- Enhance corporate image
- Measure competition
- Raise level of awareness of your company

It's show time

A trade show differs from other media because it is a personal experience. The visitor immediately becomes involved with the product. The exhibitor has an excellent opportunity to influence all five senses of the visitor. Some guidelines for working trade shows are:

- It's a show...so show them. Demonstrate your product in action.
- Build your exhibit around your product. Keep the focus on your product; that's where the visitor's interest is.
- Make your exhibit easy to understand. Visitors want facts about your products and want them quickly and in a convenient form. Display your products in an orderly, logical sequence.
- Don't confuse the visitor. Visitors are not there for razzle-dazzle, but to understand your product. Good lighting, decoration, and booth dress are good for the product's image. But don't go overboard.
- Show a maximum number of products. Demonstrate your complete product line if possible. Show actual products, not photographs.
- Demonstrate your product and its uses. Build models that show your product in service. Try to make a dynamic display. Demonstrate the benefits of your product.
- Show product applications. Have your customers' products in your booth. If you sell alder lumber to a furniture company, place a table and chair made out of your alder in the booth.
- Give free samples. All visitors like samples. The sample should emphasize your product features.
- Encourage audience participation. Don't hesitate to ask a visitor to participate in your demonstration. People like nothing better than to be part of the action.
- Give the visitor good technical literature. Distribute literature with solid, factual technical information or don't give out any literature at all.

Start planning

Planning should start at least 6 months ahead of time. Advanced scheduling can save money on freight, rentals, direct mail, etc. Planning includes:

- Deciding which show to attend
- Identifying your target market
- Deciding how much money to spend—what is the budget for the show?
- Designating one person to be in charge of the show promotion
- Deciding whether to have other activities besides the show booth—demonstrations, hospitality rooms, dinner with good customers, etc.
- Planning advertising and promotion to be done before the show
- Identifying the central message of the promotion
- Planning to tie the trade show to other promotional activities
- Creating a lead form to follow up on potential customers
- Deciding where your booth will be located and what it will look like
- Assigning people to attend and work at the booth and training them
- Setting up the schedule for each staff member at the booth
- Determining criteria for measuring success
- Designating someone to be in charge of postshow follow-up

Training

There are certain characteristics of successful salespeople in booths. Everyone attending should be aware of proper booth behavior.

- Be well groomed and well dressed.
- Wear a smile, and have a warm and inviting air.
- Know and be able to demonstrate the product.
- Know how the product compares to the competition in the next row.
- Have a schedule for working the booth.
- Develop followup letters to prospects.

Preshow advertising

Preshow marketing can determine your success or failure at the show. If your target customers don't know you're going to be at the show, they can't be expected to look for your booth.

Most trade show organizers will provide a list of attendees before the show. A personal letter inviting them to stop by your booth is good promotion. You may place advertisements in the show catalog or in trade journals to make prospects aware that you will be displaying your products.

Six factors identified by the Trade Show Bureau in 1982 as influencing a prospect's decision to visit a selected exhibit are:

- Interesting product demonstrations
- Exhibit location (it's much better to be close to the front or center of the exhibition hall)
- Having current customers or professional contacts bring people in
- Exhibit presentation: This includes the exhibit, the products, and the personnel
- Sales representative recommendation
- Exhibit size



Adopt a style that suits you and your company. Try not to be a me-too exhibitor stocked with well-behaved automatons. Put your own stamp on the way you exhibit.

- Don't allow food or drink in the booth.
- Keep the booth clean.
- Wear name badges on the right.
- Don't place tables in front of the booth; they create a physical barrier to prospects.
- Work from the corners of the booth, not the middle.
- Don't have chairs in the booth. Prospects don't like to see you get up.
- Don't read while in the booth.
- Don't cluster with other salespeople in your booth or in other booths.
- Be enthusiastic.
- Use the prospect's name.
- Keep promotional literature easily accessible, but don't force it on people.
- Get a good night's sleep.
- Save celebrations for the last evening.
- Don't have people staff the booth for more than 4 hours at a time.
- Assign one person to be in charge of filling out the lead forms for prospects.
- Examine the competition and look at the show in general.

After the show

Following up on leads generated at the show is a very necessary part of the whole trade show plan. Someone should be designated to contact all the leads within a week of show closing and to mail promotional



materials to them. You want to create visibility, recall, an image of your product, and personal access.

In another week, call the leads and ask if they received the information and have had a chance to look at it. After this, ask for a personal interview to discuss your product further.

Evaluation of the show

One of the most difficult items in trade show marketing is the evaluation. However, if you had clear objectives before the show, you can measure your success. If you generated 250 leads that result in 30 accounts at the end of the year, it probably was a successful show. If your goal was to stay in contact with your current customers, and 200 visited your booth, then you accomplished your goal.

Be patient. The show's outcome and benefits of the may not be apparent immediately. Over the long run, your consistent presence at shows may pay dividends that aren't measurable in the short term.

Maintaining customers

Many of the activities listed above also can help maintain your current customers. As with all other aspects of your sales job, it's important to have a plan (customer maintenance plan), and systematically make it happen.

Two keys are treating customers right and keeping the right level of contact. Treating customers right is made up of many things that should be instinctive to any salesperson. Being fair, paying special attention to their needs, building long-term relationships, and always doing what you say you'll do are examples.

The better you know your customers, the better you'll understand what level of contact they require. One customer may need to see you in person on a weekly basis, while others may prefer a telephone call once a month.

Your consistent presence at trade shows and association meetings can be a critical part of your ongoing customer

maintenance. It's important that your customers see you at the meetings and functions where they expect you to be. Your advertising can provide the same sort of consistency in dealing with the customer.

Summary

Maintaining a sufficient customer base is a continual challenge. Today's highly competitive environment calls for a salesperson with the vision to seek new customers in both the company's traditional markets as well as in new markets. The sources for new prospects are limited only by your imagination and desire to succeed!

For more information

OSU Extension publications

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Smith, Robert, and Eric Hansen. *Sales and Understanding People*, EC 1480-E.

Smith, Robert, and Eric Hansen. *The Sales Presentation*, EC 1483-E.

You can access OSU Extension's educational materials catalog and many publications online at <http://extension.oregonstate.edu/catalog/>

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