Key account management

OHT 6.1

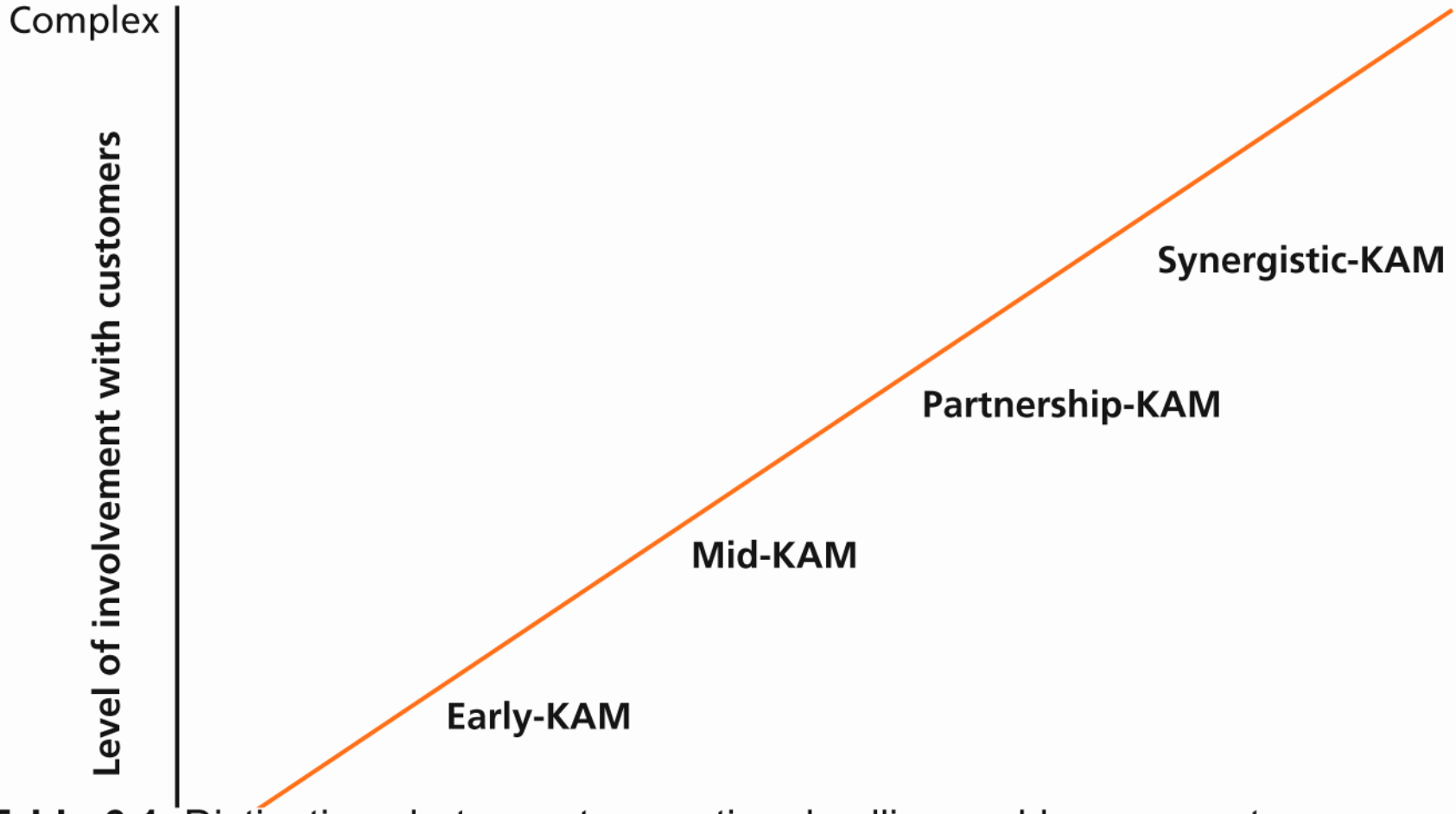

Table 6.1 Distinctions between transactional selling and key account management

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OHT 6.2

	Tasks	Skills
1	Develop long-term relationships	Relationship building
2	Engage in direct contact with key customers	Co-ordination
3	Maintain key account records and background information	Negotiation
4	Identify selling opportunities and sales potential of existing key accounts	Human relations
5	Monitor competitive developments affecting key accounts	Focus on specific objectives
6	Report results to upper management	Diagnosing customer problems
7	Monitor and/or control key account contracts	Presentation skills
8	Make high level presentations to key accounts	Generating visibility, reputation
9	Co-ordinate and expedite service to key accounts	Communication
10	Co-ordinate communications among company units servicing key accounts.	Working in a team.

Table 6.2 Tasks performed and skills required by key account management

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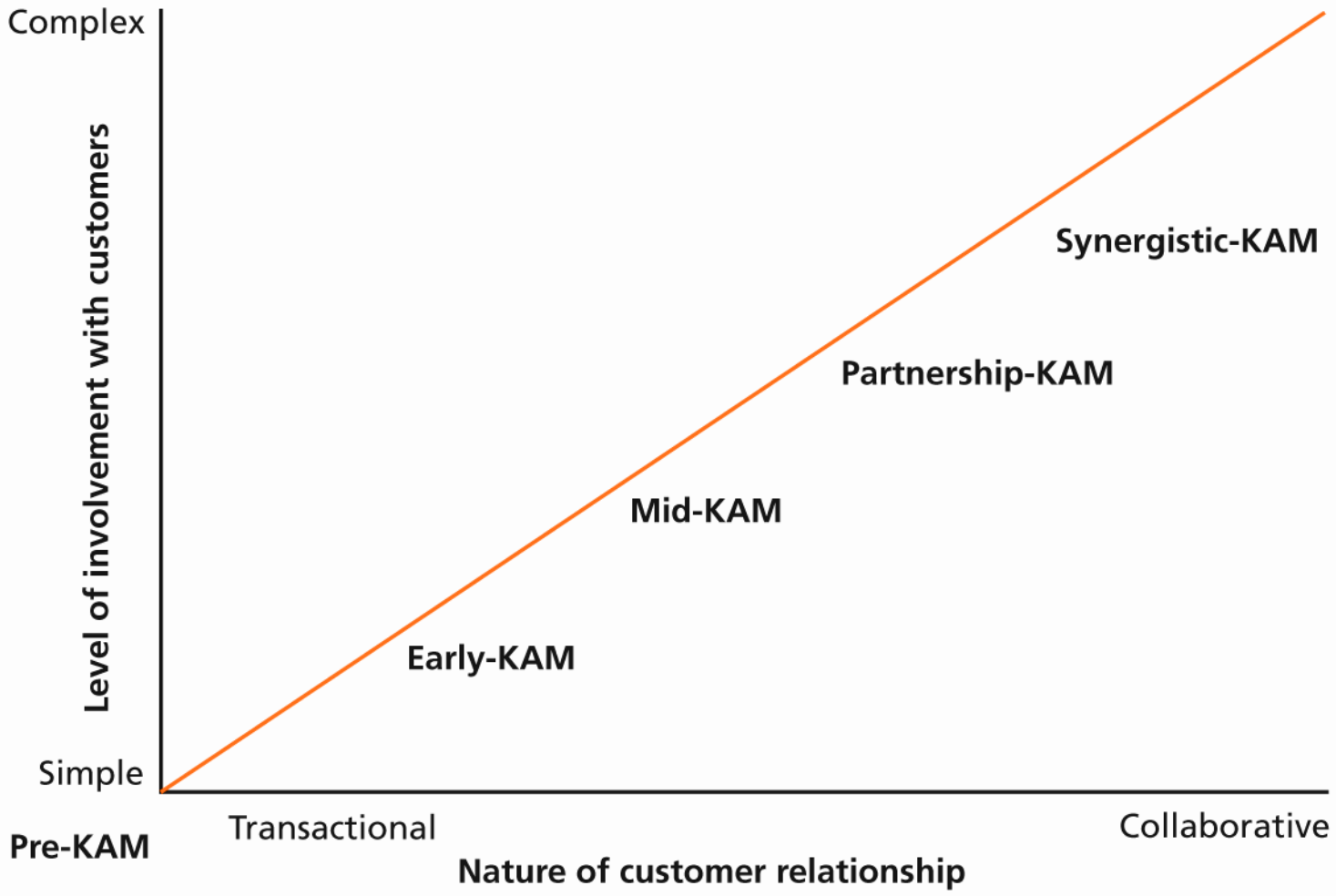

Figure 6.1 Key account relational development model

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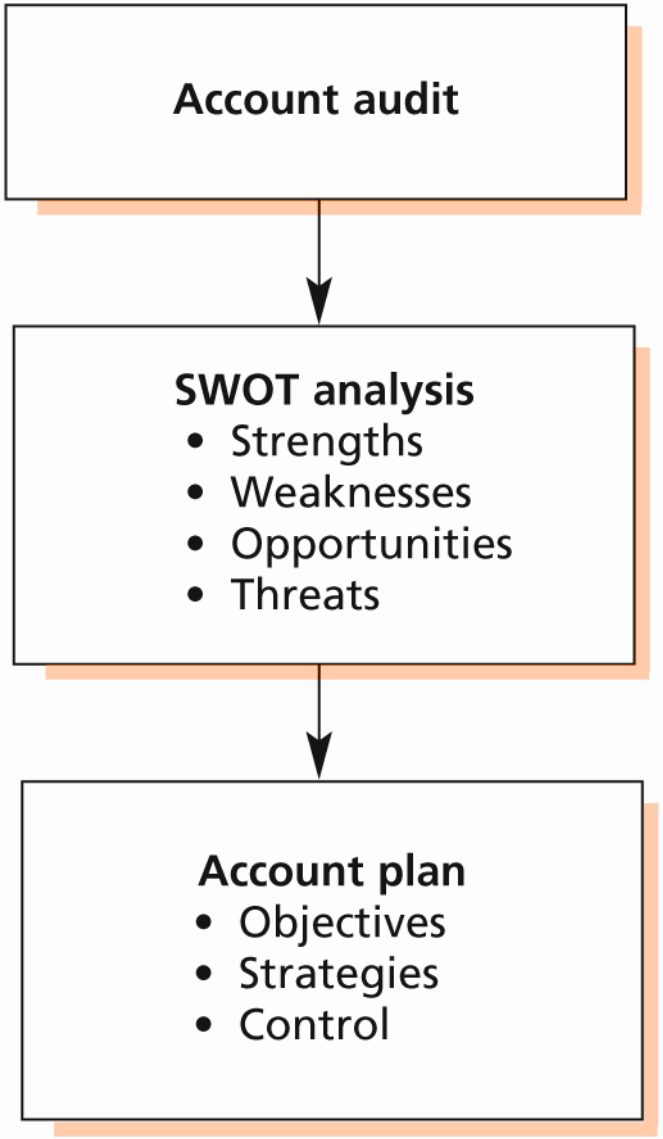

Figure 6.2 Key account planning system

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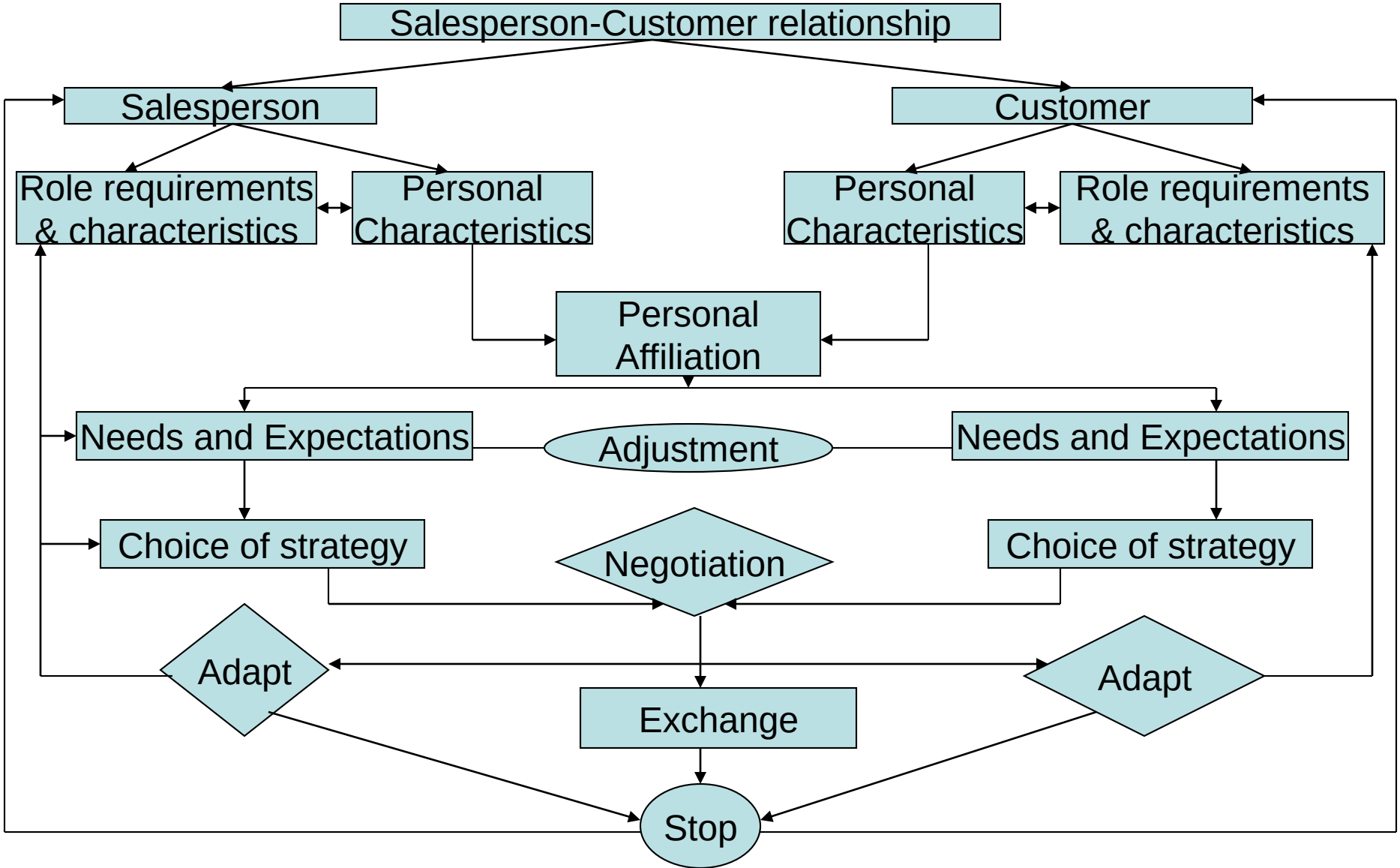
BUYER – SELLER DYADS(Relationships)

Situation in which two people interact：**Salesperson and Customer or Advertising and Viewer**

“ Salespersons-Buyer” Dyadic Relationship by Rosann, William and Fred, 1977



Post sales service

Why post sales service ?

Some product need service like

1. Consumer electronics
2. Electrical goods
3. Automobiles
4. House hold articles

What to do for giving post sales service ?

1. Establish a service department
2. Hire service engineers
3. Equip service engineers with sufficient tools

Post sales service

What to do for giving post sales service ?

4. Train the service engineers about your customers
5. They need to work in close coordination with sales department
6. They should take customer feedback after providing service
7. Dis-satisfied customers need to be taken care
8. Keep sufficient stock of all spares

What model to be adopted for post sales service ?

1. Cost model
2. Revenue model

Receiving and handling customer complaints

1. Establish touch points to receive complaints
2. Touch points can be company website,
   mobile number, landline number, Fax, Sms.
3. Develop a software which receives complaints and segregates them on the basis of nature of complaint
4. Create a database for complaints
5. Create a database of all service engineers with skills there are specialized
6. Allocate a suitable service engineer for addressing a particular customer complaint
7. Prepare day-o-day route plan for service engineers in advance

Customer feedback management

1.Ask the service engineer to take feedback from the customer and submit the document to the office

2.Establish a call center, from where executives can call the customer and take feedback on the service

3. Create a Knowledge Management Database on customer service

4. Segregate the customers based on Likert type scale

5. Study the customer satisfaction and dis-satisfaction trend with regard to service

6. Keep in touch with customers with company latest literature on service and products.

Creating and Running Loyalty Programs

Tesco the Loyalty Champion

1. First class service(93-94) – 90000 emp,
2. One in Front(94) – multiple service lines for billing

3.Club loyalty program(95) – in this program they understood that,

** Top 5% of customers accounted for 20% of sales

** Bottom 25% accounted for only 2%

4.Customer have to pay and become a member and provide all personal data

5.Distributed 140000 educational videos about the program to employees

6. All the transactions were linked to individual customer profiles and generated over 50 GB of data every week.

7.Used data mining tools to manage and analyze the database Initially it took few weeks to analysis, later changed the data mining software which analyzed in few days.

The analysis has resulted in :

Time when the purchases were made

The amount of customer spent

Products purchased

Frequency of shopping

Based on this findings, customers were divided into four segments

Premium

Standard

Potential

Uncommitted

Shopping frequency / **Expenditure**	**Daily**	**Twice weekly**	**Weekly**	**Stop start**	**Now and then**	Hardly ever
High spend	**Premium**		**Standard**		**Potential**	
Medium spend	**Standard**		**Potential**		**Uncommitted**	
Low spend	**Potential**		**Uncommitted**			
	Frequent		**Infrequent**		**Rare**	

Tesco also identified over 5000 need segments

Based on the purchasing habits and behaviour patterns of its customers

Category	Classification	Characteristics
Up-market **Mid-market** **Cost-Conscious**	**Finer foods**	**Foodies who are time poor, money rich and choose everyday luxury items**
	Healthy	**Organics shoppers, fruits and vegetables, weight watchers etc**
	Convenience	**People on the go who have not got the time or inclination for scratch cooking**
	Traditional	**Traditional housecraft with time to buy and prepare ingredients**
	Mainstream	**Family type meals, popular brands, kids products**
	Price sensitive	**Cost conscious customers who tend to buy cheapest on display**