

STRATEGIC SALES MANAGEMENT

Session 5: Key Account Management, Customer Centric Selling and CRM Strategies (Continued) **Selling and Consumer Behaviour**

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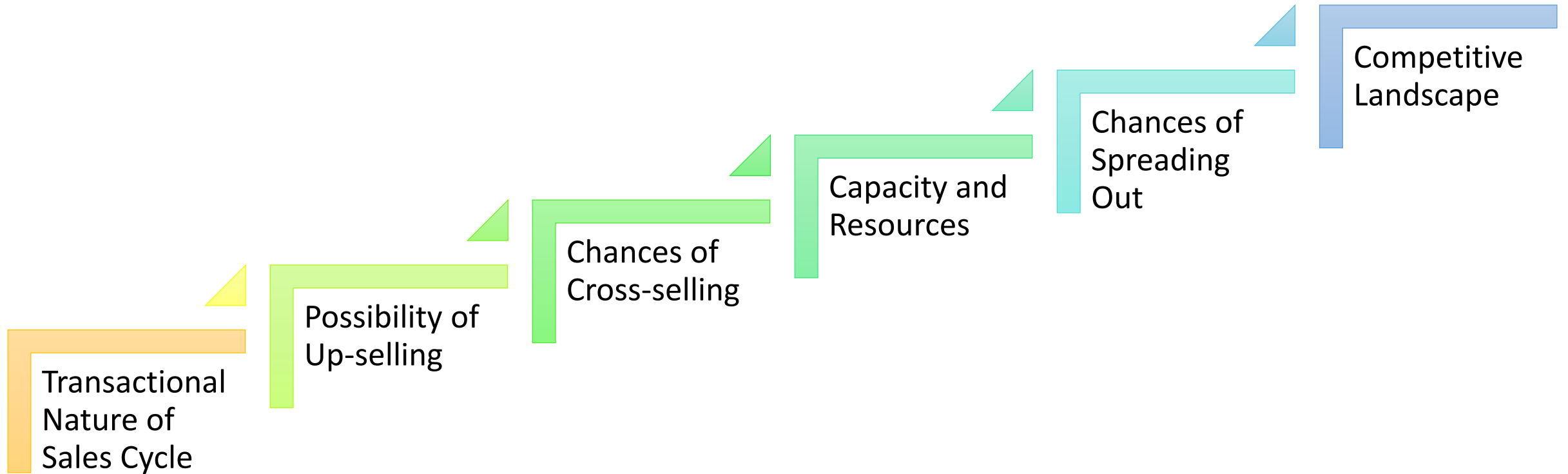
MANAGEMENT STUDIES, IIT ROORKEE

Learning Objectives:

After going through this module, you should be able to:

- Fathom the Key Account Management Strategy
- Realize Key Account Management Skills
- Key Account Relationship Development Model
- Appreciate Customer-Centric Selling
- CRM Strategies

Key Account Management Strategy Checklist

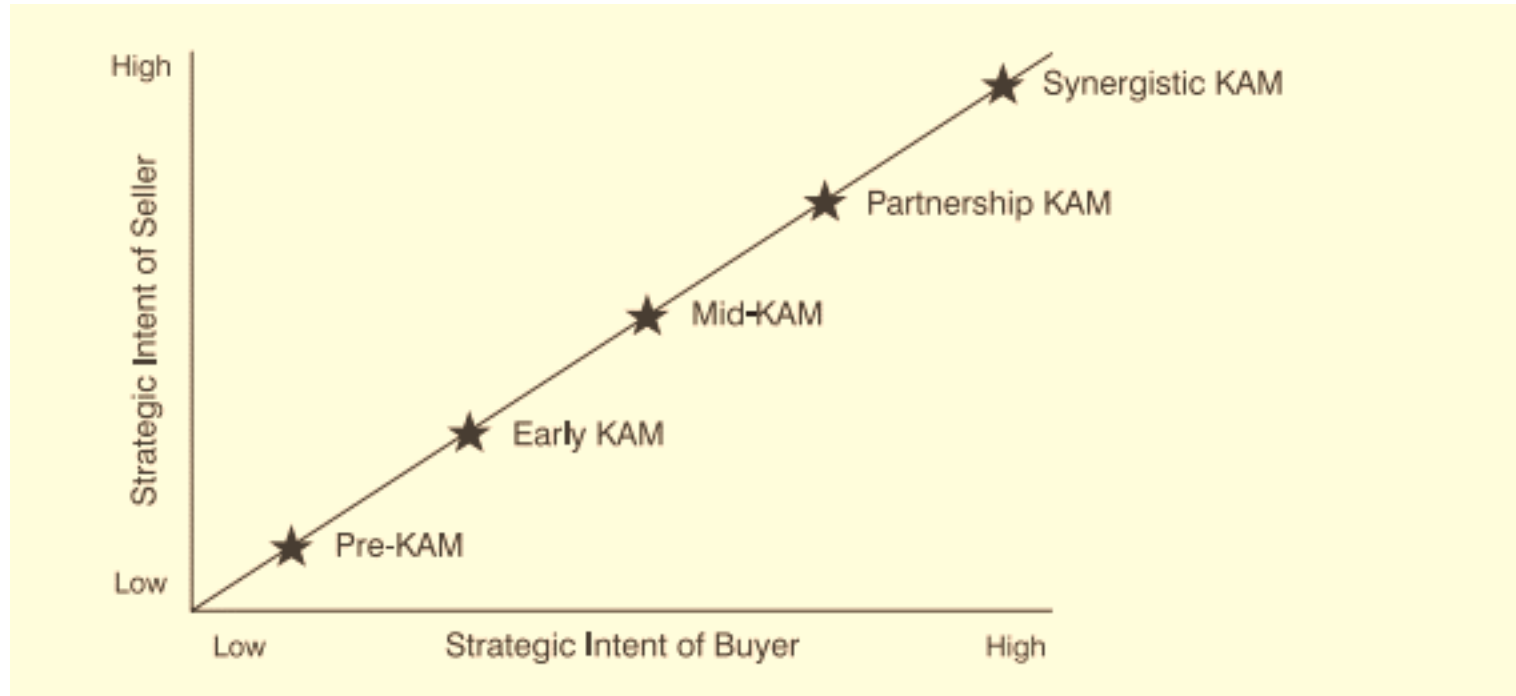


Source: <https://blog.hubspot.com/sales/key-account-management>

Key Account Management Skills

- Relationship Focus and Value Driven Orientation
- Strategic Perspective
- Deep Understanding of Customers
- Cross-functional Collaboration
- Enabling Leadership
- Transparent and Effective Communication

Key Account Relationship Development Model



Adapted from a model developed by Millman, A F and Wilson, K J (1994), pp. 49, Key account Management, Cheverton, Kogan Page Publication

Pre Key Account Management Stage:

- One to one contact
- Focus is on their own problems and apprehensions
- Assumed customer needs
- Pricing is the key factor
- Customer may ask for trials at seller's cost
- Negligible situational conversations

Early Key Account Management Stage:

- Each tries to gain advantage of each other
- Price discussions dominate
- Adjudged on unstipulated performance measures
- Alternative suppliers are still accessed
- Attempt to gain access to other contacts in the organization
- Limited Contact Access
- Over reliance on one point contact: Buyer and Seller

Mid Key Account Management Stage:

- Mutual desire to increase understanding
- Higher time spent in meetings
- Higher trust and openness
- Informal links
- Lot of work for both buyer and seller
- Set backs expected in case of mishaps

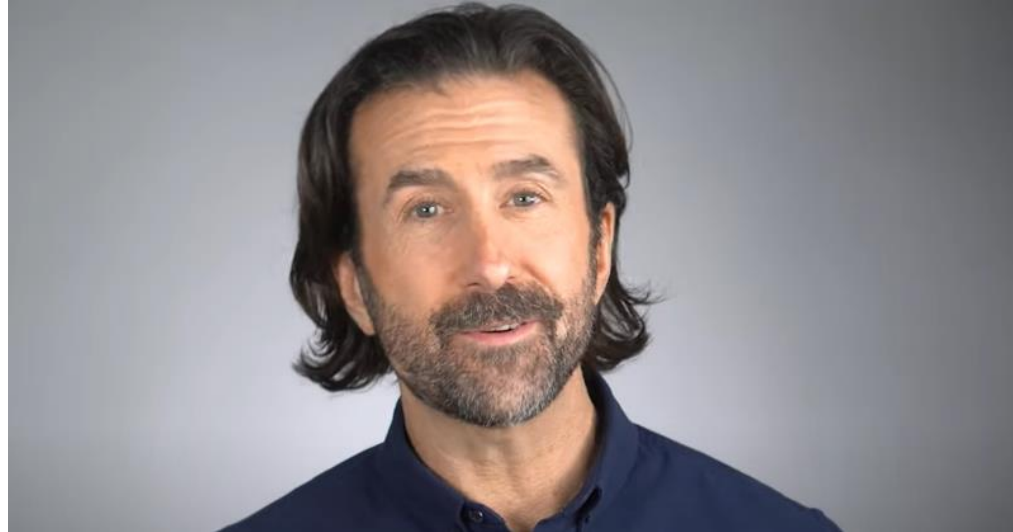
Partnership Key Account Management Stage:

- Key supplier status is awarded
- Trust based relationships
- Proactive information sharing
- Stable pricing
- Continuous improvement is expected
- Integrated business processes for value creation
- Supplier's goal is customer's satisfaction

Synergistic Key Account Management Stage:

- Joint research & development
- Focus on innovation
- Joint marketing plans
- Join business plans
- Shared trainings
- High exit barriers
- Shared communication network

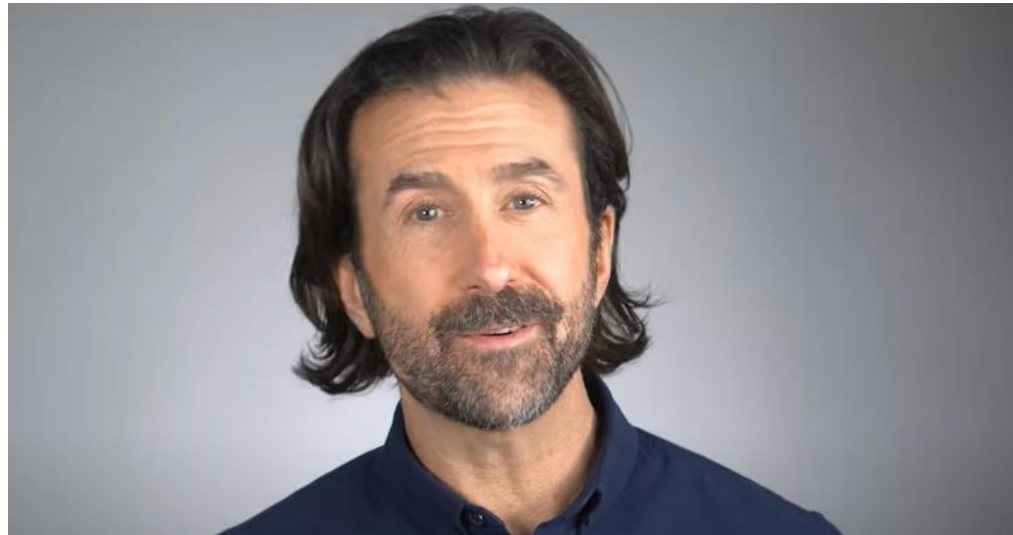
A Superb Refresher on Basics of Key account Management by Warwick Brown



https://www.youtube.com/watch?v=elFa2kcaQ_s

Source: Official YouTube Channel: [Account Manager Tips by Warwick Brown](#)

How to Become a Key Account Manager (When You Have No Experience) by Warwick Brown



<https://www.youtube.com/watch?v=r4mCHIMa2g0>

Source: Official YouTube Channel: [Account Manager Tips by Warwick Brown](#)

Extra Fodder for Thought: Firing Customers

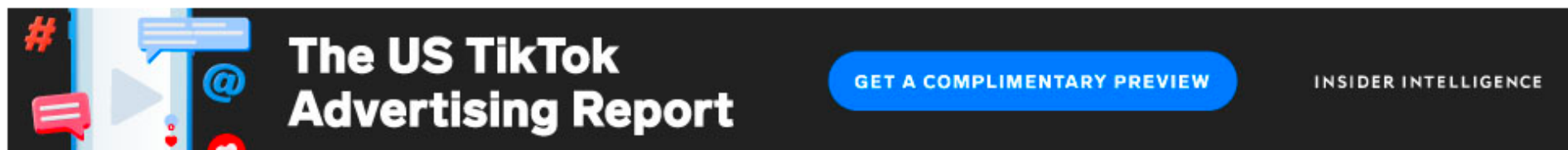
Have you ever heard of companies firing customers?

We are not talking about employees

Have a look at this letter sent to customers by Sprint Nextel:



Source: <https://nextup.wordpress.com/2007/07/06/sprint-fires-its-customers/>



The US TikTok Advertising Report

GET A COMPLIMENTARY PREVIEW

INSIDER INTELLIGENCE

Sprint Fires Customers

37 EXPERT COMMENTS

DISCUSSION

CUSTOMER SERVICE

OPERATIONS

SPRINT

Jul 12, 2007

by [Tom Ryan](#)

Retailers and marketers are dealing with a continually shifting competitive landscape.

Do they know your solution?

Source: <https://retailwire.com/discussion/sprint-fires-customers/>

Culture

Sprint breaks up with high-maintenance customers

Wireless carrier sends Dear John letters to customers who it says call the customer support line too often.

**Marguerite Reardon** 

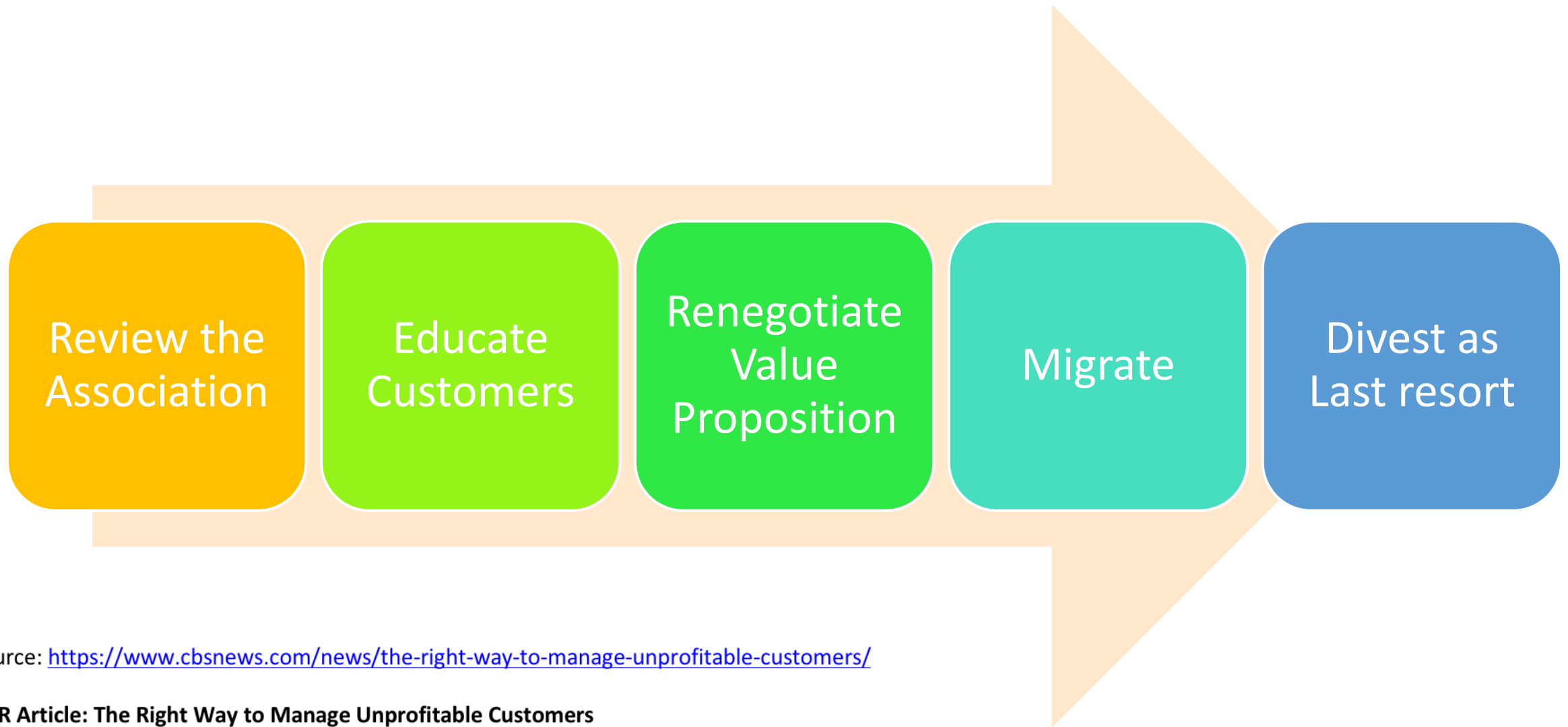
July 5, 2007 3:36 p.m. PT

3 min read



The squeaky wheel doesn't always get the grease.

Customer Divestment and How this should be implemented?



Source: <https://www.cbsnews.com/news/the-right-way-to-manage-unprofitable-customers/>

HBR Article: The Right Way to Manage Unprofitable Customers
by [Vikas Mittal](#), [Matthew Sarkees](#), [Feisal Murshed](#)

What is a Customer Centric Selling?

A customer centric approach the attention is diverted towards creating satisfying and positive customer experiences through out the journey

The outcome of all decisions is always looked at from the perspective of its impact on customers

Tenets of Customer Centric Behaviour

Traditional

Make Presentations

Offer Opinions

Focus on Relationships

**Gravitate towards
users**

Rely on Product

Selling by Persuading

Customer Centric

**Situational
Conversations**

**Ask Relevant
Questions**

**Focus on Problem
and Growth
Solutions**

**Gravitate towards
Business People**

**Attempt to sell by
Solving Problems**

Source: Customer Centric Selling, Bosworth and Holland

Selling in a Multi-Channel and Omni-Channel Retailing World

Multi-Channel Retailing:

Neslin et al. (2006, p. 96) have defined multi-channel customer management as “the design, deployment, coordination, and evaluation of channels to enhance customer value through effective customer acquisition, retention, and development”

Source: Verhoef, P.C., Kannan, P.K. and Inman, J.J., 2015. From multi-channel retailing to omni-channel retailing: introduction to the special issue on multi-channel retailing. *Journal of retailing*, 91(2), pp.174-181.

Omni-Channel Retailing:

Verhoef et al. (2015) have defined omni-channel management as “the synergetic management of the numerous available channels and customer touchpoints, in such a way that the customer experience across channels and the performance over channels is optimized”

Source: Verhoef, P.C., Kannan, P.K. and Inman, J.J., 2015. From multi-channel retailing to omni-channel retailing: introduction to the special issue on multi-channel retailing. *Journal of retailing*, 91(2), pp.174-181.

Key Challenges of Selling in a Multi-Channel and Omni-Channel World

- Loss of Customers in the Journey
- Poor and Low Channel Lock-in
- Cross-Channel Free Riding, Hybrid Shopping and Research Shopping Phenomenon: **Showrooming and Webrooming**

Source: Verhoef, P.C., Kannan, P.K. and Inman, J.J., 2015. From multi-channel retailing to omni-channel retailing: introduction to the special issue on multi-channel retailing. Journal of Retailing, 91(2), pp.174-181; Verhoef, P.C., Neslin, S.A. and Vroomen, B., 2007. Multichannel customer management: Understanding the research-shopper phenomenon. International Journal of Research in Marketing, 24(2), pp.129-148; Chiu, H.C., Hsieh, Y.C., Roan, J., Tseng, K.J. and Hsieh, J.K., 2011. The challenge for multichannel services: Cross-channel free-riding behavior. Electronic Commerce Research and Applications, 10(2), pp.268-277; Kalyanam, K. and Tsay, A.A., 2013. Free riding and conflict in hybrid shopping environments: Implications for retailers, manufacturers, and regulators. The antitrust bulletin, 58(1), pp.19-68.

Research Shopping: Researching product in one channel and purchasing from other (Verhoef et al., 2007)

Hybrid Shopping: Jumping across different channels while shopping (Kalyanam and Tsay, 2013)

Cross-channel Free riding: This occurs when customers collect information from online channel of company X but purchase from online channel of company Y (Chiu et al., 2011)

Source: Verhoef, P.C., Kannan, P.K. and Inman, J.J., 2015. From multi-channel retailing to omni-channel retailing: introduction to the special issue on multi-channel retailing. Journal of Retailing, 91(2), pp.174-181; Verhoef, P.C., Neslin, S.A. and Vroomen, B., 2007. Multichannel customer management: Understanding the research-shopper phenomenon. International Journal of Research in Marketing, 24(2), pp.129-148; Chiu, H.C., Hsieh, Y.C., Roan, J., Tseng, K.J. and Hsieh, J.K., 2011. The challenge for multichannel services: Cross-channel free-riding behavior. Electronic Commerce Research and Applications, 10(2), pp.268-277; Kalyanam, K. and Tsay, A.A., 2013. Free riding and conflict in hybrid shopping environments: Implications for retailers, manufacturers, and regulators. The antitrust bulletin, 58(1), pp.19-68.

Showrooming: Researching offline and Purchasing online

Webrooming: Researching online and purchasing offline

References:

Peter Cheverton, Key Account Management: A complete action kit of tools and techniques for achieving profitable key supplier status, Kogan Page

Special Mention: Key Account Management: The Ultimate Guide Written by [Aja Frost @ajavuu](#)

<https://blog.hubspot.com/sales/key-account-management>

Special Mention: Warwick Brown's Official YouTube Channel

*References for online and other resources have been provided as footnotes in the respective slides.

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Thank You