

# 7 Tools to Build Market Share

By Walter J. McDonald

**Market Share is like Mom's apple pie, the bigger your slice the better!**

Market Share gains occur because we outsmart and outwit our competitors. But, to get a bigger slice, you must have the basics in place. A very surprising recent research study shows that 95% of equipment sales are to **CURRENT** customers, buying Parts and Service **NOW** from their dealership.



This has huge implications for an equipment dealership's entire sales and marketing strategy and how you must treat parts and service accounts.

These amazing insights are derived from tracking 10 years of equipment dealer customer transactions in over 100 dealerships, managing 500,000 customer relationships, courtesy of Winsby, Inc.

Some dealer departments have been living in confined silos for five decades: sales are sales --- service is service --- parts are parts. These isolation silos are irrelevant and very harmful today. Dealers must manage a holistic model of the dealer sales and marketing effort if they are to succeed.

In this article we will look at the...

1. Underbelly of a highly successful market share strategy.
2. How it will dramatically change the competitive landscape.
3. What **SEVEN** easy, inexpensive things you can do to greatly strengthen your competitive edge.

So, let's look at the Seven Tools to Build Market Share.

## 1. Maintain Accurate, Complete Customer Information

We'll begin with the importance of accurate, complete, **ACCESSIBLE** customer information. **ACCESSIBLE** doesn't mean it's in the truck of your sales rep's car or in a pack of business cards in their desk drawer. **ACCESSIBLE** means it can be seen by everybody, Sales, Parts, Service, Rentals, Accounting, and you, the Owner.

It's sad to say, but for the typical equipment dealer, 40-50% of customer information is incorrect or the wrong person. And, unless this data base is well maintained it can be much higher than 50% incorrect.

Customer information decays or deteriorates at a rate of about 20% per year. And, the typical dealer has only 10% of customer email addresses and 75% of their phone numbers which may or may not be correct.

Not long ago, I received a contract to conduct customer service satisfaction interviews for a large equipment dealer. But, I had to cancel the project. They had so little customer contact information, it was impossible to complete the work.

Some dealerships simply don't have a system in place to keep track of their customers. This is the #2 reason they lose accounts. Customers have personnel changes and if records are not constantly updated, establishing a proper relationship with the new employees, opportunities are lost.

In your larger, more complex accounts you must go even further. There are frequently 3 - 5 or more potential contacts who can either influence the sale, kill the deal or coach you on to success. Who are they? What are their roles? And, most importantly, what is your product support reputation in that account? The dealership must have their accurate contact information. And, must maintain a disciplined relationship development contact procedure with these important influencers.

You sell big expensive equipment. And, you can't be satisfied with just one happy contact. If he leaves, the dealership could be left out in the cold. There are often several people in the account who can make the decision, influence the decision and squash the decision.

The dealer sales team must know who the decision makers are, where they stand and how you can best respond. How do they like being approached? How do they want to be contacted? How do they want to be sold? The successful equipment sales professional must know and properly respond to the roles of each major influencer in the account.

Today it is absolutely essential to have a Customer Relationship Management (CRM) system that is updated and accessible by all departments in your dealership.

**Recommendation: Expand and nurture relationships with current accounts before making cold calls with entrenched competitor accounts.**

If you need a good set of worksheets to help capture this essential Key Account information, just send me your email. It's free. (walt@mcdonaldgroupinc.com) These worksheets will help ensure that the information you collect for your CRM is complete and relevant.

Form Set

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**KEY ACCOUNT**  
STRATEGIC  
PROFILE

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Account \_\_\_\_\_

Our Sales Team \_\_\_\_\_

A-B-C Classification	_____
Next Purchase	_____
Next Formal Review	_____
Call Frequency	_____
Decision Maker	_____
Account Coach	_____

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## 2. Build Parts and Service Business

We now know 95% of an equipment dealership's future whole goods sales are going to be to customers who are currently purchasing parts and service from that dealership. This has huge implications on dealer sales efforts.

Not only must the dealership build sales and transaction volume with service and parts but the business must also focus on delivering HIGH QUALITY support.

This means it has never been more important to track and monitor performance metrics: parts fill rate to service, technician productivity, first trip job completion rate, customer communications and accuracy of repair estimates.

Remember, if your prospect is NOT currently a satisfied service and parts account, your probability of selling that next new machine to them is terrible, 5% or less.

But, if your dealership has strong service and parts aftermarket support and you are keeping your customers happy with excellent aftermarket service, you are in a very strong position.

## 3. Better Utilize eMail Promotions

Probably one of the most surprising findings in recent dealer research data is that customers who receive dealer eMail promotions purchase two to three times more than customers who do not. This is the most powerful tool to build aftermarket parts and service business.

Dealers who were at 5 – 10% growth before professional eMail campaigns are moving up to 20-40% growth rates.

Five popular eMail promotion sources include:

Mailchimp.com

Up to 2000 addresses free.

ConstantContact.com

Templates, list building tools, live support, 20 years' experience.

Mailerlite.com

Email marketing tool with many features.

Dealerspike.com

Marketing Automation with focus on equipment dealers.

SendinBlue.com

Email campaigns for small to medium size businesses.

Let me know if you would like to see samples of very effective dealer eMail promotions:  
Walt@mcdonaldgroupinc.com.

## 4. Expand “Stable” Accounts

Let’s dig into the weeds a little and look more closely at what the 500,000 end user customer relationship research tells us.

Overall, an equipment dealer is not seen as a “preferred vendor” until a customer makes at least six purchase transactions in one year. At this level of purchase frequency, the customer is considered a “stable” account. He is most likely purchasing at least 50% of his relevant needs from you.

And, once an account is at this level of purchase transactions, there is a very high probability that he will stay with this dealership with a retention rate of over 95%.

The big news is the more service and parts and rental transactions we have per year with an account, the more likely the customer is to consider you his prime supplier. And, there is a direct correlation between improving parts and service and rental transactions and the account moving to “stable” status.

New customers want to give a dealership the opportunity to prove itself. The equipment dealer organization has to perform well on every transaction for at least two to seven years, for this customer to become a “stable” account.

So, what can you do? Check transaction frequency of your customer list. Are at least 35% of your accounts making over six service, parts and rental purchase transactions per year?

If not, why not? What aftermarket sales development effort is required? Who should do it?

Is your sales rep better off calling on an established competitor’s account where everyone is happy with your competitor, or with your current customers who could be buying more service, parts and rentals from you if you showed them a little love?

## 5. Manage Customer Expectations

Why are accounts lost? The #1 reason customers leave is mis-management of their expectations.

Customers who do business with your company have an “Invisible Contract” with you and your people. They have a level of service expectation that is not stated. Customers are constantly judging your performance against these expectations. If you have a strong Customer Retention program in place, you will have a much easier job meeting these expectations. Customer Retention is the dealer operating philosophy that helps each dealer employee understand that treating an end user like a customer IS NOT GOOD ENOUGH. We must become experts in managing individual customer expectations.

A large equipment manufacturer recently completed a study of its North American end users and discovered that, on average, its dealers are only aware of one in seven major customer problems. Most end user customers who are unhappy won’t tell you. They don’t want to take the time and most don’t think it will do any good. Much worse, many won’t tell you they are unhappy because they see attractive alternatives.

Field research continues to show major gaps between customer expectations and dealer performance in four critical areas:

1. Off-shelf parts availability
2. Accurate repair estimates
3. Repairs completed correctly the first time, on time
4. Friendly, responsive people

Successful delivery of these four end-user support characteristics is more important than you can imagine. Customers REWARD the successful dealer with higher margins, expanded market share and plenty of referrals for additional machinery and equipment sales. Customers who do not receive these critical support activities PUNISH their dealer with low margins, low growth, and angry negative comments to all who will listen. And, the probability of purchasing their next new equipment unit from you is now down to 5% or below.



Successful performance of these four critical product support functions effectively raises the barrier to competition in your trading area. The stronger your product support, the higher the barrier against your competitors. This barrier surrounds your customers and protects them from hostile takeover by your competitors. This protective barrier also offers safety and assurance to prospective accounts who seek the shelter of your excellent customer support. Product support is your most unfailing weapon against adversaries. It forges long-lasting bonds of friendship, loyalty and appreciation throughout your highly valued customer base. And, it makes it nearly impossible for competitors to erode your position.

We also know there is a 90% correlation between customer satisfaction and retention. And, there is a 20-30% retention rate increase for customers who are participating in your eMail promotions.

So, here is what your equipment dealership can do to make sure you are properly managing customer expectations:

**PERFORMANCE TARGETS:**

- >95% off-shelf parts fill to service for primary lines
- >93% customer repairs completed on time as promised
- <1-2% service re-work
- <5% "Status Calls"

**"Status Calls"** are those incoming customer inquiries:

- "Where is my order?"
- "When will your technician arrive?"
- "When will my unit be ready?"
- "Why is your outrageous repair bill 40% more than your estimate?"

You want to be pro-active and minimize "status calls" from customers. This eliminates a huge amount of wasted time by your field sales reps and service and parts personnel.

Just call the customer and let him know the status. Don't make him call you. In some dealerships over 80% of incoming calls to service and parts are "Status Calls." This is a tremendous frustration and waste of time for everyone, especially the customer.

## 6. Capture "Active Interest" Leads

All marketing is information, and every development since the Internet is another step toward more information, easier and faster.

The Internet provides information about you, your company, brands, products, services and your successes.

The industrial buying audience has largely migrated online to search for products, suppliers and services. Online lead-capturing programs can precisely target this audience with measurable results.

Your website or your competitor's website has become a veritable 24/7 trade show complete with product descriptions, photos, specifications, demonstration videos and even reviews and endorsements.

There is a global shift in how we gather information. Traditional print periodicals can't compete with the instant, almost real-time flow of information appearing daily on websites that supply us with the facts we need to make decisions.

And, you can use affordable information technology today to capture website visitors and achieve 75% machinery deal visibility or awareness.

This capability is greatly enhanced if your on line "persona" is satisfactory. Next time you are on the web, check out the Google ratings of a potential vendor. These ratings are from comments by their employees and customers. If the score is less than 4, you probably would not shop there.



## 7. Become Experts in Diagnostic Selling

Over the last decade, the process of questioning and listening in a diagnostic selling process has become the driving force for sales success in the larger more complex deal. The sales rep asks "open ended" questions to determine ① the prospect's current situation, ② his problems, and ③ the cost of those problems. This allows the sales rep to position the solution within the parameters of cost justification based on the size of the problem.

This skill and ability to ask good questions qualifies the prospect very quickly. It surely assists your sales rep better understand the customer's current situation. And, in addition to building rapport, it strengthens the sales rep's credibility, motivates the customer and helps maintain his interest throughout the interview.



④ The fourth type of question is related to return on investment. Here the sales rep probes to determine if his solution and the resulting financial benefits are cost justified in the mind of the prospect.

This questioning process requires careful preparation prior to the sales meeting. I encourage sales reps to have at least three problem questions and cost of problem questions written in their portfolio they can refer to during the customer interview. A carefully worded return on investment (ROI) question is also best written in your notes before the sales call. A typical ROI question might be, “If we eliminated virtually all of your maintenance down time on this machine application, what would that increase in productivity be worth to your company?”

This type of sales process has been proven to increase deal closure rates, shorten sales cycle time, build lasting customer relationships and enables newer sales rep to close the larger value, more complex sales opportunity.

You don't want your sales reps to become an alligator: small ears, small eyes but a very big mouth! (See “The Alligator Trap” by Edward R. Del Gaizo, etc. on Amazon.com.)

Market share does not have to be bought with deep discounts. It can be earned through smart management of your resources and, most importantly, proper management of your customer relationships. Then, enjoy a bigger slice of the pie!

If you would like to discuss any aspect of this article, I'd welcome hearing from you. (walt@mcdonaldgroupinc.com)

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## Bring these Powerful Tools to Your Dealership

These 7 Market Share Tools are just a sample of the fresh, new approaches to business development in my *Executive Selling Skills Workshop*. To learn more about how you can sponsor this program in-house for your machinery and product support sales team, contact me at: [Walt@McDonaldGroupInc.com](mailto:Walt@McDonaldGroupInc.com). 847.340.5518.

### *Executive Selling Skills Workshop* [Four Volume Student Textbook Set](#)

