



High-Touch Strategy Wins Over Cautious B2B Customers

By [Nancy Pekala](#)

B2B organizations are facing a new sales reality. Customers are skittish and taking more time to make decisions while demanding more ROI from their purchases. As a result, sales teams are transforming themselves, acting as business advisors and advocates.

In an exclusive interview with [B2B Marketing](#), [Ron Volper](#), Ph.D, a leading authority on business development and author of the new book, *Up Your Sales in a Down Market: 20 Strategies To Win Over Cautious Customers*, shared his insights about the state of B2B sales performance today and what companies need to do to win over cautious customers.

B2B Marketing: *During this recession, marketing and sales professionals felt some of the deepest cuts. What do you think the impact of those resourcing decisions have been on organizations and brands today?*

Ron Volper: In the short term, it's been helpful for B2B companies in that it helped their bottom line profitability. In the medium and longer term, I think it's hurt them a lot and many of them don't realize it. Many of them have done exactly the wrong thing. They've cut marketing and sales expenses. As a result, their top line revenues, market share and future growth has suffered.

If you look at other economic downturns, the most dramatic being the Great Recession of the 1930s, several icons of American business such as Ford Motor Company literally shot themselves in the tires by cutting advertising and marketing at a time when they essentially owned the market. Using Ford Motors as just one example, they owned the industry at 100% market share. Henry Ford's brother-in-law came to him and said, "We're experiencing some resistance. We need to advertise our product as this upstart General Motors is doing." Henry Ford not only said "no" but also fired his brother-in-law. Ford, in the last eight decades since then, with just two years as an exception, has dramatically trailed General Motors in market share and profitability. They decided to cut advertising at the very point when they needed it most. It now requires more impact, more touches to persuade customers who are scared and skittish.

B2B Marketing: *You've conducted some interesting analysis of 75 major companies which revealed that the strength of a company's sales team and sales culture correlates directly with its revenue, earnings, and market share. Can you share more details about this insight? What are the key success drivers?*

Volper: The key success drivers of a company that is going to gain market share and build top-line revenue, and that's not only going to survive but thrive in a downturn are those that haven't cut their marketing and sales budget or salespeople and customer service representatives. They've held steady, and in some cases, have even increased it. They recognize that it takes more now to convince customers who are more cautious and more scared. These are the companies that are doing more training and coaching. They're spending more time at sales meetings motivating their salespeople. They're providing them with recognition and rewards, both financial and non-financial. The companies that are doing well, just as one small indicator, do not have a cap on their compensation plan for salespeople. Companies that have compensation caps basically are saying to their salespeople, 'When you get to this level of production, stop selling.' It's a message which is unintended but salespeople in a business-to-business environment are pretty savvy and will read between the lines. In those companies, the executives, not just the sales and marketing folks, but the CFO, the CEO, the COO, even the folks from IT will go out on sales calls because they need to understand their customers at a deeper level and understand the change in buying behavior.

There's a very strong correlation between the strength of a company's sales operating system or sales culture and how successful they're going to be in the near and intermediate term.

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B2B Marketing: *You've noted that buying behavior for both B2B and B2C has really changed yet companies have not effectively altered their approach to selling their products and services. Can you share your perspective of where organizations are going wrong?*

Volper: At a B2B level, decisions that were previously made by first line managers or supervisors are now being made by middle managers and even senior executives. Decisions that were previously made by individuals are now being made by buying committees. So, companies are buying less and buying later. They're pilot testing, they're trying, they're demanding more proof of the return on investment. The companies that are most successful are having their salespeople call much higher levels in the organization. They're working the hall so to speak. They're making more contacts throughout the organization because they're realizing there's just so much turmoil and personnel change within the organization. Finally, they're not taking customers for granted because customer loyalty now is much thinner than ever before. For a small difference in price many people will go across the street or across the globe. So the companies that are most successful are having their salespeople, representatives and executives really spend a lot more time with people they might consider customers but who might not consider themselves customers. The longer a company remains a customer, the more profitable that relationship becomes. In fact, there's a 25 times greater likelihood that an existing customer will buy more from a company than a new or potential customer will buy anything.

B2B Marketing: *Much attention has been paid to how social channels can benefit brands, including B2B brands. What is your take on using these social vehicles as true sales and lead gen channels?*

Volper: I think these channels have proven to be effective. However, time will tell how important these social channels will be in the B2B environment. It's more definitively

successful in the B2C channel. Companies should never abandon high touch regardless of how much they use high tech, because fewer companies are doing it. I think now is the time for them to use the traditional methods more than most are doing. Most have cut their advertising and marketing budgets and that's a mistake. Customers are more vulnerable and less loyal and it now requires 8 impacts to have a decision maker make a decision. Companies are buying less and they're buying later. It takes longer to convince them

B2B Marketing: *In your opinion, what is holding organizations back from succeeding in the area of sales, lead generation and conversion?*

Volper: They're not spending enough time, money, and resources on sales and sales marketing. The organizations that are succeeding in this environment are doing a number of things differently. One is that their sales representatives realize they need to have the salespeople do sales marketing. They need to figure out where to show up and when, and for what purpose. Most salespeople are very good when they get there. They're good at the face-to-face or face-to-phone communication. But only the top 10% are really good at sales strategy and sales marketing. In addition to what the organization needs to do, they need to do more to reach out to customers, to have an impact management strategy which is a fancy way of saying, 'Which accounts do I need to spend more time with to protect and defend and expand relationships and how much time do I spend and in what form do I show up?' Do I show up face-to-face or over the phone or by email or by sending a notecard. I send lots of handwritten notes because no one else does and it stands out. Directing salespeople to act as business advisors and advocates rather than just selling products is absolutely critical.

B2B Marketing: *What advice for helping drive change in this area for B2B organizations and marketers?*

Volper: In order to maintain current relationships, it requires a much more proactive strategy. We have clients across a range of industries that do a vulnerability analysis in order to look for early warning signs. Some of these indicators are generic such as a customer no longer returns your phone call or asks you questions you answered two years ago or starts treating you like a stranger. But a lot of them are industry specific such as in the banking industry, they use their checking account less frequently or no longer ask you for letters of credit. Look for vulnerabilities and conduct account reviews to remind the customer of the benefits you're providing and look for future opportunities in these account reviews. Finally, create customer advisory boards in order to stay closer to you customers. Shower appreciation and attention on them so they constantly have their pulse on the marketplace. The companies that are making the transition are the ones where the senior executive staff is spending a lot more time in the field with customers not just to thank them but to fully appreciate the challenges their first line sales team are facing.

[Nancy Pekala](#) is the AMA's Senior Director of Online Content and editor of [B2B Marketing](#). Continue the conversation in the B2B Marketing group of [AMACONNECT](#), the AMA's online community specifically for marketers. Follow us on Twitter @[marketing_power](#).