

Survey Indicates Ways to Improve Distributor/Customer Relationships

By Mike Sawchuk

As vice president and general manager of Enviro-Solutions, a leading manufacturer of Green cleaning chemicals and products, I work with jansan distributors throughout North America on a daily basis. Interacting with these people “on the street,” so to speak, has been a unique opportunity for me. It has offered me the chance to better understand all segments of our industry—manufacturers, distributors, and end customers.

Through the process, I have also come to appreciate the needs and concerns of distributors and their relationships with their customers. In addition, it has allowed me to view their relationships, good and bad, with many of the manufacturers in our industry.

However, there were still some questions I wanted answered that I thought could help improve my own company’s relationships with its distributors. To do this, I worked with a jansan marketing and public relations firm, AlturaSolutions Communications, to conduct a survey.

The study gave industry distributors a chance to confidentially express their thoughts and feelings about the manufacturers they work with, what they like and dislike in these relationships, and what changes and improvements they would like to see in the future. Some of their responses were what I expected; however, as with many surveys, some were a bit surprising and revealing.

We sent an e-mail to 256 randomly selected jansan distributors in the United States and Canada in February 2006. The e-mail included a link that directed the distributors to the Web site of an independent organization that conducts online surveys.

All responses were confidential, and more than half of those who received the e-mail invitation took the survey. Although not considered scientific, the online system has several built-in safeguards that help assure its credibility and accuracy. Here are some of the findings.

To assure the integrity of the survey and qualify the respondents, we first asked how many respondents were indeed jansan distributors. Virtually all indicated they were exclusively jansan distributors; a small percentage were facility service providers that also sold cleaning supplies. More than 87 percent said they had been in the industry for ten years or more.

The survey then asked the distributors a series of questions about their relationships with manufacturers. For instance, one of the questions asked what keeps them loyal to a manufacturer. More than 87 percent said helping them with end-user customer service—including training programs—was most important and would help keep them faithful to a specific manufacturer. The remaining respondents, approximately 13 percent, said they would feel more loyal if manufacturers would improve their order fill rates.

Because end-customer assistance and training appeared to be a “hot topic” among distributors, it was appropriate that the next question asked what type of training they would like manufacturers to furnish.

Seventy-five percent reported they would like in-house training programs, at the distributor's location, and with only one distributor at a time. Seminars with multiple distributors and those that invited facility service providers to attend received few votes. Twenty-five percent indicated that they would like to see more "online" seminars that can be taken at the distributor's convenience.

When asked what they would like manufacturers to know about their businesses and how manufacturers can help distributors succeed, 62.5 percent indicated they wish manufacturers were more aware of their customers' needs. About 25 percent indicated they would like more flexible payment plans, and a few indicated, once again, they would most like help with customer service.

The final questions dealt with the sales support that manufacturers offer their distributors. When asked if manufacturers provided them with the sales and marketing tools necessary to effectively introduce new products to their customers, 25 percent said "yes," but 75 percent said only "somewhat."

The survey then asked the distributors if manufacturers include them in their strategic sales planning and strategies. More than 87 percent said they do not and that this is something they would like to see. Only 12.5 percent thought manufacturers plan their sales strategies with their distributors in mind.

What It All Means

There are probably many ways to interpret these findings. The way I view the results of the survey is that distributors would like to see a closer relationship with manufacturers, especially when it comes to customer service, training, and

sales strategies. In addition, the distributors appear to be willing and eager to develop stronger ties with those manufacturers that do provide these value-added services.

Most of us who have been in the industry for a while have witnessed the deteriorating health of manufacturer-distributor relations over the past 10 to 15 years. Frequently, I hear distributors characterize their relationships with manufacturers as “strained,” “frustrating,” and “tense.” This survey seems to indicate where exactly some of the problems lie and what steps can be taken to improve these relationships, so vital to our industry.

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