



Chris Dunn Consulting

5 Reasons Why Aftersales Should Be More than an Afterthought



In many companies you would be forgiven for thinking that aftersales are often little more than an afterthought.

This is all the more surprising given that the prolonged recession has forced so many companies to re-examine their business models.

Organisations really should take more trouble to unlock the full potential of after markets.

After all:

1. It costs companies less to increase sales of spare parts, accessories and services than to acquire new customers for their core products
2. Revenue streams in the aftermarket last for as long as the products remain in use
3. Margins are generally higher than in the primary market boosting the bottom line
4. Companies gain valuable insight into customers' wants, needs and expectations enabling them to improve and differentiate both the core products and the accompanying services in the future
5. Direct involvement in the aftermarket drives customer experience and repeat purchase rates

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So why don't all businesses give after markets the focus they deserve?

From my experience, some companies are still managing their aftersales support almost entirely from the point of view of cost minimisation which limits the quality of the services provided and stifles attempts to make money from them.

Others recognise the necessity to provide high quality products and services and even manage to deliver them efficiently, but have failed to build after sales organisational structures to leverage them effectively.

There are still short sighted businesses that prefer to look almost exclusively at near term gains in their primary product markets, whilst ignoring the longer term benefits of their aftermarkets.

Of course, it has to be acknowledged that it takes time and money to put in place the people and processes to fully develop after markets, but the rewards in the long run are very well worthwhile:

- 1. Increased profits**
- 2. Greater customer lifetime value**
- 3. Higher repeat sales rates**
- 4. Improved customer insight**
- 5. Competitive advantage**

There is no better time than now to think more deeply about after sales opportunities.