

UNDERSTANDING THE MARKET

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UNDERSTANDING THE MARKET BEFORE YOU PRODUCE

- **Product, Price, Place and Promotion** – the 4 P's of marketing.
- **Visit shops** that stock your kind of product – for craft the Arts and Crafts map lists good speciality shops – and look at similar products. Look especially at prices, promotional material and product quality.
- **Visit your competitors**, or try to gain as much information about their products and services as possible. Compare their product, quality, packaging, staff, business practices, delivery and after sales attitude.
- Try to **show sample product ranges** to a couple of selected and sympathetic retailers before you commit to full scale production so you can assess demand.
- **Consider the price points** for the items you sell very carefully.
- **Read magazines** that feature your kind of product – for craft, House and Leisure, Elle Décor, House and Garden – to look for product ideas and prices and profiles of outlets.

WHAT DO RETAILERS EXPECT FROM PRODUCERS?

- **Clarity** about their own product range and knowledge of prices, good sellers, possible variations in design etc.
- **Reliability** in terms of supply dates, fulfilling orders etc.
- **Good administrative skills** in terms of paperwork, orders confirmed, current price lists and catalogues, correct invoices supplied etc.
- **Loyalty** in terms of not supplying competitors or other shops in a geographic area; or an ability to segment the product range if exclusivity is not possible.
- **Negotiability**, for example on price, discounts for orders over a certain value, promotional stock, consignment etc.

- **Display and merchandising assistance** in the form of stock for customers to handle, samples if appropriate, point of sale signage for in store display etc.
- **Quality**, and a willingness to exchange or replace faulty merchandise.
- Keeping all your **promises** (about when you'll deliver, phone etc).

LINES OF COMMUNICATION BETWEEN PRODUCERS AND RETAILERS - DEVELOPING RELATIONSHIPS

- "Design your business for the **convenience of your customers** and make it very easy for your customers to do business with you " Guerilla Marketing Excellence by Jay Levinson.
- Never expect to see a store buyer without an **appointment** – if you do visit a store unannounced take some visual material so they can indicate interest, but make it clear you do not expect to be seen then and there.
- Find out via telephone or email **who is the buyer** for the relevant department – get the correct spelling of their names and their title for any correspondence.
- A **letter to the buyer** asking for an appointment which is then followed up by a phone call is a very useful tool - explaining something of your product with photos, drawings, catalogues etc, which other shops you have supplied, how long your business has been in existence, price lists etc. Try and get an appointment to see the buyer after this so you can put your case directly to them.
- If the buyer is very busy or not taking in stock then try to find out **who the person is who assists the buyer** and make sure you develop a relationship with them – they will often be able to get you an appointment due to influence with their colleague.
- Try to establish if there are **particular times** when the buyer is buying stock – for example many buyers have spent their budgets for Christmas in October and have already planned their stock for this period. Many buyers do not re- order in January if they have overstocked in December so this is a bad time to try and get them to take products.
- Remember that it **costs** approximately **five times more to attract a new customer** than it does to look after an old one, and remember that 80% of your business will come from 20% of your customers. Find out who those customers are and look after them.
- Look after them by **regularly phoning** to check if they need to replenish stock, keeping them updated with information regarding new designs or discontinued items, trying to provide exclusive stock etc.
- **Warn suppliers timeously of any price increases** so that they have time to accept the new prices.

- Try to **get shops to work on your behalf** too – find out how you could get your stock into the window or into a better position on the shop floor.
- Consider providing **product information sheets to shops**, offering to train staff in your product information, or giving free demonstrations. These are all useful tools that could aid sales and you will gain a lot of market knowledge from talking to staff or customers in the shop environment.

INTRODUCING NEW DESIGNS

- Try to gain maximum **input from customers before you develop new designs** - this is so you can get feedback before you commit time and money to a new product which has not been tested in the stores.
- Ask if you can **test a small sample range** in the store – if necessary on consignment so that the risk is yours and not the shops.
- Try to get shops to give you a clear idea about **gaps in the product or price range** so that you will be supplying them with something that you know they need or want . In addition, all shops are looking for exclusive stock and if you are prepared to customise stock for them it will make your product that much more attractive.
- Try to narrow down your product ideas from your original ones so that you choose the best and focus on those – **remember that 80% of your sales will come from 20% of your products.**
- Try to gain **maximum impact** from introducing a number of changes at the same time into your product range– it makes more of a statement and makes it easier for the shop to display the new products as something new.
- Make sure you have considered **practical concerns** when making your product or packaging – overseas tourists favour items that are light and unbreakable when they travel as they have limited luggage space.
- Make sure you consider **seasonal changes** when introducing a new product – Easter eggs sold at Christmas time, or warm jerseys sold in summer will not be big sellers!
- Consider the **Unique Selling Proposition** of your product or service – what is it that makes it unusual and unique, what makes it stand out from the competition?