



# Business Growth

*Sales and Marketing*



NEWFOUNDLAND & LABRADOR ORGANIZATION OF  
WOMEN ENTREPRENEURS

# Sales and Marketing: How to Find and Retain Customers

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Selling a product or closing a deal is an outcome of sales and marketing. Reaching that outcome requires not just a 'buy this' or 'sign here', but a relationship between your company and your customer built on mutual respect and service.

Building that relationship requires you to:

- Know your marketplace: trends, competitors and factors that could affect your offerings
- Know your customers
- Make a clear and competitive offer
- Maintain contact to gauge their satisfaction and provide future offerings

Here are some ways to build those important relationships.

## Know your marketplace

Conduct research on the local (& global) economies that you will be servicing or will require for suppliers. Review some of these recent changes and trends, and any others that may be applicable: will they affect your business negatively or positively and why? Consider ways to minimize or turn around the negative impact, and capitalize on any positive impact.

- Social Change (e.g. health, dieting trends)
- Economic Change (e.g. closure of a big company- mill, processing plant)
- Demographic Change (e.g. aging population)
- Environmental Change (e.g. longer winters)
- Technological Change (e.g. advancements in technologies)
- Political Change (i.e. change in political party with different values)
- Barriers to entering new markets

## Know your Customers

A target market is the group of people that will be buying your product/ service. It is based on age, income, gender, marital status, number of children, occupation, location, etc. Most importantly, these people will have a need and willingness to buy your product/service. This helps you forecast your sales and determine if there is enough need for your product/service.

Describe your ideal customer: their age, gender, income, location, education, and interests

Determine how your offering will solve a problem or otherwise create a positive impact in their lives. What do they want or need, and how does that fit with what you offer?

Discover where your ideal customers get their information: social media, word of mouth, podcasts, radio, television ... and be as specific as possible. This can help you form your pitch and choose the most effective ways to share it.

Determine how your ideal customers shop. Do they quick-click online offerings or prefer to browse in person? Do they prefer local vendor markets with high-quality goods or big box locations with value pricing? This information can feed your pitch and also your offering, in terms of how you distribute it and how much you sell it for.



### **Make a clear and competitive offer**

The 4 Ps of marketing are product, place, price and promotion.

Your offer will explain clearly the product or service you will provide for the price requested.

It should also clearly connect the product or service to a customer's well-being and quality of life. Then the offer needs to be seen, noticed, considered, and understood to be acted upon and when the decision to buy is made, needs to be easy to find, purchase and receive.

### **Consider your product or service.**

Describe it and list its features and benefits. Describe how your product/service is different from your competitors.

As an example, you are a company selling traditional hand-knit sweaters.

You offer sweaters for sale, yet your offering is not just a sweater. Your sweater is a strong and cozy article of clothing made from a natural substance that is hypoallergenic and warm even when wet. There are other wool sweaters for sale, but your sweater is a handmade item of locally-sourced wool crafted by cottage knitters working sustainably in their own communities, where competitors are sourcing their sweaters from factories in central Canada. Your sweater is also suitable for all ages and a unique work of art, perfect for that hard-to-buy-for uncle or sweet little niece. Knowing your product or service inside and out (literally in some cases!) enables you to find keywords and stories to reach through the static of 'buy this' and connect with your customers on a personal level, touching something that is relevant to them.

### Consider the Place where you will be selling your products or services.

Location can be critical to your business success and requires weighing the options. For example, if the business is retail it could be beneficial to be centrally located or near high traffic areas or other retailers, but those premium locations can be expensive to lease or buy.

Home-based businesses are cost-effective but may offer little visibility or convenience for browsing or pickup.

Online shopping continues to increase in popularity, but be sure to know of the requirements beyond a website or Facebook page. Effective online sales require technical expertise in search engine optimization so customers can find you, and assurance of reliable and trustworthy e-commerce systems. Nothing turns off a customer faster than a crashed website or fear that their personal information will be breached or sold. Also, can your product be shipped safely and affordably or your service provided to international markets? Local markets and co-operatives often provide sales venues for small and medium businesses, but have limited reach. Knowing your marketplace and target market can help you weigh these factors and make the decision that best serves your company and customer.

### Consider the price you charge your customer for your products/services.

The price is determined by your cost to produce and your client's willingness to pay.

Start with your cost to produce:

For **service**: break down labour, overhead and profit margin.

For **product**: break down labour, overhead, materials and profit margin.

You need to charge the correct amount to break even.

Charging more will generate profit for your company.

So why charge less?

Charging less in a short term or for the first delivery of what will be several large contracts with reliable clients can help you establish customer relationships in a new market or to win customers from your competitors. Your company will need income from other sources to offset the cost. You should plan this

carefully from start to finish, to ensure your company weathers short-term losses for long-term profits.

Other things that can impact price:

Scarcity or abundance: If you have inventory of a hard-to-find item or a unique service offering, you can often charge more than the average rate. If you are in a heavily-serviced market, you may have to lower your price or create specials and packages to add value to your offerings.

Trends affecting supply and demand: A celebrity endorsement can boost the demand for a product overnight. You may want to charge more to tap into the enthusiasm, or you may need to charge more to cover increased supply costs. A change in your operations or the value of international currency can also impact your costs, and may require you to raise your prices.

## Promotion

How are you going to reach your clients? How will you sell your products/service and the idea of your business to them? This includes your image, brand, reputation, and quality.

Communication through word of mouth remains a strong marketing tool. How else will you market yourself? There are many facets of media such as **social media, website (and other online presence), association memberships, networking opportunities, media ads, and giveaways**. These may be the first things the potential customers see before they even see your store, products or services. So how will you draw them in? Image is a very important concept with regard to promotion.

Know your audience, and know where to find them. Match your promotion with their location and what you can afford. Consider also the value of cost-shared promotions with like-minded businesses and free publicity offered by media coverage or charitable events. A news story about a family able to stay in their home because of the mom's ability to knit and sell sweaters to your wholesaler will promote your product on the level of core value, which is a powerful motivator for sales. Your offer to lend wool blankets to a charity sleigh ride is another example of promotion without cash.

## Support Your Customer Pipeline

(See also Business Prospecting: How to maintain and build a customer pipeline)

A nurtured customer relationship can yield more than a single sale.

Keeping in touch with happy customers is one way to maintain and build your customer pipeline that can direct a steady stream of paying clients to your business.

Happy customers are HOT prospects for new offerings or repeat sales; these customers are familiar with your sales, service and products and with a little attention may be enticed to purchase again. These same customers can also provide valuable word-of-mouth promotion and referrals that could generate WARM prospects for your pipeline.

Ensure as well that you have ways to attract the attention of COLD prospects – those potential customers with whom you have not yet interacted with directly. Social media and networking events can be ways for you to offer a message of value that encourages them to like, follow, subscribe or otherwise connect for more information.

### Additional Resource:

**Basic Business  
Management:**

**Boot Camp for  
Business Owners**

Small Business  
Training for  
Entrepreneurs Series

[Velsoft.com](http://Velsoft.com)

