



Sales Techniques


An introduction to selling
into retail outlets





Country Markets Ltd is a co-operative social enterprise with about 12,000 members. Our aim is to promote diverse and delicious local food to the public and our organisation prides itself on the quality of its products and for keeping traditions alive, as well as creating friendly shopping environments.

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Country Markets: Selling to Retail Outlets

First things first ...

Before you even start to think about selling, you need to have all your marketing materials in place to ensure that you are presenting a professional and consistent product to your customer, either directly or indirectly.

As a Country Markets producer you have access to a comprehensive suite of materials to help you, for example attractive, professional and personalised product labels, a headed paper template for letters, logos for emails, posters, a leaflet, a window sticker, and a shelf 'wobbler'. You also have the facility for building your own branded marketing materials to support your local Country Market activity.



The difference between selling direct and selling to a retail outlet

When you sell directly to the public you sell at a retail price and the margin you make is the selling price minus the cost of the goods and the rate of commission charged by your Market.

When you sell to a retail buyer you need to sell at a price that allows the buyer an opportunity to obtain a margin between the retail price he sells at and the wholesale price at which he is buying from you.

On the face of it, it might seem that you can make more money selling directly to the public but remember you need to factor in your time and

costs for direct selling, marketing and distribution, and for any products that don't sell.

In contrast, whilst you may agree a sale or return arrangement initially to kick start sales or to introduce a new line, sales into a retail outlet are guaranteed as the onus is on the outlet to sell the goods.

What is a retail buyer looking for?

A retail buyer is responsible for buying a portfolio of products and negotiating prices so that his /her shop or department achieves an overall level of profit. It is important to consider what they are looking for before you prepare your sales pitch.

They will be judging your product(s) on the basis of 3 main "hard" profit based criteria:

- 1) **Selling price;** the retail price your product can command in their store bearing in mind the prices other similar products are already selling for.
- 2) **Rate of sale;** how many items are likely to be sold each week
- 3) **Gross profit margin;** the difference between the selling price and the buy-in price = gross profit margin %

Example

Selling price x Rate of Sale x Gross profit margin % = gross profit
£3.50 x 10 units per week x 50% =
£17.50 gross margin per week

They will also be making some other judgements based on other criteria:

- 1) **Product quality;** is the product a good "fit" with their store; will it enhance the store's image?
- 2) **Packaging;** is the packaging "shelf ready", easy to merchandise and environmentally friendly?
- 3) **Distribution;** will the supplier be reliable for deliveries and will they meet the order quantities?

The Selling Process

There are famously seven steps in the selling process, a time proven system for selling anything. At first glance it may appear rather laborious, just how many steps can there be, but there is a good reason for each one:



Step 1: Prospecting and Qualifying

It may sound obvious, but it is important to make sure that you make an appointment with the person in the company who is able to make a buying decision. Check out the retail outlet website or phone to find out who is responsible and try and establish their decision making process.



Step 2: The Pre-Approach



Find out as much as you can about the retail outlet you would like to stock your products. Make a visit and note what kind of customers it has and what the product ranges are. Find out what lines your products would be competing with and how they are priced. Establish whether there is a gap in their range for your product.

Check out the merchandising to see if there are any special requirements. Is there an Electronic Point of Sale system (EPOS) that requires bar coded products? The more you understand about the retail outlet the better you will be able to tailor your presentation.

Step 3: The Approach



This is the point at which you finally meet the buyer and first impressions definitely count. Approaching the buyer with a warm, confident smile will help get your meeting off to a good start. Body language speaks volumes, so remember to sit up straight and present from a position in which you feel comfortable.

Step 4: The Presentation



Not everyone feels comfortable about presenting, but often the best sales people are those who know their product really well and can sell with passion and enthusiasm.

Present in a way which is appropriate to the buyer and the setting; typically the bigger the company the more formal the presentation.

It's your choice whether to use laptop, printed or simply verbal presentations, but at the very least leave behind a one page product specification which includes your contact details.

To present your product in the most advantageous way, try and think of it in terms of "features" and "benefits". This will help the buyer to understand what is unique about your product. Here is an example that illustrates what is meant by features and benefits but you do not necessarily need to present it in this way:

Feature	<i>Homemade Sloe and Bitter Orange Preserve</i>
Benefits	<i>Intriguing, delicious flavour combination not found elsewhere</i>
	<i>Sloes picked from the local countryside (with the landowners permission of course!)</i>
	<i>Homemade to retain fruit flavour and texture</i>

Step 5: Handling Objections

It is almost inevitable that there will be some objections or issues that you need to overcome. So it is best to be prepared for these and tackle them directly. If you don't, you will find the way ahead is most definitely blocked!

An example might be..."We need a Saturday delivery; will you be able to do that?"



Step 6: Closing the Sale



Once everything has been agreed, make sure that you have a contract in place or a formal letter that specifies the prices that have been agreed and all the terms and conditions. Whilst this might be tedious at the time it could save a lot of time and problems afterwards. There is a template for a letter of agreement to help you in the producer toolkit (*Indirect Sales Handbook*

- No.24 Letter of Agreement V2).

Step 7: Follow Up

This stage goes beyond just following up after the meeting. It means making sure that you nurture the relationship on an ongoing basis. For example, keeping records of sales, deliveries, etc, so that information can be provided at meetings with the buyer to review product sales, and address any issues in terms of quality, deliveries or opportunities for product development and range extensions.



Customer Service

Customer service or customer care is about retaining existing customers, selling more to them and attracting new business. It's also about getting more business through referrals and recommendations. All of this activity impacts on the bottom line.

This is especially true for small companies or organisations that don't have big marketing budgets. Customer service is powerful and cost-effective, especially compared to advertising, which can be expensive and have little impact. You can use your reputation to bring in more business.

The Do's

- **DO** have a 'customer centric' approach: Make customer service a key part of what you offer
- **DO** be consistent: Many customers like to have the same person to deal with over time, so try and keep consistency of staff dealing with a particular retail outlet
- **DO** keep records: Be able to track customer orders so that information on the account is readily to hand
- **DO** be reliable: Do what you said you were going to do and when you were going to do it. You will then establish a reputation as a reliable supplier and that makes the buyer's life a much easier
- **DO** build a loyal relationship: People like doing business with people they "like" so try and establish a rapport that goes beyond a simple buyer/seller relationship

The Don'ts

- **DON'T** assume "one size fits all": Adapt your customer service approach to meet the needs of your customer
- **DON'T** blame your systems if things go wrong: If there is indeed a problem with the system it should have been put right and that is the responsibility of the people not the technology
- **DON'T** make claims that are exaggerated: There is sometimes a tendency in promotional materials to make bold claims that "oversell" the product. Be competitive, but be true
- **DON'T** let on-line overtake off-line: Even if you have the best IT systems in the world people still like good, old fashioned customer service either face to face or over the telephone
- **DON'T** dismiss customer complaints: Take each complaint very seriously and try and turn what was initially something negative into a strong positive

Useful links:



<http://www.makinglocalfoodwork.co.uk/resources.cfm>



Sales and Marketing Guidelines:

<http://www.businesslink.gov.uk/bdotg/action/layer?r.l1=1073861169&r.l2=1073858827&r.s=tl&topicId=1073898550>

Interactive tool to help identify sales channels:

<http://www.businesslink.gov.uk/bdotg/action/layer?r.l1=1073861169&r.l2=1073858827&r.l3=1073898550&topicId=1075308586>



Online Courses for Business:

<http://www1.learndirect-business.com/business-courses/steps-to-success-professional-sales-skills/>



The Chartered Institute of Marketing – Targeting Customers Guidelines

<http://www.cim.co.uk/filestore/resources/10minguides/targetingcustomers.pdf>



<http://www.marketingdonut.co.uk/marketing/sales/sales-techniques-and-negotiations>

Online Business Magazine:

<http://www.businesshelper.co.uk/sales>

