

Sales and marketing

A great business idea won't succeed unless people know about it. That's where marketing comes in. Promoting your business will generate sales and boost your bottom line. But marketing is about more than just attracting customers, it's about keeping them too.

Promoting your business

Your target audience needs to know that your business exists and what you are selling. There are a number of ways you can let them know:

- **direct to the consumer or business** – promoting your product or service to your customers in person. For example, a shop window that catches the eye of passers-by.
- **leaflets and catalogues** - giving detailed information about your products and services. This is a practical way to let people know about your business but watch out for production and printing costs.
- **small advertisements** - in local newspapers, business directories or specialist media. Clear, interesting adverts which highlight the benefits of your product or service are a handy promotional tool.
- **direct mail** – you can rent lists of names and addresses from a list brokerage service to send out a targeted sales letter. Your business will need to comply with strict regulations with this type of direct marketing.
- **internet** – you can set up a website to promote your business and send information to customers by email. In time, you could take payment via your website too. Again, you'll need to make sure you comply with direct marketing and online selling regulations.

Legal issues

All businesses have a duty to ensure their advertisements are legal, decent, honest and truthful. For distance selling, you will need to include certain information in your advertising. You can get details on advertising rules at the Committee of Advertising Practice on 020 7492 2222 or visit www.cap.org.uk.

Your customers have a number of legal rights that you should be aware of. These rights apply whether they bought something in a shop, by mail order or over the Internet:

- if you sell a product that is faulty, the customer is entitled to a full refund, a partial refund, full repair of the product or a replacement product.
- if a service is not provided with reasonable care and skill, within an agreed timescale and for the agreed price, customers can ask for a refund for all or part of the cost of the work.
- if you sell goods by phone, mail order or over the Internet, customers have the right to change their minds and cancel their order. This is known as a 'cooling-off period' and is designed to allow consumers the opportunity to examine the goods or consider the service.

The Office of Fair Trading provides guidance on customers' legal rights – visit www.oft.gov.uk or call 0845 722 4499 for more information. Trading Standards Central has information on consumer protection and trading practices at www.tradingstandards.gov.uk or 0870 872 9008.

Businesses which hold information on individuals must comply with the Data Protection Act 1998. For details contact the Information Commissioner on 01625 545 745 or visit www.informationcommissioner.gov.uk.

Measuring success

How do you know your promotions are effective? To understand what has worked and what hasn't you should track the results of your promotional activity. You can do this by:

- asking customers who come into your shop or telephone you how they heard about your business.
- providing a 'hook' that customers have to act on, like getting customers to cut out a voucher from an advertisement to receive a discount or free product.

- getting customers to reply to a slightly different name or address depending on where you place the advert.

Remember that some promotional campaigns may stimulate enquiries but not actually generate sales. If this happens, consider whether the campaign was targeted at the right audience or gave the right message.

Sales techniques

All customers are different so you'll need to use a variety of techniques to get them to buy your product or service. You'll also need to judge when to actively sell and when to give the customer space to make their own decision.

Here are some tips for successful selling:

- build up rapport and trust with your customers. People do business with people they like so be interested and cheerful in your approach.
- be confident and assertive in your manner but never aggressive. Try to maintain strong eye contact and a positive body language. Creating the right impression is the key to making a sale.
- try to understand your customers' needs – ask for comments or questions about your product or service.
- why should the customer buy your product or service? Sell the benefits your product or service will bring the customer. Get the customer interested and build their desire to buy your product or service.
- have your business contact details (telephone, address, website or email address) clearly marked on all your marketing literature.
- prepare for meetings or telephone conversations which you know about in advance and try to match your product or service to your customers' needs.
- to boost sales, think about offering a discount for short periods of time.
- at the end of a sale, confirm what's been agreed verbally and in writing.

Pitching for new business

Creating a proposal

A proposal is a document that you create to help you get new business. This may mean meeting with a large company to discuss supplying your products to them or discussing doing a piece of work with another business in the area.

For example, if you make sandwiches you may be able to set up a meeting with a local delicatessen to discuss supplying them with a regular stock of your sandwiches in bulk. If you are a joiner, you could pitch for a contract with another business to help renovate their offices.

A proposal should set out, clearly and concisely, what your business does and how your product or service can help the other business. Here are some tips to help you write a winning proposal:

- keep it clear, simple and to the point and avoid jargon
- include the price and timetable for delivery you are proposing for your product or service
- make sure you can actually do what it is you are proposing
- be enthusiastic about what you can offer
- get it checked for spelling and grammar mistakes
- type up your proposal neatly and on good quality paper

Negotiating contracts

If your proposal is accepted, you will need to negotiate a formal contract with the business you pitched to. This sets out the responsibilities of the people involved and what rights everyone has. It helps to make sure that everyone involved knows what is expected of them.

When negotiating a contract, you should reach an agreement that benefits everyone. You should be willing to be flexible but don't promise a deadline or price that you can't actually deliver.





Customer care

Looking after your customers' needs and making sure they are happy with your product or service is vital to your business's success. If you treat customers well, they will be more likely to buy your products or use your service again – and they'll recommend your business to other people. If they don't like the product or didn't feel they received a good service, they will go to one of your competitors instead. And studies show that while a customer who has had a good experience will tell one person about it, a customer who has had a bad experience will tell nine.

If a customer complains about your product or service, make every effort to deal with the complaint quickly and in a professional manner. Complaints can be positive, helping you to pinpoint – and fix – any problems with your business. Develop a consistent system for dealing with customer complaints. You could try things like:

- noting down the complaint
- apologising for the problem
- offering a replacement product or a refund
- offering money off the customer's next purchase
- following up with a letter or telephone call to ensure the customer is satisfied

Top tips

-  Think about how you will manage the response to your marketing efforts before you spend any money.
-  Make sure you have set aside a budget for marketing and stick to it.
-  Whatever your business put the customer first and listen carefully to their changing needs.
-  Speak to a legal professional if you need to find out more about sales law and customers' rights. The Trust has a free legal helpline available to businesses it currently supports which can help with legal queries. Ask your Prince's Trust contact for the reference code and telephone number.

Many of our loans benefit from a guarantee provided by the European Investment Fund under the European Community's Multiannual Programme for small and medium sized enterprises.



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