



Target Customer: Universal Expectations

Standard = An artisan enterprise understands the expectations of all buyers & sellers.

No matter what market or what type of customer you are selling to there are universal expectations of all buyers and all sellers. Understand these expectations and use them as a guide in your communication and customer relationships for success.

For the BUYER:

- 1. Consistent & Good QUALITY**
Products received are the same quality as the original sample; quality is defined by craftsmanship, material, size, color and pattern/motif. Some variation is expected with handmade products but significant variation on quality is not acceptable.
- 2. ON TIME Delivery**
Products are received (or shipped) by the date agreed on between the buyer and seller and indicated on the Purchase Order.
- 3. Timely & Thorough COMMUNICATION**
Seller responds within 24-48 hours via email or What's App to all communication; seller alerts buyer of any problems or delays in a timely manner and finds solutions to problems as they arise.
- 4. Order Ships COMPLETE**
All the quantities on Purchase Order are shipped in one shipment; if items are backordered or not available, seller informs buyer as soon as possible and finds solution.
- 5. Accurate DOCUMENTATION & LABELLING**
Seller provides accurate commercial invoice, packing lists and other required documentation in a timely manner so that the shipment clears US Customs without delay; products are labelled with country of origin, material content (if required), and product codes.
- 6. Affordable & Safe SHIPPING**
Shipping costs are reasonable (in comparison to the value of the order) and all products are packaged to avoid breakage during transit.

For the SELLER (artisan enterprise):

- 1. PAID in full and on time**
Buyer pays artists the full amount due by the date indicated in the terms of the Purchase Order.
- 2. Timely & Thorough COMMUNICATION**
Seller responds within 24-48 hours via email or What's App to all communication; seller alerts buyers of any problems or delays in a timely manner and finds solutions to problems as they arise.
- 3. Respect BRAND & IDENTITY**
Buyers will not reproduce my designs with other producers; buyers will represent my story and give credit to my creativity when they sell my products.
- 4. RE-ORDERS**
Buyers re-order products that sell well and are committed to a long-term relationship.

Activity

- 1** What expectation worries you the most?
- 2** What do you think your strengths are in terms of these expectations? What are your weaknesses?
- 3** What other expectations do you want to communicate to your customers?



Target Customer: Distribution Channels

Standard =

An artisan enterprise defines their target customer in terms of distribution channel.

Identify your target customer by distribution channel.

How does your product get from your workshop or warehouse to the final end-consumer?

Defining your distribution channel will help identify your target customer.

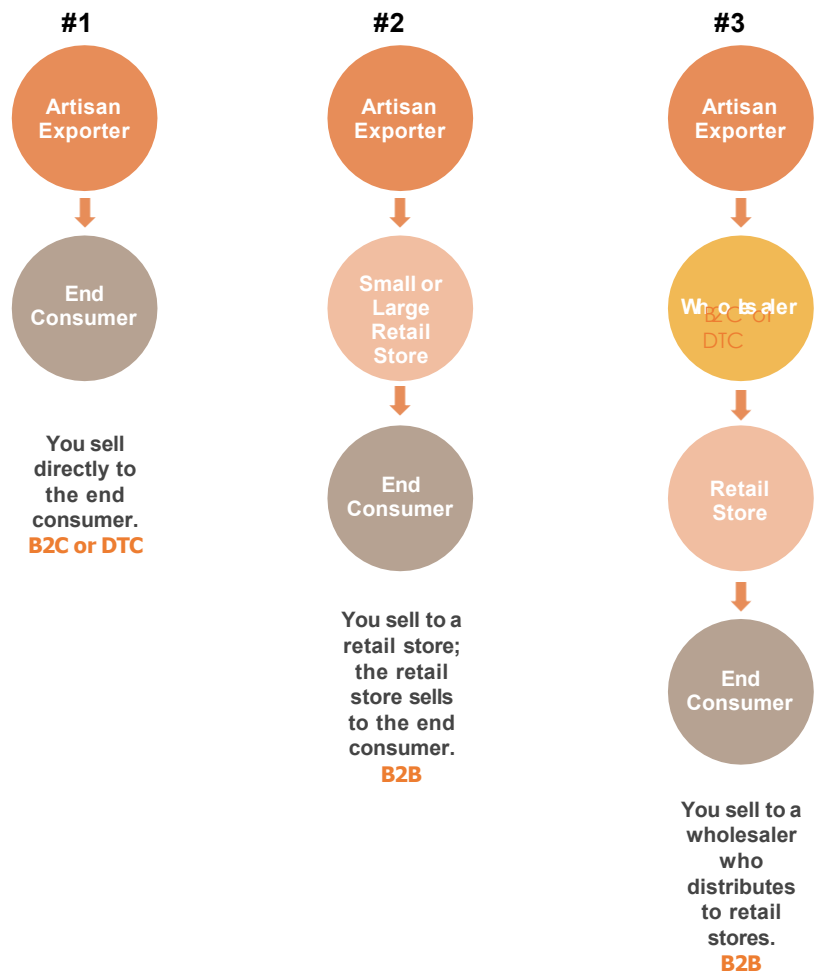
Activity

- 1 On the diagram below, circle the distribution channel that illustrates how your products get from your workshop (or warehouse) to the final end-consumer.
- 2 Are you selling through one channel or multiple channels? If yes, what channel is the most successful for you?

Channel #1: This is often referred to as “B2C” (Business to Consumer) or “DTC” (Direct To Consumer). This is a very challenging and difficult channel for overseas artisan enterprises to compete effectively in, however.

Channel #2: This is one of two “B2B” (Business to Business) channels that is popular for global artisan enterprises. In this channel, an artisan enterprise exports to either a small or large retail store; the retail store, in turn, sells to the end-consumer.

Channel #3: This is the other “B2B” channel that is popular for global artisan enterprises. In this channel, an artisan enterprise exports to a wholesale company. The wholesale company distributes to retail stores, and the retail store, in turn, sells to the end-consumer.





Target Customer: Customer Profiles

Standard = An artisan enterprise defines their target customer in terms of the type of company or customer and they understand the specific requirements of their target customer.

There are four general profiles of customers/companies buying global handmade products.

1. **WHOLESALER**
2. **LARGE RETAIL STORE**
3. **SMALL RETAIL STORE**
4. **END CONSUMER**

Each profile has different expectations in terms of:

PRICE TERMS = costs included in your price

PAYMENT TERMS = when you will be paid & by what method

QUANTITIES = minimum or average order

PRODUCT OFFER = type of collection you have

DELIVERY TIMES = when you will ship their order

LENGTH OF RELATIONSHIP = how many times they will order from you

	Quantities	Price Terms	Payment Terms	Product Offer	Delivery	Length of Relationship
Wholesaler (B2B)	500+ pieces \$5,000-\$50,000+	FOB or Ex-Factory	Deposit paid by wire transfer; balance on receipt of goods	Private Label or Custom Design	3+ months	Long Term
Large Retail Store (B2B)	500+ pieces \$5,000-\$50,000+	FOB or Landed	Net 30-60 paid by wire transfer.	Private Label collection or exclusive co-brand	3+ months	Medium
Small Retail Store (B2B)	20-50 pieces \$250-\$1,000	Wholesale, Landed or DDP	At Export or Net 30 by credit card or check.	Your Branded Collection	3-6 weeks	Short to Medium
End Consumer (B2C or DTC)	1-2 pieces \$25-\$100	Retail	Paid in Advance by credit card.	Your Branded Collection	1-10 days	Short

Target Customer: Customer Profiles (continued)

Additional information about company profiles:

Wholesale Company: A wholesale company develops their own products and distributes to retail stores. They may manufacture themselves or custom design products from other producers. When they work with other producers, they are interested in companies with excellent production resources that can collaborate to design unique products for their brand. They prefer to develop long-term relationships with their production partners. Many wholesale companies operate direct-to-consumer channels either online or in their own store. Wholesale companies specialize in product categories. They sell to retail store buyers through showrooms, at wholesale trade shows, in password-protected online wholesale catalogues and e-commerce, and through sales representatives. Wholesale companies operate warehouses and fulfill orders to retail stores in 7-10 business days.

Large Retail Stores: Large retail stores or national retail chains sell directly to the end-consumer through a variety of channels including online, mail-order catalogues and stores. Stores are often located in large shopping malls and usually have 10-200+ store locations. They sell their own branded products or co-branded or exclusive products from other brands. They look for suppliers with the ability to customize exclusive products. They can change their suppliers regularly in order to offer new products in their stores. Large retail stores can include department stores, home décor stores, apparel stores, museum stores, discount retail stores and lifestyle stores.

Small Retail Stores: Small retail stores are often referred to as “independent retailers”, “brick-and-mortar retailers” or “mom and pop retailers”. They usually operate 1-3 locations and sell primarily through their physical stores. Small retail stores can include a wide variety of store types including fair trade stores, museum stores, interior design stores, galleries and gift shops. They sell other brands, not their own brands of products. Small retail stores are increasingly interested in importing directly from international brands. Small retail stores can change their suppliers often in order to offer new products in their stores.

End-Consumer: The end-consumer is an individual who is purchasing products either for themselves or to give as a gift to other people. Most end-consumers are purchasing both online, at stores and at special events and market.

Activity

1

Who is the best target customer for your company? Please explain.

- End Consumer
- Small Retail Store
- Large Retail Store
- Wholesale Company

2

Do your terms and offer match their expectations? Minimum order, price terms, payment terms & method, lead-time and product offer