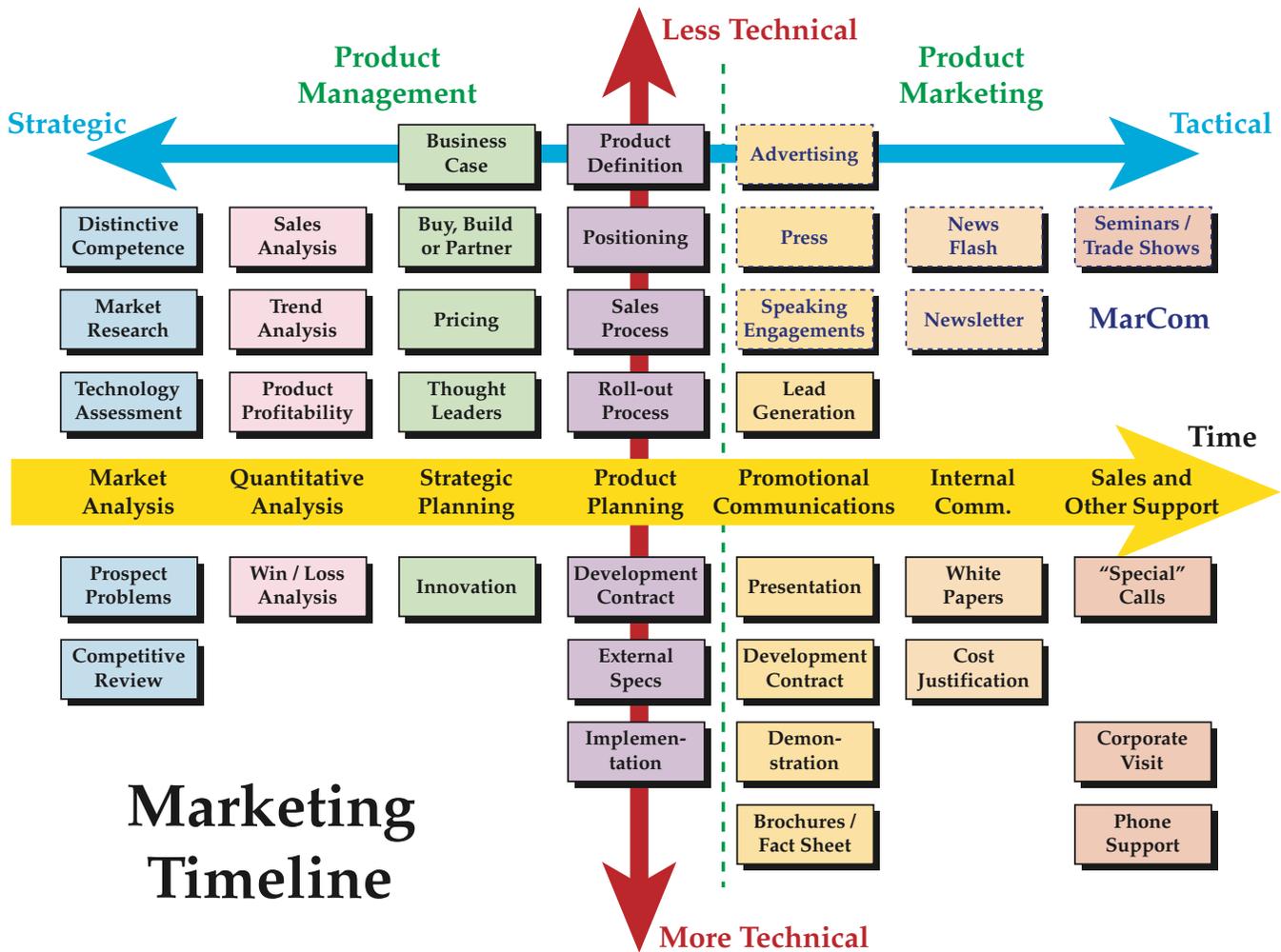


Marketing Timeline

How should marketing be involved in conceiving and helping sell a product? Ideally, marketing is involved during the initial conception of a product, addressing the strategic issues, and as the product is developed, tested, and shipped, becomes increasingly focused on the tactical issues required to sell and support it. The basic steps are:

1. Market analysis
2. Quantitative analysis
3. Strategic planning
4. Product planning
5. Promotional communications
6. Internal communications, and
7. Sales and other support



In small organizations, one person will perform all of these tasks. In larger organizations, product management (in-bound) focuses on the market and quantitative analysis, strategic and product planning, while product marketing (out-bound) provides the promotional and internal communications, and other sales sup-

port activities. Typically marketing communication (MarCom) personnel focus on the advertising, public relations, seminars and trade show activities; with input provide by product marketing managers.

Product Idea / Vision / Validation

Anyone in a company, e.g. development, marketing, sales, support, or finance; can have an idea for a product or service. Typically ideas that originate from non-development departments are customer-centric, they are based upon existing customer needs. They tend to be evolutionary, representing refinement or extension of an existing product or service. While development product ideas also can be evolutionary, sometimes they are innovative, and may result in the birth of new markets and customers.

To validate the market opportunity for the concept, marketing needs to perform:

- Market analysis
- Quantitative analysis
- Strategic planning

Before starting this effort, agreement is needed on a high level feature definition of the product is needed, along with a list of potential customers, possible major and minor competitors, and the types of products that could be used instead of the proposed solution. These tasks are much easier and straightforward for evolutionary products; whereas revolutionary products are often termed, “solutions in search of a problem,” where the challenge is to determine the markets having the greatest need and willingness and ability to pay for the proposed solution.

Market Analysis

Market analysis involves identifying the company’s core competencies (does this product or service leverage these competencies?), quantifying the size and growth of the opportunity by doing market research to identify target customer segment sizes, examining the alternative technologies that could be used to implement this product (advantages and disadvantages), identifying the problems (pain) and

needs of the prospective customer has that will be addressed by the product, and identifying and assessing other companies that could be competitors.

Market segmentation can be done by **demographics** (market, product category, application, position, industry, channel, size, location) and by **psychographics** (problem, need, buying decision process, influencers, technology adoption cycle, corporate culture, barriers to adoption).

Quantitative Analysis

Quantitative analysis is most frequently done for current products, analyzing who is buying them, reasons why customers bought from a competitor, and what features provide the most profitability. However, even for new products, trend analysis allows determining if the industry is moving towards or away from the approach of the proposed product.

Strategic Planning

The market and quantitative analysis information enables providing the information needed to make a business case for the product or service. The next question is whether it makes more sense to buy or partner with someone else, or to develop it internally. At the same time, some idea of what the product will need to be priced in order to be competitive is helpful. If possible, it is helpful to talk with industry gurus, CTOs and other thought leaders to validate the concept. However, intellectual property issues may restrict your ability to do this.

At this point, the product vision needs to be validated. For an existing product, this may be simply a review of the techniques that will be used to achieve the improved parameters. But for a new product, validation requires a proof of concept, demonstration, or working prototype that is sufficient to show that the product can be implemented successfully.

Marketing Requirements Document

The product plan or marketing requirements document (MRD) incorporates the market and quantitative analysis and strategic planning work previously performed. It states the business case for a new product by describing its costs and revenue potential.

Product Definition

The product definition summarizes the product concept, market opportunity, financial objectives, features of the product or service, profiles target market segments, buyer and user personas, customer needs, how the product will be used, and market window. It identifies competitors and features necessary to be competitive and enter the market. It also describes the risks, difficulties, estimated effort in person-weeks, and confidence in being able to implement the product or service. In particular, it also describes any unresolved issues or problems. In terms of the market need, it ranks products features as essential, highly desirable, or desirable..

Positioning

The MRD defines the positioning for the product in terms of its:

- Market / product category
- Benefits / competitive differentiator
- Market segment
- Problem / critical need
- Competitive differentiation test

In essence, it states the unique selling proposition (USP) — the features that make the product or service unique and different from anything else in the market.

Sales Process and Channels

The MRD describes the sales process, sales channels of distribution, that will be used to sell the product and the process that will be used to accomplish this. It also discusses marketing and channel support programs, and sales readiness.

Roll-out Process

Plans for alpha and beta testing, obtaining testimonials, and obtaining early adopters are summarized. Necessary criteria such as quality assurance, manuals, and support are identified for each stage of the roll-out.

MRD's are not created in a vacuum, the features and directions specified in the document require the expertise and insights of all the people who will participate in implementing it.

Product Specification and Schedule

Development Contract

In response to the MRD, development creates a first draft product specification and schedule. The specification defines the architecture and features, and identifies the portions of the MRD that will not initially be delivered due to schedule, resource constraints, or complexity.

External Specification

The external specification defines the features and characteristics of the product or service to which quality assurance will base its test plan upon. The external specification is also the basis upon which brochures and other promotional and internal communications are based.

Implementation

This is where development actually designs, builds, and implements the product or service. As initial prototypes become available, marketing runs the alpha / beta programs and captures initial user and customer feedback.

Marketing also creates feature, schedule, and cost tradeoffs as the product nears completion.

Product Launch

As the product moves from alpha to beta stage testing, communications to the outside world are prepared. These include:

- Advertising
- Press / public relations
- Speaking engagements
- Channel marketing
- Sales

The launch plan specifies:

- Positioning, features, benefits, and unique selling proposition (USP)
- Pricing
- Marketing programs
- Launch activities (press tour)
- Sales tools: white papers, presentations, collateral, competitive comparisons
- Sales activities
- Public relations — launch tour and product review / evaluation program

Much of the launch plan comes from the marketing requirements plan, the marcom department and other areas of the company.

Marketing Communications

Marketing communications is a combination of tradeshows, public relations, literature, advertising, web, email and direct response. Direct response, Internet and trade show events are the workhorses by which marketing in small and medium businesses sell and announce a product. Branding is best achieved at trade show events, print media, and direct mail.

Marketing communications is used not only to reach potential customers, but to create buzz in the investment community that increases the valuation of the company, and by increasing overall awareness of the company, enhances the ability of the company to attract and retain personnel.

Advertising

Advertising includes print media, radio, television, web banner ads, Google Adwords, and co-op. Key to advertising is that capturing attention requires repeating messages since readers and viewers tend not to retain exposure to a single message. It is important that the message conveyed be consistent throughout all advertising and printed material.

To decide upon which media to select, typically one examines its audited circulation numbers, target audiences, editorial content, lead time, and cost.

Web

The company web site acts as an ubiquitous brochure with worldwide reach. Implemented correctly, it has a tremendous potential to help generate sales leads. Key to an effective web site is that potential customers doing relevant searches, be able to quickly identify and access the site. This requires an analysis of the multiple word phrases that describe and identify the products and services of your web site. This

information in turn is used to direct the content that the web site should include, as well as provide insight into purchase of advertising such as Google Adwords.

An effective web site requires good tools and metrics for measuring and tracking the response provided by different keyword phrases, ads, and entry pages. While anyone can relatively easily create a website, designing, implementing, and optimizing a website that draws and attracts potential customers and qualified leads is a non-trivial task requiring considerable expertise.

Direct Response

Direct mail is an excellent way to reach a very targeted audience. Direct mail is used for:

- Selling
- Reaching customers on a regular bases
- Supporting the sales force
- Providing information
- Overcoming competition
- Requesting information

There are three primary considerations in a direct mail program: the offer, the market, and the presentation:

- Offer — what will be sold and what marketing strategy will be used to sell it.
- Market — the list one uses to mail to and is the key ingredient in the effort.
- Presentation — actual components: the brochure, a letter, a reply card, et cetera.

Properly done, direct response can be highly effective at generating leads and augmenting sales efforts.

Literature

Literature serves a communications function. Each piece of literature should have a purpose and be tied to the overall company strategy. Examples of literature include:

- Press kits
- Product literature

- Take-one fliers
- Data sheets
- Product announcements
- Service information
- Article reprints
- Company philosophy

Broadcast

Using television and radio is often not considered for high technology products and services since it is perceived by being too costly and lacking the desired context. Yet over 98% of all United States households own televisions, and there are a tremendous number of news and business shows with an insatiable appetite for live guests. Even a small show like KICU Silicon Valley Business has 184,000 viewers.

Well produced material that a broadcast media considers “make me care,” will often be used to fill a “news hole.” Material that is new, unique, has pretty pictures, and brings a human story to the viewer make for compelling material. Select a spokesperson who is clear, concise, speaks plainly, and is animated and passionate in their conversation, making them entertaining to watch. For an interview, have sound bites prepared and rehearsed.

Assignment and future editors, producers, reporters and bookers are decision makers to whom a television pitch is made. An email pitch followed a phone call is often preferred. Holidays are an excellent time when your material will be particularly appreciated, when they want to avoid sending a crew to the field.

Provide a layout of the B-Roll material you can provide (corporate visuals of signage, exteriors, product shots, employees; and news-driven visuals specific to the announcement or story). The B-Roll should include natural background sound and include static shots with short moves.

Realize that business news is short — 30 seconds is typical for an anchor, 90 seconds for a field reporter, and two to three minutes will be

the exception. Often times an upbeat story will be used at the end of a broadcast as a kicker.

Public Relations

Public relations enables a company to rapidly gain market share, and capture a significant share of mind with its positioning. A well planned public relations program creates a platform to showcased the company and its products and present the long term company goals.

Public relations campaigns are a long term strategic investment that require careful planning. A concise plan requires a clear definition of the company and product positioning or point of market differentiation. Well defined programs with specific introduction objectives include the packaging and promotion of top management and in particular the CEO or key founder.

It is important to test messages, as well as obtain market perspective and input before committing to a public relations campaign. Using messages that have tested well will accelerate market acceptance and penetration.

A public relations campaign typically includes:

- Press kit
- Backgrounder
- Product photos
- News press release
- Media tour
- Photos of key individuals
- Product press releases
- Surveys of editors
- On-going press contact
- Article placement
- A speakers platform

Some tasks are better done in-house, while others such as on-going press contacts may be better performed by an agency.

Trade Shows

If examined carefully from a strategic viewpoint, trade shows can augment a company's marketing communication strategy by acting as the mortar that fills in between advertising, sales promotion, and direct sales, while offering opportunities to contact potential and existing customers. To decide whether or not to attend a trade show and how much to spend on it, one should address these four questions:

- What function do the shows play in the overall marcom plan?
- To whom shall the effort be directed at the show?
- What should be the mix of shows to meet objectives?
- How should the shows be evaluated?

To answer the questions, it is helpful to understand the selling and non-selling objectives served by shows. **Selling objectives** addressed at trade shows include:

- Identifying prospects
- Gaining access to key decision makers
- Selling product
- Gaining competitive information.

Most shows, if properly planned for can satisfy one or more of these objectives and can provide a company with information to satisfy its marketing objectives.

Non-selling objectives include:

- Maintaining company image with customers and press
- Intelligence on competitors' products, prices, ...
- Maintaining company morale
- Inexpensive test-market for self-selected audiences.

To best select which trade shows to attend, it is helpful to:

- Identify the most critical selling and non-selling objectives; rank the trade shows accordingly

- Consider customer constituencies and determine what shows appeal to this market segment

In summary, a trade shows is valuable when:

- Objectives are understood beforehand
- Shows are chosen because their attendance reflects the appropriate market segments

Ideally members of the company should participate as speakers on panels, or as keynote speakers whenever possible. The exposure enhances the company's visibility and helps the selling process.

Sales Support

Lead Generation

The objective of any marketing communication is to be noticed and get a response — to generate interest or a sales lead. Besides conveying excitement and information, each message needs to have a compelling call to action that will result in a lead.

Since leads may be obtained from magazine ads, phone calls, response to emails, trade shows, and direct mail campaigns; it is important to identify the source of each lead and track its ultimate disposition. This information

provides invaluable feedback for improving marketing communications and messages, as well as helping determine the most productive means of developing new leads.

Telemarketing is often used to qualify leads, and when appropriate, sell product. While customer relationship managements (CRM) systems are invaluable for tracking and identifying such information, it is important to implement it in a manner that imposes the minimum burden and overhead on the sales force. The following illustration is one example of a system based upon milestones established whenever a written communication is sent to a potential customer.



White Papers

White papers can be powerful sales tools, acting to both educate and provide decision support materials, enabling sales people to overcome objections and roadblocks. Frequently multiple people within a company are involved in the buying process, either as decision makers or as people who evaluate and make recommendations. White papers help communicate value at targeted audiences within a company.

Financial and business managers will be interested in white papers that communicate how a product or service features and benefits will provide them with a competitive advantage, reduce costs or increase efficiency. Individuals evaluating the product will be more concerned about specific features, capabilities, and architecture. High level executives may need to be educated that a problem exists and that its pain, before they will be able to appreciate the value provided by your product or service.

Presentations and Webinars

Like white papers, presentations may be used to inform, persuade or ask for a call to the action. For a given product or service, multiple presentations will typically be prepared, each targeted at a different audience.

Presentations are often the basis of a webinar, a conference held using the web with audio. While they are initially held live, they typically are recorded so they can be viewed later by those unable to attend the “live” presentation. Webinars can be an efficient way to introduce new products and train people.