

Effective Marketing is based on an Integrated Approach

Going to market with a new product or service is expensive and can have a significant effect on the overall well being of the company.

The success of your company depends on knowing how the market is going to respond to your new offering.

In most cases companies rely on what they know already – rather than viewing their perceived market with fresh eyes.

One company that we worked with understood the need to revisit their market. This is the story of we helped them achieve a 10% take-up for new trial and over \$1 million in new sales with a marketing cost that was a mere 3.5% of new revenue.

Background

Our client was a mid-sized Canadian data information provider that was seeking to introduce a new web-based application. The application was designed to be more affordable for both the client and for the company. This meant that there was a larger potential audience that went beyond the cream of corporate Canada that the company usually worked with.

For this new product the average sale price would drop from \$35,000 a year down to \$3,500 a year. They didn't know how their sales staff, who were used to several face-to-face meet-

ings, could possibly sell at such a low price and earn decent commissions.

Our Deliverables

We provided an integrated approach that managed the entire marketing and sales process to create success.

Market Analysis

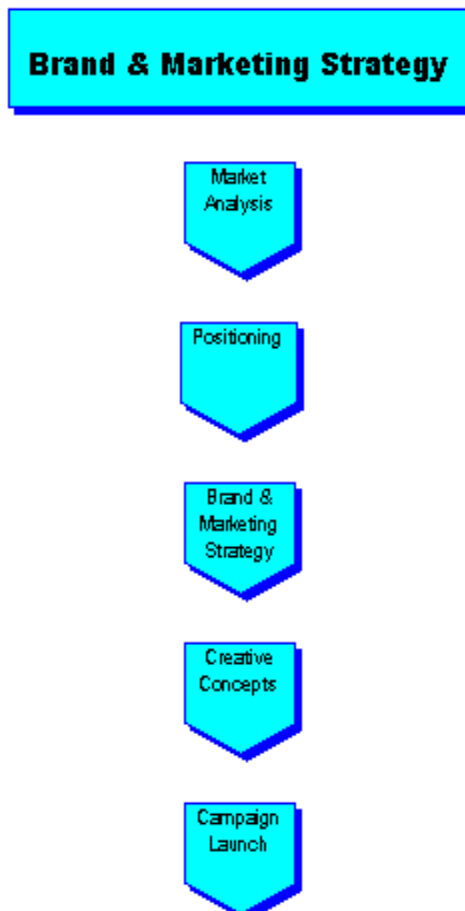
We did analysis of companies that had dedicated marketing and media departments. These companies would be seeking ongoing sources of market intelligence. That determined the following:

- ❑ Size of market
- ❑ Who the potential opinion leaders and decision makers were in each company including titles.

Our market analysis included reviewing the competition and pricing to ensure that the product had clearly definable attributes that separated it from the competition. This analysis fed nicely into a benefits analysis the sales staff used when dealing with potential clients. It also provided the product development team with a set of improvement objectives for future versions of the software.

Trends

The Venture Catalysts developed also developed a Point of



THE VENTURE CATALYSTS: YOUR BUSINESS DEVELOPMENT

View document that outlined that we thought the data information market was rapidly heading towards pay per use – rather than long term contracts.

Positioning Statement

Based on the above research, we developed a positioning statement that clearly outlined the Brand Contract or offering. This became the basis for the product’s slogan and became the benchmark for all marketing and sales materials that we produced.

Market Strategy

After reviewing their target audience we developed a marketing program that would create a significant amount of exposure in a short period of time. This ensured that the target audience would see something on the new service in several places and generate interest. The plan included:

- Print Ads in selected newspapers
- Media Releases for trade publications
- Direct Mail piece to opinion makers in target companies

Test Before Launch

Normally, we recommend that our clients do some form of market testing such as focus groups or surveys, however the company felt it had enough feedback from its sales staff that it didn’t want to spend any funds in this area.

Business Objectives

Because we had done a detailed market analysis we were able to determine the potential size of the market and develop a sales estimate.

Artwork Based on Positioning

Our communication concepts focused on a new product logo and a web site design that was

Type of Media	Consumer	Business-to-Business
TV	X	
Radio	X	
Internet	X	X
Direct Mail	X	X
Telemarketing	X	X
Newspapers	X	X
Consumer Magazines	X	
Trade Publications		X
Coupons	X	
Bill Boards	X	
Transit	X	
In Store	X	
Trade Shows/Event		X

Some Marketing Programs work better for B2B

used on their existing application. The designs were based on promoting the Positioning of the Brand.

Marketing & Communications Budget

This was a significant step for a company that hadn’t needed to market itself too significantly. We developed a complete budget that would cover the cost of:

- Strategic Planning
- Logo & Web Development
- Advertising & Direct Mail
- Media Release writing, distribution and follow-up calls
- Training

This complete approach gave them confidence in the total cost of the product launch.

THE VENTURE CATALYSTS: YOUR BUSINESS DEVELOPMENT

Sales Strategy

The strategy was to have the inside customer service team contact the direct mail recipients and sign them up for a two week free trial. At the end of the two weeks, the customer service team called a second time to gauge the usefulness of the application and to potentially sign them up.

This process worked well as it brought focus to the target audience's mind about using the product. It assisted them by having knowledgeable staff helping them to set up the trial period. This worked so well that 10% of the direct mail recipients signed up. At the end of the two-week period, the target audience was able to get questions answered about some of the features they were having difficulty in using. The result was enough signed up for annual subscriptions to generate over \$1 million in annual sales.

Written by:

Jim Adams
Partner
The Venture Catalysts
Jim.adams@theventurecatalysts.net

This is the third in a series of newsletters that are available for downloading on our website:

www.theventurecatalysts.net

The Venture Catalysts is your business development partner.

We have extensive real world experience in helping smaller companies in Canada, the US and Overseas develop effective business strategies. We provide further support by developing and implementing a complete range of financial, marketing and sales programs for your company

- BUSINESS PLANS
- FINANCIAL
- Modelling
- Going Public
- Franchising
- MARKETING Strategy & Tactics
- SALES Strategies

THE VENTURE CATALYSTS

YOUR BUSINESS DEVELOPMENT PARTNERS

601 Beresford Ave, Toronto, Ontario M6S 3C2
Phone: 416-769-3186
Fax: 416-769-3298
Email: info@theventurecatalysts.net
Web: www.theventurecatalysts.net
