

Does Your Company Need More Marketing? Or Just Better

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By Mitchell Gooze

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Many sales problems can be solved by improved marketing. Selling harder is often not the solution. More . . . or just better . . . marketing may be what's needed. Marketing presents a special problem for any company that has not yet developed a professionally staffed marketing department. This article looks at the various marketing functions. It describes some successful approaches to determining when to add "more" marketing to your company.

In The Beginning

Most successful companies grow from a small enterprise based on the founder's idea or vision. In the early stages, the founder usually plays many roles. It's common to see a founder handling engineering and/or sales roles. As the company succeeds and grows, many of these tasks are delegated to others.

The one area most often key to the long term success of the company is the function of marketing. This article covers:

- * The marketing functions
- * The problems they can prevent or solve
- * The contributions you can expect from marketing

Marketing: The Difference Between Buying And Selling

The definition of marketing has been attempted by many authors. It is commonly referred to as the process of relating the potential customers' needs and wants to the company, and then addressing the company's solutions to meet those needs and wants back to the marketplace.

We have described marketing as the process of focusing on Who the customer really is, and What the customer is actually buying from you . . . rather than what you're selling. What customers can buy from your firm . . . that they cannot buy from another . . . is the real reason they do business with you.

The marketing functions within your company that support this work can be divided into product marketing and marketing services to support demand creation and sales. Both functions are necessary to have an effective marketing effort. However, they are distinct. How much of each you need . . . and who should perform these duties . . . are important issues.

What Is Product Marketing?

The classic definition of product marketing includes the issues of product, price, promotion, and sales channel (place). The concept of product marketing holds true whether your company is a "product" or a "service" company. In the case of a service company, your "product" is the service provided.

To succeed, these product marketing issues (product, price, promotion, and place) must be handled so they are effective from the customer's point of view. In the beginning, these issues are usually a key part of the founder's vision. When the company succeeds, they often become too complex . . . and too important . . . to be handled part-time, by the chief executive.

Product marketing works over two different frameworks, each important, and fundamentally very different. These two areas are strategic and tactical.

Strategic Marketing

Strategic product marketing is the future component of the marketing problem. Strategic issues include:

- * What business is your company in?
- * What business should you be in?
- * What products or services should be designed and offered?
- * What technical capabilities need to be developed within the company or acquired from outside the company?

Other related strategic issues include:

- * Marketing channel strategies (How do you reach your customers, then sell and deliver the goods?)
- * Competitive positioning (What sets your company apart in the minds of your customers?)
- * A complete understanding of, and ability to communicate to customers, What they can buy from your company that they cannot buy from any other company.

The strategic role requires a person who is a generalist, with a broad view of the market, the industry, and the company. This is the role most usually maintained by the founder/CEO. Portions of this strategic function may be provided by a senior marketing manager or by outside consultants.

Tactical Marketing

Tactical product marketing deals with issues that relate to the success of current products or services. These include:

- * New products or services introductions
- * Promotion of existing products
- * Development of marketing programs and literature that are effective in reaching the customer
- * Communicating the unique position that separates your company from your competitors
- * Ensuring that the sales channels are being used effectively to reach customers

The development of tactical plans is a product marketing function. The execution of some of these

tactical items may be accomplished by marketing services, as described next.

The tactical role requires a person with the desire and skills to "get it done." Both tactical and strategic roles require great communications skills, and the ability to deal successfully with a wide range of people, both inside and outside your company.

What Are Marketing Services?

Marketing Services executes tactical marketing programs. This may include sales contests, public relations, advertising, trade shows, dealer programs, direct mail campaigns, etc. This function manages or provides the creative, and produces items such as brochures, advertisements, press releases, trade shows, etc.

There is obviously an overlap between tactical marketing and marketing services in the area of defining and planning these programs. A senior, experienced, marketing services professional may be able to perform some of the functions of tactical marketing. Unfortunately, many times we place an excellent marketing services person in a position which really is tactical marketing . . . and the results are not satisfactory.

Marketing Services' function is to create and manage the tools, support materials, and collateral that tactical marketing has determined necessary to effectively implement the programs designed to achieve the strategy.

Skilled marketing services professionals have excellent input regarding these tools and materials to assure effective results. Asking them to perform the tactical product marketing function is quite another thing!

What Do Marketing Problems Look Like?

Sometimes it's easy to see a marketing problem. One example of this is a stalled product.

You've spent many months developing a new product and feel sure of its merits in the marketplace. You've introduced the product, but it seems to be going nowhere. What do you need to do to take advantage of your investment and ensure the success of the new product (and perhaps your company)?

- * Should you lower the price?
- * Should you raise the price?
- * Do you need to spend money on advertising?
- * Do you need to kick off a public relations campaign?
- * Do you need new sales channels, or do you need a program to "kick start" your existing channels?

Obviously some of these issues are tactical product marketing. Some may involve marketing services, or the problem may be fundamentally strategic.

Possibly, you have an unneeded or unwanted product or service. Maybe you have not fully determined what the differences are your product or service provides which are valuable to potential customers.

Another example of a potential marketing challenge is an important new product introduction.

- * How do you ensure that you get the best press coverage?

- * Should you introduce the product at a trade show? Or with a press conference? Or with a press tour?
- * What literature and sales tools will you need?
- * Does this new product (or service) fit your existing sales channel?
- * What is the competitive environment in which this product will be introduced?
- * How should the product be priced and positioned to take maximum advantage of the competitive situation
- * What do your prospective customers think of the new product?

Again, some of these problems are tactical and some are Marketing Services. Executing an effective new product launch by relegating the planning and execution to Marketing Services, or worse, to your advertising agency, is a mistake. Given that 90% of new product introductions fail to achieve their sales goals, perhaps it's time to consider that the execution may not be the problem. Perhaps there was never a viable plan.

Sometimes it's more difficult to recognize the problem as belonging to marketing. It can still clearly be rooted there however. An example of this is the conflict between sales and the factory. Often the conflict looks like this:

The salespeople are frustrated. They see opportunity they can't turn into business, and they blame the factory for not listening to them, and for being unresponsive.

The sales person says, "Why don't they hear what I am telling them?" The factory staff in this case is often frustrated with field sales. "Why can't they just sell what we have?", is a common question from the factory.

Are the salespeople just complaining, so you should disregard them? Are the factory people being too "hardheaded?" Or is it possible that a marketing job, clearly defining the position of the product and communication of this to sales, has not been done?

If sales does not know the positioning, you will be getting inconsistent results and information from them. Has this happened to you?

Some marketing problems are easier to identify. You have an idea for a wonderful new product. But,

- * What features should it have?
- * What is the importance to your customers of each feature?
- * Is there something else even more important about which you are unaware?
- * How do you tell the story of the product so that you can get your sales people excited, and your customers to buy?

To answer these questions, what do you do? Do you conduct a focus group? Or a user survey? By phone, or letter, or face-to-face interviews? Or just design it, release it, and hope you were right?

The bottomline is that all of the above scenarios describe marketing problems which can be solved with the right marketing talent. Whether that expertise is full-time or a part-time, on-staff or from outside services are trade-offs you make to get the best solution your budget can afford.

Final Thoughts

The key to marketing is to see your company as you are seen by your customers. If you're satisfied with your company's results and feel that the future of your company is secure, then you may have

all the marketing you need.

If you feel better results are needed, that you should be selling more, or your profits should be higher, or you should be doing a better job of satisfying your customers . . . then you should seriously consider adding marketing talent to your team.

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