

The Four P's are a No Brainer, but Don't Underestimate the Importance of the Four M's

By Terry Healey, Ridgeview Consulting



Terry Healey is a high technology solutions marketing consultant. His current and past clients include Cisco Systems, Intel, and many other emerging and start-up companies. Terry is also an author and professional speaker. For more information, please visit www.ridgeviewconsulting.com or email Terry at terry@ridgeviewconsulting.com

Building a complete and differentiated go-to-market plan is something all marketing professionals strive to achieve. We typically follow a methodology to ensure that the target customer is at the center of the plan and that we have a clear and compelling value to generate a positive response. We often build our plans based on the four P's of the marketing mix, but more often than not, I engage with companies who don't include sales in the process. Without the very latest and best customer insight, gaps can yield an otherwise well crafted plan ineffective. Only with that input can we achieve a 360 degree view to enable true marketing and sales alignment.

Many of us learned about Neil H. Borden's "The Concept of the Marketing Mix", circa 1964. The ingredients of Borden's Marketing Mix centered on the four P's – product, pricing, placement (or distribution), and promotion. But those four P's require that the marketing professional develop the optimal mix, including market insights, developing integrated marketing/sales programs, and ensuring the necessary measurement tools and metrics are in place. Unfortunately, those actions too often become afterthoughts of building that differentiated go-to-market plan. In other words, we focus on getting buy-in for our plan, and work out the details later. The problem is that often our cycle time to work on the details gets shortened due to business pressure to "execute something".

Assuring Success with the 4 M's

The key to a successful plan based on the 4 P's means starting with a framework from the outset that includes what I like to call "the four M's"; Market Intelligence, Modeling, Mix, and Measurement. The four M's are the marketing activities which act as the glue that binds marketing and sales together. Ensuring that sales and marketing have skin in the game motivates both teams to achieve marketing objectives with focus ultimately on revenue.

The four M's are really a continuum of activities that enables the marketing professional to build a sound plan, but those activities are also designed to optimize your plan over time.

1. Market Intelligence and Analysis

- Just as anyone raising money to fund a start up needs a great idea, they also need a large and growing market that they believe they'll be able to address. In the same way, regardless of the maturity of your company, you need to develop a business case for what part of the market you intend to address, why it makes sense, and how you are going to do it. The process of researching the total addressable market for your proposed product or service is only a small piece of the analysis necessary. Identifying the viable market segments that your solution can address, along with understanding the customer profile and primary business drivers are the baseline for any plan. Whether you have a solution that requires prospecting for new customers, or perhaps you have the benefit of an installed customer base that you can cross-sell and up-sell into - the same rules apply. Do your research - analyze the data to determine what slice of the market you intend to address, what challenge you will solve, and what benefits your solution offers that are differentiating from the competition. But, once again, before you assume you have all the answers, be sure to make part of your primary research talking to your sales teams about their knowledge of the market, their knowledge about the customer base, and the experience they have had interacting with these customers in the past. A good practice is to use website tracking information via your marketing automation platform to validate your marketing assumptions.

2. Modeling

- With a lot of great data that's been sliced and diced, you can now justify moving the plan to the next stage. Nomenclature aside, your next step is to model a "program", a holistic set of resources, tools, and activities that enable both your sales force to be effective, and your customers to engage with your organization. The key to this is to ensure you provide sales with prescriptive instructions on how to use the resources and when to use them. Training sales teams for as little as twenty minutes can further build your relationship. And don't think of sales enablement separately from demand generation.

The two should be tightly linked. Sales enablement tools and resources you provide your sales people should be integrated with customer engagement demand generating tactics (telemarketing scripts, 1:1 email templates) so that sales is part of the marketing engine and marketing is helping to drive sales funnel.

- Program success depends on a well oiled team. So that sales understands how marketing intends to create an ongoing customer experience, providing details on how the entire program or campaign will work helps everyone take ownership in the outcome. An example would be to illustrate marketing strategies to soften the market and build a foundation for sales to leverage in their customer discussions. Building the marketing funnel means that marketing must invest in awareness activities (email, advertising, tradeshow, and PR), consideration activities (webinars, seminars, whitepapers, case studies), and preference activities (demos, ROI Tools). When sales has a window into the logic behind the marketing program, they can effectively leverage each prospect interaction and the offers that have initiated a response.
- But don't just hand the sales team program materials to execute on. Close the loop with review teams that provide continual feedback on the approach, validating or invalidating the tactics themselves. The job of Program Modeling is about accelerating sales cycles, and helping sales to move customers more quickly from the prospect stage to the propose stage. In some cases marketing's job is also to support the close stage, so be sure to have compelling purchase offers.

3. Marketing Mix

- Marketing mix is not just about ensuring that you are reaching customers, analysts, and the press in a myriad of ways, but utilizing step one (Market Intelligence and Analysis) to serve as the guide to how you should focus your efforts, and with how much emphasis. If your company or product is immature, awareness is critical. Advertising may be too expensive for your budget, but maybe a focused public relations campaign isn't, and often email campaigns generate the best ROI. If you are marketing to your installed base, your emphasis may reside more in the consideration and preference stages. After all, you are marketing to existing customers who are familiar with your brand, but may not understand why they should upgrade or build upon the solution they already have. Targeted demand generation with case study offers, whitepapers, ROI tools, or financing may prove to generate high response rates. Again, the marketing mix should include tactics and activities.

4. Measure

- You might be thinking “I cannot get the funding for a robust system to measure my marketing activities.” That may indeed be the case, but today there are great hosted solutions that enable you to have an integrated marketing and measurement system up and running in just a few days. Do you want to track response rates to email or personalized direct mail, do you want insights into the number of sales appointments that were made as a result of your offer, do you want to measure pipeline, or do you want insights into bookings that were generated that were a direct result of your marketing program? You can’t afford not to. And wouldn’t it be nice to track every page your customer visits when they respond to email or personalized direct mail? Better yet, wouldn’t it be nice to also track return visits to that web page, and to provide lead alerts to your sales force every time a customer visits a certain piece of content? At the end of the day, you have to justify your marketing spend, and measure your return on marketing investment.
- As importantly, you need to measure response rates, leads, and appointments set so that you can refine, improve, and optimize your campaigns based on what prospects are responding to, what they are registering for, and what content they are downloading. Services from companies like eTrigue are also integrated with salesforce.com, and enable you to automatically associate marketing campaigns to contacts so you can track customer engagement by campaign, web page or asset. It’s pretty hard to argue with a marketing organization that provides full transparency into what they are doing. And without all those measurements, good luck getting budget for next years’ marketing campaign.

Adding the four M’s is not designed to make things more complicated or to increase the marketing department’s workload. The four M’s methodology ensures that the fundamental aspects of your plan and strategy are sound and can be executed and measured. As we all know, a great marketing strategy does not always translate into an effectively executed plan. And if you cannot measure your execution, you better be a great sales person, because guess what? You will be selling a new marketing approach to your leadership team every year. But don’t worry - there won’t be all that many years that you will have to sell that plan if you don’t know how to measure it.