

## Developing Marketing and Sales Plans

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Marketing is another vast subject that is the subject of entire courses (and careers). *This resource will focus on defining the key elements of marketing and sales, and then provide examples of effective marketing analysis.*

### Marketing, Sales, and Advertising

Marketing, Sales and Advertising are three related but distinctly different disciplines. The most common misperception: marketing is all about being creative. In fact - as indicated in the figure below - Marketing professionals spend a great deal of time "crunching the numbers" to determine: a) what market segments promise the greatest level of profitable business; b) what product features are both affordable and appealing to customers; c) what level of advertising is affordable and likely to help the enterprise achieve its growth goals; and other similarly analytical activities.

Marketing	Sales	Advertising
<b>Analysis:</b> market size and trends, customer preferences and needs, product features and costs, pricing and promotion, competitive offerings	<b>Engagement:</b> customer contact and persuasion, building relationships, account coverage, product knowledge, competitive offerings	<b>Creativity:</b> communications that combine imagination with high-impact messages; distinctive, memorable, demonstrative value
"preparation"	"perspiration"	"inspiration"
analysis	activity	ingenuity

### Successful Selling Strategies

Selling rewards effort. Salespeople always have something else to do - learn more about their product, call on another customer, follow-up on another proposal, learn more about competitive products and services, etc. etc.

Selling styles differ based on the personalities of the salespeople involved. Many salespeople fit the stereotype of being very outgoing. Others are quiet people. *All salespeople share the trait of perseverance, not being discouraged by roadblocks.*

Successful selling strategies share common traits:

#### Successful Selling Strategies

- 1) Based on customer needs - *prepare! listen!*
- 2) Starts with an initial success
- 3) Based on value, not price
- 4) Track results - build on successes, learn from mistakes

- 1) Effective selling is based on customer needs. That means that effective salespeople do their homework prior to making a sales call, so they understand the customer's key challenges and opportunities. This also means that salespeople *listen* - to what the customer says, what the customer doesn't say, and what the customer needs. A common misconception is that salespeople are rapid-fire talkers. *The best salespeople are patient listeners.*
- 2) The best long-term selling relationships are based on success. Creating an initial success - a sale that turns out well for the customer - is the best way to create a relationship that leads to long-term mutual success.
- 3) Effective selling is based on value, not price. Any competitor can beat a price. Great salespeople convince customers that their companies offer value beyond price, value that delivers lasting benefits to the customer.
- 4) Effective selling is a learning process. The best salespeople "keep score," determining when they've been successful (and building on success) while analyzing when they've lost to learn from their defeats and mistakes.

Reading any of the many books on effective selling techniques is a good investment of time for anyone, even if they have no interest in a selling career.

### Effective Advertising: Memorable, On-Strategy, Differentiating

Advertising can be funny, but it doesn't have to be. In fact, advertising that works - advertising that builds revenues and helps an enterprise succeed - has three key features:

- 1) Effective advertising is memorable, creating a positive differentiation that positions the enterprise effectively versus competitive options.
- 2) Effective advertising is "on strategy," emphasizing aspects of the enterprise's products and services that are essential to its success. The best advertising demonstrates value, the ways that the products or services help customers successfully achieve their intended outcome;
- 3) In some (but not all) cases, effective advertising creates a positive emotional response, providing an underlying motivation for viewers to become customers.

#### Advertising that Works!

- 1) Memorable / distinctive
- 2) On strategy, demonstrates value
- 3) Creates an emotional bond

Social media have created low-cost, high-impact media channels that even small enterprises can use. Modern technologies (like cell phones) now enable *any* enterprise to create advertising content. The barriers to creating and placing advertising out in the world are lower than ever.

But effective advertising still has the virtues of being memorable, distinctive, on strategy and often wildly imaginative.

### Effective Marketing: Affordably "Capturing" Customers

Procter & Gamble (P&G) is the largest consumer goods company in the world, long famous for its effective marketing and brand management expertise. *And the first hurdle a P&G brand management job applicant must clear is passing a test of math word problems.*

That's right - to start a career with one of the world's most effective marketing companies, you need to know math!

Great marketing requires great analysis. You need to determine which are the most promising and fastest-growing customer segments. You need to calculate whether the price different customers will pay provide enough margin for your enterprise to serve them profitably. *You'll need to determine if the cost of the "marketing mix" (i.e., advertising, promotion, selling) required to "capture" a customer is affordable given the margin you earn from that customer.*

Marketing is planning, analysis and considering options. Creativity plays a role - people who are analytical can also find ingenious ways to capture and retain loyal customers. But the most important factors in effective marketing are:

- 1) Analyze, then act - marketing initiatives should be designed based on a clear understanding of the underlying customer, market and cost / benefit parameters. Marketing isn't based on "hunches." Marketing demands that facts be carefully analyzed to craft effective, data-driven plans.
- 2) Capture and retain high-margin, loyal customers - every customer is either profitable or unprofitable to serve, depending on: a) the mix of products and services purchased; b) frequency of purchase; c) revenue paid; and d) costs incurred. *Marketing professionals determine the profitability of different types of customers . . . determine how much must be spent to "capture" or win those customers . . . how much has to be spent to keep these loyal, long-term customers . . . and then develops a plan that economically secures and retains those high-margin customers.*
- 3) Create defensible differentiation - through a variety of methods (for example, advertising, product features, pricing, promotion) a great marketer develops plans to create competitive advantages that promise to be sustainable.

#### Marketing is Analysis

- 1) Analyze, then act
- 2) Capture and retain high-margin, loyal customers
- 3) Create defensible differentiation

*The Bear Den* exercise is a perfect opportunity to experience how a great marketer uses analysis and creativity together to develop a defensible differentiation that promises to capture and retain high-margin, loyal customers.