

Winter Training Camp



How to Reach Your Target Market 18th January 2011

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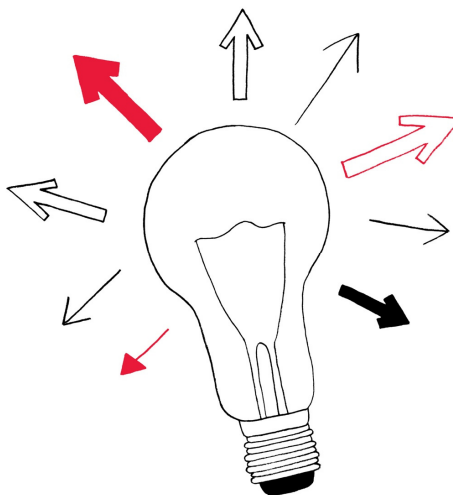


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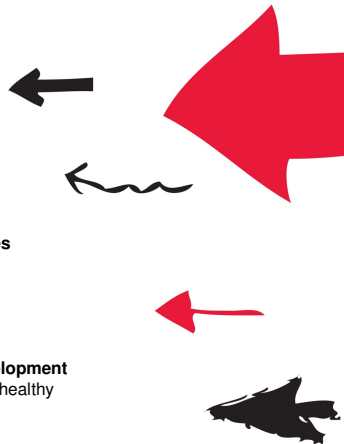


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How to reach your target market

- **How big is the market**
 - How to identify who your potential customers are
- **Why will they buy from you**
 - What are the features and benefits of your offering
- **What must your product or service do to achieve recurring sales**
 - Where is the value proposition
- **The changing dynamics behind buying behaviours**
 - Conversion rates not coverage
- **How to identify the key drivers behind successful pipeline development**
 - Understanding the KPI's that will keep your forward order book healthy
- **Believable sales forecasting**
 - Presenting a case that will stand up under close scrutiny



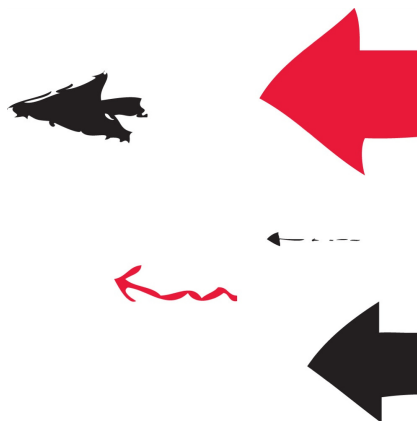
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How big is your market?

- **Identify** the customer
 - **Who** are they?
 - **Refine** the profile
 - **Why** do they buy
- **Research!**
 - ✓ Trade associations
 - ✓ Competitors
 - ✓ Government papers
 - ✓ Library
 - ✓ Industry media



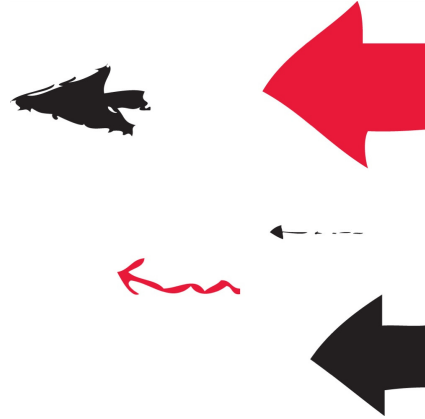
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How big is your market?

- **Avoiding** mistakes
 - Reference your sources
 - Track the trends
 - Beware of market share targets
 - Be precise
 - Be realistic



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Why will they buy from you?

Features and Benefits

a **feature** is something a company puts into a product or service

a **benefit** is what the customer derives from the product or service

A single feature may deliver numerous benefits – each applicable to different buyers

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- **Feature**

This wetsuit is built from unique material making it the thinnest steamer suit on the market

- **Benefit**

1. *(Elite Performer) Surfers who use this are able to achieve more dynamic movement*
2. *(Intermediate Improver) They are able to stay in the water longer*
3. *(Fashionista) They look cool*

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For every **Feature** your offering has there may be multiple Benefits

Each **Benefit** must be relevant to the audience that you are selling to

EXERCISE 1

List **5 Features** and the associated **Benefits** of your product or service

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Differentiation

If you have nothing to offer that **Differentiates** you from the competition, why should I buy from you?

Generally, lack of differentiation means buying decisions are made on **Price** – this is a battle that you are unlikely to win due to:

- the existing market share position
- greater economies of scale from competitors
- insufficient margins to allow you to grow

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Differentiation

- **Gives** you a competitive advantage
- **Is** essential for the success of your business
- **Requires** constant horizon scanning
- **Allows** you to compete in markets where bigger companies already exist
- **Engage** in “Intelligent naivety”

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Differentiation

- **The** need to differentiate means that your USP's need constant revision as competitors will always seek to copy any competitive advantage that you create.
- **The** most effective and durable differentiators are those made up from a series of individual elements that collectively build advantage and are therefore difficult to replicate

“Iceberg technology”

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Differentiation

Aldi

- **1500** lines vs 30,000
- **Single** own brand label
- **Palletised** stacking and display
- **Difficult** model to mimic

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Product lifecycles & profits

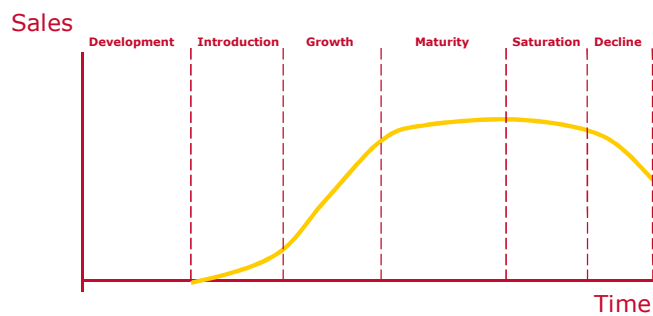
1. Company launches an innovative new product
2. Market develops
3. Copycats enter the sector
4. Mid table competitors follow the leader
5. Worst performers exit or are reborn
6. Market becomes saturated and declines until the next innovation

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Product lifecycles

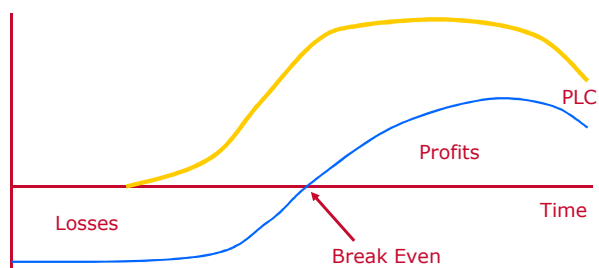


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Product lifecycles & profits

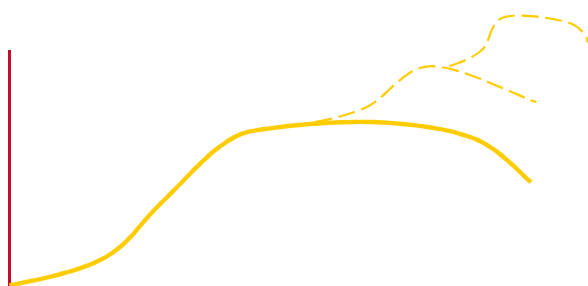


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Effects of differentiation strategies



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Effects of differentiation strategies



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Effects of differentiation strategies

Exercise 2

List the key differentiators for your
business proposition

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The Value Proposition

Where is the value in your business?

- Traditional value models
- Commoditised products
- Service based industries

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Value

Manifested in everything you do

An extension of your Brand values

Will affect all promotion

Should influence recruitment and training policy

Empowering employees

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Customer Value Proposition

MP3 market

1996 Players become available

2001 iPod launched with iTunes application

2002 Sales = 375,000 units

2002 Windows compatible software for iTunes

2003 Sales = 1 million units

2005 Sales = 22 million units

2010 Total sales to-date = 280 million units

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The Changing dynamics of sales strategies

What effect has the development of online communities had on changing traditional marketing strategies?

The three development phases of online marketing activity

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The Changing dynamics of sales strategies

Phase 1 – “Outbound”

- Visitors
- Display advertising
- Page views
- Law of averages

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The Changing dynamics of sales strategies

Phase 2 – “Inbound”

- Leads
- Back links
- Affiliates
- Customer acquisition

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The Changing dynamics of sales strategies

Phase 3 – “Brand disciples”

- Customers
- Emotional connection
- Referrals
- Conversion rates

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The Changing dynamics of sales strategies

How will this affect your plan?

- **Talk** in language that they want to hear
- **Match** content to the profile of the customer
- **The** brand is the thing
- **Focus** on conversion not footfall

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The Changing dynamics of sales strategies

Exercise 3

- Who will buy from you?
 - Age
 - Gender
 - Geography
 - Which Tribe?

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Building a successful pipeline strategy



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Building a successful pipeline strategy

- Leads management
- Deal Gestation period
- Conversion rates
- Gross margin
- Purchasing frequency
- Customer retention assumptions

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Building a successful pipeline strategy

Target = £100,000 sales per month

Conversion rate = 10%

Average order value = £10,000

Total leads needed each month = 100

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Building a successful pipeline strategy

- How do different channels affect conversion rates?
- How do the cost of sales vary?
- How do conversion rates differ across your product portfolio?
- How does a change in your sales mix impact on margins?

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Building a robust revenue plan

Check the logic:

Resources – do they match the sales requirements?

Pricing – what is the basis of your pricing?

Fulfilment – is it viable?

Slippage – what is the effect on cash?

Do your own numbers

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Great experience
Why work with us?



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Thank you

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