## Marketing Webinar Series No. 1

## stockxpertcom_id44177271_jpg_afa084c3fde5f4c294f3327e79213e38Is there a Market for your new technology, product or service?

**Webinar Questions and Answers**



*Q In relation to market viability - start up/pre-launch*

**Answer**

The following factors should be considered in arriving at your ranking of viable and top priority markets:

* importance of your competency and product solution to the markets needs
* size of the market now and into the future
* profit margins
* growth rate of the market
* competitive intensity
* competitors , size and behaviour
* resource requirement to build, deliver and harvest

*Q Once you know your market what are the cheapest ways to reach them - start up/pre-launch*

**Answer**

The first part in answering this question is about what is the best way to allocate a marketing budget and this is set out hereunder

Marketing Budget Allocation   
   
Business Advertising Publicity Promotion Personal Selling  
Type   
  
B2C (Low Value) 50% 10% 25% 15%  
  
B2C ( High Value) 35% 10% 25% 30%\*  
  
B2B ( Low Value) 20% 10% 25% 25%  
  
B2B ( High Value) 10% 10% 25% 55%\*\*

\* Consultative Selling \*\* Key Account Management

The second part to the answer is about targeting the **right customers**, with the **right message**, at the **right time** and in the **right way** (if you don’t create the 4 rights- you’ll waste money).

The *right way* is about where the target customers are addressable (eg in a particular geographic area or socio-economic grouping, or occupation etc) and how they best want to become aware of and meet their needs that are solved by your product.

In this latter regard; consumers are used to press, radio and magazine news media – and PR is a relatively cheap way to be involved in these. They are also used to the internet for finding information – so a good website with search engine optimisation is a cheap promotion tool.

**ATTRACTING INVESTORS**

*Q How can i get funding for My beach wear brand - start up/pre-launch*

*Q What are the characteristics required for a good business plan in terms of attracting the right investment? - start up/pre-launch*

*Q Some comment please on the statement. Currently, is it best to seek public grant funding or private capital to support new ideas*

**Answer**

All three questions have a common thread. No matter who the prospective investor is ( public or private) or what the type of funding is ( 3F family-friends-fools, enterprise boards, angel seed finance, customer money, bank money and finally venture capital) all possible providers will want to be convinced that your new product and business team are competing in a market that has been thoroughly researched and validated.

In MIT entrepreneurship centre they talk about the success formula as being- i +3K

‘I’ is the product idea (can be great or ok) and ‘3K’ is the business that ‘knows’ the industry, ‘knows’ the customer and is ‘known’ in the market.

See also Article in Appendix below - **marketing for start up funding - Pitching To Investors**

**PRESENTATION**

*Q Value proposition - the vital content to be included - start up/pre-launch*

**Answer.**

***VALUE PROPOSITION***

* For (**define the target audience and industry**)
* who have (**define the big problem**)
* we have (**solution description-what we offer**)
* that delivers (**this big advantageous benefit –over and above competitor solutions**)
* Here is our track record/credentials (**why you should believe us**)

*Q Our product has three spokes to it. A market place B2C, A booking engine B2B, events promotion engine B2B2C, how 2 communicate? - start up/ pre-launch*

**Answer**

It sounds like ‘consumers’ are the end buyers and ‘businesses’ are the key collaborators ? Insurance companies operate business models like this – they manufacture the insurance products ( based on market research amongst end customers and collaborators / insurance brokers) and communicate to both audiences. Communication would include, for example: press ads that both audiences would see , raising awareness and interest in the insurance need and product ( this is called ‘pull’ / drawing audience) and then they would make posters, leaflets available to the brokers for their offices (this is called ‘push’ / reaching out to the audience)

**METHODS**

*Q Most effective/cost effective way to conduct primary research - established business*

**Answer.**

You can capture the ‘Voice of the customer’ in a number of cost effective ways:

* **Complaints** – encourage them, determine the cause(s) and track these as ‘key performance indicators’
* **Queries** – often the first step in ultimately a complaint.
* **Customer Satisfaction** – test the product and service attributes that matter most to the customer
* **Point Of Contact** – during a sales or service interaction with a customer
* **In-Bound Through Call Centre** – recording calls
* **Out-Bound Customer Care Calls** – recording calls
* **Customer Behaviour Observation** – website usage
* **Customer Forums** – blogs or chat rooms or special design web sites
* **User Panels** – testing new products
* **Board Meeting** – customer attendance to articulate their experience
* **Customer Immersions** – observing customer experiences with new staff, products, services
* **Word Of Mouth** – scanning the internet to track what is being said about your company
* **Social Feedback** – customer feedback at social events
* **Mystery Shopping** – third parties are engaged to experience your company and report back
* **Key Account Management** – account reviews
* **Employee Feedback** – using an intranet channel
* **Supplier Feedback** – about your company and your customers
* **Investor Feedback** – at times other the AGM
* **Community Feedback** – through corporate social responsibility programmes
* **Influencer Feedback** – opinion surveys of key media

Research your customers’ experience of your company and others, with the following questions...

* Satisfaction with product/service/company
* Likelihood to do business again
* Likelihood to recommend
* Why the customer is not satisfied/likely to do business again/recommend
* Awareness and usage of competitors
* Satisfaction/likely to do business again/recommend competitor and why
* How did they learn about your business?
* Have they purchased from your competitors?
* How do you rate against your competitors? - worse, same, better and why
* How often do they purchase from you?
* Do they purchase across your entire range?
* Could they purchase more from you?
* Would they be interested to learn more about your products and services?

*Q How can I conduct market research in a cost effective way without disclosing my business idea? - start up/ pre-launch*

**Answer**

Research the ‘need’ (rather than your solution), its importance (or otherwise) and how customers currently solve the need, their satisfaction or otherwise with current solutions and how they would ideally solve the need themselves.

*Q Is social media an useful tool for conducting market research and if so, can you recommend a plan for each? - start up/post launch*

**Answer**

**Online focus groups** are good for:

**Internet-based topics**

Discussing Web sites, online content, or e-commerce studies, since the respondents can discuss these topics in their relevant environment.

**Geographic diversity**

Online groups also are not subject to the same geographical constraints as live focus groups.

**Topic sensitivity**

These groups also are useful when discussing subjects of a sensitive nature due to the anonymity

they provide.

**Bulletin board focus groups** are held online, usually over a period of three to five days. After being screened and invited to participate, respondents log in to a virtual room, where they answer questions

posed by a moderator.

They may log in at any time, but usually it is required that they log in at least once a day and answer all questions posed by the moderator. Respondents are actually encouraged to log in a few times a day to provide feedback to one another’s comments, and they often get very involved in these discussions.

The moderator decides ahead of time which questions will be asked and the order in which they will be posed. The environment allows observers to prompt the moderator to follow-up with a respondent,

and the moderator also can have one-on-one follow-up or “sidebar” discussions with any of the respondents while the board is running.

**Facebook test marketing case study**

See the Facebook case study in the Appendix , which shows how one company was able to demonstrate demand for an untried Web venture through the use of targeted Facebook ads.

**Social media listening sites**

There are a number of social media listening sites, set out in Appendix 3 of the guide/workbook and the site below is “...a **Wiki** of Social Media Monitoring Solutions. **...** Twitter, Twitter Search, Twitter,   
[**http://wiki.kenburbary.com**](http://wiki.kenburbary.com)

*Q How to assess costs currently incurred by public bodies in delivering waste/waste water services?*

*start up/post launch*

**Answer**

I’m not a hundred percent clear about the question. If it is about, say county councils and local authorities and their provision of waste ( municipal and household and industrial) and water sewerage services – a possible way to get concise information may be to ask your local TD to ask a parliamentary question in the Dail of the Minister for Environment.

*Q The value and limitations of Focus Groups- start up/post launch*

**Answer**

Qualitative Focus Group research helps us to best understand the motivations and inhibitions in relation to interest in and use of a product. Focus groups would generally consist of between 6 and 8 people, pre-recruited on the basis of common criteria, meeting to discuss and review the product proposition, consider the broad treatment area and to determine how best to position a product which would interest them. Focus groups are often used to help identify the most compelling facets of a product idea, and in the choice of language and constructs which might do a product or brand the greatest justice.

Within the groups you can cover a broad array of topics moving from the general to the specific, covering off , for example the following:

* Attitudes to the ‘need’ area (that your product solution addresses)
* Attitudes to the buyers circumstances that might drive the need
* Reaction to the brand idea: Is it good or bad? What do they like and dislike about it? Do they regard it as something ‘for them’ or would they regard it as something for someone else? To what kind of person could they imagine this appealing? What aspects are particularly positive or negative? What do they like about the underlying basis of the product.
* Reaction to product tasting
* Reaction to packaging
* Synthesis of views and the discussion of price points and recommendations for the optimization of the brand mix

A broad territory can be covered off in qualitative sessions. The limitation is principally around the fact that it is a quantitative research method – it cannot quantify market size, interest or pricing.

*Q How to establish actual potential for a new idea, and how to use this research to shape the marketing.- start up/ post-launch*

**Answer**

In the attaching guide/workbook for this webinar, we’ve set out the three phases and seven steps needed to establish the actual potential of a new idea. During the course of the seven steps (after step 5 in fact) you’ll be able to clearly define your new product’s ‘market positioning’. This sets out the four main planks to designing your ‘go-to-market’ programmes-

1. The Target Audience that you’ll go after
2. The product category that you’ll compete in
3. The unique benefit you offer, that the competition doesn’t
4. The proofs you’ll use to convince the buyers.

The information collected and tested in market research for each of these four elements is then used in all of your marketing communication programmes – for example, you will only use advertising media that are read by your target audience; your unique benefit offer will be used repeatedly and consistently in advertising, on your website, brochures, events etc.

*Q How do you estimate potential savings that your product can provide, when it is a new product with no record of savings?- start up/ pre-launch*

**Answer**

When you are doing market research (let’s say for a B2B product), perhaps in one-to-one interviews with a prospective buyer of your new product idea- try using the SPIN technique in questioning.

First ask about the business and its current Situation. Then enquire about any Problems that the business faces. Next ask about the Implications of those problems (most relevant to your solution) for the business – what are the financial impacts of the problem. Then enquire what the business thinks it Needs to do to solve the problem and remove its (financial) implications.

Do this with a number of sample businesses and you’ll understand exactly how your product might be pitched as a solution and you’ll also have the financial implications.

**SOURCES**

*Q Best sources for finding most up to date market research reports -*

*Q I would like to discover sources of market intelligence, and learn how to find out if there is a market for my proposed service.- start up/pre-launch*

*Q Which Irish specific information sources are available for market research, and what supports are available for new projects*

**Answer**

See Appendix 3 of the Guide for a range of sources of market research and intelligence.

**OTHER**

*Q We need help with potential licensing deals*

**Answer**

Suggest you contact Fiona or Niamh at the NUIG Technology Transfer Office

*Q Is it a difficult task to convert the "face-to-face" StudySMART courses to an on-line product?*

**Answer**

The challenge lies in engagement and comprehension. In sales, ‘people buy people’ first, before they buy a product or service. In moving from Face2Face to online, the online environment has to have a real ‘people’ personality and functionality. In terms of comprehension, it is generally understood that learning and comprehension increases lowest ( text ) to higher ( text + visual ) to highest (text +visual + interactive verbal)

*Q how do you see technology deployed is specialized areas*

**Answer**

Technology deployment in specialised areas is common and frequent. One of the important things to remember is the ‘new technology product adoption’ process that influences implementation by the prospective user.

The following seven product adoption accelerators will help smooth the buying process and bring the early buyers on board:

1. The new product/technology must be perceived by the buyer as being better than what they currently or previously used. Make sure to highlight value-gap. Independent verification of quality, standards and benefits is essential.
2. It must be compatible with the buyer’s people, processes and technology. Make sure you’ve built your new product to incorporate how it fits seamlessly into the buyer organisations daily operations.
3. It must be easy to use: perceived complexity slows adoption. Keep it simple!
4. It must be easy to try out. Free use, for a trial/period improves adoption.
5. It must be easy for the buyer to see the benefits. Benefits in terms of easing or eliminating pain are more motivating for buyers and generate quicker adoption.
6. In sales push, seek out the innovator and early adopter prospective customers. These customers will be interested in buying a new product for the sake of its innovation and will work to co-develop it further for mass production and marketing.
7. Education is key to market adoption of a radical new product. Involve credible third parties to address the issues and problems that the new product solves. Invite customers to provide “testimonials” on how the product solves those problems.

New product adoption will also be helped if your business has successfully developed a credibility-based brand name and logo, symbolising expertise, forward looking and trustworthiness. How you present your business will determine whether the buyer perceives it as a credible and trustworthy supplier.

*Q Any particular tips or advice in terms of building a critical mass of users for an online social platform in a niche market? - start up/pre-launch*

**Answer**

Building a critical mass online has to start with identifying, through research, the commonly shared important purpose that a peer group of audience highly values and that they can’t solve in another online offering. That ‘common purpose’ should ideally be a ‘sticky audience’ creator – it should matter to the audience frequently and on an ongoing basis. Functionality on the site, around the common purpose, should also foster audience stickyness. Having ‘disciples’ on site, who will lead the interaction onsite also fosters audience stickyness. Building update feeds from the site to the audiences email/mobile is also important to keeping the audience involved.

**APPENDIX - Articles**

**marketing for start up funding - Pitching To Investors**

**introduction**

Pitching to investors is about understanding what investors need to know about you and your venture.

**Follow The 10-20-30 Rule**

**10** Slide Presentation

**1. Title** – see below

**2. Problem** – see below

**3. Solution** – see below

**4. Competitive Position** (real analysis)

**5. Team** (industry knowledge, track record, expertise,)

**6. Business Strategy** (the plan to grow beyond launch)

**7. Financial Projections**

**8. Funding Sought** (amount, use)

**9. Milestones** (product launch, next funding, breakeven, etc)

**10. Exit Strategy** (IPO, acquisition, who?)

**20** minutes duration

**30** point font and no lower.

**‘Tell them what you are going to tell them’ opening**

On the **1**.**Title Slide**, show them where you are going to take them- the agenda. It tells the skeleton of your whole pitch in a nutshell. The key elements might be numbered and subsequent Slides/Points reinforce the elements in turn.

**Put forward a clear, simple case**

On the **2.Problem Slide,** show the simple ABC situation/gap analysis:

A = Today (the current market situation)

B = Tomorrow (the place where the market should be / the big opportunity)

C = Gap (what’s missing to get there/ the special play you have to fill the gap)

**Tell them why your special play is better than everyone else’s**

On the **3.Solution Slide,** set out your clear market positioning – ‘We have the only **X** product that solves **Y** customers problem in **Z** unique way and we can back this up with – team’s track record, customer traction, real competitive analysis, etc’

X = Product Category (the specific product type market for your business)

Y = Target Buyer (the person who actually writes the cheque)

Z = Differentiation (advantage or positive distinction over the competition)

Proofs are better than ‘claims’.

**Go with the best foot first**

Adapt the organisation of the pitch and how you tell it to the stage of your company’s development. Always put the strongest case elements first.

At Seed Financing

Relatively small amounts of capital are made available to support the entrepreneur’s exploration of an idea or product concept.

Pitch first about **initial market validation** (quotes from prospects in target industry), then about the **product specification**, the **team** (such as it is) and then the other slides.

At Start Up Financing

A commitment of more significant funds is made to an organisation that is prepared to commence operations. The company has a clear competitive advantage and a prototype. Capital is primarily for production and initial marketing.

Pitch first about **initial customer traction** (some demonstration of willingness to try and pay for the product), then **the best real numbers** you have, the **product specification**, the **team** and then the other slides.

At First-Stage Financing

Funding for an up and running business. The venture is normally not yet profitable, an established organisation, a working product and preferably some revenues. Capital is primarily for the company’s first major marketing efforts, to hire sales and support personnel in anticipation of higher sales volumes. Product enhancement and line expansion is also typical.

Pitch first about the **momentum of the business** (the progress made, milestones achieved), then show the **sales numbers** and the trends, then the **product specifications**, the **team** and then the other slides.

**Wrap up, recap and go for the close**

Tell them again in summation what your pitch story was and deliver your prepared, though-out, aggressive enough **ask.**

**Handle Questions competently**

Always show **progress** as a team, product and with customers.

Understand the management, market, financial, technological and operational **risks** to your venture and the industry it will compete in – Investors will ask.

Know the 10 companies across the different verticals who will want to **acquire** your venture and why – Investors will ask.

Keep the **business model** specific, simpleand non-aggressive. It shouldn’t be a total innovation.

The **deal** must make lots of money for the investor – multiples of 5 to 10 x initial capital to be earned in an exit 5 to 8 years down the line

**Rehearse, rehearse, rehearse -the Questions**

**Slide 2 ‘Problem’**

* What specific problem or need do customers have?
* Why is the problem important?
* Who, specifically is the customer?
* How do we know the market exists? What independent evidence can you cite, such as independent market research?
* How large is the specific (narrowly defined) market for your product?
* What growth is expected in this market?
* Are the market size estimates realistic?
* For industrial product companies…
  + What 2-3 industries comprise the most important prospects in Year-1? In Year-3?
  + What are the job titles of the buyers (decision-makers) in these prospects?
* For consumer product companies…
  + What are the demographics of the 2-3 most important customer segments in Year-1? Year-3?

**Slide 3 ‘Solution’**

* What, specifically, are the company’s products?
* What do the products do?
* Why would the customer buy these products?
* What makes the products unique or special?
* In general, how are they better than other products or alternative methods of solving the problem?
* How much better are they than other solutions?
* Can we demonstrate that they are cost effective?
* What, if any, proprietary technologies are used to make them? Any proprietary process?
* Are there patents? If so, what, specifically, do they protect?
* Why will they be of value to the company?
* What special issues relate to manufacturing the product(s)? Any special materials or processes?
* What special equipment or facilities are required?
* What investment is required to set up manufacturing? For what capacity?
* How do you know you can manufacture the product at a cost that will yield acceptable gross margins?

**Slide 4 ‘Competitive Position’**

* How else can the customer solve the problem your products solve?
* What are the alternatives?
* How does your product compare to each?
* Why is it better?
* In what ways is it worse?
* Who are the vendors of these other solutions?
* How do they compete with each other?
* Where will you fit into the industry?
* Why will you be able to compete effectively against them for the next ten years?
* Why are you confident that no new entrant will come along with a better solution and blow you away?
* Why do you think you can dominate your market niche?
* How does it meet the 5 criteria for early Adoption

1. Better than current idea

2. Compatible with existing people, processes and technology

3. Ease of Use

4. Easy to try out

5. Easy to see benefits.

**Slide 5 ‘Team’**

* What is your background and previous experience?
* Where did the idea for the company come from?
* How did you get involved with the company?
* Who is presently involved in managing the company?
* What are their credentials?
* Why will they be able to build a successful company?
* If not all management spots are filled, what is the plan for filling them?
* What kind of people are you seeking? To fill what roles?
* If you do not expect to be the CEO that builds the business to $10 or 20 million, what kind of person would you bring in? When?
* Who is on your board of directors and board of advisors ?
* How does the board function?

**Slide 6 ‘Business Strategy’**

* How has it been funded to date?
* What is the business model? (i.e. what will produce the company’s revenue?
* What kind of gross margins will the company have?
* What level of operating profit can the business generate?
* Do you have (or plan) any corporate partnerships in place?
* What are the significant risks your business faces?
* What needs to be done to finish your first product(s)? What’s your next act?
* Do you rely on outside contractors? How much do you license from others?
* What expertise do you have at developing this kind of product?
* What development challenges are most important or difficult to overcome? How do you intend to do so?

**Slide 7 ‘Financial Projections’**

* What kind of revenues can the business produce, on an annual basis, over the next five years?
* Profits?
* What investment is required to carry the company to the next major level of valuation?
* When do you expect the next rounds to take place?
* What specific tasks need to be accomplished to do that?
* How long will it take? (Try to identify a “next level” that can be achieved in less than 18 months.)
* What investment will be required beyond that?
* To the extent possible, explain key assumptions behind your forecast. And make sure the forecast relates in a logical way to the market forecasts you described previously.
* How will the investor get his money back? Through an IPO? Acquisition? When?

**Slide 8 ‘Funding Sought’**

* How much hard-money (cash) have the founders put in?
* How much cash have Directors and Advisory Board members invested?
* What equity is available to recruit key executives?
* How did you arrive at your pre-money valuation for this round?
* What comparables are you using for your proposed IPO/exit round?

**Slide 9 ‘Milestones’**

* What is your track record at hitting schedules on similar efforts?
* Are you fully-staffed for the work indicated in the schedule?
* How are you going to get your partners to meet your schedule?
* What makes you think you can achieve this schedule when “X” failed?
* What contingencies have you built into the schedule? The budget?

**Slide 10 ‘Exit Strategy’**

* Why won’t one of your established competitors step in and leapfrog you?
* How long do you think you can maintain your lead, thus preserving your company’s value?
* Why would this be an exciting business opportunity for an acquirer?
* Why would it an exciting IPO opportunity?
* What are the three most serious risks the company faces?

www.marketing4entrepreneurs.org

**FACEBOOK TEST MARKETING CASE STUDY**

Facebook’s user volume and inexpensive marketing options can also set the stage for cost effective pilot programs such as those aimed at trialing a new entry market or assessing public interest for a new service or product idea. This next study shows how one company was able to demonstrate demand for an untried Web venture through the use of targeted Facebook ads.

**Cook’s Compass: Building blocks for a successful proof-of-concept**

Cook’s Compass, a local community review site for cooking enthusiasts, was still in the pre-funding stage and looking to accomplish an effective proof-of-concept in the Boston market, its first roll-out city. Pandemic Labs, a Weston, MA-based viral and social media agency, was hired to build traffic for the beta site via social media.

Pandemic Labs chose to engage in Facebook ads since its goal was to acquire site users and content providers specifically from the metro Boston area, and Facebook Ads’ targeting capability made this possible on a limited budget.

The agency drilled down into first level demographics such as location, interests and age to find small groups of perfectly targeted consumers, each consisting of around 10,000 users. Each group was exposed to a unique set of ads, and A/B testing was performed to evolve the ads and ensure each group consistently saw the best performing promotions. If the agency wit­nessed a drop off in click-through rates or conversions for one of the groups, it would temporarily suspend ad buys targeting that group and rotate them back in a month later.

Campaign success metrics were based on overall click-through rates as well as new-user registrations and user submissions on the Cook’s Compass site. Click-through rates ranged between .05% and .08%, and traffic from Facebook converted at a rate of 1.19%. 57% of the site’s new-user registra­tions were initiated during this campaign, which ended recently, and the site was getting nearly three times as many signups when the campaign was running than it does now, post-promotion.

Note: Pandemic Labs also set-up a Facebook page for Cook’s Compass, but with limited expectations since the goal was to generate more immediate interest. As anticipated, the page did not contribute much to this campaign; however, it continues to build a community of fans which the company may be able to leverage in future campaigns.