

Storming the Castle

Developing a Go-to-Market Strategy That
Enthralls, Intoxicates and Drives Growth

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Chapter I. Do you really have to storm the castle to win?



Many organizations think of markets as castles -- surrounded by difficult to cross moats, filled with **hostiles**, their customers and prospects and all resulting in a lot of casualties when these organizations try to storm that market castle!

STOP!

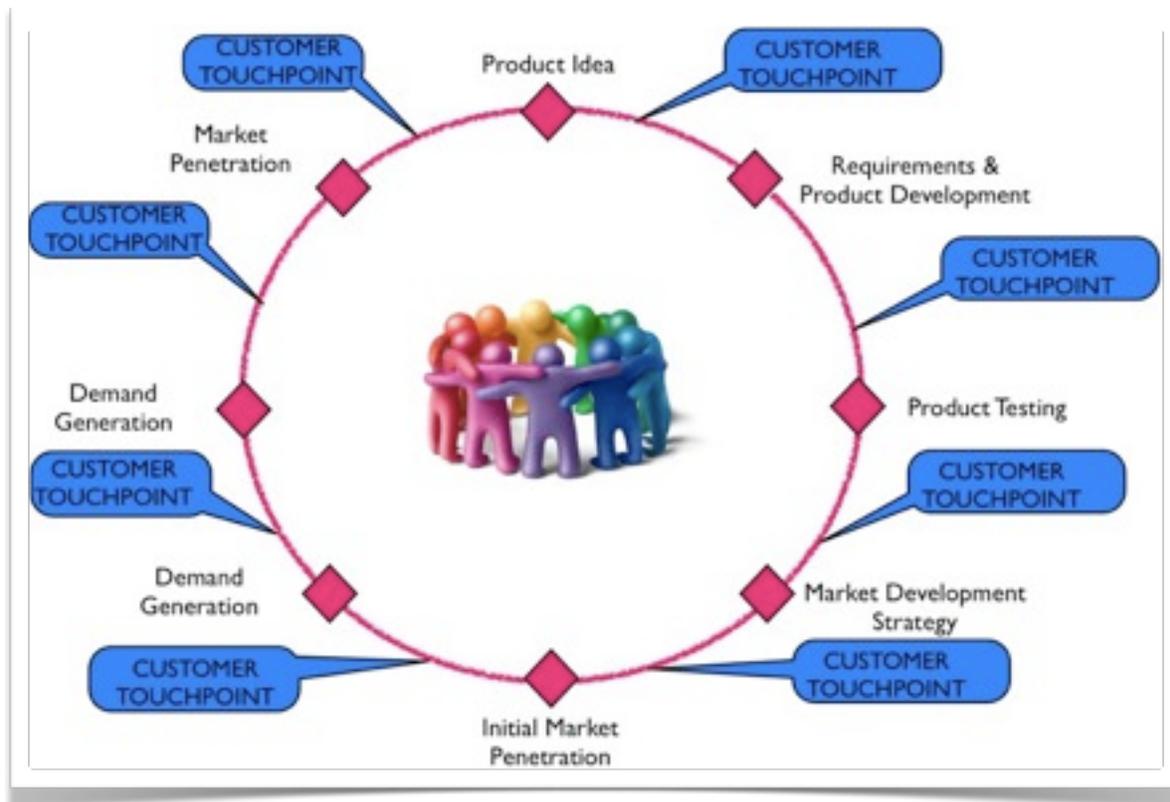
There are better ways to infiltrate and ultimately capture a market castle than to take it by force. After all, with force there are always casualties -- revenues, market share, brand perception, customer experience. Try negotiating the gates of the castle down. Then bring valuable wares to the market gates, get the current castle occupants to lower its gates to allow you to pass freely inside. You must negotiate a long standing treaty, develop allies and partnerships within the castle, sell the finest wares in the castle's market place and eventually be voted king of the realm by making yourself indispensable to that castle and all its surveys.

Am I stretching the metaphor? I think not young squire.

To succeed in capturing a castle these days, doesn't take warfare, it takes the ability to convert those living in that castle to citizens of your brand. It's about turning them into rabid evangelists for your products and services with a compelling Go-to-market strategy that puts them in control NOT you.

Wow. That's a different concept. Shall we explore that a bit? Yeah, let's do that.

Creating Brand Citizens begins NOT at the time you actually put a product in-market but well before then. At the time you are CONSIDERING putting a given product in market is the time to be actively engaging with your customers. The flowchart for creating Brand Citizens of the Realm isn't a flow chart at all, but a recurring cycle of interactions.



Notice that every single step in crafting a GTM strategy requires significant interaction with customers. Does your organization do that? Do they put the customer at the center of everything it does? All activities? All strategies? All execution plans? If so then **bravo** for you and your organization. You can stop reading. If not, then read-on. This eBook discusses how to craft an engaging end to end GTM strategy that will enable you to **create and manage a market category** -- your own castle and all its surveys, while moving beyond the incrementalist approaches that most organizations suffer from today.

We will discuss in depth each customer touch point and how to create these capabilities in your own organization.

The pearls of wisdom we will be focusing on include:

- Voice of the Customer-driven Co-Innovation
- Customer Driven Requirements/Product Validation
- Alpha/Beta Testing
- Customer Driven Positioning & Messaging
- User Generated Reference & Social Content
- Co-Offer Development
- Products & Market Feedback
- Next-Generation Feedback

Next up?

Creating an Enthralling and Intoxicating GTM Strategy with
Customer Co-Innovation.

Or...

How I gave up Finger Painting and Decided to Develop a Category.

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Chapter II. Customer Co-Innovation: Or How I Gave Up Finger Painting and Decided to Develop a Category

Sorry but Arts and Crafts time is over.

Well that's what you're CMO should be saying. Look, time and time again, marketing has been relegated to the tail end of a GTM strategy -- the arts and crafts aspects of marketing, which is pretty funny considering that "MARKET" is intrinsic to the term "GTM". "Oh yeah, we should get the marketers involved in this, we need a name and a campaign, after all we're gonna need leads." NO! NO! NO! Marketing needs to be involved at the beginning of the product lifecycle. Why? So that the Voice of the Customer can be part of the development equation. Why? So that the product more closely aligns with what the market actually will buy NOT what they say they will buy.



Your Customer's Voice

The first customer touch point on the way to developing a compelling GTM strategy comes directly after the Product Idea phase. Its Voice of the Customer (VOC) Co-Innovation. To ensure that there is customer voice as a vector for product or service development means creating a VOC initiative in your organization. These VOC initiatives can be "in person" for instance, sitting down with customers in their place of business or at a trade show or conference and walking them thru

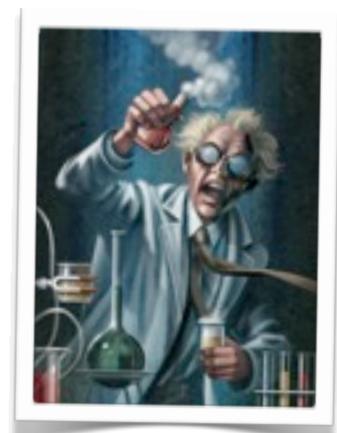
product conceptualizations and recording the efficiencies and inefficiencies of interaction with the product. Or one can sit down and thru the use of ethnographic techniques, run a participatory interview and gather feedback from a potential consumer of the new product.

VOC programs can also be run online. Through the deployment of private online communities, companies can mine their customer bases for their knowledge and insight of what they need and what they will pay for, not what they say they will pay for.

On your side, you're gonna want both your product development teams and your marketers involved in your VOC programs. In fact, the VOC program should sit in marketing as they are responsible for market-facing initiatives. Further, its not just "product" you will be talking about with your customers at this point, but you'll want your marketers to be listening closely to the words that are used and NOT used so that they can craft compelling content. How's that for a bunch of useful "C's"? But wait... There's more!

Science and Marketing

We haven't spoken much about Category ownership yet so lets get to it shall we? Owning a market category = being king of the realm. It means being a leader in market not a follower. It means focusing on ways to bolster your competitive position and (don't tell the SEC this) creating defensible market barriers that your competitors find difficult to cross. Being a Category owner is about defining what it is to be a leader in that



market and then delivering on that definition rather than focusing on the arts and the crafts.

Again its time to turn to your customers again. But this time we'll use (be vewy vewy quiet, we'eh hunting customahs) Choice Modeling to mine for insights.

Choice Modeling for Fun and Profit!

Many companies these days have no real scientific method for understanding what features, functions, pricing, packaging and services associated with their offerings will yield the most revenue and/or the most market share. But believe it or not there is a scientific method for determining what levers to pull on your offer to make the most attractive offer in a given market. Its called a Choice Model.

A Choice Model answers the core questions about what customers value most -- what will they pay for versus what they say they will pay for. Its a quantitative technique to understand in detail the revenue, demand and market share implications of modifying the different levers around your offer -- pricing, packaging, store placement, target customers, competitor activity, media, messages, geographic areas, the brand, product usability, services add-ons etc. and any combination of these.

So how does it work? A customer or potential customer is given a "choice card" which contains the values of the key levers... for the sake of argument, lets look at a consumer brand, say we want to look at pricing, packaging, and brand of Kiehls face cream for women, with the intent to see how we can increase sales and by how much.

The respondent would look at two cards that had the price, the package type and the brand (Kiehls v. Competitor) and you'd ask them based on the values of the price, the package type and whether it was Kiehls or not, which product would they would buy. You would then begin to alter the values, say decrease the price of one of the products (Kielhls or its competitor) by 20 cents and see if that would affect purchase decision. Or you would remove the brand, and just do a side by side comparison of pricing and packaging to see which one is preferred... by adding brand back in to the mix then you can quantify the effect your brand has on purchase intent.

How about a B2B Brand? It works here too. Lets look at ARAG, a provider of legal benefit services. One can construct a choice model around the various legal services that are provided, and put them side by side with a competitors. By modifying the values of these services, changing them up in a systematic fashion, you can build a model of how to change the services portfolio, pricing, delivery mechanism, etc. to alter demand and ultimately consumption of ARAG legal benefit services.

You can even extend this to the customer experience itself. For example, if a brand has outlined a customer experience plan, or you have a current experience in place, you can choice model which of the planned enhancements or elements of the current experience have the most impact on customers... many times you will find that what you think will impact the experience doesn't align with what will motivate a customer to buy based on that experience.

Depending on the circumstances, this may be done through either structured in-market experimentation or historical analysis, or a mix of the two. There's a whole host of quantitative techniques... conjoint,

orthogonal, discrete modeling that can be used to get at the answers you are looking for. In retail for instance, you'd want to use a discrete choice model (like I described above.) What's also cool about a Choice Analysis is that you can run "war games" against your competition and figure out which positioning, which product enhancements, what pricing will be most advantageous to your brand and most damaging to your competitors'.

Gains from a choice analysis can be dramatic. At clients that I've worked with we discovered that by making slight modifications to say the usability of their products they could dramatically alter their market share in given industry verticals.

What do you have to lose? Revenue? Market Share? Winning?

VOC & Choice Models Are Powerful

These two tools are extremely powerful in constructing a GTM strategy that enables organizations to define, manage and ultimately own a category. These tools are applicable throughout the GTM life cycle and as we visit other touch points in that cycle I'll point out where and how you can use them.



Next up?

Customer driven product requirements and validation

Or...

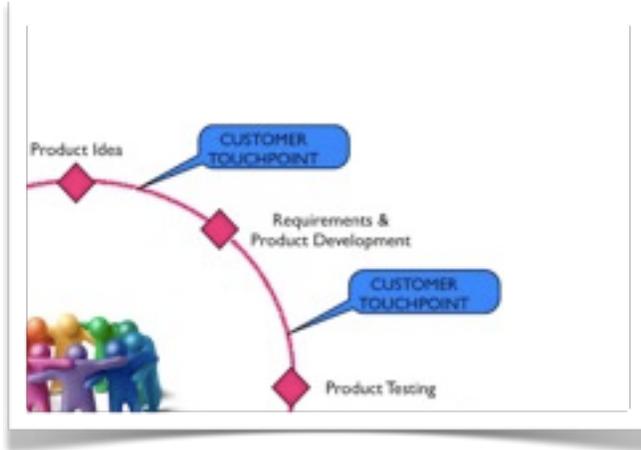
The Zen of Product Management, Yielding Control to Your Customers

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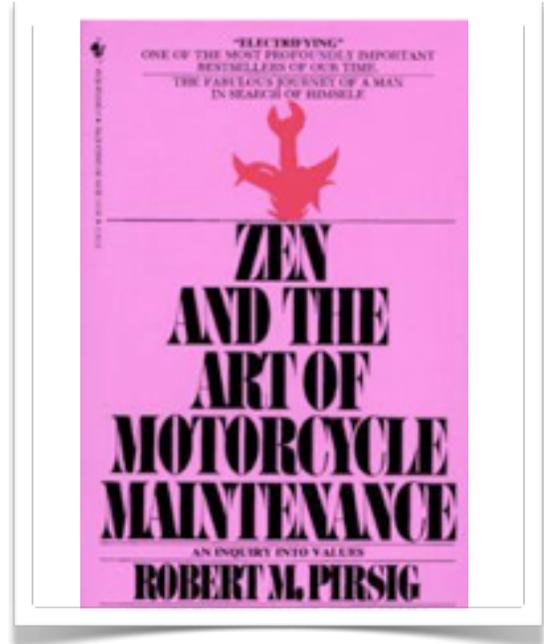
Chapter III. Zen and the Art of Product Management



We're this far into our GTM planning to take our most prized market castle. We've conceptualized a product, ran it past our customers with our VOC team and we've done some choice modeling to optimize the offer. We're also developing our product right now and about to do some formalized product testing. But before we do that, its time for another engagement with our customers. Its time for some Zen and the Art of Product Management.

Motorcycle Maintenance and Product Management?

Have nothing to do with one another. But have you ever read the book Zen and the Art of Motorcycle Maintenance? According to Wikipedia, “the book sold over 4 million copies in twenty-seven languages and was described by the press as ‘the most widely read philosophy book, ever.’ It was originally rejected by 121 publishers, more than any other bestselling book, according to the Guinness Book of Records. Interesting factoid and that’s the only reason I include it here. But its not what I want to talk about.



Pirsig’s book (and if you haven’t read it, I’d recommend you do so) is about the metaphysics of quality. How to experience it and how to achieve it. And this step in you’re GTM strategy is about the same thing! How to leverage your customers’ input to drive your product development efforts to a higher state of quality so that you field not just a product that is “good enough” but a product that is good enough to make your organization the Category Leader.

There’s been a lot of talk in the market as of late related to developing products that are simply “good enough.” And I’ve seen many a product development team begin taking this “good enough” approach to getting their products into market. And that’s great if you’re going use it simply as a stake in the ground for fast delivery -- to gain first mover advantage.

However, without the appropriate customer engagement, developing “good enough” products actually lowers the quality bar. Product Development teams tend to get into this “good enough” mentality and that’s all that ever gets delivered. If you’re not careful, customers will bypass considering your solutions because once low quality is associated with your brand, it rarely goes away.

So this second customer touch, is all about Q-U-A-L-I-T-Y! Again you should get your VOC team involved in either a real time or online engagement only this time the engagement should be heavily influenced by the product development team. They should, in consultation with the VOC team, construct a Customer Input plan. This input plan is based on Alpha and early Beta testing of your product. It should also include detailed questioning of the product dev team related to the usability, functional capabilities and gestalt of the product. There should also be space in the plan for customers to give you unsolicited and open ended feedback. By doing so, you give your customers another opportunity to co-innovate with you to take the solution to other profitable areas that you might not have thought about.

You’ll want a decent sized pool of testers of you’re product and you’re going to want to engage with a different type of customer. In this instance, you’ll want to weight you’re engagement with users, not Line of Business or Economic Buyers of you’re solutions, which is who we wanted to talk to in the first engagement.

If you’re not ready for testing, its still a good idea to get engaged with customers at this point -- even if its just with high fidelity prototypes

so that they can direct you on the user experience and functional flow of your solution.

Why Care Customer Centric Quality?

Simply put, it doesn't cost an organization a lot to create quality products and services but it sure as hell costs a lot when your products are NOT up to quality standards (Can you say "Toyota?") Every time work is redone, the cost of quality increases - whether its reworking the product or service, re-testing it or re-marketing it, the organization's manufacturing and GTM costs skyrocket. Early engagement with customers contributes to the prevention of poor quality solutions. By getting in front of them early and often with product review and testing, **Customer Centric Quality Planning** becomes intrinsic to your product development process. Now I'm not saying that if Toyota used the Storming the Castle GTM strategy they would've avoided the quality problems they are experiencing right now, but who knows? Something to think about.



Next up?

Developing an Attitude about Market Development

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Chapter IV: Markets With Attitude

Where Are We?



We're up to Phase 4 of our Customer-Centric GTM strategy -- Market Development. We've done some thorough product testing using formalized QA methodologies, and we've worked with our customers using VOC techniques. Our product is in early Beta now. Its time to think about how we're going to attack the market and that means segmentation.

What's Segmentation?

Simple question, complicated answer. Not so complicated actually, its just that there are a lot of definitions out there for what segmentation is and is not. From Businessdictionary.com: "market segmentation [is the] process of defining and sub-dividing a large homogenous market into clearly identifiable segments having similar needs, wants, or demand characteristics. Its objective is to design a marketing mix that precisely matches the expectations of customers in the targeted segment. Few firms are big enough to supply the needs of an entire market, most must breakdown the total demand into

segments and choose the one or few the firm is best equipped to handle. Four basic factors that affect market segmentation are (1) clear identification of the segment, (2) measurability of its effective size, (3) its accessibility through promotional efforts, and (4) its appropriateness to the policies and resources of the firm. The four basic market segmentation-strategies are based on (a) behavioral (b) demographic, (c) psychographic, and (d) geographical differences.”

This is actually a definition that I don't like. But I selected it to highlight a couple of points. First off -- markets are NEVER homogenous. NEVER ever. The idea of market segmentation is to identify the Homogenous aspects of HETEROGENOUS markets and target them. It also leaves out a very basic segmentation strategy - solution type, which is typically how companies have gone to market in the past. Do you want CRM software or ERP software? Do you want steel-belted radials or snow tires? I do like the the fact that it references behavioral components as part of a segmentation strategy though. And that in fact is what we will be focusing on.

Markets Have Attitude

Think of your daily life. You have attitude about everything. Some things you love, some things you hate, some things you don't care about. Well guess what, its the same thing with individuals in companies. When it comes to how they buy products and services, some things they love, some things they hate and some things they don't care about. The key to creating a Market Development strategy that really works is to uncover what your target customer's attitudes are towards buying products and services.



Lets take an example from the high tech space. For instance, are they motivated by the Return on Investment of tech? Do they procure solutions that have the highest ROI? Or are they motivated by the technology itself and tend to buy the coolest, grooviest, hottest stuff

Attitudinal Segmentation Benefits

- ★ Identifies most attractive customers to target
- ★ De-prioritizes low probability prospects
- ★ Improves Win-Rate by enabling your enterprise to craft messages to a prospect's "care points"
- ★ Improves Return on Demand Generation investments
- ★ Helps focus product/offer development on the specific needs of targeted customer sets
- ★ Can be applied quickly using a simple set of questions to identify the most likely to buy customers

that's out there. Each company has attitudes toward the procurement of products and services. By aligning your content and Demand Generation strategies to those attitudes, your company can increase its conversion rates by talking to segments in the language most likely to get a prospect actively engaged and just as importantly, attitudinal segmentation enables you to identify low return customers -- those least likely to buy from you.

Deciphering Attitudes

When you first bring your products to market you want to find the "sneezers" (to borrow Seth Godin's term), those who will help develop the market for you by being advocates -- evangelists for your product who will spread the word. They will help drive adoption.

Many marketers are familiar with the traditional forms of segmentation discussed above. That is, they attack a particular

geography or vertical or solution area as a way to find those sneezers. But to truly be successful in bringing your product to market you have to segment your market by attitude. Attitudinal segmentation enables companies large and small to find the sneezers, those most likely to buy and more importantly find those who just love to talk to you but will never buy, as well as those who just plain will never buy. These last two groups represent a huge amount of wasted time, energy and money, which any sales rep worth their salt finds anathema.

This is the science of marketing at its best! As part of this scientific effort you will ask the market questions using a statistically valid sample through a combination of real time, virtual, and web survey data. Your attitudinal segmentation effort should answer the following questions:

1. Which groups within your potential market ascribe a high degree of value to the capabilities of your solution (don't say ALL because that's not true!)?
2. How large are these segments and where are they (you will realize that they cut across industry AND geography but the analysis will provide you with logical geos and verticals to start with.
3. What are the key characteristics of the way these prospects buy products and services? What motivates them? What do they care about?
4. Where should you focus your scarce sales resources to get the most bang for the buck?
5. Which groups of customers should you ignore? Or said better, which groups of customers should you only address opportunistically?

6. What elements of your offer - product, service, pricing, ease of use, etc... do prospective customers find most appealing and what specifically about those attributes do they like?

B2C companies have been using attitudinal segmentation for quite some time as part of their Go-to-market efforts. B2B companies can and will benefit from a scientific approach to marketing as well, especially when you combine such a segmentation effort with the choice modeling work we talked about earlier.

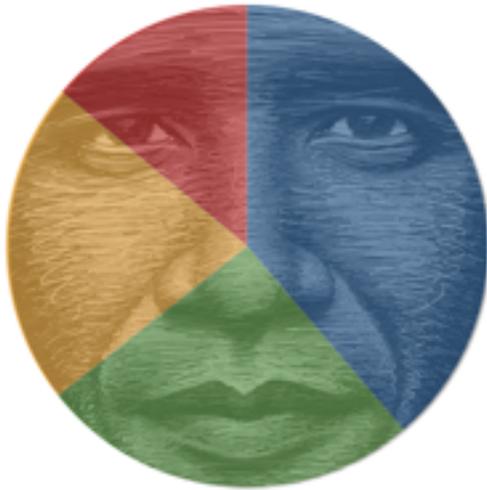


The beauty of this approach is that if done right, a company doesn't have to then go out and try to identify what prospects are in what segments, although using outbound telemarketing efforts can aid in this identification. If done right, they will come to you.

So, first do the heavy lifting to identify the attitudinal segments in your market. Then:

1. Using a Drive-to-Web campaign, motivate your prospects to visit your Web property.
2. Once on your property, walk a visitor thru a customer self-segmentation tool so that the customer (by answering a short series of questions) enables you to predict which segment they belong in. Expect about a 75% accuracy rate.

3. Once they've given you the information to perform a segmentation, you as an organization **MUST** provide something of value back to the customer/prospect (usually in the form of content). Why? This



is a value for value exchange -- they have given you priceless information about themselves you in turn must give them best or next practice information that will help them succeed in their role.

4. Once they've self-segmented then you can then personalize the web experience for them and provide further offers that will resonate with their buying attitudes. If you find that they are

ROI motivated for instance, you can offer tools and data to help build a business case. If they are tech lovers, you can offer content on the technological merits of your solution.

Finally, what should you do with existing customers who present cross- and up-sell opportunities? Well, enterprises young and old tend to know a decent amount about existing customers. So an attitudinal segmentation strategy can be employed without having to have customers self-segment. Depending on your business, someone or something should know enough firmographics and attitudinal data to predict segment membership. You can build an attitudinal gear box for instance -- a simple tool that serves up questions about an organization which you can use to predict their segment membership. Have your Sales personnel answer key questions on their customer's behalf. If they don't know enough to answer the questions, what are

they doing in your business? I've seen companies build a segmentation gear box to take their data and use it to predict segment membership with a high degree of accuracy. These efforts have lifted their conversion rates north of 25%.

Remember, its not enough to merely understand your market, you must determine what you should do DIFFERENTLY to maximize the economic value of understanding your market. This type of segmentation combined with a detailed understanding of your offer enables you to pre-test each segment's reaction to your offer and field a GTM strategy that's both flexible and high yield!