

Marketing Insights & Perspective

What Entrepreneurs Need To Know



AL DENTE™
STRATEGY & MARKETING CONSULTING

November 14, 2008

Agenda

- *Introduction*
- *Purpose of Marketing & Advertising*
- *Common Mistakes*
- *Positioning & Communication Development*
- *How to Market with \$1,000*
- *Q&A*

Am I Really An Expert?

An expert is a person who has made all the mistakes that can be made in a very narrow field.

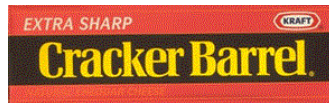
- Niels Bohr

Entrepreneur & Marketing Executive

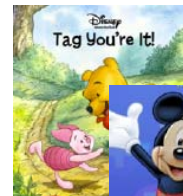
- ❑ 18+ years managing P&L in established and start-up organizations
- ❑ US Army Field Artillery Officer
- ❑ Price Waterhouse IT Consultant
- ❑ Fortune 50 marketing and new product development with Kraft Foods
- ❑ Children's publishing leveraging Nickelodeon and Disney
- ❑ B2B start-up with offshore operations in India

B2C and B2B Marketing Expertise

Brand Leadership



Licensing Management



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Marketing Defined By AMA

Mar-ket-ing (n.)

Activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have value for customers, clients, partners, and society at large.



Look Familiar? ... The Typical Buyer

- ✓ I don't know who you are.
- ✓ I don't know your company.
- ✓ I don't know your company's product.
- ✓ I don't know what your company stands for.
- ✓ I don't know your company's customers.
- ✓ I don't know your company's record.
- ✓ I don't know your company's reputation.
- ✓ Now – what was it you wanted to sell me?



Purpose Of Marketing

The purpose of marketing is simply to sell more stuff to more people more often for more money more efficiently.

- Sergio Zyman



Purpose Of Advertising

If it doesn't sell, it isn't creative.

- David Ogilvy



What Leads To Marketing Failure?

Common Failure Drivers

- ❑ Never solved real need in a meaningful and distinct fashion (built a mousetrap no one cared about or built a “me too” mousetrap)
- ❑ Never able to convince with logic and “15-second magic”
- ❑ “Trial” was great, but no “repeat” as delivery against expectations was poor
- ❑ Aggressively waiting for the phone to ring
- ❑ Misbelieving that hiring sales staff = marketing plan

Communication Development Steps

Step 1:
Assess
Landscape

Step 3:
WHAT

Step 2:
WHO

Step 4:
HOW



Step 1: Assess Landscape

Create Knowledge Bible

- Develop foundational insights about:
 - category size
 - competitors & brands
 - consumers & clients

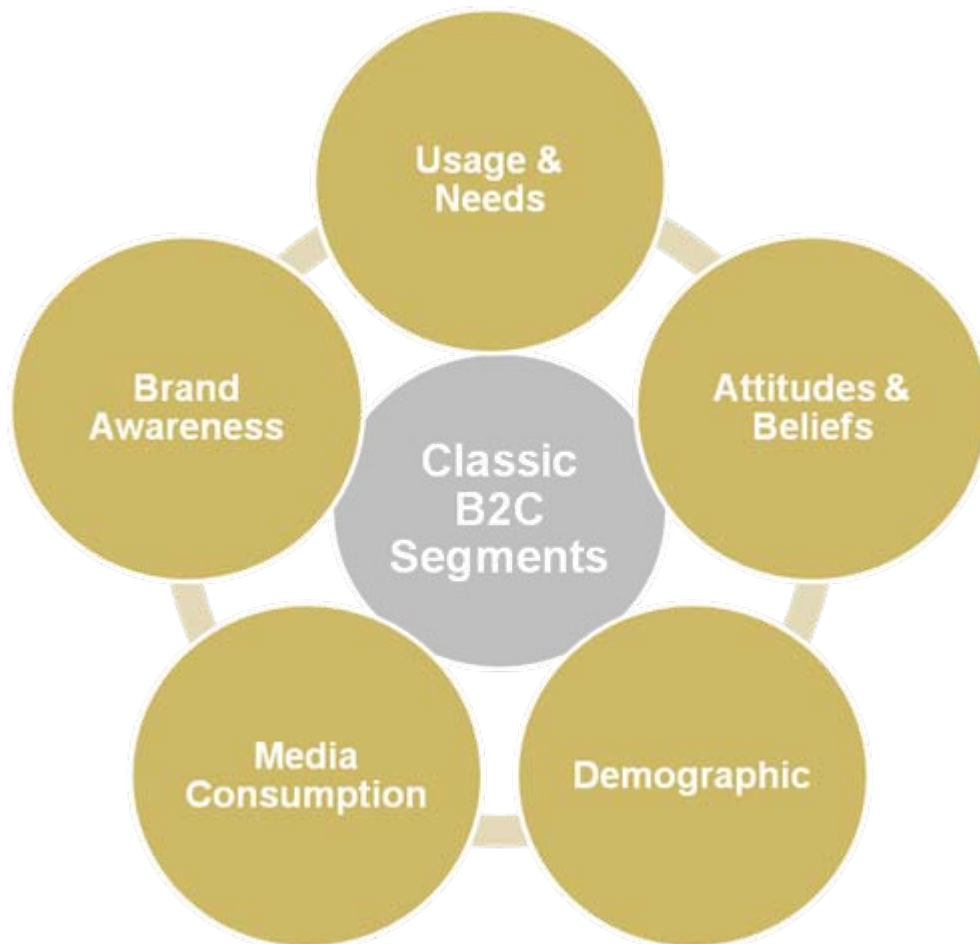
- Synthesize information from variety of sources:
 - Trade publications
 - Secondary research
 - Potential prospects

- Attempt to answer ... Is the need real?
How big is it?
does gap exist?



Step 2: WHO Is The Target

***Know Thy Target Market ...
typically requires market research***



B2B Considerations Include:

- ❑ Needs & Triggering Events
- ❑ Company Size
- ❑ Decision Makers
- ❑ Industry (SIC / NAICS)



Step 3: WHAT Is Our Positioning

***“15 Second Magic” Begins
with Positioning Statement***

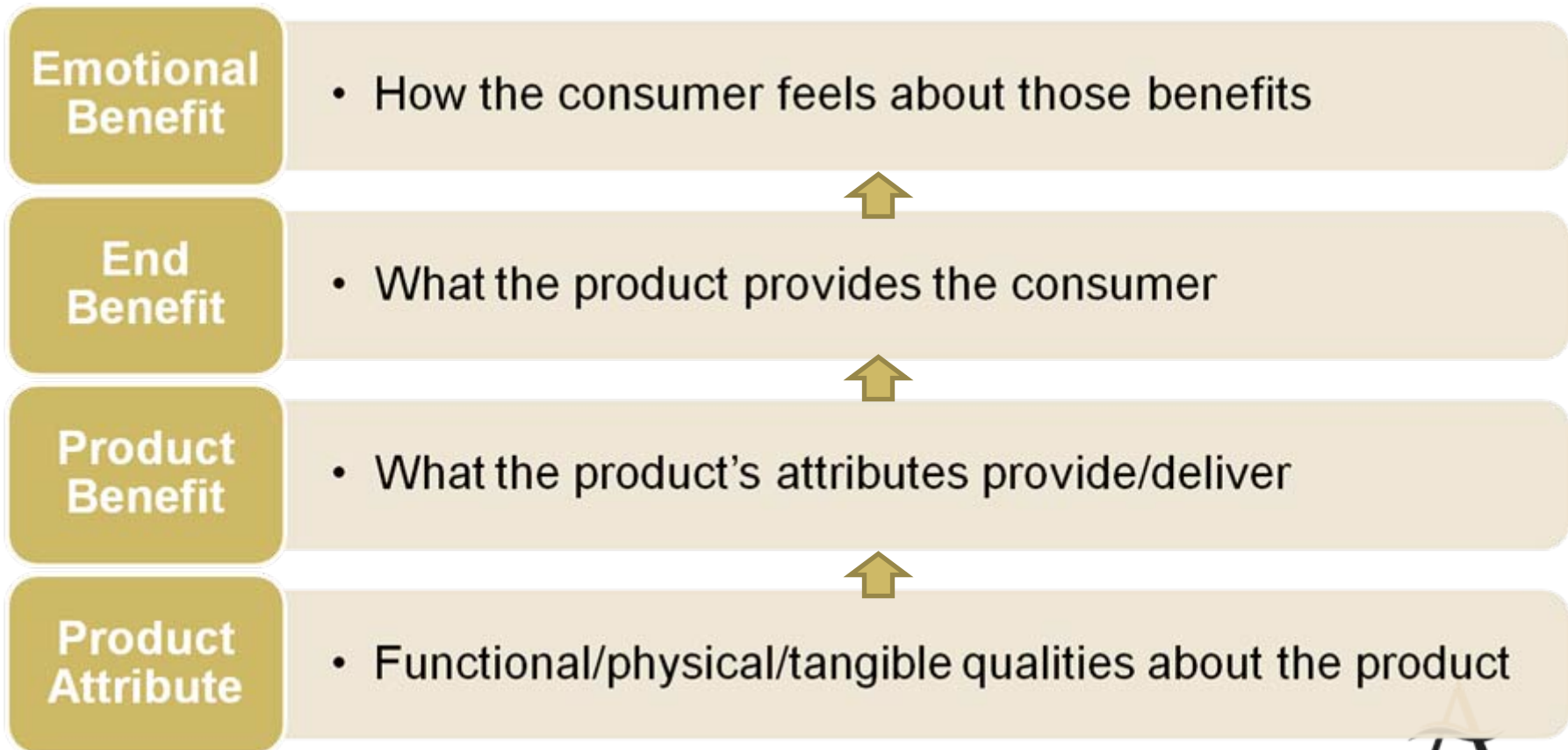
To [TARGET AUDIENCE], Brand X is the brand of [FRAME OF REFERENCE/COMPETITIVE SET] that [POINT OF DIFFERENCE] because [PRODUCT ATTRIBUTES/REASON WHY].

To layoff minded CIOs, ACME Telecom is the communications provider that offers the best value because it requires no internal IT support staff.



Benefit Ladder Refines Compelling POD

Start at the bottom with identification of attributes and work up the ladder



Benefit Ladder Examples

	<u>Shampoo</u>	<u>Tire</u>
Emotional Benefit	Confident about appearance	Keeps family safe/good dad
End Benefit	Full, thick hair (more easily)	Keeps control of car/safe Driving in adverse conditions
Product Benefit	Cleans and conditions (convenience)	Won't hydroplane
Product Attribute	Built in conditioner	Special design for road contact through water



Step 4: HOW Do We Execute

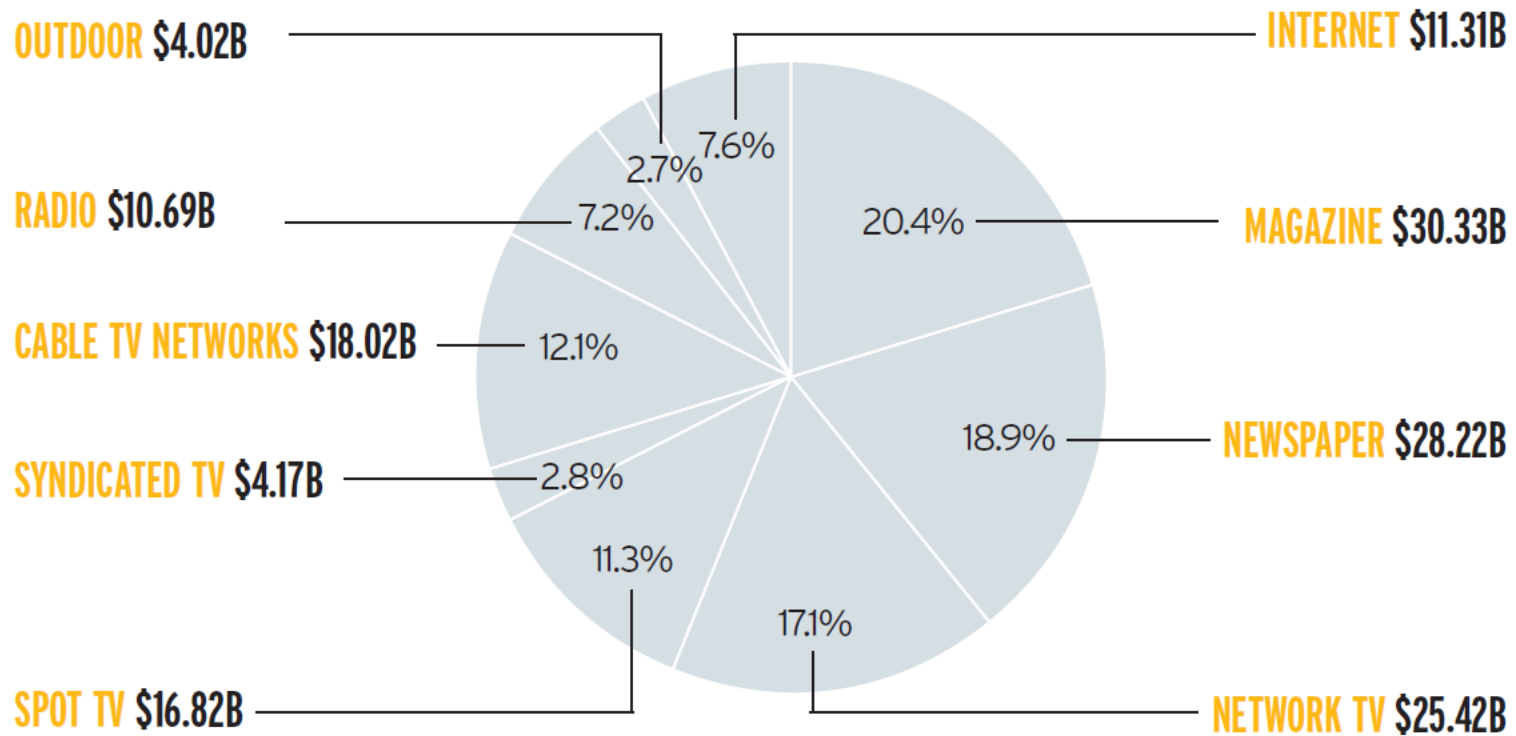
The only strategy the consumer experiences is execution.

- A.G Lafley



Internet , Internet, Internet ... Up +15%

HOW 2007 U.S. AD SPENDING WAS SPLIT BY MEDIUM ...



Source: TNS Media Intelligence.



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Paid Search (aka PPC) Is King

	DOLLARS IN MILLIONS					
	2007	2008	2009	2010	2011	2012
Paid search	\$4,496	\$5,633	\$7,054	\$8,220	\$9,237	\$10,129
Paid inclusion	818	1,043	1,198	1,342	1,469	1,773
Contextual ads	838	1,043	1,464	2,013	3,359	4,558
SEO	1,904	2,712	3,594	5,200	6,928	8,863
Total	8,056	10,432	13,310	16,775	20,993	25,323

Source: Forrester Report "U.S. Online Marketing Forecast: 2007 To 2012,"

How Would You Spend \$1000?

Google Paid Search!

- ❑ 80% of the USA market “Googles” for information
- ❑ 3,000 searches per second; 180,000 people a minute
- ❑ effective (for some) and efficient (for some)
- ❑ works well for involved purchase categories
- ❑ easy to manage ... but does require marketing know how
- ❑ many direct marketing concepts apply

Associations Offer “Innovation” Boosts

Common Benefits

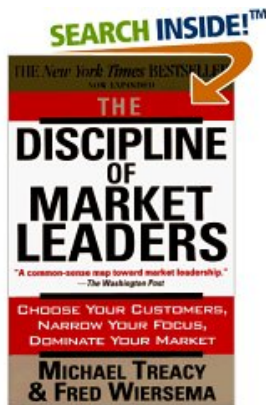
- ❑ “How To” webinars & podcasts
- ❑ Real examples of how others are doing it (B2C and B2B)
- ❑ 3rd party contacts in similar boat
- ❑ Networking opportunities
- ❑ Education on industry buzz

My Favorites ... each for different reasons

- ❑ AMA American Marketing Association
- ❑ TiE Florida The Indus Entrepreneur
- ❑ MENG Marketing Executives Networking Group

Recommended Reading

The Discipline of Market Leaders



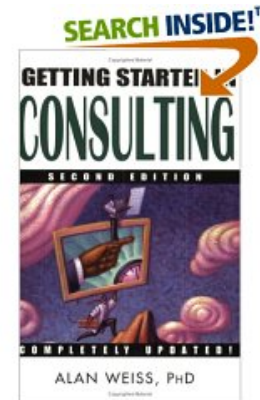
- *strategy insights for any company*
- *forces one to think about recipe for success*

Managing Brand Equity



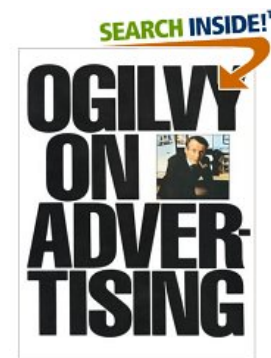
- *concepts needed to avoid being a commodity*
- *B2C must read*

Getting Started in Consulting



- *how to manual covering many start-up basics*
- *especially good for services*

Ogilvy on Advertising



- *answers fundamental question – the role of advertising and to some extent marketing*
- *valid for B2C and B2B*

Q & A



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