

BUILDING THE SALES AND MARKETING VEHICLE

A WORKING MODEL

Introduction

This discussion develops, from first principles, a dynamic model of the marketing process. As such it does not include many of the established 'rules' – the 4C's, the 4P's or the 6M's, SWOT and PEST, or Ansoff's Grid; these aspects are comprehensively covered elsewhere.

The purpose of this discussion is to provide the reader with a means to better connect the different elements of marketing one with the other and how they interrelate – such that brand and product management follow a logical path within a practical framework.

Also, it provides a vehicle which supports: planning for sustainability, a framework for project management, a process to report progress and a clarification of rôles within an organisation.

The focus is on business to business relationships. In this format the different elements can be much more clearly defined, as can their positions, within the model. The model is then further explored as a function of the supply chain.

Building the vehicle

The starting point is the **Company** which wishes to supply a **Client** with **goods and services** and in return be **paid**. The key is the provision of appropriate goods and services, i.e. those which meet a genuine need of the Client.

A **need** may be defined as something for which the Client has a strategic, long-term and company focus – the Client company cannot continue to trade or manufacture without this particular element. This is in contrast to a **want** which is short-term, tactical and usually centred on an individual [such as the buyer who is a bit over budget and will argue on price – especially towards the end of the month].

For example, a major luxury car producer demanded a price cut [a want] from a supplier of door handles, the supplier refused. As a result the entire production line was closed with a cost in lost production [the need] which far outweighed the potential saving from the supplier.

The Client will buy goods or services for what they do, not for what they are, i.e. **benefits**; and not only appropriate benefits, but also benefits which differentiate the Company from its competition. The benefit that makes the Company special is its USP¹, and without this differentiation, marketing becomes a lottery and there is a serious risk of selling solely on price.

¹ Unique Sales Proposition, may also be regarded as an organisation's *Distinctive Competence*.

In business to business transactions a benefit is normally something that influences: the organisation's image [sell more or at a higher price]; its variable costs [improvement to gross profit], or how it better uses its assets. An example of an improved image is Tesco overtaking Sainsbury.

Having met specific needs by genuine benefits, these benefits have to be **communicated** to both current users [for reinforcement] and potential users [for sales support]. The choice of communication media is wide and well documented. What is important is that the message and tone are absolutely appropriate to the Client. Accurately focused communications can make the budget go much further as well as increase sales.

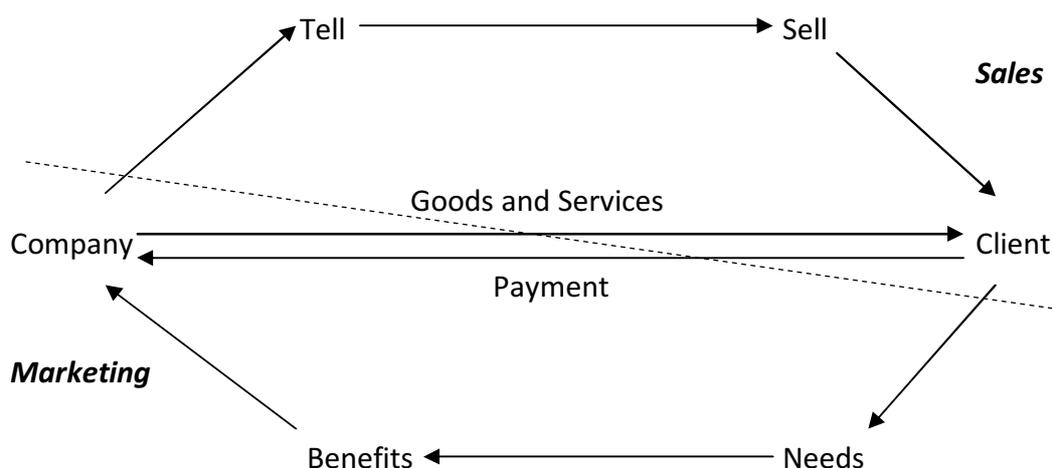
One well documented but inappropriate advert was for Strand cigarettes which portrayed an inappropriate lifestyle to the target user and actually depressed sales.

Finally we will go to market and **sell** those benefits which satisfy the Client's specific needs [not wants!]. How often has the sales person returned with the immortal words "We will only get a sale if we drop the price"?

Remember the door handles.

Picturing the relationships

The model divides very conveniently between *Company & Tell* and *Client & Needs* where the left-hand portion is the domain of marketing [long term] and the right-hand portion the domain of sales [immediate].



'Needs' and 'tell' are interchange points where the baton is passed from one function to the other. For example, on returning from the Client the salesperson might want a cheaper product [short-term, get that sale]. Marketing may task R&D to cheapen the product, which removes some of its functionality. The redesigned product is advertised by marketing as cheaper, yet sales fall even further because its differentiated benefit was in its functionality – now lost.

The real nature of any business transaction is that it is the functionality of the goods or services which will normally be considered first, and price usually second.

Giving the vehicle some wheels whilst overcoming sales/marketing misunderstanding

It is not unusual for the wrong message to be given when wants are used as substitutes for market research, being immediate and free. This is not unusual in many organisations.

MARKET RESEARCH is the first of the wheels to be put on this vehicle. Properly conducted this will clearly identify needs, discard wants and formulate worthwhile benefits.

Key to success is to clearly identify the target customer. One method is to use lifestyle with a succinct description of the prospect; for example one sector was identified as 'whingy and stingy' which defines the type of product and also the required level of service.

RESEARCH AND DEVELOPMENT [R&D] translates the identified needs into deliverable benefits which can be communicated to the market as a USP, setting the organisation above competitors vying for the same clients with similar offerings.

Here, there is potential for significant internal conflict, which makes clear definition, sound planning and effective communication absolutely vital – as marketing want it yesterday, production can't make it without tools, finance won't invest without a result and senior management are redesigning it as it evolves.

COMMUNICATION provides the means to inform the market of the benefits using a controlled mix of: customer definition, differentiated benefits, message positioning and style of language. Done well, communications will also maintain and build relationships with existing customers through Key Account Management [KAM] – and by being two-way, will also seek and quantify new market and product opportunities and refinements.

Experience shows that positioning is vital, for example when approaching senior corporate management communications should be short, to the point and have the detail to make a decision; communications to licensees should be engaging, with good narrative and be an enjoyable read.

KEY ACCOUNT MANAGEMENT provides the fourth wheel; it is reckoned that gaining a new client costs four times as much as keeping an existing one, making this function critical to sustainable growth.

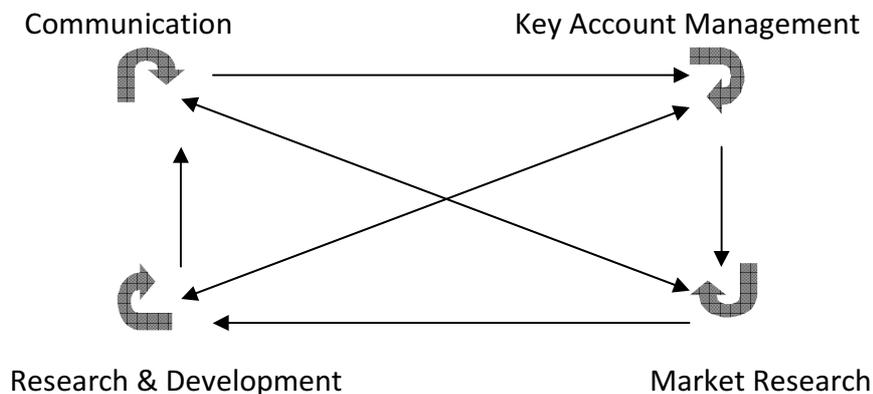
Defined as a bit like marriage, we court the prospect with flowers and promises; become a part of their life, yet after a period of time complacency sets in. For the first couple of years the competition can't get close; but after that time, unless there is due care and attention, there is a real danger of being replaced!

Linking the 'wheels' together

Exploring a little more closely, it will be seen that:

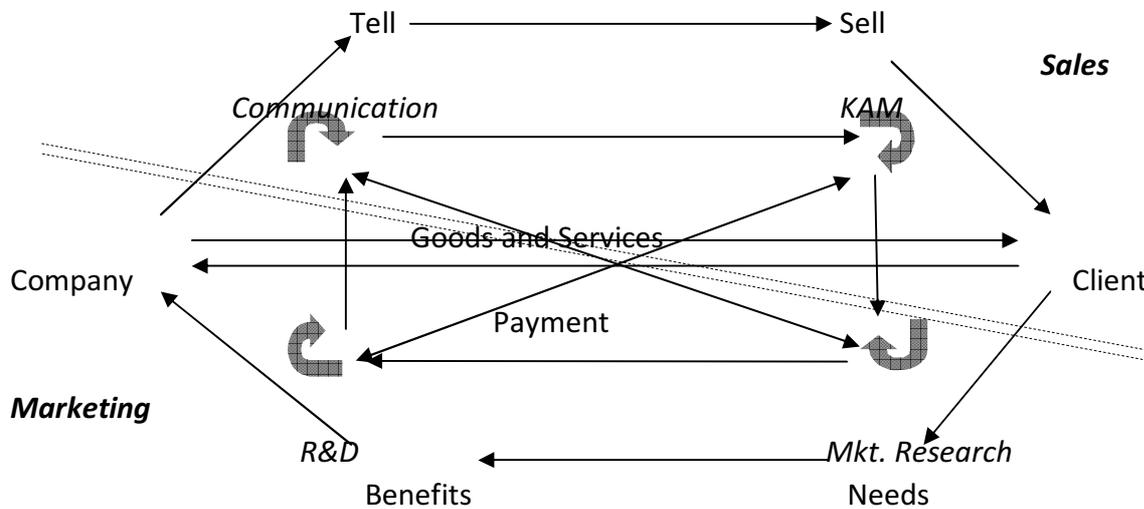
- KAM and Market Research provide the sources of information to define genuine benefits for R&D to realise.
- Market Research and R&D together provide the material to communicate efficiently.
- R&D and Communication allow KAM to be managed effectively
- Communication and KAM provide the basis for meaningful and targeted Market Research.

These dynamic elements work together i.e.



A more complete picture

The drivers [wheels] may now be appropriately fixed to the marketing vehicle i.e.



Marketing's 4 P's [and their inadequacies]

Marketing's 4 P's are variously described as:

- Promotion
- Price
- Product
- Place

Where the following descriptions have been applied:

Promotion includes all the elements of advertising, sales, marketing planning, buying behaviour and a host of other [usually] customer-related issues hung together without a great deal of cohesion.

To simplify things **promotion** may be considered as the vehicle for driving prospect and customer awareness; the prospect to try the product, the customer to keep buying.

Price is what people are prepared to pay for the benefits [real or imaginary] that the product or service delivers.

In real life **price** is a secondary issue, which may be based on intangibles such as brand strength, otherwise companies such as Rolls Royce would never sell a car – we would all go to the lowest priced provider

Product embraces a number of variables such as: differentiation, fit with other products and reliability.

What people are really buying are the benefits the **product** confers; and, as noted under **price**, these may be tangible [reliability] or intangible [bought from a high profile/high brand outlet]

Place is the means of getting the product to market, for example mass marketing through as many outlets as possible [including on-line] or selective marketing through a few outlets at a high price [e.g. couture]

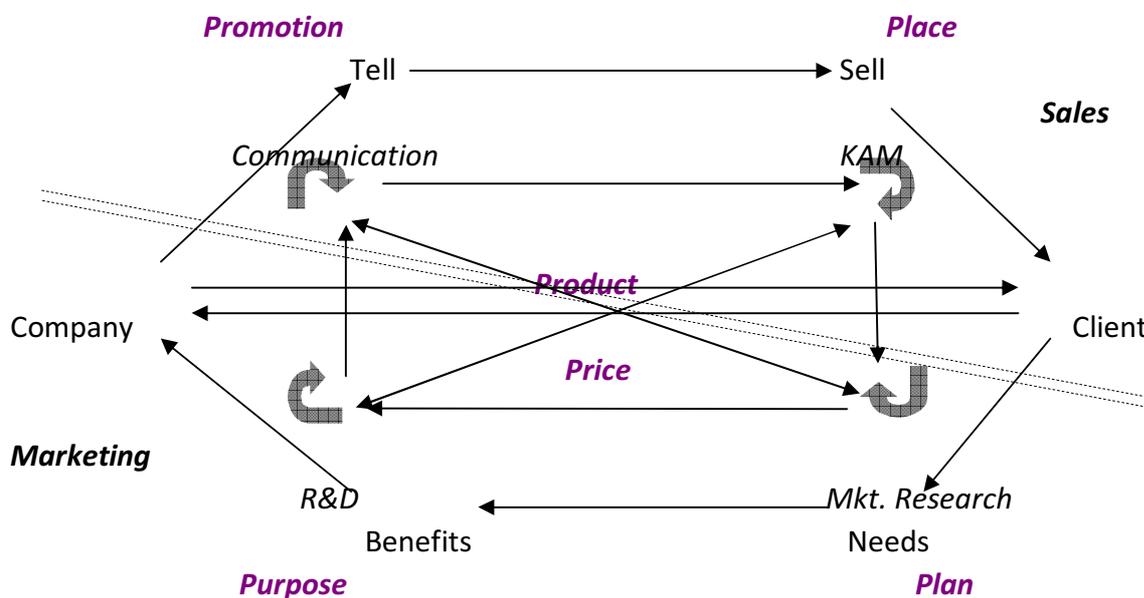
There is also the choice whether the customer comes to the **place** as in shopping, or the **place** goes to the customer in industrial or door to door distribution.

The inadequacies in this description of marketing are that

- There is no provision for **planning**, which is long-term; it is normally included under **promotion** which is short-term.
- There is no recognition of **purpose** and why this product or service is being brought to market, or the benefits it gives to the user.

An attempt to simplify and clarify

The various P's can now be positioned logically on the framework derived above.



The marketing breakthrough

By introducing **Purpose** and **Plan** the dynamic is now complete; to date these elements have been confused in other representations of the marketing model.

The four important P's have now become:

- Plan
- Purpose
- Promotion
- Place

Looking up and down the supply chain now becomes more understandable, as **planning** can be clearly directed to the Client's Customer to explore likely strategic requirements; **purpose** can readily focus on those requirements; **promotion** can be specifically directed to the Client's Customer to generate external sales pull as well as internally generated sales push, and **place** will identify trend and change to help compete better and fight off competition.

The other two P's:

- Price
- Product

Have become less important because **price** is often a function of brand strength [included in promotion] and delivery of benefits [included in **purpose**]; and **product** which is the vehicle to deliver the benefits and can take a number of shapes and forms – for example a ¼" hole can be effected by a 6" nail as easily as it can by a twist drill.

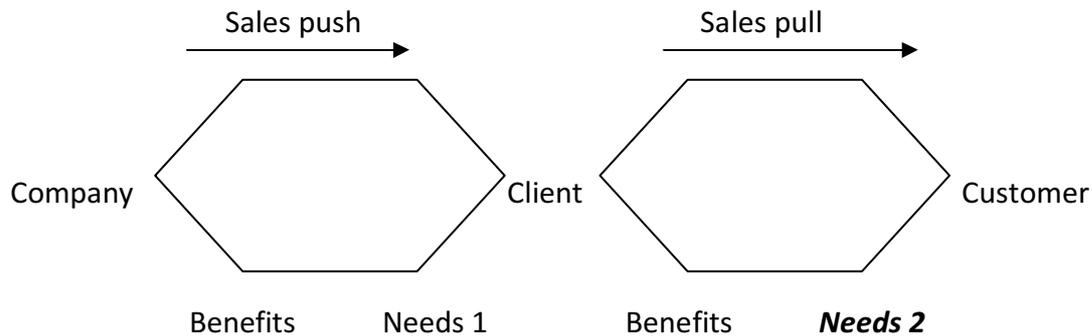
An overview of the supply chain

The relationships described above are still only a part of the whole. They define a vehicle which has integrity, wheels to allow it to move and a motive force to drive it forward.

However, this vehicle is only one set of relationships in the entire supply chain. Looking along the chain, the Client has got a Customer who also has needs and wants, requires benefits and has to know how to be able to satisfy the overriding strategic intent.

If the Company can identify the Client's Customer's needs [**Needs 2**] and can develop an offering which supports the Client's sales efforts there will be sales 'pull' from the Client's Customer as well as sales 'push' from the Company i.e.

So simplifying the presentation:



This phenomenon is well depicted in the confectionery industry where the child [Customer] is being seduced with how nice this bar of chocolate is; and the parent [Client] being told it's healthy really and shows how much you care. Two different needs and two genuine USPs!

This set of relationships extends backwards as well as forwards; in that the Company seeks goods or services from its suppliers that can be incorporated most effectively into tangible benefits to help its Clients achieve their strategic needs.

In conclusion

There has been much written about marketing and its various mysteries. However, as with many disciplines the mysteries reduce and the application becomes more straightforward if the various interrelations can be articulated as a dynamic model. This paper provides one such model; I'm sure there are others, but one thing I do know – this one works!

Steve Mullins