4P’s of Marketing

Carnegie Mellon University
Silicon Valley
Launch Event

- Stealth, low key, and/or big splash?
  - SF NewTech or SF Beta vs. TechCrunch Disrupt or DEMO

- Timing
  - Relation to product readiness
  - Coordinated with industry event

- Audience
  - Buyers, influencers, partners
  - Influencers: analysts, press, bloggers

- Budget
Keys to Successful Launch

- Solid positioning
- Crisp and consistent message
  - Website
  - Presentation
  - Press release and product brief
- Time and place
  - Getting the right audience
  - Aligning with product availability
The Launch Event

• Not a standalone activity
  • Bell curve of preparation and ongoing activities
  • When to start?
  • Coordination with development and partner efforts
  • Coordination with gaining references, quotes

• What do you want people to say about you?
  • Go beyond “XYZ today announced the immediate availability of their ABC tool…."

• Bring a team
Preparation for launch

- References
  - B2B – Testimonials from early adopters
  - B2C – Usage data
- Reaching the right people
  - Multiplier effect on your personal efforts
  - Plan for multiple channels
- Tune your press release and presentation
Press Release

• Print and online PDF to support physical and virtual attendance
• Make the release fit your positioning, target market, tag line, etc.
• Include contact information
• Make your business look bigger than it is through professional appearance
Launch Presentation

- 5 minute pitch with open ended Q&A
  - Plant a couple of questions
- Identify the problem that you are solving
- Identify your target market, even if it’s obvious
- Include key features, advantages, benefits of your product or service
- Screen shots, yes – with handout
Followup

• 1-on-1 interviews with press, analysts, influencers
• B2B – focus on target customers
• B2C – focus on social media
  • Exec blogging and tweeting
  • Product hashtags and pinning
  • Facebook presence
• Keep the website fresh
• Maintain contact with press and influencers

Key Goal: Multiply individual efforts
More ideas

Read Guy Kawasaki’s *Art of the Start* or the summary at

http://entrepreneurs.about.com/od/gettingstarted/a/guykawasaki.htm
Complex Products Don’t Sell Themselves

Enterprise products have multiple decision makers
Business-critical applications involve a corporate commitment
Vendor has many upsell opportunities
Prospective customers want to negotiate terms
Needed: a sales team that can address business, technical, and legal issues
What Are You Selling?

Perpetual licenses to packaged software?
Subscriptions?
Training?
Consulting?
Maintenance and Support?
Premium Services?
Pricing: an Art, not a Science

Price points determine sales strategy
  Can you afford to make a sales call?
How much is it worth?
  Cost of reproducing the software
  Initial and ongoing value to customer
Competitive pricing issues
Distributor and reseller discounts
Quantity discounts
Long-term subscription discounts
Enterprise vs. consumer pricing
Revenue Generation Approaches

Products
- Licenses
- Subscriptions

Services
- Training
- Consulting and customization

Advertising

Bundles of products and services

Revenue from distributors, agents, partners
Revenue Model

Top down approach
  Market size
  Market growth rate
  Competitor share
  5-year view of your share

Bottom up approach
  Customer adoption rate
  Average sale size
  Size of sales team
  Number of qualified leads
Questions for your Revenue Model

How big is the market for your product category?
How quickly is the market growing?
How and what will customers buy?
  Individual sales, teams, corporate
How long is the sales cycle?
  Evaluations (your product, competition)
  Complexity of purchasing process
How big is your sales team?
What’s the likely size of your average sale?
How to Sell Your Products

Self-serve
  Online for download (App stores) or packaged sale
  Annual or monthly subscription
Retail shrink-wrap through distributors
  Ingram Micro, TechData, various int’l.
Professional sales
  Inside sales organization
  Field sales organization
Distributors (domestic and international)
Partners (consulting services, integrators)
What’s the Best Sales Strategy?

The higher the price and complexity, the more you need a direct sales channel

- Bigger sales opportunity
- Ancillary sales of services
- Long sales cycle with multiple influencers
- Address competitive issues
- Negotiate pricing and licensing
App stores: Direct and Indirect Sales

Virtual equivalent of retail stores
Web sites of physical stores
Your own web-based retail outlet
Direct Sales Channel: Telesales

Inbound: answer inquiries, qualify prospects
Outbound: pursue leads, cold calls
Close where possible
  Small purchases
  Subscription renewals
  Services and training
Escalate top prospects and large deals to field sales team or resellers
Direct sales team: field sales

Organized by territory, customer, industry
  Government team
  Telecom team
  Southwest US team
  Cisco team
Sales management with individual account managers
Sales quotas
Sales representation and system engineers for demos, customization, technical issues
Indirect Sales Channels

Domestic and international resellers
Consultants, integrators, value added resellers
Channel Conflicts

Within company
  Resolve through commission splitting
  Sales management intervention

Between company and resellers

Among resellers
Sales Management

Territory and account assignment
Hiring and firing
Forecasting
Complex sale coordination
  Bring in execs to help close the deal
  Negotiations with prospect