



PRODUCT SALES STRATEGY

1.0 STRATEGY?

In short, strategy is a bridge that connects a firm's internal environment with its external environment, leveraging its resources to adapt to, and benefit from, changes occurring in its external environment. Strategy is also a decision-making process that transfers a long term vision into day-to-day tactics to effect the long-term plan. Although often thought of only as something reflected in a business plan, strategy is rather a continual process of assessment, reassessment, and analysis, which constantly provides direction to the firm.

Strategy can be compared to the captain on the bridge of a ship, who is constantly scanning both the horizon and the immediate surroundings and adjusting the course, possibly taking the ship in another direction if a storm appears on the horizon or if an object appears to obstruct the path.



2.0

MARKETING?

Marketing is everything you do on a daily basis to sell a product or provide a service to a customer. Marketing encompasses every way in which a customer perceives a business and everything that generates enough interest from a customer and encourages customers to actually pay for the product or service. As Peter Vessenes suggests, ***"cash may be king, but marketing is everything."***

What does it really mean to market your service or product? Often, people immediately equate marketing with advertising and see only the amount of money that advertising will cost. However, by definition, marketing is actually the process by which we offer goods or services up for sale. Forward-thinking marketing strategists suggest that marketing is not a "cost" or "expense" but rather an investment, because much of the benefit of marketing is longer-term and may take years to fully provide its benefit.



Marketing has also been referred to as a social and managerial process by which individuals and groups obtain what they need and want through creating, offering, and exchanging products of value with others. Additionally, it is all too often equated only with the more focused function of selling. But marketing encompasses a wider range of activities that must be a fully integrated process and, indeed, will form a foundation and catalyst for making sales. Further, the key to successful sales is a consistent proactive marketing strategy.

3.0 MARKETING KEY COMPONENTS:

What, then, is the key to a consistent proactive marketing strategy? First and foremost ***it is a philosophy*** that dedicates resources of the firm to ensuring that the wants, needs, and demands of the customer are the firm's focus. This customer-focused mentality is the foundation of the strategy that makes up the entire marketing process.

Second, ***it is a plan***, supported by the firm's philosophy. Once the philosophy is in place, a plan can give direction, guidance, and a structure for proactive strategies that will increase sales and improve business relationships. Often firms find themselves dedicating resources to marketing activities—from trade shows to flyers—and spending money on marketing that is not targeted to the right audience at the right time. This is reactive marketing with a shotgun, rather than a rifle. Conversely, a proactive, focused marketing plan can provide guidance for targeting the right audience at the right place and at the right time, which in turn maximizes the return on investment and increases revenues. Third, marketing ***is a process of creating value*** for the customer. It is a set of activities to educate, communicate with, and motivate the targeted consumer about the firm's services or the company's product and services.

Traditionally, this set of activities, the "marketing mix," is represented by four parts, the well-known ***"4 P's of Marketing": price, product, placement, and promotion***. But to create a marketing strategy and plan that touch on all areas necessary to position a product in the market to maximize sales revenues, there are multiple areas to be tackled.

4.0 MARKETS AND STRATEGY

An effective marketing strategy/plan is an ongoing value-creating process composed of several elements:

Marketing segmentation: The concept behind market segmentation is intuitive and relatively simple. Market segmentation is simply taking a look at the overall market for your product and service and thinking of it in terms of smaller, more manageable pieces. Once we have identified these subgroupings, we can target which of these market segments are likely to be the most productive and be the best fit with our company's strengths and competitive advantages.

Marketing strategy: To build a strong and profitable business, it is necessary to develop a strategy. Essentially, marketing strategy is a plan that allows a business owner to direct activities that are consistent with the goals of the business owner and organization and spend money wisely in order to create the greatest amount of return on investment.

Market research: To thoroughly understand what is happening in the industry in which you operate, it is invaluable to know what the trends in the industry are as well as what the firm's competitors are doing to make money, to improve their businesses, and to improve their own market shares. Market research is necessary to make better firm-wise decision.

Pricing: To sell a product for a particular price, value must be created. Value is the consumer's estimate of the product's overall capacity to satisfy his/her needs. When the value placed on a product or service is high, then satisfaction is achieved. Consumers are savvy and will choose based on the level of satisfaction that corresponds with the price. Pricing is what your customer is willing to trade in return for a product—that is, the value they place on a product or service.

Placement: A customer will not likely purchase a service or product unless it can be relatively easily accessed. Placement can be anything from a magazine or candy bar sitting next to the checkout counter at the supermarket—a spontaneous purchase—to gas stations situated on the right-hand corner of the exit from a highway or to the location of a orthodontics office in the same complex as a pediatrician's office. Placement helps make the purchasing process for a customer easier and more convenient.

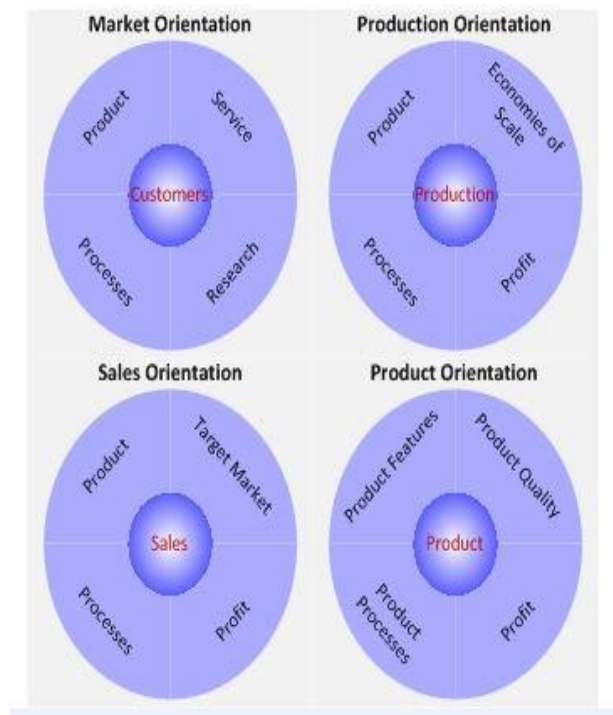
Value chain: All of the aforementioned parts of the marketing plan cannot be carried out to the full level of effectiveness without all areas—a value chain—working together. Generally, the value chain includes the following activities:

- **Inbound logistics**—bringing raw materials into the business.
- **Operations**—management of processes to create the product or service for the customer.
- **Outbound logistics**—the means for getting the product or service to the customer (for example, distribution systems and shippers to get products into retail stores).
- **Marketing and sales**—creating value.
- **Service**—aligning customer expectations and the performance of the product or service.
- **Firm infrastructure**—the organization of the firm to maximize service to the customer.

- **Human resources management**—creating a structure for the people in the firm, which includes recruitment, training, retention, and compensation of employees.
- **Technology**—using technology to maximize service, thereby enhancing customer value.

5.0 DEVELOPING A PRODUCT MARKETING STRATEGY

Developing a marketing plan or strategy to introduce a new technical product can be painless, and seems confusing only when we lose sight of objectives. Start by writing an outline of your marketing strategy. Then begin by gathering required information for each section in your outline. As you gather your market information, you may see critical gaps. Find a way to fill the gaps (e.g. telemarketing). Then polish the information with helpful tables, charts and graphs. You can even use the outline to organize your marketing presentation!



Developing a Product Marketing Strategy is one of the most challenging and exciting aspects of product marketing and launching a new product. The marketing professional should begin by writing a working outline of his market plan to help organize the study, gather information, and organize the presentation.

Outline to develop marketing strategies:

- Mission Statement
- Define your customers
- Market Segmentation
- Analyze your Competitors
- Your Product Position
- If Possible, Do Market Testing

- Make Strategy Decisions (key decisions on pricing, sales force, distribution e.t.c.)
- Write an Action Plan
- Implement Your Plan (progress review, revisit plan and update)

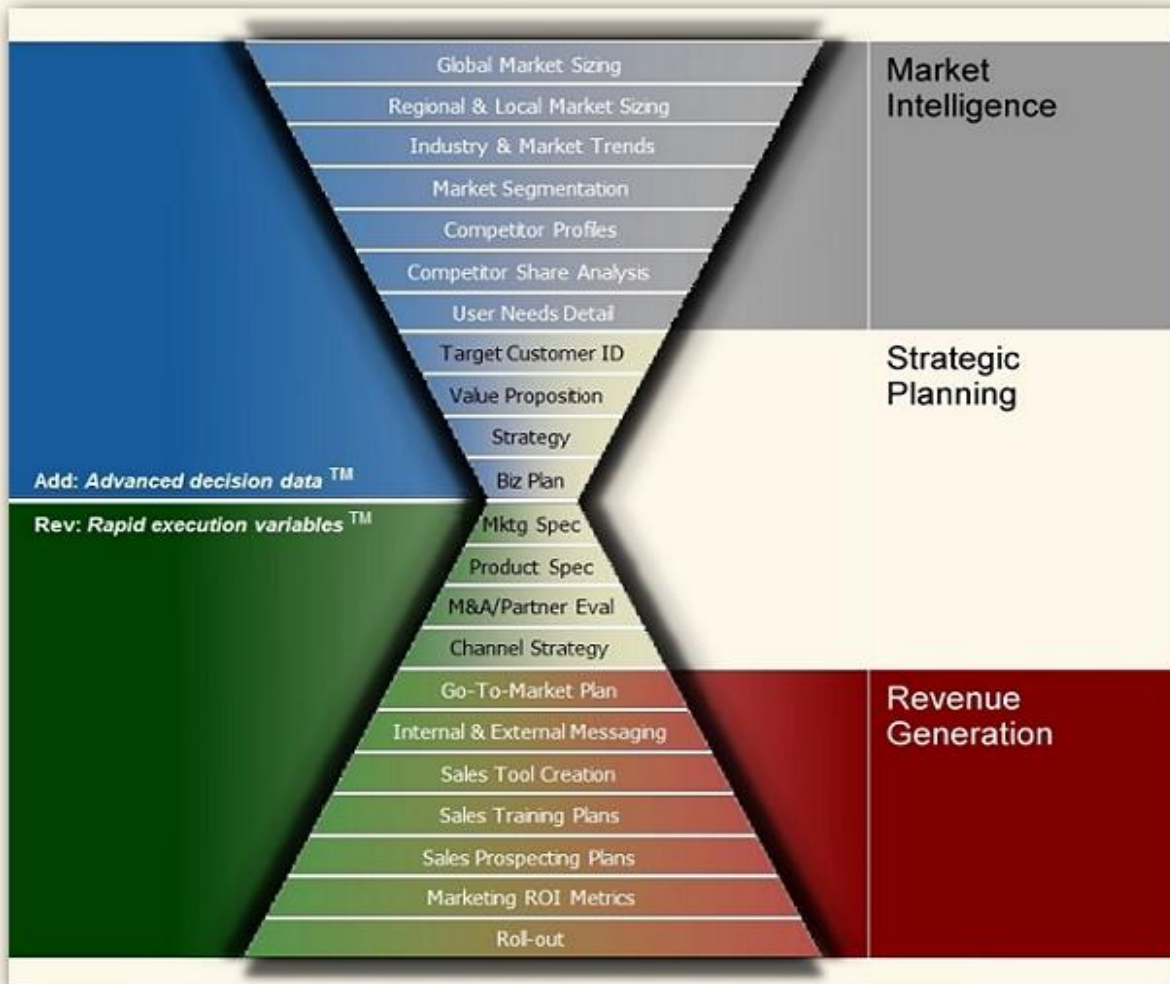
6.0 Creating a Sales and Marketing Strategy

Small business owners who are concerned about their sales and marketing capabilities could begin to see improvement by breaking down the term "**sales and marketing**" into discrete, manageable elements. You end up with a checklist that can be reviewed in order to prioritize areas needing improvement - a checklist that will serve as the groundwork for an effective marketing strategy.

1) Markets. How much do you really know about your current markets or future market? Why do your customers buy from you? What could you offer that would attract more non-customers? How can you sell to more of the profitable customers? If you add features or services, will people pay more for them or will they attract more customers? Are there bulk, institutional, industrial, or corporate markets beyond normal retail that you are ignoring?

2) Competition. Who are they and what are they up to? What is the overall market trend and how are you holding up in terms of market share and profit position? How do you really rank against competitors? What substitutes are there to your products and how much of a threat are they?

3) Distribution. How can you get your products/services out to new outlets profitably? Are there unbranded opportunities? Can you bundle in your products with someone else's?



4) Supply

Chain: Are you at the mercy of wholesalers for your raw materials or product components? How can you manage suppliers and gain more buying power over them? Can you simplify your products and reduce your supply needs? Can you buy in bulk and store them somewhere in a cost effective manner? Can you buy some things pre-fabricated cheaper than doing it yourself (or vice versa)?

5) Positioning. Where do your products/services fall in relation to the total market? Is this truly the position you want? Are you "all things to all people," or should you move more toward a high-end position (charging a premium for a differentiated service), or a low-cost position (undercutting others' prices but at a profit, due to high efficiency)? If you are truly "in the middle," you should examine how well you're doing regularly (with the help of a good accounting system).

6) Promotion. Feel invisible? How can you change this? What promotion tools make the most sense to promote your products yet are consistent with the marketing image you want to project? How do you know if they pay off? Are you promoting on the Internet effectively?

7) Pricing. What is your pricing strategy? Does variable pricing make sense for different markets, perishable products, or time-based sales processes, or various customer types? Are you charging for everything you do?

8) Service Delivery. How well and how consistently are you delivering/producing your products/services? What people problems must be addressed? Do you really train people in their overall role and mission, not

just the mechanics of their job? How do you know your customer service is satisfactory? How can you use disservice situations to build customer loyalty?

9) Financing. What is your capital structure? That is, what are the proportions of cash, bank borrowing, other borrowing, invested funds, and net income to your operation? Do you produce an annual financial report and a monthly cash report? Are there other sources of capital you should look at? Are there cheaper sources for say, bank loans?

10) Strategy. How can you build customer loyalty? How can you increase sales to existing customers (more frequent use or buys, selling a broader product line to them) or new customers (existing and new products)? How can you penetrate into new areas profitably? What new substitute products are successful at Wal-Mart or other outlets that you have sniffed at as not being part of your traditional business? What costs can be removed without affecting the value equation?

11) Management. What risks exist today and which are on the horizon? What is the likelihood and impact of each? How can you reduce both? Are there alliances that make sense? Are there trade groups you should be in? Are there natural ties that no one is exploiting-- like a video store letting people order a video with a choice of pizza from the next-door pizza shop for a specific time? Or letting customers return their videos to a local Starbucks they stop at in the morning?

12) Information. What information is your accounting system giving you about profitable lines, costs, and margins? If "none," why not fix it and start making better decisions? What advice can you get from a trade group or local retail association?

7.0 SUMMARY

Effective marketing is crucial to the success of any business. But simply understanding your market is not enough. You need to build on your marketing plans, turning theory into profits. A good sales strategy will help you identify and take advantage of the best opportunities.

This briefing covers:

- Clarifying your sales objectives.
- Deciding how to reach target customers.
- Planning and supporting your sales effort.
- Monitoring and improving effectiveness.



1) The right approach

- Base your sales strategy on your business and marketing plans.
- Understand your market.
- Concentrate on generating profitable business.

2) Your target customers

- Generate business with new prospects.
- Develop more business with existing customers.
- Build up a mix of customers, to help safeguard your sales revenue.

3) Reaching the customer

- Most businesses sell to customers direct.
- If you cannot reach your customers directly, use an intermediary.
- You may be able to join forces with other businesses to boost your sales effort.
- Promote and support your sales channels by communicating with your customers.

4) Sales planning

- Together with your sales employees, prepare your sales forecast.
- Prepare your annual sales budget.
- Revise your sales forecasts quarterly or annually, using past performance as a guide.
- Be aware of sales cycles. The total amount of time taken to complete a sale can have a critical impact on your cash flow.
- Co-ordinate sales with your other business activities.

5) Selling resources

- Use sales tools to increase efficiency
- Give sales personnel access to the standard documents they need.
- Organize and support your sales team.

6) Measuring performance

- Conduct an annual or quarterly profitability analysis.
- Analyze conversion rates monthly, using sales people's weekly activity reports.
- Identify problems, and find out what has caused them.



8.0

SUCCESS SALES HABITS

Sell only to those who want to buy: Become a quick discerner of people who really want to buy from you, and people who just aren't interested. Spend more time on the people who want what you're selling, and less time trying to convince people who don't, that they do.

Know your product inside and out: There should be no question about your product or service you cannot answer to your customer's satisfaction. Knowledge inspires confidence, and if your buyer has confidence in you, your sales pitch will be more effective.

Ask for referrals: Without being pushy, determine never to let a sales opportunity go by without asking your prospect or customer if they know anyone else who might be interested in what you have to sell.

Follow up and do what you say you're going to do: Credibility is key for a salesperson. If you say you will follow up and don't, if you promise something and don't deliver you can't recapture that credibility. Not only will you lose it with this customer, but with everyone he or she talks to about you.

Take responsibility for things that go wrong: Nothing frustrates people more than someone who denies responsibility for something that is their fault, or who casts blame on others for it. Fess up if you've made a mistake, promise to make it right, and then follow through.

Ask and you shall receive: Ask for the sale. Be aware of the different social styles of the people you are selling to and use that knowledge to ask for a sale. Many a salesperson has walked away from people who were willing to buy, but were never asked.

Speak well of your competitors: This shows integrity. People who are willing to trash talk their competitors might be just as willing to do so about their customers. They are seen as untrustworthy. There is always something kind you can say.

Don't fake it: Some people will do anything to avoid losing a sale, including making promises about things they really can't do and then scrambling to try to get it done. Focus on what you do well, and if you get questions about something that is beyond your expertise or specialty, refer them to someone who can do a good job for them. Doing this guarantees they will come back to you the next time they need your service.

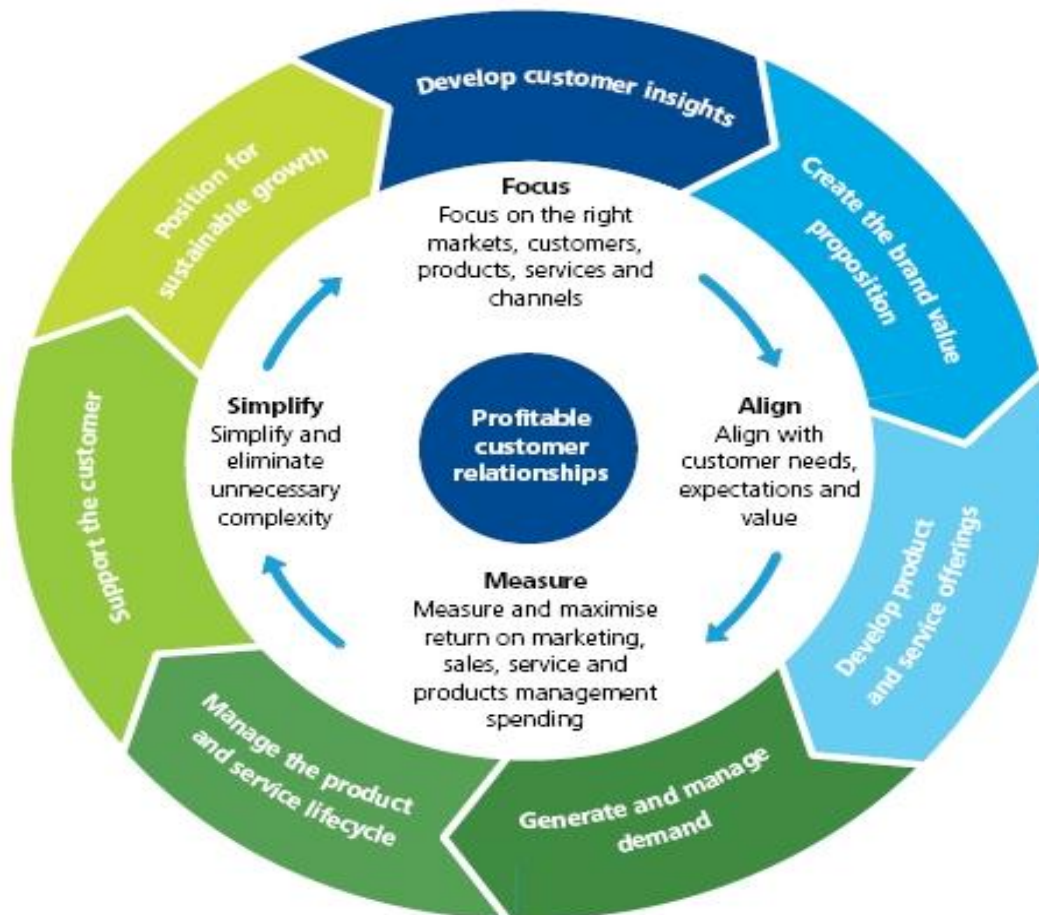


9.0 Seven Deadly Sales Sins

We all make mistakes, but some mistakes are more costly than others. In the area of sales, in a small business, a mistake can mean the difference between meeting your cash flow requirements for that month, or not. It can mean the difference between gaining a new, loyal customer who will bring cash into your business for years to come or losing that potential income source. Here's a list of seven mistakes to avoid when making sales.

9.1 Selling Without Knowing Your Customer

Customers want to buy from someone who is not only knowledgeable about the product they are selling, but also about the industry in general and about their needs specifically. Would you sell the same way to a young one-income family with four kids struggling to make ends meet as you would to a two-income couple with professional jobs and large disposable incomes? If you take the time to listen to your customers and ask appropriate questions, they will tell you what you need to know. Knowing your industry is important. Knowing your product is essential. Knowing your customer is paramount to making sales.



9.2 Avoiding Dissatisfied Customers

If you avoid the people who aren't happy with you, you're losing the opportunity to build loyalty in those customers. Look at dissatisfaction as your opportunity to go above and beyond. Do everything you can do to make it right with those customers and you'll encourage loyalty that will stay with you for years.

9.3 Ignoring Small Orders

Every customer is an important customer. It may be tempting not to bother with orders that are small or on which you won't make much of a profit, but you never know what that customer might purchase in the future.

You also don't know how many people that person can refer to you if they are treated well, or how many people they will steer away from you if they aren't.

9.4 Using the Same Old Pitch

Coming back to the same customers with the same old pitch is a big mistake. People want to know you are innovative, creative, and on the cutting edge of your industry. Make sure that you revitalize your sales presentation often. Use different examples, different approaches, appeal to different behavioral styles and offer different incentives. Being creative is one of the keys to making sales.

9.5 Not Taking Advantage of Sales Training

You may think you're the best salesperson on your team (and in fact you may be), but the best salespeople never stop learning new ways to improve. Take advantage of every sales training opportunity you can find. You will never lose if you choose to keep on learning. Even if you don't hear anything new from the instructor, you can learn from the experiences of others in the room, or be a resource to others who aren't as experienced as you are. Make lifelong learning part of your sales strategy.

9.6 Being a Cheapskate

Everything you do makes an impression on your customer. Are you willing to take a client to lunch every few months to let him know you appreciate his business? Do you pick up the tab if you've met for coffee with a prospect? Do you acknowledge others who give you free advice or referrals by sending a note or a gift? These may be small things but they make a big impression.

9.7 Going for the Popular Vote Rather than the Respect Vote

Always show integrity in your dealings with other people. It may feel good to put your competition down so you can convince your prospects of how much better you are, but in the long run it won't benefit you. People may like you in the moment, especially if you have charisma and the power of persuasion, but once you walk away they'll think about the things you said – both about yourself and about others – and they won't trust you. Integrity always wins in the end. A tip for dealing with competitors without trashing them is to study their strengths and weaknesses. Then, promote your strengths as they relate to the weaknesses of your competition. In this way you expose their weaknesses and demonstrate why you are better, all without mentioning them once. Avoid these seven sales mistakes and incorporate these principles into your sales approach, and you'll not only increase your sales, but also find that your customers will notice and appreciate your business integrity.

10.0 25 Everyday Ways to Increase Sales

Every once in a while it's good to remind ourselves of some of the simple truths of selling. We all know that good habits lead to success. Here's a simple 25-point habit-check. Post it somewhere you'll see it often to remind yourself of the things that are important for sales success.

- Demonstrate the highest level of integrity.
- Sell yourself first and communicate the message that it is sound business to trust you.
- Ask the right questions; listen to the answers.
- Discover your prospect's key requirements (needs).
- Know all the objections beforehand.
- Sell to people who are qualified to buy.
- Tell everyone about your company and what it sells.
- Continually look for new markets.
- Treat every sales situation as if you are a consultant.
- Give total commitment and belief to what you sell.
- Know your buyer and his/her market.
- Ask for referrals.
- Continually show enthusiasm.
- Listen more than you talk.
- Always tell the truth (it's easier to remember!).
- Believe in yourself.
- Spend more time selling than on any other activity.
- Empathize with your buyer.
- Follow up each call.
- Give speeches to business and civic groups.
- Generate within yourself a positive attitude.
- Take responsibility for presentations that go hay wire and assess what went wrong.
- Always ask for the sale.
- Keep notes on each customer.
- Keep your sense of humor.



Simple but true; develop these as daily activities, or teach them to your sales staff and watch your sales results change overnight.