



Results Marketing

Targeted, integrated strategies to increase sales more measurably and effectively.

The technological revolution has transformed sales and marketing by making targeted strategies more powerful and more economical than ever. The increasing fragmentation of media audiences, the relatively low cost of Internet services, and sales and marketing automation have unleashed a major shift from mass marketing. The new mantra: Focus efforts on identifying and building relationships with the people most likely to buy or contribute to success. The economics of e-mail and the Internet make it possible for any company to compete by targeting and marketing more effectively than possible with mass marketing, and by getting permission whenever possible to further enhance results. The payoff is a significant saving in time and money, a sales organization that requires fewer highly paid "closers" and a more level playing field in many industries.

Only a few organizations have caught on to the full benefits of Results Marketing and have made it a part of daily life, but many are on their way. Results Marketing strategies can be used effectively by large consumer-

goods companies and business-to-business marketers alike. (To rate your organization's progress on the evolutionary scale, see "Are You a Results Marketer?" at the end of this article.)

Because of its low cost and high efficiency, Results Marketing makes it possible for small and midsize companies to compete against much larger organizations, so almost no organization can use budget as an excuse for doing things the old way.

Results Marketing has evolved in response to an historic convergence of four trends: increasingly educated, empowered consumers; the increasing ineffectiveness of traditional mass marketing; advanced, low-cost technology that makes it economical to identify and build relationships on a one-to-one basis and the increasingly recognized need for motivating employees to deliver the service and quality promises made or implied in marketing and sales.

The Way It Was

Before the advent of integrated, targeted strategies now called Results Marketing, marketers resorted to highly

inefficient marketing methods that favored companies with the most money to waste.

Mass marketing. Because it was impossible to identify precisely most of the people interested in their products or services, companies generally relied on strategies that inevitably delivered a vast audience with little interest in buying. Even today, consumer-goods advertisers that advertise in national magazines and on TV pay to reach millions of people who would never consider buying their brands. (How many *Time* magazine readers will ever buy a Cadillac?) Similarly, business-to-business advertisers in nearly every industry pay to reach thousands or even tens of thousands of executives who have no use for their product. Despite the traditional media's efforts to "narrowcast" their audiences, it is generally impossible in traditional media to target people searching for information on a specific topic at a specific time.

Little information about prospects. In addition, the high cost of database systems and related training made it difficult for organizations of any size to keep track of anybody but their

Tools of Results Marketing

- The business plan
- Databases
- Audience identification
- The Internet
- Communications: E-mail, print newsletters, seminars
- Face-to-face programs: Road shows, events, meetings
- Motivation: Incentive programs and promotional products
- Measurement: Return on investment and feedback analysis



most serious customers. Many major marketers still don't even know who their customers are or bother to target market to them, with the notable exception of the hospitality industry. Many of the world's largest business-to-business marketers don't know the names of their prospects. Many depend on their salespeople to maintain these relationships and information, a practice that often backfires when those people resign and take the prospect list with them. In many organizations, marketing is aimed at almost everybody but the people being called on by the sales force, because so many companies still lack access to real-time information about the activities and database of their field sales force. That's why so many salespeople often complain that their prospects are the last to get marketing materials from the marketing department.

Little measurement. Not only do the old methods force marketers to waste a lot of money on people who will never buy, but they defy measurement. Even in business-to-business situations, which generally lend themselves to targeted marketing more readily than consumer goods, many marketers still embrace John Wanamaker's dictum: "I know half of my advertising works, but I don't know which half."

Before database technology, it was impossible to keep track of what happened to every inquiry about a product or service. The cost couldn't be justified, and it really wasn't necessary, because no one else could do it either. As a result, there often is little connection between marketing and sales.

Marketing devises campaigns to generate leads, but often rarely know precisely what becomes of them when they enter the sales organization.

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Budget-based planning. Under the old model, many marketing and sales operations function on a budget, rather than a business plan. Each year, department managers ask for at least the resources they had the year before or more, and sometimes battle with other department managers for resources, leading to a lack of cooperation. Rather than determining which tactics make sense given the goals and targeted audience, companies make decisions based on internal struggles for resources.

Even more wasteful, relatively few companies require marketing and sales departments to develop formal annual marketing plans based on the goals and objectives. Instead, managers operate based on their forecasts and their budgets, with no formal or accountable action blueprint.

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Results Marketing starts the planning process by identifying the goals and the audience, and then determines the tactics best suited to the circumstances. The underlying principle is to identify and build relationships with the people, either internal or external, who can have the most impact on results, be they salespeople, operational employees or customer prospects. While the details of a Results Marketing plan depend upon the product or service and its market, the basics are the same for all companies:

- **The strategic business plan:**

This forms the basis of business development, not budgets. These plans, based on organizational objectives and targeted audiences, set forth a specific course of action, budget and formal return-on-investment measures. They can be created annually to coincide with a budget cycle or specifically for a new product launch or other initiative.

- **Integrated external and internal marketing:** This is critical to ensure all employees who can affect the customer's perception in any way, either directly or indirectly, have a clear idea of the organization's vision, mission and current marketing and sales campaign. This is essential to ensure that brand perception gets reinforced whenever a customer encounters the company, its products and services, or its people.

- **Communicate with useful information:** The Internet enables your organization to target people searching for information about your product or service category for much less than traditional marketing, or to inform and assist with permission-based e-mail newsletters. Today's consumers and employees want help, not a sales pitch.

- **Track relationships, one prospect at a time:** Database technology, contact management software, sales automation, customer relationship management software—whatever you call it—makes it possible for companies of any size to identify the people most likely to buy and to focus their sales and marketing efforts on people who give permission to receive it.

- **Get face-to-face:** Road shows, events and meetings help you get face-to-face with people, build a personal relationship and witness first-hand how people experience your organization.

- **Motivate:** Incentive programs to help attract attention and get people to buy in and stay engaged.

• **Make sure promises are delivered:** Internal marketing, motivation and training strategies aimed at employees help make sure they deliver the marketing promise.

Results Marketing Return on Investment

Results Marketing works

because it focuses on what consumers want, saves marketers time and money, and provides measurable results pleasing to the accounting department and top management.

Results Marketing lowers costs in three ways:

1. It enables your organization to focus marketing resources on the people or businesses most likely to buy;
2. It lets you track the results of every sales effort, including the source of new business and the potential value of each customer or prospect;
3. It emphasizes retaining customers rather than continually spending money to replace them.

Results Marketing does not replace advertising strategies designed to build brand identity; it takes marketing to the next step by addressing serious prospects when they're in a buying mode, and building long-term relationships—often initiated as a result of advertising.

Results Marketing requires total cooperation between the marketing department's effort to identify serious prospects, the sales department's attempts to turn them into customers and the human resources department to connect external promises to internal communications and training.



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Results Marketing Measures

1. **Conversion rates:** What percentage of people contacted becomes customers or otherwise engages in a program?
2. **Value per person:** What sales or accomplishments can be attributed to each individual, to groups or the entire audience?
3. **Activity per person:** What specifically has each person done and what is the numeric value if any? What communications have been sent to them, and did they respond?
4. **Return on Investment:** What was the total value of sales or other

measures generated from individuals, groups or the entire audience.

5. **Permission rates:** What percentage wants to stay engaged or opt out?

**The new mantra:
Focus efforts on
identifying and building
relationships with
the people most likely
to buy or contribute
to success.**

Ten Principles of Results Marketing

- ▶ 1. All efforts of the organization are directed at identifying, selling to and satisfying customers, one by one.
- ▶ 2. Consumers and business buyers are overwhelmed with information and pay little attention to marketing messages unless they are relevant to immediate needs.
- ▶ 3. Consumers and business buyers are much more likely to respond to a marketing initiative when they are actively searching for a product or service.
- ▶ 4. Consumers and business buyers have become smarter and increasingly cynical about false claims.
- ▶ 5. A company can increase the chances of consumers or business buyers paying attention to its marketing campaigns, Web site and newsletters if it provides useful information that people can trust.
- ▶ 6. Low-cost database software and sales automation make it possible for almost any organization to determine the return on investment of its marketing efforts.
- ▶ 7. Incentives are critical to getting people to pay attention, sign up and participate.
- ▶ 8. No marketing will work unless key employees and middlemen have the training and motivation to deliver on the promises made in sales and marketing campaigns.
- ▶ 9. Many sales organizations can do a much better job if organized into "hunter" and "keeper" teams. Hunter teams are organized, trained and motivated to identify potential customers. Keepers make the presentations, go for the close and work to maintain the customers.
- ▶ 10. External and internal marketing should be aligned as necessary to make sure that customer expectations get delivered.



Results Marketing



Are You a Results Marketer?

Here are 29 questions you can answer to determine whether your company has already entered the world of New Marketing. After answering the questions, count up the number of Yes answers. (You don't have to answer questions that don't pertain to your business; it won't affect the score if several questions go unanswered.) Here's how to score your organization:

- ▶ **25-30 Cutting-edge**
- ▶ **20-24 Ahead of the pack**
- ▶ **15-19 On your way**
- ▶ **10-14 Behind the times**
- ▶ **Under 10 A long way to go**

1. Our company has an Internet site that offers useful information related to our product and service in addition to an electronic brochure.
 Yes No
2. Our Web site has a means of obtaining the names of, and appropriate information about, people who visit it.
 Yes No
3. We integrate the names of these people into our target sales and marketing process.
 Yes No
4. Our Web site contains useful information that is updated often enough to give people good reason to come back.
 Yes No
5. Our company has a database or sales automation system that enables us to track each business-to-business customer from the day he or she becomes a prospect.
 Yes No
6. Our company can track the source of every business-to-business customer.
 Yes No
7. Top management can know at any time the status of a current business account or prospect.
 Yes No
8. If a top salesperson leaves, our company has all of his or her contact information on business accounts.
 Yes No
9. Our organization has a prospecting system that enables top performers to focus on closing and keeping key customers.
 Yes No

10. Our organization systematically tracks and follows up on all leads generated by traditional marketing efforts.
 Yes No
11. Our organization knows the average cost-per-inquiry generated by every marketing effort.
 Yes No
12. Our company attempts to keep track of as many consumers as possible who buy our product or service.
 Yes No
13. Our company uses that information for integrated, multi-touch direct marketing, selling or relationship-building campaigns.
 Yes No
14. Our company makes a regular effort to update its customer list.
 Yes No
15. Our company frequently makes special targeted offers aimed at past customers.
 Yes No
16. Our company has a specific plan in place to identify and build relations with past customers and current prospects.
 Yes No
17. Our company provides prospects and customers with useful information in addition to the usual sales promotions.
 Yes No
18. Our company newsletter has objective articles about our industry in addition to our own marketing information.
 Yes No
19. Our company genuinely recognizes customers for their loyalty and for referring customers.
 Yes No
20. Our organization regularly holds "customer councils" or other forums to keep in touch with changing customer needs.
 Yes No
21. Our organization's sales and marketing departments work together to identify, sell to and close customers for the common good of the company.
 Yes No
22. Our marketing department feels satisfied that the

salespeople are following up on the opportunities created by marketing.

- Yes No
23. Our sales department feels that the marketing department makes a valuable contribution to identifying and building credibility with new prospects.
 Yes No
24. Our customers consistently experience the level of quality and service explicit or implicit in our advertising and marketing programs.
 Yes No
25. The vast majority of our employees understands, and is committed to, delivering the level of quality and service expected by our customers.
 Yes No
26. Employees who provide exceptional service to internal or external customers get genuine recognition within the company.
 Yes No
27. Our organization's employee turnover is below our industry's average.
 Yes No
28. Our company's training programs foster understanding of the sales and marketing process and teach all employees how to deliver on our advertising promises.
 Yes No
29. Top management genuinely believes that each employee can play a critical role in the customer-retention process.
 Yes No

Please take a moment to fill this out and fax back to 914-591-7699.

If you have any questions contact:

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