



Markets & Marketing

Strategy and Execution for
Generating Revenue
Profitably and Quickly

Topics For This Evening

- **Markets**
 - Segmentation
 - Business Model
 - Size
 - Research
 - Barriers to Entry
 - Competitive Analysis
- **Marketing**
 - Pricing
 - Promotion
 - Product Launch
 - Sales Channels

Market Segmentation Creates Business Focus

- Application/Customer Group
- Demographic
- Geographic
- Segments Are:
 - Homogeneous
 - Differentiated From Other Segments
- Why Segment?
 - Efficient Use Of Money/Resources
 - Become Experts In Customer Needs

Choose Initial Segment That Maximizes Business Efficiency

- Largest Size, Greatest Profit
- Greatest Need For Product (Must Have, Not Like To Have)
- Easy And Inexpensive To Access Customers
- Least Competition
- Quickest Customer Decisions
- Takes Least Amount of Your Resources

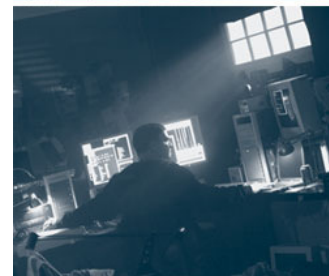
Business Model

- How You Make Money
- How You Provide Value To Customers
- How You Operate – Segments, Channel/Partner Strategy
- Must be Scaleable
- It Can Be A Competitive Differentiator
- It's The R&D and Creativity Of Business
- Must Continuously Evaluate To Avoid Commoditization

Business Model Examples

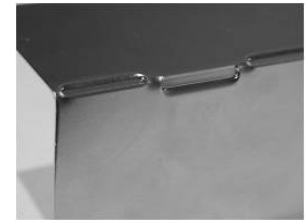
- Salesforce.Com
- Skype
- Ryan Air
- Online Auction/Airlines
- Dell vs. Apple
- Network – Value Is Others Already Have Product
 - Cell Phone Family Plans
 - Social Networks
- Razor Blade
- Ometric

- Raman Spectrometer
- Application -- Methane Dissolved in Water in Coal Beds
- Value – Best Places to Drill For Methane
- Sold as a Service
- Geographic Segmentation



Industrial Origami

- Large Volume Sheet Metal Mfrs
- Assemble Locally
- Ship Flat
- Licensing Business Model



Mariah Power

- Small Wind Power
- Segmentation
 - Class III Wind Areas
 - Big Tax Incentives
 - Large Lots
- Low Cost/Appliance
- Plug into Grid



Market Size

- By Segment
- Market Research Reports
 - News Releases
 - Growth/Trends
- Competitor Analysis
- Count Potential Customers
- SEC Reports Of Public Companies
- Worldwide Market – 2 To 3 Times US Market
- How To Project Market Share
 - Comparables

Market Research -- Interview Top Customers In Each Potential Segment

- Must Have Or Like To Have Product?
- Value Proposition/ROI
- Pricing
- Decision Cycle (Sales Cycle)
- Understand Customer Decision Process
- What Services Do They Need?
- Find Initial Customers – Early Adopters
- Internet – Instant Feedback

Barriers To Entry

- Regulatory/Standards
- Existing Technology/ Business Relationships
- Customer Psyche
- Customer "Investment" in Competitor
- Customer Long Term Agreements
- Patents

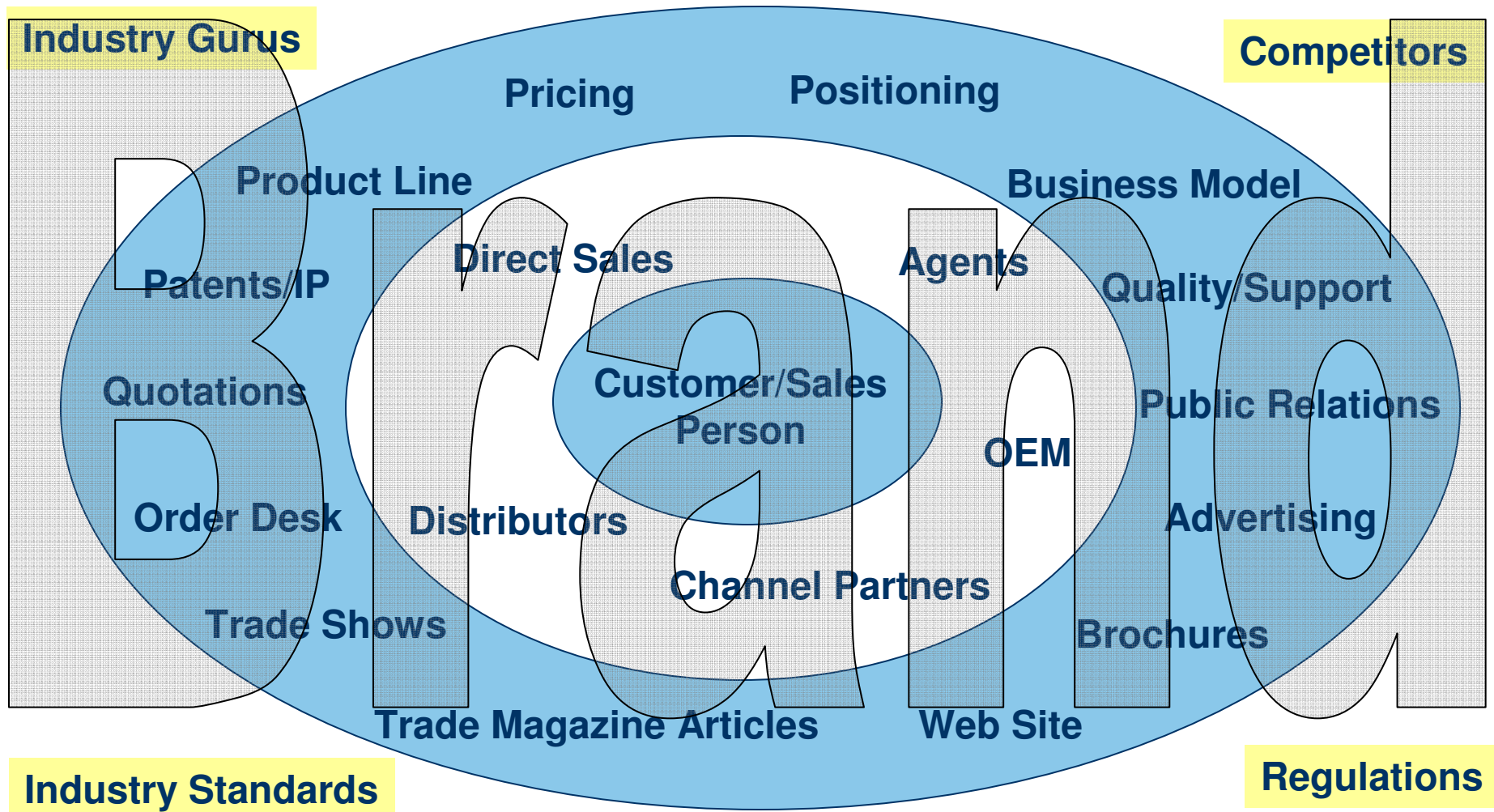
Competitive Analysis — SWOT

- Why Are They Successful
- What Will They Do When You Introduce Your Product
- How Could They (Re)Position Their Product
- If They Don't Position Their Product, Do It For Them!
- Your Advantages And Sustainability
- Relative Positioning -- Pricing/Segments
- Fences
- What Will You Do If They

Marketing

- “The Purpose Of Marketing Is To Make Selling Unnecessary” – *Peter Drucker*
- It's About Resources (Money) And Reaching Breakeven & Profitability

Marketing is Complete Orchestration of Your Business Environment



Pricing

- Price to Need, Competition, Market Position, NOT TO YOUR COST
- Offer a Product Line
- Market Leaders Often Dictate Price and Get a Premium
 - Intimately Tied to Company/Product Positioning And Brand
 - Perception
- Continuously Plan New Products/Services/Value to Avoid Commoditization
- The Low Cost Producer Usually Wins

Planning For Product Launch

- Positioning
- Product Line
- Product Roadmap
- Where, How
- Stealth Mode – Information Control
- Are You Ready For Customers

Promotion

- Advertising
- PR
- Trade Shows
- Magazine Articles by Customers/Gurus
- Press Releases

Choose the Best Sales Channel

- Consider Demographics, Size Of Customer, No. Of Customers, Customer Psyche, Relationships
 - Direct Sales
 - Agents, Mfr. Reps
 - Distributors/Partner Channels
 - OEM Partners
- Web Sales
- Global Distribution
- Electronic Training And Sales Efforts

What VCs Like

- Large Markets/Segment Focus
- Third Party Validation And/Or Proven Team
- Clarity
- Being Thrifty
- Technology Feasibility Proven Before Substantial Funds Are Needed
- Hunger For Success
- Sustainable Advantage/Defensible Plan

Misc Points

- Market To Investors
 - They Are Your First Customers
 - You Are Selling Stock In Your Company
- Compare Your Numbers To Comparables
 - Market Share
 - Revenue
 - Department Expenses
- As Soon As You Have Customers, Everything Changes

Interesting Plagiarized Questions/Points

- What Do You Understand About Your Business That Other Companies In It Just Don't Get?
- What Are People Forced To Do Now Because What You Plan To Make Doesn't Exist Yet?
- The Most Powerful Concept In Marketing Is Owning A Word In The Prospect's Mind.
- Owning A Superior Position In The Customer's Mind Is Vital; Marketing Is A Continuous Search For Exclusivity

Resources

Some Resources at:

<http://www.AmplifyLLC.com/go/Resources>