



Innovation: From R&D to Business Development

Market Analysis & Customer's Needs Identification

Dr. Patrick CORSI

What's in There for Me?

3 topics for 3 specific skills

1. Understanding our New World
 - A Perfect Competition?
 - Customer “inside all”
2. Marketing Strategy
 - Market Research
 - Market Targeting
3. Sales Management
 - Planning Sales
 - Sales Operations

How do I Get Best Value?

OUR METHOD TODAY:

Get Concepts

Take notes upon concept

Assimilate

Ask questions in between

Illustrate

And apply!

... Iterate

Part 1. Understanding New World

Networks Intensity

Change's only sure
thing

Non-linearity

Low data

High risk

Part 1. Understanding New World

Networks Intensity

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A "Perfect Storm" effect

- *Web-centricity*
- *Modern competition*

Differentiate

- *Price*
- *Value*

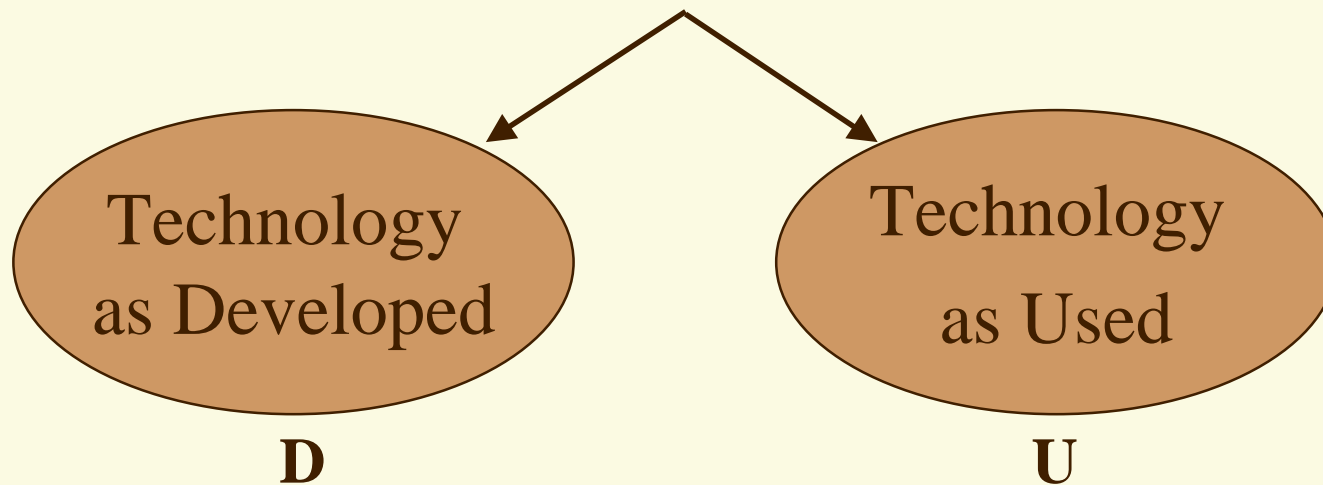
Where today customer sits?

- *4 marketing cultures*
- *Satisfaction first!*

Business models revisited

- *Shifted buying processes*
- *And their requirements*

A Big Branching Point



MARKETING? The art of going from D to U, i.e.:

- *to Segment:* category wise, not product wise
- *to Position:* within category

Part 2. My Marketing Strategy

Market Research

Market Targeting

We'll study these 2 notions
at the same time

Part 2. My Marketing Strategy

Market Research

Objectives

Market Targeting

Strategic focus

Target clients

Competitive issues

Differential advantages

The Marketing Mix

Implementation

How do I perform Marketing?

Sales

By establishing just this:

Management and control

The Philosophy of Marketing

Why Marketing?

*“A business is set apart from all other human organisations by the fact that it exists to serve a market.” **

*“Business is about making money from satisfied customers.” ***

(P. Drucker - ** J. Egan)*

The Philosophy of Marketing

What is Marketing?

“The management process responsible for identifying, anticipating and profitably satisfying customer requirements.”

“All those activities concerned with the definition, production, distribution and consumption of a product or service.”

(British Institute of Marketing)

The Overall Marketing Strategy

The 3 Key Objectives of Marketing

- 1. The identification of market segments where an organisation can attain leadership for its goods or services*
- 2. The identification or development of differential advantage*
- 3. The development of plans to deliver the product to the chosen market for profit*

High-tech's About Leadership

Net margin as a
function of Market
Leadership

You must lead
somewhere!

Market Position	Net Margin
1 st	17.9 %
2 nd	5.8 %
3 rd	2.8 % (<i>loss</i>)

*(Average of 168 Product Lines,
Source P. Doyle, Warwick University)*



Organising My Market Research

Why Market Research?

Organising My Market Research

Why Market
Research?

*Market knows, not you
necessarily*

Analyse markets

Identify market needs

*Align with Needs, not your
ideas*

Organising My Market Research

Stages in Market Research

1. Establish Objectives, Terms of Reference, Problem Definition
2. Desk Research
3. Field Research

postal (email?) questionnaires

telephone interviews

personal interviews

observations

focus groups

Then... Actions

4. Editing
5. Analysis
6. Report writing
7. Recommendations

Practising My Market Research

Focus on Key
Marketing Tasks

Market segmentation and
analysis

Reveal competition

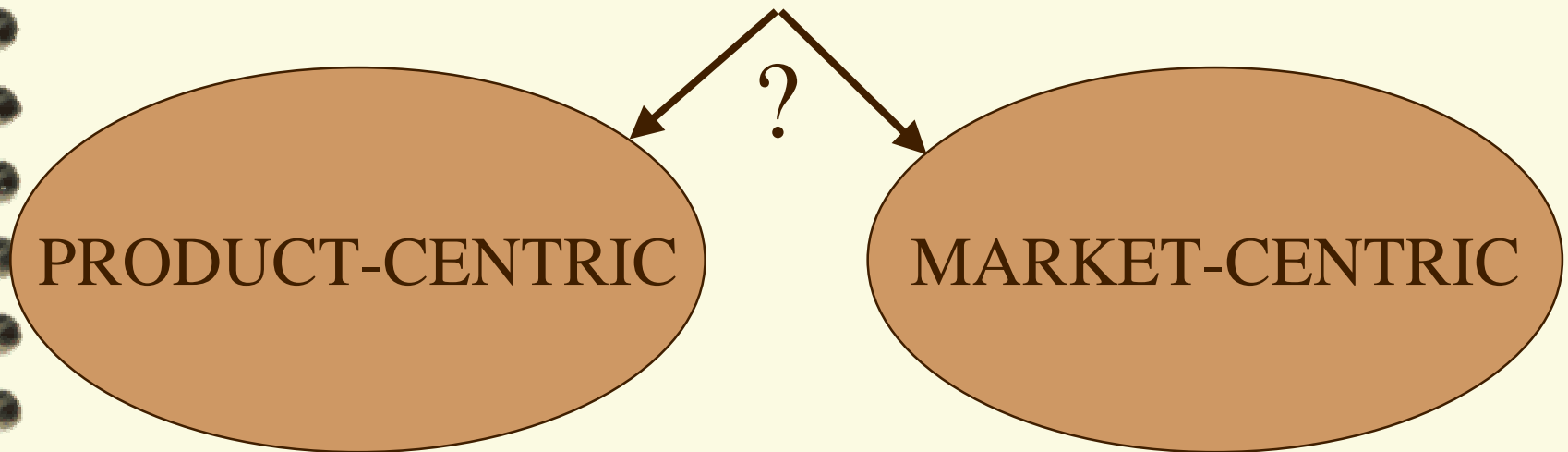
Target market selection

Toward positioning my
product or service

And a Big Shift

Get an impeccable
mind shift

*Is your mindset product
or market centric?*



The Practice of Marketing

Segmentation

“The process of dividing large markets into smaller groups of customers with similar needs, interests and responsiveness to marketing approaches”

Leads to coherence in marketing

Identifies possible niche sectors

Can result in market leadership

Practising My Market Targeting

Focus on Key Marketing Tasks

My 1st Segment, within the analysed segmentation

Effective positioning

- my SWOT analysis
- scenarios
- iterate wrt positioning

My Positioning declaration

- with differentiation
- work out the formulation

From *characteristics* to *benefits*

- for the customer
- over competition

Segmentation Analysis

Ask the Key Questions

2. Which are the most attractive segments?

size, growth rates

profitability

maturity

attitude to risk

attitude to innovation

who are the “drivers”

1. How is the market segmented?

geography, demography

communication circuits

common problems,

benefits sought

3. Competitive analysis

how many and who

established market leaders

barriers to entry

brand loyalty

Segmentation Analysis

Ask the Key Questions

Establish the match between:

- segment needs
- company strengths
- competitor strengths

Then Select the Target
Segments

The Practice of Marketing

SWOT Analysis

STRENGTHS

WEAKNESSES

OPPORTUNITIES

THREATS

The Practice of Marketing

Differential
Advantage

*Ask yourself
(and research)
the following:*

What benefits does a
segment of clients value?

What strengths must a firm
have to offer these
benefits?

Do we have, or can we
acquire those strengths?

How do we compare with
competitors?

What are the barriers to entry

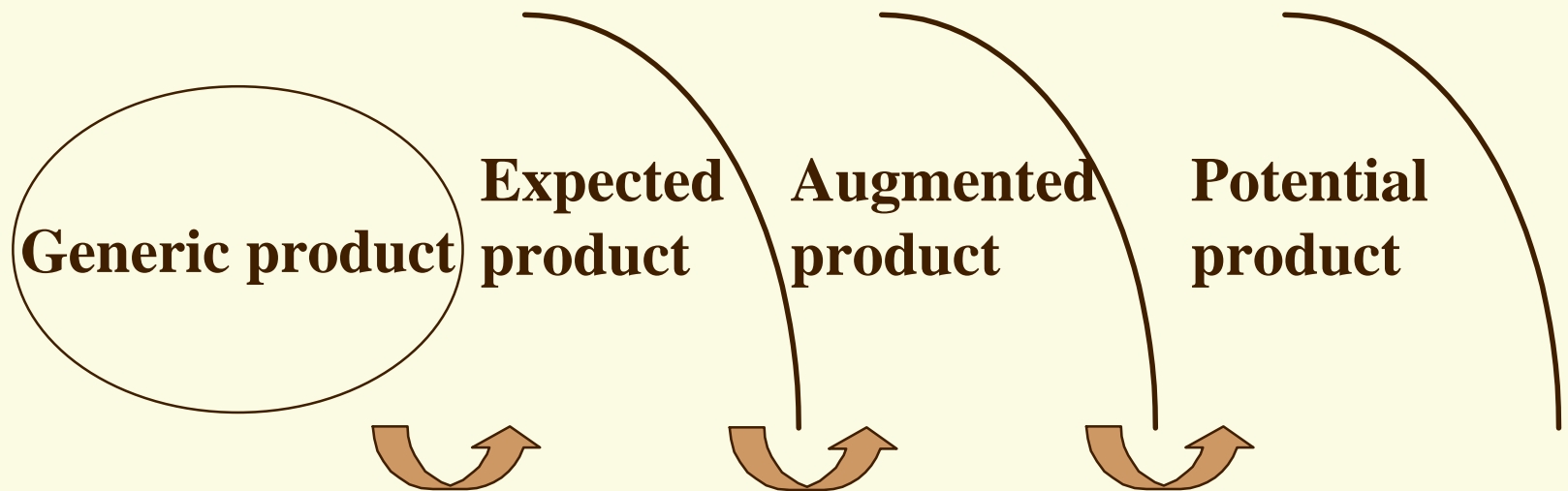
What barriers can we erect?

The Practice of Marketing

There's never one
only Product!

Speaks about the "Whole Product"
concept

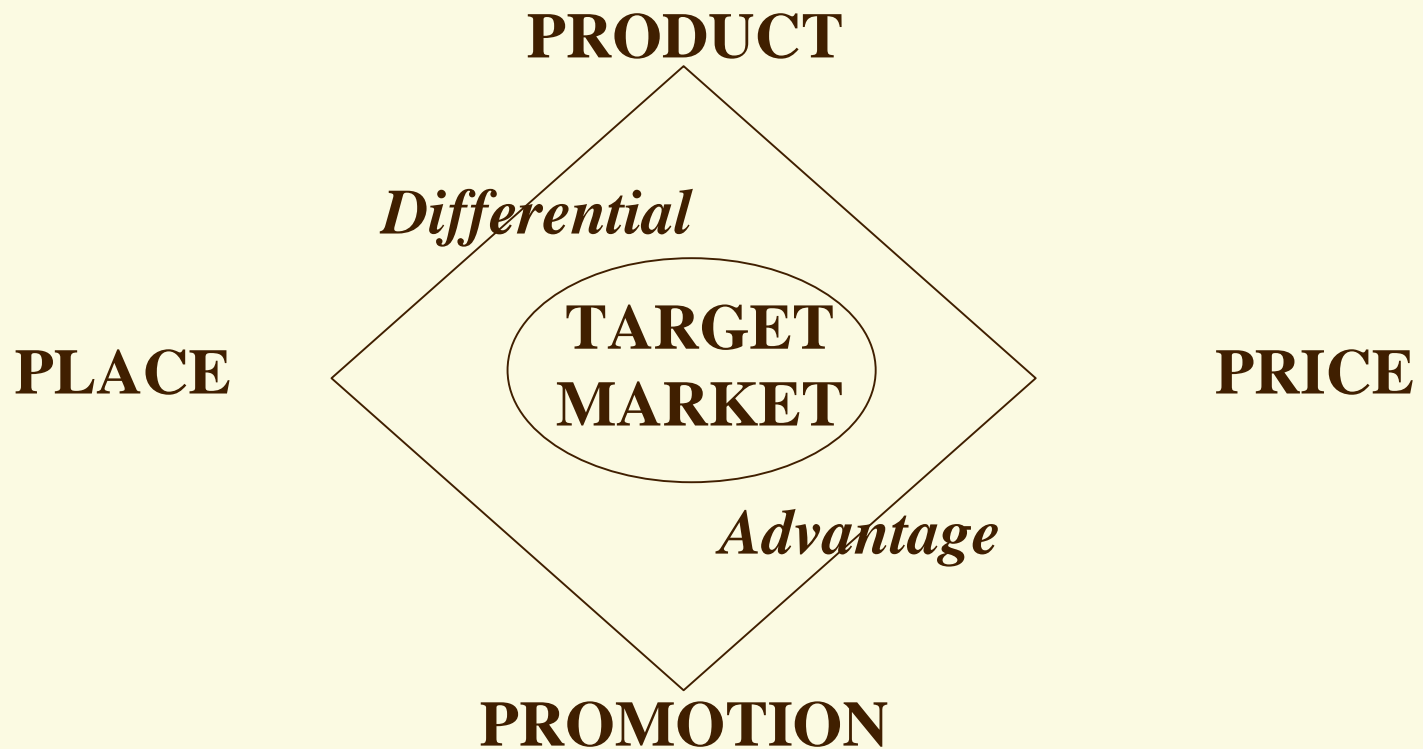
Makes think of partnership



The Levitt Model

Practising My Market Targeting

Marketing Mix: 4P's



Cycles of Products

A Product / Service Analysis

STARS

**PROBLEM
CHILDREN**

CASH COWS

DOGS

Part 3. Sales Management

Planning Sales

Ask-yourself

Operating sales plans

On the Nature of Selling

“Selling focuses on the need to convert a product or service into cash.”

(Theodore Levitt)

“Selling is a craft skill and can be an art.”

“A process of communication aimed at establishing a prospect or clients’ perceived needs and translating them into wants for your product or service.”

On the Process of Selling

To transform:

- Features into Benefits
- Needs into Wants

Initial requirements for selling

- 1. Ability to negotiate at high level*
- 2. Territory management*
- 3. Understanding of market requirements and corporate skills*
- 4. Full use of relevant technical support*

The Unique Sales Proposition

Benefits: What the Client Buys

Feature: what the product *is*

Benefit: what it *does*

Personalised benefit:
what it will do *for* him/her

Benefits will normally be ways of improving:
efficiency, performance,
economy, utility, status,
competitiveness, safety

The Unique Sales Proposition

Remember

Any one feature may have different benefits

A benefit is not universal, a benefit to person **A** may be a disadvantage to person **B**

The personalised benefit is what he/she will buy

The Practice of Selling

From Communication

Persuasive communication

Face to face communication

The telephone and its uses

To Negotiation

Letter Writing

Prospecting

Call planning

Closing the call

(“I show up.” W. Allen)

The Practice of Selling

Analysis of Results

1. Compare results with plan:
 - too ambitious?
 - too broad?
 - too narrow?

What could you have
achieved?

Is the door still open?

The Practice of Selling

Analysis of Results

2. Was your information correct?
3. Were your tactics right?
4. Can you do better next time?
5. What is your next objective?

Improvement is the result of post call analysis

NB. Never lie, particularly to yourself



Innovation: From R&D to Business Development

Ready? Set? Go.

(Market Analysis & Customer's Needs Identification)

—
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