

●●● Marketing is about Selling Stuff ●●●

The PWB perspective on demand generation and
how we leverage it for you to grow your business.



www.pwb.com



●●● Overview.

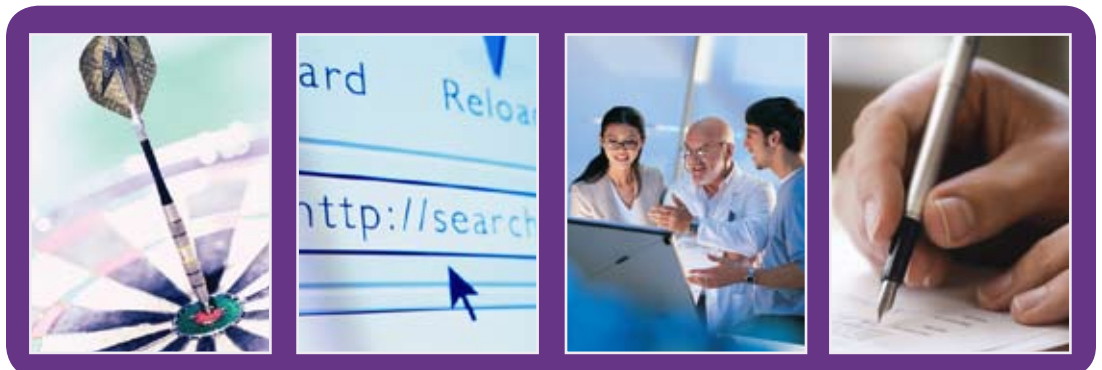
Demand Generation, or some variant of this term is a hot topic in marketing. With the fracturing of media, the escalating cost of sales calls, and the shrinking availability of prospect time, smart companies are looking for a way to advance their prospects through marketing initiatives. But Demand Generation is so much more than simply telemarketing and other “lead harvesting” initiatives. In this white paper, we will discuss some of our key philosophies, the critical inflection points, and offer some insight into our thinking - and how we might help you think more clearly – about Demand Generation.

●●● So, what’s all the buzz?

We’ve noticed a lot of noise in the marketing press around “demand generation”. We quickly realized – “Hey, this is what we’ve always done, we just didn’t call it that.” Then we talked to some of our key clients and other smart marketing types and saw that there’s a lot of confusion regarding the concept. To some, it was telemarketing. To others, a purchased list of leads from various sources. But many saw it the same way we do:

Demand Generation is a holistic marketing approach to the process of converting a prospective buyer into a customer, in concert with the efforts and goals of your sales force.

While this seems like a simple idea, we’re continually surprised by how few companies are really doing it well.



●●● The new reality of sales and marketing

In days of yore it was simple: there was a sales function and there was marketing. I once worked for a sales manager who said, “When you go on a new business call and they buy, it’s sales. If not, it’s marketing.” Typically there was a clear delineation of the two and a “hand-off” point, usually called a “lead”. But in recent years, things have changed. Specifically:



- buyers have less time to pay attention to your product or sit through sales interactions
- the Internet empowers buyers to learn more about the products and services they are considering on their own terms
- the number of communication channels is exploding, and widespread high-speed online access has enabled them

Now sales and marketing are a continuum. On the journey from awareness to consideration to purchase, marketing is the beachhead. As the prospect makes their way toward a sale, marketing involvement gradually diminishes as sales involvement increases.



●●● Up or out

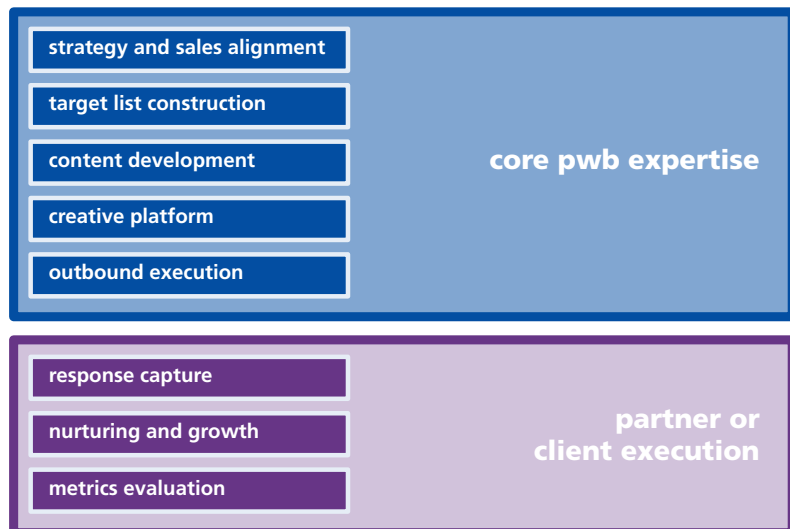


The concept of spending your marketing dollars on viable prospects to convert them to sales is very straightforward. But developing and implementing strategies to achieve this is often complex. Every prospect in your sales and marketing pipeline needs to be either “up or out.” Simply stated, prospects should be moving forward in the sales process, put into maintenance mode, or, in some cases, eliminated altogether.

In the beginning of my career, figuring out which prospects should go “up” and which should go “out” was difficult and expensive. Now, with database and data mining tools, and with demand generation software like Eloqua, it’s comparatively easy. We can now digitally profile our prospects and their behaviors and responses. The benefit? Spend your marketing time and dollars on advancing prospects to sales, and not on prospects who will never convert.

●●● An end-to-end way to look at marketing

What’s unique in the demand generation approach is that marketing is viewed a holistic process or campaign. This process is made up of activities that are integrated, and support and reinforce each other strategically and creatively with key audiences. So, while it’s a very effective strategy to send an attractive, compelling e-mail to 1,500,000 solid suspects – you also must recognize the importance of supporting, integrated campaign elements like a branded web landing page that leverages the email’s creative and messaging, a supporting ad campaign that helps prospects notice the e-mail, and a proactive plan for responding quickly and effectively to prospects who express interest. In our view, the process should usually include:



PWB offers core expertise in the disciplines of strategy, creative development, and outbound execution. We complement this with a solid background in managing and growing your identified prospects. When needed, we also help clients who want to explore outsourcing these functions, and offer a network of value-added partners. Or, we can consult with you on ways to improve your own efforts in-house.

Don't forget the basics



In our opinion, demand generation has a lot in common with the old models of direct mail – with one update to include the medium used. In the world of modern marketing technology, many people forget to do the very basics that will create an effective campaign. Likewise, if the basics aren't being done properly, it doesn't matter what cool new technology you're using, you probably won't be successful.



Every communication effort or “touch” needs to encompass four key elements:

- **The list** – are these the best targets for our product or service; the people with the right profile to be most interested in what we're offering?
- **The creative** – have we delivered our message in a way that's unique, compelling, and likely to stand out in a crowded market?
- **The offer** – are we offering something interesting or valuable enough to motivate prospects to raise their hand in interest?
- **The medium** – are we respecting and leveraging the unique qualities (and limitations) of the communication channel we're using?

In our experience, all four elements share equal importance, and must be leveraged together to ensure the best results in motivating a suspect to become a prospect and eventually a buyer.

Often a marketer overlooks one or more. For example, one very large software company we know frequently offered a live seminar as the call-to-action using direct mail, without much success. We helped them realize that the seminar, in combination with an opportunity to win a high-end golf club, might be a better incentive and when implemented, response rates improved. We've also seen companies overload direct mail with content that includes every detail of every aspect of the product – not wanting to overlook anything. Instead, we suggested three key compelling benefits, with an invitation to learn more about each at an integrated web landing page.



●●● Alignment with sales

True demand generation must be aligned with the goals, objectives, and expectations of sales. Integration, communication, and ensuring all parties are “on the same page” yields the best results. This doesn’t mean marketing is at the mercy of sales for every decision –but rather that the marketer engages the sales force in a dialogue to create the most effective demand generation activities to leverage and support their initiatives.

For example, several years ago PWB worked with a manufacturer of industrial capital equipment on a marketing campaign. They had a new product that worked extremely well in the manufacturing of paint and coatings. We developed an integrated program – with carefully selected lists for traditional print and e-mail direct mail, fulfillment literature, supporting ads, trade show displays, and other tools, built on a compelling creative platform. However, in the rush to get in market, the Marketing Director forgot one important element – to communicate with the sales team and get their buy-in and involvement. Consequently, when the leads came in, the inside sales group had no clue what to do, and no metrics were in place to identify, qualify, and measure success. But there was a happy outcome – sales of product to the paint market spiked about six months later.

Another large company ran eighty-seven outbound marketing programs in one year. When asked, the sales leader doubted that more than a dozen were getting any attention from his sales force because the programs had not been aligned with their sales strategy.

The bottom line is that in the new era of the sales-marketing continuum, partnership and alignment between marketing and sales is essential to create successful demand generation initiatives. Use sales objectives to construct your campaigns, communicate regularly with sales teams about what you're doing and what's in it for them, and engage in genuine dialogue to create enthusiastic buy-in and support for your demand generation initiatives.

●●● The value of storytelling

Everyone loves a good story well-told. Before you launch your demand generation efforts, we suggest you think about the story of your product or service. It must be engaging, with just the right amount of detail. It should embody a cadence that propels the prospect through the sales cycle, and engages them in a way that protects you from less-organized competitors.

- Awareness – give the prospect a sense that you understand their pain and have a solution
- Consideration – explain how your product is better than or preferable to the competition
- Selection – provide detailed information that supports the benefits you've offered earlier in the process (this is the "So, just how are you gonna' do THAT?" phase of purchase).
- Purchase – help the buyer know what to expect as they purchase and begin to use your product
- Post-Purchase – check-in with the buyer; offer them upgrades with benefits, or additional product if it's a consumable





Water Torture

Most people know the basic premise of water torture – a persistent slow drip eventually works its magic of persuasion. In most sales situations, there is a huge body of prospects that have a need, but just aren't ready to engage in the buying process yet. They are the "not now" prospects, who can be persuaded to become buyers through the slow drip process.



Many tools are available to help you keep in touch with these prospects in your slow drip program. A central system to manage and drive communication to them is critical, usually a database. Whether you use a more powerful tool like Eloqua, or simply manage your drip cycle using custom fields in salesforce.com there are solid methods available to implement. But make no mistake, implementation is the key, as is a plan. Figure out what your drip program elements are and then execute to ensure drip prospects get back on the up-or-out track.

There are many communication tools that are well-suited to drip programs including newsletters, white papers, invitations to industry events, direct mail, and other options tailored to your product or service, and your industry.



Metrics Motivate What They Measure

Solid metrics are on the mind of every marketer – and their CEO boss – to demonstrate the increasingly important ROI. However, we find a lot of confusion about measurement and analysis of demand generation programs, and recommend two important considerations:

1. Discover what metrics are important to your business before you develop your demand generation strategy.
2. The value and importance of data builds over time.
3. Share your data – your demand generation partners need access to it to improve performance over time.

First, many companies rush to market without a solid strategy to drive their programs, and serve as a touchstone for evaluation. For example, investing time at the outset to figure out who your best customers are as a means to profile your best prospects will prevent wasted marketing dollars. Clearly defining and valuing a “lead” will help you make decisions about which to pursue most aggressively. We’re not suggesting analysis-paralysis – but take some time to think through which metrics are indices of business growth, and then build a demand generation program that drives these metrics.

Second, demand generation is not the Holy Grail of Instant Enlightenment. You’ll learn some interesting things in your first campaigns, but you won’t become all-knowing. Rather, by having good data that builds over time you will have continuous learning about your marketing initiatives. For example:

- How much does a lead cost? A qualified lead? A sale?
- Do costs vary by product? By application market? By geography?
- Are there media trends? Is online just getting more expensive and delivering declining results? Does print advertising support my seminar series?
- Is this market on the upswing? Or decline?



As you become more immersed in your demand generation lifecycle, you’ll uncover the answers to questions like these and many others. Amassing data makes it more valuable over time. And understanding your metrics and tracking consistently is critical – it enables the comparative exercises that deliver value from this data.

Finally, full access to data is important for all of your partners in the demand generation enterprise. We can’t make your program better without understanding what’s working and what isn’t. For example, through data sharing with a client, we discovered consistent burn-out patterns with their web banner advertising. We recommended swapping out the background colors in banner ads to keep them fresh and maintain consistent click-thru rates. A simple change, but one that couldn’t have happened without evaluating their performance metrics.

●●● Case Study: Solid Edge

Solid Edge – a CAD software solution for small- and medium-sized businesses from Siemens PLM Software – faced a tough challenge in the marketplace. Two major competitors controlled over 80% of the market. Just getting serious consideration was a major obstacle. But, when Solid Edge did get in the game, it's superior technical features, industry-leading support, and path for future growth deliver tremendous advantages.

PWB first helped by creating a solid positioning based on the three elements covered earlier. Then we developed a creative platform – “Be Bold. Be Bright. Be Better.” – that leveraged these three elements.



The cornerstone of this program was a direct mail effort to a series of carefully selected purchased lists. These outbound efforts drove traffic to a dedicated landing page, inviting prospects to “Dare to Compare” with a Solid Edge test drive. We also created online banners, rich-media e-mail, as well as a wealth of other creative assets for use in this program. The result was a tremendous increase in lead traffic – over double the leads of the previous campaign. These fueled tremendous activity, including:

- 203 seminars
- 191 test drives
- 23 webcasts
- 36 “What’s New?” events
- 6.4 million impressions

But most importantly, it put Solid Edge on the map with prospects, customers, and independent resellers. This campaign and its subsequent evolutions were game-changing.

●●● Case Study: Michigan Heart

Demand generation applies to many segments, including healthcare. When Michigan Heart, PC, one of the Midwest's largest cardiology practices, first engaged PWB as its virtual marketing department, they faced increased competitive pressures. They recognized a strong, consistent brand was the key to establishing a footprint in the marketplace, growing patient volume and beating the competition.



First, PWB developed a brand marketing strategy, making the case that while marketing to patients was a trend, their marketing investment was best leveraged by focusing on referring Primary Care Physicians (PCPs). Our initial effort was a comprehensive research survey of PCPs to discover referral patterns and trends, needs assessment, and how to best to engage and communicate with them effectively to increase patient referrals.

pwb marketing communications

An entirely new brand experience was then implemented including a new suite of printed communications materials for patients and physicians to support the sales process, and communicate key practice and procedure benefits; a contemporary, intuitive branded website; location graphics, and more.

Follow up research reflected a 40% increase in brand awareness over a four year period, as well as confirmation that the implemented brand strategy was working. Communications materials and the web were identified as the top two preferred sources of information for PCP's.

Michigan Heart also faced a significant and direct competitive threat in a specific geographic location of their designated market. PWB developed a targeted, integrated consumer campaign including radio, billboards, and print advertising. The call-to-action for consumers was to "Ask for Michigan Heart" with their PCP and at the local health system. Measurement and analysis of the campaign showed this geography had the highest percentage increases in patient volume of any MHPC location including a 15% to 82% increase in Michigan Heart's hospital procedures (depending on procedure), and a 9% increase in outpatient clinical visits to Michigan Heart during an 18 month time frame.

●●● Case Study: Bariatric Treatment Centers

The nation's leading provider of surgical weight loss solutions enjoyed tremendous success throughout their tenure with PWB. But they came to us with a challenge – while the marketing model and suite of creative tools they'd created with us was solid, they needed an easier way to get in-market with geographically and issue-targeted promotions.

PWB created an online, database-driven tool called mybtinfo.com that enabled quick and easy creation of campaign-specific landing pages, with a dedicated suite of metrics. So, for example, if the marketing manager wanted to launch a New Year's Resolution campaign in Columbus, they could quickly create a dedicated landing page with content tied to a direct mail piece and companion TV ad, all targeted to the region. The system also enabled turnkey metrics to gauge success.

As a result, BTW was better able to get more targeted programs in-market more quickly. All of this was happening at a time when competition was rapidly increasing and maintaining their leadership position was more critical than ever. The PWB solution also enabled solid benchmarking of media performance and cost to enable more efficient media buying.



●●● Just a start

We hope this has been an interesting, insightful and thought-provoking view on PWB's take on demand generation for you and your team. Demand generation is at the core of what we've been doing for over three decades. Want to learn more? Visit our website at www.pwb.com.

If you'd like to talk to us, just give us a call at (734) 995-5000 or drop us a line at dialogue@pwb.com.

●●● About PWB Marketing Communications

Since 1986, PWB Marketing Communications has been helping its clients generate leads, grow sales, and build thriving brands. With special expertise in complex products, services, and markets, PWB is uniquely qualified to help communicate the essence of business-to-business and business-to-consumer solutions. Core experiences cover marketing in the industrial/manufacturing, health care, technology, professional services, insurance, and hospitality industries, among others.

To learn more about PWB, please visit our website: www.pwb.com.

●●● About the author

Sean Hickey is Chief Operating Officer of PWB Marketing Communications. In addition to management responsibilities, Mr. Hickey also manages client accounts in manufacturing, industrial, automotive, healthcare, and other sectors. Prior to joining PWB in 1994, he spent five years with Gage Marketing in sales and marketing roles, and also had marketing responsibilities at Dow Corning Corporation. Mr. Hickey holds BAA and MA degrees from Central Michigan University.

