

Chapter 11: Answers to Questions for Review and Discussion

3. Who has primary responsibility for developing the marketing operations forecast? Why?

Operational forecasts are usually the responsibility of the field operation, sometimes in conjunction with brand/product/market specialists from headquarters. The idea is to look out 12-36 months and make judgments based on expectations for individual accounts and take into consideration the likely effects of business conditions, marketing and sales programs, and competitors' activities. The people in the organization with the best knowledge on these activities are the field marketing people.

4. How is a marketing operations forecast used differently than a sales forecast?

The MOF is used for marketing tactical and often strategy decisions based on the best thinking on what will happen in the short to mid range period. The sales forecast is used for coordinating with manufacturing and service operations in the near term. It is also used for tracking the effectiveness of the sales organization.

5. What is business development? How does it differ from personal selling?

Business Development is the search for opportunities and the structuring of business entities to exploit those opportunities with current or near term organizational capabilities. It is focused on developing revenue from new customers or new kinds of revenue from existing customers. Personal selling may be an aspect of what the business development specialist does, however, business development is more focused on adapting new offerings to the needs of customers in ways that the organization does not yet fully understand.

6. Describe the role of the Field Market Development person in an organization whose focus is technophiles and visionaries.

Technophiles are the prevalent customers in the Development stage of the PLC. Visionaries are the primary customers during the introduction stage. Teamed up with business developers, FMD specialists during the Development Stage interact with Technophiles to get them early stage products and prototypes to try out. They then listen to what the Technophiles have to say to help guide early product development and start thinking about customer markets.

In the Introduction Stage, FMDs continue to work with business developers. They help find potential visionary customers with outreach activities. They educate and train potential visionaries and help them think through business applications of the new products. As visionaries begin incorporating the product into their own operations, the FMDs continue to provide onsite support.

The FMDs are the principal people providing day-to-day onsite interaction with these early customers. Much of this activity is wrapped up in building relationships with these customers as

development partners. A great deal of their activity then is aimed at learning as much as training.

7. Describe the role of the Field Market Development person in an organization whose focus is pragmatists.

The role of FMDs varies somewhat between working with early pragmatists and later pragmatists. With early pragmatists, FMDs are still learning, helping identify new segments and looking for ways to continue to develop the offering to address next segments. With later pragmatists, the innovations are more incremental and the translation for new segments is much more straightforward.

8. Why is the role of the FMD diminished for products in maturity and decline?

In Maturity and Decline, most of the business is repeat business or core churn. Customer education and training needs are minimized – customers may know as much if not more about your product as your own field team! Real new business and translation new business is a relatively small part of the ongoing business. FMDs are more involved in looking for opportunities in the next PLC.

9. As an offering moves across the chasm, what strategies will be necessary to insure market ownership?

Market ownership comes from maintaining an innovative progression, so the product and related service stay on the forefront of providing value. A second element is customer care. So FMDs and service personnel keep focused on providing support to new and existing customers, both before and after sales. A third element is brand-based communications, getting a memorable, accurate brand message consistently communicated to prospective customers. The communications ought to be specific in conveying that market ownership belongs to the brand. Last the brand needs to be adopted as a standard.

In the case of crossing the chasm and starting to address the pragmatists, these elements need to be integrated with the market development efforts of the company. This means that a serious service effort needs to accompany the product development efforts of the company. Communications should be directed at more of an audience than just the current target pragmatist market. And the business development and FMD effort should include efforts to adapt the product to fit well with customers' operations. Product improvements should have ease of use or ease of build-in as a goal. Adoption of the product (or service) should be made as easy as possible.

10. How do the goals of market "ownership" and market "share leadership" differ?

Market ownership and share leadership are not necessarily incompatible. Ownership often translates into share leadership. However, as competition increases, share leadership may be accomplished by a competitor who provides an inexpensive product or service. This competitor may not be considered the market owner, though, because it is recognized as a low-cost alternative to the standard in the market. The goal of market ownership is to be recognized by customers as the standard. While this may not equate to share leadership in the short term, if ownership is maintained it ought to translate to profit leadership in the long run, and probably share leadership as well.

The market share leader will be content to stay with an established product through the middle business development band to the range of a sales driven effort of the PLC, leading to marketing myopia. The market owner will segment by customer adopter group and work to satisfy the changing needs of each development band separately.

14. Why should a marketing organization be oriented toward different types of adopters rather than specializing in different products?

In order to market a portfolio of products at different stages of the PLC, two approaches are possible: a cradle to grave organization, where the principals stay with the product throughout its life cycle, or an organization structure in which teams specialize on types of customers in the TALC/PLC. Creating a team for each product that markets the product from "cradle to grave" requires the team to learn too much, too fast to adapt to changes in the life cycle stages.