Ready Set Grow

Season Three Webinar Two

Session Summary

From Push to Pull: Creating Demand for your Offering

May 11, 2010

Presented by:

Technology Marketing Resource Centre

Canadian Innovation Centre

In collaboration with:

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Introduction

The Ready Set Grow series presents webinars featuring subject matter experts and Canadian tech execs discussing topics of interest to the executives of young Canadian technology companies.

On May 11, 2010, Ready Set Grow looked at the various push and pull marketing tools through a session featuring a panel of speakers including Bob Becker of SMA, Chris Stolz of Techwyse Internet Marketing, and Andrew Maxwell of the Canadian Innovation Centre.

This document captures the content of this session.

Speakers

Bob Becker,
Principal, SMA

Before establishing SMA in 1985, Bob worked in the marketing department of Colgate Palmolive Canada, and was the marketing partner of GLA Computer Systems, a Canadian software company.

Responsible for overseeing all of SMA's marketing projects, Bob has developed a significant, long-term client base, ranging in size from owner-operators to internationally recognized public companies.

He also serves as Chairperson of the Marketing and Sales Committee and Think Tank for the Information Technology Association of Canada (ITAC).

Chris Stolz
Marketing Solutions Manager, TechWyse Internet Marketing

Chris has spent over 10 years in internet marketing as a web designer and online business owner with a particular focus on ecommerce. He has expertise in online conversation and overall marketing strategy. When he is not spending his time in the digital world, he is known as one of North America's top magic and illusion consultants.

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Andrew Maxwell,
Director, Business Partnerships, Canadian Innovation Centre

Andrew Maxwell's experience includes the founding of two environmental technology companies, the creation of a wireless, medical device and web company and a technology incubator that helped create 30 technology businesses. He is currently with the Canadian Innovation Centre and pursuing a Ph.D. in the area of new venture creation at the University of Waterloo. He teaches at UTM and Waterloo in the area of technology entrepreneurship.

Moderator

John Foreman,
President, Technology Marketing Resource Centre

John Foreman is the founder and President of the Technology Marketing Resource Centre, a firm which helps technology companies accelerate their growth. He has over 20 years experience in the telecommunications and information technology industries. John has been involved in the marketing of technology in Canada and internationally since 1994. John is also on the Board of Directors for the Canadian Advanced Technology Alliance (CATA) and the Advisory Board of the Canadian Innovation Centre.

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# From Push to Pull: Creating Demand for your Offering

What are "Push" and "Pull" Marketing?

Push refers to a strategy in which you are pushing information towards your potential customer. This is often called "Interruption Marketing" as the customer will have no control over when the message will arrive. Some examples of this would include telemarketing, TV and Radio ads and cold calling.

Pull refers to a strategy during which you strive to get your message in front of potential clients who are actively seeking the products of services that you are providing. In this case, it is the customer that will initiate the request for the product of service. Some examples include search engine optimization, or a traditional trade show.

Taking a look at the figure below, we can get a better understanding of how the market is broken down, and who the pull strategy will be targeting. The largest circle represents the total market, and the smaller circle within is the target market. There will be some individuals that are actively seeking your product/service, and those individuals are represented by the smallest circle, and this is where your pull strategy will be most effective.   Note that some individuals attracted by your pull marketing activities are not within the target market. You will want to minimize these by focusing your marketing.

Total Market

Target Market

Pull Prospects

A   B   C
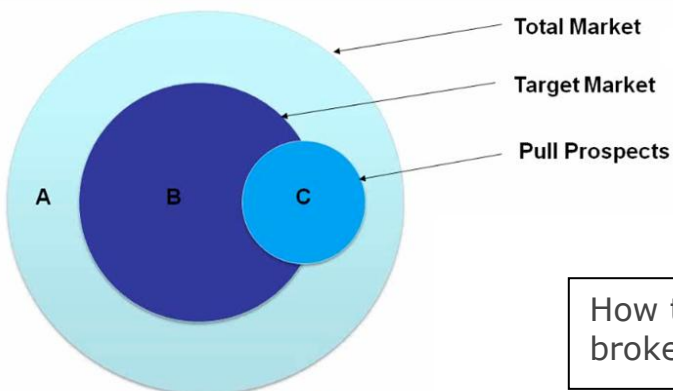
How the market place is broken down

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Push or Pull

Push and Pull marketing each have their place. Push marketing is often used as a lead generation approach, but the sales conversion rate is generally low. Push marketing is more effectively for awareness building, particularly when dealing with target markets that value familiarity with the brand when making a purchase decision.

Pull marketing generally produces higher conversion rates and shorter sales cycles, as you are dealing with customers who are already actively looking for a product. Pull marketing can also be effectively used for awareness building, for instance through the use of social media tools, such as blogs, and forums.

Regardless of the approach you choose, it is important to do your research to understand who your target market really is. Talking to your prospective clients, you want to know who they are, where are they getting information and how they are behaving, as your first step. It is crucial to get an understanding the needs of your clients.

This research will then help you identify the best marketing strategies for these individuals. For example, does your target market go to trade shows, or do they prefer to read blogs. The knowledge you've gathered regarding your target market is pivotal to creating relevant information for these individuals. Your next step will be to make information available about what you do, find out why people responded to this information, and begin to build a more detailed picture of about your target market.

The Internet as a Marketing Tool

The Internet is a tremendous enabler of Pull marketing, as it allows you to put your message in front of potential customers from around the world.

One of the greatest benefits of using the internet as a marketing tool is the ability to measure and track the response. This will help you identify what's working and what isn't. You also have the ability to search what customers are saying about your product, which will allow you to responding quickly to problems or even opportunities. You need to always keep in mind that not only do you want to draw people to the website; you want to convert them into clients.

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Social Media

Social Media is media used for social interactions using web-based technology; examples include Facebook, Twitter, and LinkedIn.

One of the biggest challenges that early stage companies and new technology companies face in growing their business is helping people know about their product and then encouraging adoption by having those first customers act as ambassadors of the product, and tell the second and third generation of customers about them. Social media plays an incredible role in reducing this challenge by allowing customers to easily talk about the products among each other. This will help the company move forward with their product at a much faster rate. Taking advantage of social media will also allow you to build a following of individuals that are interested in your company and what you have to say. Providing a consistent message, educational tools and information, you will begin to gain credibility. This will lead to the creation of trust in you by your potential clients.

When deciding to take advantage of the growing trend of social media, one must be prepared to put in the time. If you do not keep your accounts up to date you begin to lose that credibility. Providing up to date information and

> You can tweet from anywhere at any time, so the reality is, putting on one tweet a day shouldn't be challenging"
>
> *-Andrew Maxwell,*
> *Director, Business Partnerships,*
> *Canadian Innovation Centre*

Showing your target market the value will lead to the development of loyal followers, who are likely to become customers. These individuals have already expressed some degree of interest by coming to the website; your next step is to demonstrate enough value to change them into customers.

> "With social media you have to build credibility and a reputation. One rule that I often stick by is 90% educational, 10% promotional"
>
> *-Chris Stolz*
> *Marketing Solutions Manager,*
> *TechWyse Internet Marketing*

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What works?

The internet, particularly social media, can also be a great tool for market research. By following discussions between potential customers, one can begin to understand what sort of problems and these individuals have, and identifying how your product can meet those needs.

The internet will also provide you valuable information about your strengths and weaknesses, and a better understanding of your customer. **The sales funnel** is made up of several stages. The funnel is very wide at the top where many potential customers first see the advertisement. The funnel narrows down to a fewer individuals who click the advertisement which takes them to a landing page providing information about the product and a **Buy Now** button. The smallest part of the funnel is representative of the customers who decide to click the buy now button, which continues through to the check out and finally the thank you page It is important to track every stage, for example how many people are getting to the landing page versus how many people continue on to click the buy not button. You can compare all the stages to see where people drop off, and where you need improvements.

Push AND Pull

There are many strategies that will require a combination of push and pull marketing. For example if you are hosting an event for potential clients, which is considered a pull strategy, promoting the event, and reaching out to individuals will likely require a push strategy, such as email blast. You want to ensure you are doing enough push marketing so that people are aware of your product or service, and are well informed of its value, so when the day comes they will choose you over competition.

> "Push and Pull marketing go hand-in-hand – you can use Push marketing to initiate a dialogue with potential clients so that when they are ready to buy they already have a relationship with you."
>
> **-Bob Becker,**
> *Principal, SMA*

Bottom Line: An effective, affordable marketing program should include a combination of Push and Pull techniques. It should be designed based on a good understanding of the target market's needs and buying behavior and should reflect a balance between awareness-building and lead generation activities. You should monitor the results and tune your strategy to improve conversion rate and cost-effectiveness.

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Question Period (Answers to questions posed to the panel by the audience)

With marketing changing so quickly, what do you predict marketing will look like in two years?

The nature of marketing will vary depending on the nature of your technology, and the nature of your industry, as well as the stage of your development. The push and pull marketing should look exactly the same as your target market wants it to look. Once you understand your target market, their pain you'll be able to build a marketing program around what they're doing. This may mean social media, but it could also mean going to events. Marketing is known to take the direction that follows the way social society moves. As the trend grows for blackberries, iPhones and digital social atmosphere, marketing is likely going to be going right along with it.

How do I go about getting more members to join my Facebook group? Is there a way to search for my specific target market on Facebook?

The easiest way to do this is to encourage the current members to find people and link them into to the Facebook group. Your best advocates are

your current members. It is also important that you are using the Facebook page well. Keep in mind that people will not pass around a Facebook page that has no quality content, and no value. For example, by putting up promotions on the page, members will be more likely to share the page with their friends.

What is the most effective social media type? Where should we definitely be?

Facebook, Twitter, LinkedIn and most other social medias seem to be competing with each other quite heavily at the moment and each of these sources seems to be changing to reflect one another more. Statistics show that Facebook has the highest amount of traffic and bringing in the highest ROI at this time, but Twitter is starting to change to function more like Facebook. However, when choosing a type of social media, you must keep in mind what is right for your business, and what will be most effective with *your* target market.

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What parts of pull marketing are small businesses outsourcing? Are there any trends?

It is typically the things that require a high level of expertise or a lot of time that you simply don't have. Internet marketing for example requires a lot of time and a lot of focus, and many small businesses don't have the time to go though the analytical reports and become an expert in the area.

Please discuss at what point and how to determine when it is cost affective to bring the analytics strategy or daily analysis in house?

This will depend on the company and the resources. It is definably more cost effective to outsource it to a company who can automate it and has the resources, and in some cases a small company shouldn't bring in house at all. In many cases the outsourcing becomes more like a partnership rather than a customer relationship. Your company will work together with the marketing company to determine what you can do and what is best that they do.

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Results of Real-time Poll

Below are the results of the polls conducted during the webinar:

Poll #1: What is the nature of your business? (Choose all that apply)

o B2B – Large Business Customers	24%
o B2B – Small Business Customers	72%
o B2C	24%
o Global	16%
o National	16%

Poll #2: What is your marketing mix today? (Choose all that apply)

o Cold calling	60%
o Email marketing	72%
o Internet marketing	56%
o Telemarketing	28%
o Social media marketing	40%

Poll #3: How do you measure your marketing effectiveness (Choose all that apply)

o Google analytics	28%
o Phone call tracking	24%
o CRM systems (sales force activity)	48%
o Sales force debriefing	24%
o No formal tracking	36%

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Links of Interest

SMA	http://www.smaworld.com
Techwyse Internet Marketing	http://www.techwyse.com
Canadian Innovation Centre	http://innovationcentre.ca
Technology Marketing Resource Centre	http://www.tmrc.ca
Canadian Advanced Technology Alliance	http://www.cata.ca
Business Development Bank of Canada	http://www.bdc.ca
Export Development Canada	http://www.edc.ca
Canadian Association of Importers and Exporters	http://www.importers.ca
Canadian Manufacturers & Exporters	http://www.cme-mec.ca
International Chamber of Commerce	http://www.iccwbo.org
Service Canada	http://www.servicecanada.gc.ca

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