



Recovering the Lost Art of Product Marketing By Laura Patterson, VisionEdge Marketing

When the CEO asks questions such as -

1. How can we bring products to market faster?
2. What can we do to eliminate development mistakes?
3. How can we ramp sales faster and lower the overall cost of sales and marketing?
4. How can we improve our customer retention and referral rates?
5. What can we do to create better product margins?

the CEO is asking product marketing related questions. These questions go to the heart and soul of marketing and go beyond what marketing has evolved into – a function that has come to mean communicating the company’s message and creating and implementing a product promotion strategy. But if this is all marketing has become then marketing has lost its way and is no longer doing its job for the organization.

Peter Drucker, the father of contemporary management, said that “the aim of marketing is to know and understand the customer so well the product or service fits him and sells itself.” The essence of marketing requires that marketing understand the market problem, enabling the company to create products people want to buy. Understanding the market problem is what drives product decisions, the messaging for these products, the key elements of selling, and marketing’s ability to create the buying that encourages people to buy from your company. From this perspective, Marketing is knowing what to “build” and for whom. By knowing this information a market-driven customer-centric product strategy can be defined. This competency of defining and bringing market-driven customer-centric products to market use to reside within what was traditionally known as product marketing a role that is disappearing from the marketing function. Yet if marketing is knowing what to “build” and for whom, then this role regardless of what we call it, is at the cornerstone of everything we do in marketing. Without this capability within its ranks marketing will fail.

Today many companies no longer have marketers who bridge the gap between the market and product. Rather they have replaced this expertise with product managers that reside in the engineering or development ranks. The product manager is generally responsible for ensuring that a product gets created, tested, and shipped on schedule and that the product meets the specifications. This function is primarily internally focused bridging marketing and development. This person generally has excellent technical expertise but rarely has the marketing expertise needed to bring a product to market which may explain why Robert Cooper in his book, *Winning at New Products*, writes that for every 4 projects that enter development, only one makes it to the market and estimates that 46% of all resources allocated to product development and commercialization by U.S. firms is spent on products that are cancelled or fail to yield an adequate financial return.

If your company is developing great products and services that are either missing their potential or failing altogether it may be time to retrieve the lost art of product marketing to facilitate a more market and customer-centric orientation. Organization and process changes might be required to make this transformation. The following illustrates an example of the organizational changes that

might be required. In July 2002, Steve Ballmer reorganized Microsoft into seven business units focused on market segments, not products. Ballmer stated, "We were pretty product-centric in our marketing, which meant we weren't always delivering a higher-level perspective on the value of technology in key areas." The company embarked on a 10-year initiative to reinvent its worldwide marketing team in order to "institute a consistent customer value proposition across the organization." As a result the company renewed its focus on problems their customers need to solve, not products the company wants to sell.

The Microsoft example illustrates how a company can shift from a product-centric view to customer and market-centric focus. This type of change will require a company to revisit the role of marketing in its organization because to be successful the company is going to need people who truly understand customers and facilitates the company's ability to define, develop, and market products customers want to buy. This type of company will need product marketing. The transformation isn't an easy one and as illustrated by the Microsoft example may require management team commitment, process and organizational changes.

It may take awhile to realize the benefits product marketing but the payoff in recovering art of product marketing will be worth the effort. As a result your company will have individuals who understand your market and what factors and people impact the purchasing decisions about which products to buy. These product marketers will bring the insights needed to make creating the right message delivered in the right place at the right time possible. The benefits far outweigh the investment. With product marketing your company will be able to prepare the sales channels to relate to the buyer and enable these channels to focus on the most effective messages and programs. You will be able to develop outbound marketing initiatives that move prospects into and through the pipeline to drive revenue and increase customer retention and loyalty. You will have people on your team that are always thinking about how to use what he or she knows about the market and buyers to influence the product strategy.

With this change, your marketing will be more than just selling and advertising. It will help you define the target market, position yourself as different and superior in that target market, and permit you to stay ahead of the competition. And you will be able to answer the five questions we began this article with because the company can now develop very specific metrics and key performance indicators around time-to-market, time-to-revenue, time-to-value and time-to-profit that ensure a new level of proficiency and confidence.