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White Paper

Finding And Focusing On Customers With An Immediate Need



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"VRM makes it possible for small and mid-size businesses to aggressively compete against larger players in the marketplace."

Virtual Relationship Marketing (VRM) is turning the traditional marketing and sales model upside down by enabling companies to easily and accurately identify and build relationships with people who are most likely to buy. The result is an increase in sales productivity at a fraction of the cost.

More and more companies are catching on to VRM and making it the core of their business growth strategy. Because of its low cost and high efficiency, VRM makes it possible for small and mid-size businesses to aggressively compete against larger players in the marketplace.

VRM uses the same principles to boost sales productivity that lean manufacturing uses to boost manufacturing productivity. It focuses on eliminating waste and streamlining processes so one marketing person can do the work of many.

A well-planned and executed systematic marketing strategy will help you produce the steady stream of qualified and timely selling opportunities your sales force and channel partners need to deliver profitable growth.

What's the basic problem to be solved?

Ever since marketing and sales emerged as separate business disciplines during the mid-twentieth century, a gap has existed between the two for many companies. Marketing is often frustrated by sales' inability to capitalize on the opportunities they create, while salespeople believe marketing wastes their time with unlikely leads. As if to verify this belief, marketing performance is usually measured by the quantity of leads generated, not the quality.

Bridging this gap in the marketing-sales pipeline to produce more qualified and timely selling opportunities for sales to pursue is the primary objective of a VRM strategy.

What strategies should be employed?

A successful VRM initiative relies heavily on three key strategies – processes, relationships and technology – to produce significantly more qualified and timely selling opportunities.

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KEY STRATEGIES

- 1. Streamline processes from lead generation to customer creation –**
It's a basic business truth – improving processes improves productivity. Improving marketing and sales processes begins by defining what you do now, and mapping a more efficient and repeatable process for doing it. Keep in mind that repeatable processes can often be automated for optimal productivity.

- 2. Create virtual relationships with prospects and customers –**
Relationship marketing is how you get prospects to qualify themselves and tell you when they are ready to buy. This is accomplished by personally communicating offers designed to trigger qualifying responses, and tracking these responses until selling opportunities emerge. But who has time to maintain constant personal contact with every lead, prospect and customer until an opportunity emerges? You will, if you learn to do it virtually. You will find more information about Virtual Relationship Marketing on page 5.

- 3. Leverage your existing technology to do the work for you –** Chances are, you already have many of the technology tools you need, like lead and customer databases, a website, email and direct mail applications. Today, these tools can be easily leveraged and integrated to do most of the work for you, and do it in a way that creates extremely personal and trust-building relationships.

Working together, these three strategies create a powerful Virtual Relationship Marketing methodology for producing profitable sales growth.

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Defining the pipeline

With VRM, you create a seamless pipeline process that will bridge the traditional gap between marketing and sales, resulting in a constant flow of highly qualified selling opportunities for sales to pursue.

THE VRM MODEL



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Brand Recognition

VRM does not replace traditional strategies for building brand identity – but it does take marketing to the next level by helping build recognition on a one-to-one basis.

Marketers must continue to develop favorable recognition for their company, products and services, but use VRM to more accurately and personally deliver their message to the marketplace for more efficient long-term brand building.

Lead Generation

Seasoned business-to-business marketers are well versed in their traditional lead generation options: trade shows, advertising, publicity, direct mail and print catalogs. But in recent years, the Internet has created an entirely new arsenal of marketing weaponry. Recent statistics show that 90% of a typical B2B marketer's target audience is now using the Internet to find the products and services they need, and initiate contact with the supplier.

While traditional lead generation methods will continue to be an integral part of the marketing mix, the focus is shifting toward the Internet for a number of important reasons. Not only has the Internet become the predominant source of leads, marketing on the Internet is far more cost efficient than traditional methods. This allows you to target leads with pinpoint accuracy, direct leads to specific and personalized information, track leads through the sales cycle, and store lead information on a database that is accessible through web-based applications to your entire marketing and sales organization.

Prospect Qualification

Before you can qualify a prospect, you have to know who a qualified prospect is. This may sound logical, but if you ask a group of marketing and sales people in your company to define the criteria of a qualified prospect, you will likely get as many different answers as there are people. The definition of a qualified prospect may vary between product lines and services but should be clearly defined.

Key prospect qualification criteria might include factors such as:

- Has the prospect demonstrated an interest in your solution?
- Is the prospect in a targeted industry / territory?
- Does the prospect's application align with your solution?
- What is the prospect's role in the purchase decision?

VRM will enable prospects to continuously self-qualify according to your criteria while advancing through the pipeline.

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Opportunity Identification

The difference between a qualified prospect and an opportunity is timing. An opportunity is defined as a qualified prospect with an immediate need for a solution you have. A study of 40,000 business-to-business sales inquiries showed that only 11% of these prospects purchased within 90 days. VRM can help you identify these prospects when they have an immediate need and are in the buying mode.

Customer Creation

VRM will help you transform a random chain of selling events into a systematic sales process that aligns with your customers' buying process, and produces the highly qualified and timely selling opportunities that sales will value, pursue and convert to customers.

Virtual Relationship Marketing (VRM)

The study quoted above showed that 11% of leads made a purchase within 3 months of their inquiry. The same study revealed that an additional 42% made a purchase from 4 to 12 months after the inquiry. This means that there are nearly four times as many qualified but longer-term prospects than there are immediate selling opportunities.

Unfortunately, the typical response to a lead or sales inquiry is the distribution of printed literature and perhaps a follow-up call. Seldom are attempts made to further qualify the prospect or to build a relationship because few marketing and sales organizations today have time for the constant personal contact required... unless you do it virtually!

The goal of Virtual Relationship Marketing is to get prospects to qualify themselves and tell you when they are ready to buy. Done correctly, VRM will create the perception of one-to-one personal contact in a way that is welcomed by the prospect and establishes "trusted advisor" status for the sales person. "Welcomed contact" is defined by prospects as being kept informed by someone who understands their problems and offers relevant information and solutions.

VRM is a critical component of an effective systematic marketing strategy. By leveraging technology to do most of the time-consuming legwork for you, VRM will become an easily managed routine for helping you build and maintain long-term profitable relationships with prospects and customers. ■

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