THE
DIFFERENCE
BEING DISTRUPTIVE

HOW TO OPTIMISE
MARKETING IN
A STARTUP

Introducing the MVP Marketing Plan. A working framework to align marketing with agile product development processes.

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AGILE
MARKETING
IN THE AI AGE

I had two objectives when I started working on this document. The first was to try and wrap a story around a decade of diverse experiences in different innovation setups and in doing so, highlight the different approach that is needed to build a marketing programme for a new enterprise.

Because while there is plenty out there on innovation development; there was very little on how to optimise marketing in the early days of a new venture and almost nothing on how digital technology has impacted this. And, in my experience, both can have a massive bearing on the success of a new company.

In the years since, this e-book became the most downloaded document that I have been involved in. So, I was compelled to write this addendum on the impact Artificial Intelligence (AI) is now likely to have on this thinking. Because even though we are still in the early stages of AI's evolution, it's already clear that it's going to transform startup marketing.

In the short-term, for example, AI has the potential to take the heavy lifting out of many startup marketing initiatives. Which is a huge benefit for any resource-poor operation. But AI will also enable the development of mass micro-targeting which will allow companies to get to customers who are already deep into their buying journey. And that is a potential gamechanger for a company trying to establish a disruptive idea.

But AI also creates its own complications, because soon everybody and their dog will be able to drive more targeted advertising. That means that enterprises (of all sizes) are going to have to find other ways of differentiating themselves.

This starts to get to the crux of the real change that is about to happen, because more often than not, this will have to be driven at a product level. Which means companies are going to have to place more emphasis on product innovation and therefore, the agile and integration practices that are at the heart of the first part of this document.

All of which suggests that AI is more likely to fast-track the thinking in this e-book than undermine it. For example, one of the more contentious points that I make, is that most startups don't really need marketing expertise in the early days because they can integrate development work into existing technical workstreams. AI doesn't change this; in fact, it makes it both easier and more pertinent because AI is going to enable startups to dramatically improve the speed and effectiveness of their MVP initiatives.

It also points to a wider trend where future marketing initiatives are just as likely to be initiated by non-marketing people.

This is where it's all heading for me. AI will open-up opportunities for innovation because of the advances it creates in marketing capability. But that doesn't necessarily mean a bigger role for marketing execs. The businesses that are going to win from AI - like every disruptive revolution that's gone before it - will be those who can look beyond the technology and anticipate the impact that it will have on customer behaviour. But the teams that are now best placed to get to the right answers don't always have marketing in their title. So, while I appreciate Part Two now needs to be a working document (as it focuses on execution) it means that the first part is probably more relevant than ever.

STARTING OUT OR STARTING UP?

'You've got to start with the customer experience and work backwards to the technology. You can't start with the technology and then figure out where you're going to sell it'. Steve Jobs.

It might just be me, but it seems that the term 'startup' has morphed into the default description for almost every new business these days.

But firms expanding into a different market will have products and services that customers have bought before; processes that they trust and a brand to fall back on. And while a new 'High Street' business may not yet, there's usually somebody somewhere selling something similar.

Organisations like this might be starting up, but they're not a 'startup' in the original sense of the term.

A true startup is a fledgling operation developing disruptive new technology. That's not the same as expanding a product line or opening a branch office. These companies have no service history or brand equity and are usually trying to sell something that nobody has bought before.

Which is why I've written this.

It's different being disruptive. You are literally starting from square one with a marketing plan to write for a company that nobody has heard of; a product that probably doesn't exist yet and a strategy that could be about to pivot!

I have been working with and observing startups and innovation setups for more than a decade now and the most successful all had something in common.

They didn't just loosen their ties and fill the office full of bean bags. They all understood the need to address the challenge that was in front of them and not be defined by individual experiences or pre-conceived ideas of what 'good' should look like.

But, nearly all of them had the same problem with marketing. Not because they couldn't find enough people with the core skills, but because most marketing execs had cut their teeth selling recognised products for established businesses in mainstream markets and so, had a tendency to shoe-horn that experience into the venture rather than align themselves to the way the company was evolving.

And marketing in a startup - like the innovation it supports - is a much more iterative process. It needs people who understood the sensitivities of building a plan for an unstable, time and cash-poor organisation where the marketing budget might be coming out of the pocket of the guy sitting next to you.

That's what this document focuses on. While it is still relevant to a company that is starting out, its main purpose is to walk through the difference between developing a marketing programme for a continuous innovation (a new business) and a discontinuous one (a startup).

THE MARKET NOT THE PRODUCT

The best place to start is with the MVP (Minimum Viable Product) concept.

An MVP, for all intends and purposes, is a slimmed down initial product offering that starts with a product vision and then tests the market through a series of rapid prototypes.

It's an *agile* product development methodology first coined by Frank Robinson and popularised by Eric Ries in his 2011 book *The Lean Startup*; and it has become the de-facto way to develop disruptive innovation.

But an MVP is not just a minimum product offering. It can't just be a string of features thrown together to see what sticks. It has to be 'viable'. So, the management team also has to figure out how to test the marketing plan as part of this process.

And most don't!

Which is why I developed the Early Market Marketing Development Framework - better known as the MVP Marketing Plan - which this document is written around.

The *MVP Marketing Plan* is what happens when a marketing guy moves into product management and then applies agile thinking back into marketing.

What I discovered was that most startups develop their marketing initiatives outside of the MVP programme and that is usually at odds with the cultures and processes that they are trying to create.

Then, I realised that a properly structured MVP programme would do a lot of the heavy lifting for the marketing function (as it is built around customer buying journeys and targets early adopters).

So, it seemed obvious that the first job of the marketing lead in a startup should be to figure out how to integrate marketing development into product development.

This is what the MVP Marketing Plan does. It's not really a marketing planning tool; it's more of a business alignment checklist that ensures that there is a marketing gateway into the technical development process and that the conclusions that are drawn from the outputs are being tested from a marketing perspective.

That reduces the potential for duplication and conflict during the insight development phase and is how a startup creates a robust marketing setup around a business that might still be in the middle of a series of pivots.

It's also how the management team gets to a more accurate (and early) view of the likely marketing resource and investment requirements.

But, maybe more importantly, it enables someone without marketing expertise to develop marketing initiatives and kick off early programmes without adding overheads that they might not need.

THE
MVP
MARKETING
PLAN

This document has been written around the Early Market Marketing Development Framework (MVP Marketing Plan). It effectively outlines a manual work-around that replicates this planning framework so that it is relevant to ventures that are not following an agile product development programme. For a more detailed overview contact: **gavin@novartec.co.uk**

Proposition Evaluation

Market Validation

User Persona Development

MRD

MVP (MVP Marketing Plan)

MBC

MARKETING PLAN

Message Platform

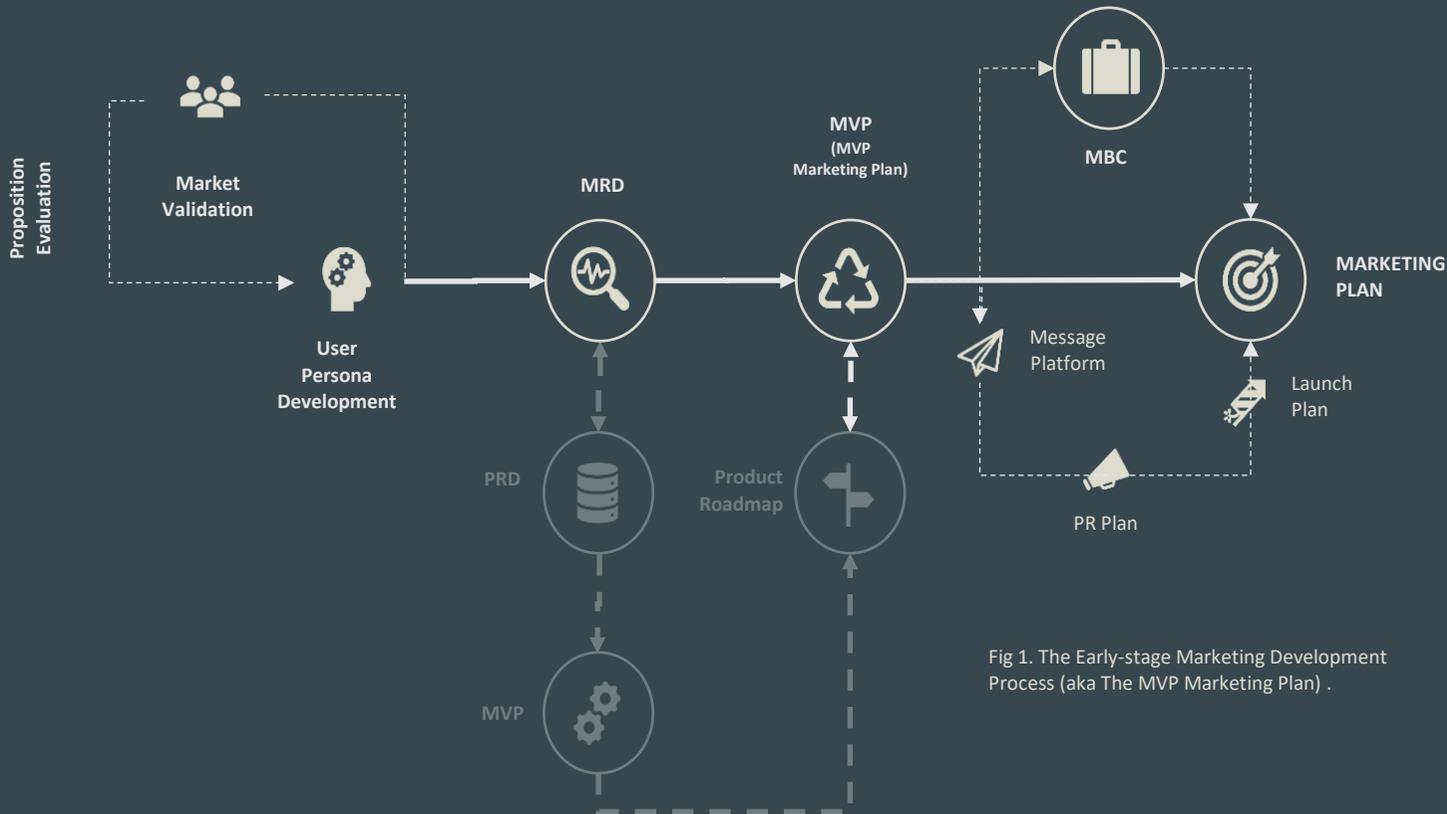Launch Plan

PRD

Product Roadmap

PR Plan

MVP

Fig 1. The Early-stage Marketing Development Process (aka The MVP Marketing Plan) .

GET
NICHE
OR GO
NOWHERE

Before they do anything, however, every prospective startup marketing lead should read *Crossing the Chasm* by Geoffrey Moore.

This book is more important than *The Lean Startup* (for marketing executives) because it focuses on how a disruptive business is likely to develop and how early customer preferences evolve as a result.

Moore's central argument is that disruptive innovation - by its very nature - attracts a certain type of first customer. In many regards, these *'early adopters'* are a startup's greatest asset because they are deep into the marketing funnel and already looking for a solution to the problem that the new venture is planning to solve.

They also buy into visions, move quickly and purchase things that nobody else has bought before.

But there is rarely enough of them to sustain a new business, and they don't behave in the same way as the mainstream customer that every business needs to succeed. So, they can easily create the illusion that a new venture has a future when in doesn't.

A startup's initial marketing effort then, needs to be focused on building a relationship with early adopters in a way that's also relevant to more conservative markets. Which means that they have to focus on developing reference customers; (individuals or groups) that are going to authenticate both them and their value proposition; and help sell that to the less knowledgeable or enthusiastic.

That, in essence, should be every startup's initial marketing strategy.

And it is why the ideal target market for any new venture is nearly always a niche group of underserved customers who are concentrated together (i.e. in the same micro-sector). As this is generally the only way to focus resource and create enough momentum to move customers down the marketing funnel cost-effectively and at a rate that can sustain a competitive advantage.

It is also the biggest difference being disruptive. Because it means that most startups have to create a market before they can sell anything into it.

Don't get me wrong, I've seen new companies succeed without ever referencing 'early adopters', but only because they grew out of niche markets and had focused their initial marketing on building reference customers.

But I've also seen many more flounder because they trivialised the impact of this group and didn't spend enough time figuring out where their niche focus needed to be.

That usually manifested itself in half-baked marketing campaigns that drove mainstream messages into early markets that didn't hit home. Or a string of esoteric features that confused the technical build (also known as 'feature creep') and skewed strategic thinking.

So, every startup needs to identify a beachhead market where they can quickly establish a competitive advantage and build scale from.

They're looking for the best route to the ideal customer, which might be (and usually is) through another set of less profitable groups who are better placed initially to establish their authenticity.

Then they must figure out what the minimal functionality is to replicate the final customer experience and test it with this market.

Then they can build a marketing programme.

To do this, they have to understand the customer journey from the perspective of a discontinuous innovation and figure out what vehicles work and combine best at each stage of an evolving buying process.

So, how does a startup marketing lead align marketing to the product development process and ensure that they are influencing the technical build?

Then, how do they figure out what the marketing channels are and how responsive they are likely to be?

And how do they structure for growth and make sure the marketing programme evolves as the business transitions?

The first thing I do, is to create something called an MRD (*Market Requirements Document).*

i. **MARKET REQUIREMENTS DOCUMENT (MRD)**
The MRD is a well-established process in tech development circles and something experienced programmers will be familiar with.

It is the ideal document for the marketing lead to use to feed-in requirements and then manage changes should the business need to pivot.

It's also a document that many chose to side-step, preferring instead to incorporate everything into an all-singing, all-dancing PRD (Product Requirements Document) or something similar.

Don't do this! The MRD needs to be an analysis of customers in a target market and a business' ability to service them. It will contain many of the elements found in a conventional marketing strategy (market size, customer profiles, competitive landscape etc) but its role is to protect the customer perspective through the development phase by structuring customer understanding from an initial worldview through a buying journey.

A lot of the insight that finds its way into the MRD has to exist in the business. So, the process of pulling the document together is generally a really good way of ensuring that there is an initial alignment between all the various stakeholders.

The MVP Marketing Plan is the document that outlines how the information contained within the MRD is managed through the MVP process and is tested from a marketing perspective.

For more insight into what should be included in a startup MRD please contact: **gavin@novartec.co.uk**

FOCUS
ON THE
METHOD

If this process is managed properly, it will figure out a startup's target customer journey. What it won't necessarily do is outline where the critical touch-points and key influencers are.

I have a manual work-around for this that I dip into depending on how effective the MVP initiative is.

ii. FIND THE PATH OF LEAST RESISTANCE

The first thing I do is to create a series of user profiles for my priority audiences.

To do this, I will build a top-level summary of all the potential customers for the solution before whittling them down to three or four priority groups.

I do this by ranking them according to who the solution appears to be most useful to; and what groups are easiest for a particular venture to reach.

If I get into enough detail, this will tell me who has an influence over my potential customers and where my marketing will have the most impact. This isn't an over-simplification, because it can take a lot of detail to get to this point.

The next stage is to identify the best combination of marketing vehicles and the right messaging strategy.

iii. FIGURE OUT HOW REAL THE PAIN IS?

The temptation at this point is to bring in a marketing agency and while that's not necessarily a bad idea, I have a few more exercises that I like to do first.

I will get some real-life customers into a room and take them through a few exercises to understand how real their pain is, what priority they attach to it

and how the market is currently trying to address the problem. This will help me understand how important the idea really is and therefore, the level of marketing effort (and spend) that's going to be required to create the necessary traction.

I will also instigate a series of exercises to test a range of concepts (even if there's a solution in development) to see if there's a correlation of worldviews around how to solve this problem.

iv. BEGIN BY WORKING BACKWARDS

Then, I will write a launch press release (and Q&A). This is something that I learned at Microsoft (they stole it from Amazon) and it's a really useful way to help shape an initial positioning and content development testing strategy (and focus essential keyword development and search optimisation).

The idea is to visualise the final product or service and try to anticipate the initial customer response to it. Both documents have very distinct roles, however. The press release forces me to think about how I position a new solution with my target market through a third-party. Whilst the Q&A is designed to answer some detailed questions that a sceptical journalist might want to ask about the business.

This will help me shape my messaging requirements. Which is particularly important as I start to pull my search and social media strategies together. Again, it's not essential that someone has the expertise to do this (because it's not a real press launch).

For a guide to what should be included in a launch press release contact: **gavin@novartec.co.uk**

SET UP TO
SELF-EDUCATE

Professional marketers usually manage message development with something called a *Message Platform*

This is an essential alignment tool that a startup can use to flush out anomalies in the message and help distil the value proposition for each target buyer.

But it also puts a structure around content that creates the consistency needed for message manipulation and testing.

Regardless of the specifics, a good Message Platform should contain the following:

i. **Pain Points** - this summarises your buyers' top priorities or needs. The user persona development work will yield this information, but in the *Message Platform* document, it should be limited to the 'short-list' of what your buyers care about the most.

ii. **Positioning Statement** - the positioning statement is intended to help internal audiences understand your desired position in the marketplace. It can cover an entire company, a product line, or an individual product. In *Crossing the Chasm*, Geoffrey Moore's has a template for a positioning statement that forces a venture to have a laser focus around who the product is for; what problem it's solving; what the breakthrough capability is; and what the competitive alternative is.

iii. **Key Messages** – are short statements that phrase your product's value in terms the buyer will resonate with.

iv. **Proof Points** – proof points are the supporting evidence that validates the use-case and gives credibility to the key messages. Whereas key messages are complete sentences, proof points are bullets. Each key message should be supported by two to three proof points.

v. **Copy Blocks (marketing headlines)** – copy blocks are fleshed-out messages, in full sentences, that can be dropped into marketing assets (direct mail, e-mail, advertising etc). The best practice is to provide short, medium, and long versions, usually twenty-five, fifty and hundred-word blocks that describe your company and its offerings. This means that everybody in the business can easily position a consistent message.

vi. **Key Word Journey** – I always put a paragraph in the message platform around the 'key word journey'. This highlights the key words that you want customers to be searching on (because they establish your competitive advantage) versus the phrases that they are currently using.

Value Proposition – the 'value prop' is what your salespeople will be repeating every time they meet a new prospect. It describes what you have, the customers for whom it is intended, and what benefits they will gain from using it. Although this sounds straightforward, it never ceases to amaze me how many people complicate this.

The value proposition is at the core of your content strategy and is the basis for how customers understand your innovation. If it's confused, then regardless of how brilliant your technology is, there's a fair chance that the customer will be too.

For more insight on how to develop and manage a Message Platform please contact: **gavin@novartec.co.uk**

BUILD
THE TEAM AROUND THE TASK

When a startup secures some funding, there's usually a tendency to throw money at a marketing agency or even bring in an intern to run some programmes.

That is not to say that some specialist marketing expertise isn't useful early in the process. But a new venture also doesn't want to be paying someone for insight that they are developing and then put an agency on a retainer to create campaigns that they don't know if they need yet!

The marketing lead is also trying to understand how the marketing discipline fits into a particular venture and how to manage that as it evolves. But they are never going to be able to optimise third-party marketing support in a business that could be about to pivot. So, I think about building the marketing function for a startup as another four-stage process.

i. TEST WITH YOU FIRST

The marketing lead needs to figure out how to integrate their initial marketing development work into existing workstreams and then use the outputs from this to start engaging specialist marketing support.

This is important, because it will help develop a far stronger internal understanding of the customer and their enthusiasm for the solution which will set up much more sophisticated third-party marketing conversations. The marketing lead should also use this time to test out marketing services agencies by bringing some in to pitch some recommendations about potential marketing programme. This is also a good way of maintaining business agility and continuing to expose the venture to a range of different ideas.

ii. ADD CONTRACTORS BEFORE EMPLOYEES:

The big fear that most non-marketing startup marketing leads generally have is that they are missing something. But there is no magic marketing dust. What marketing services agencies understand is the range of marketing vehicles that are at a particular company's disposal and how they work together. But most startups execs will understand the customer journey better in the beginning than any marketing company and, in my experience, it soon becomes clear when more support is needed.

This is how a startup develops a marketing plan without adding unnecessary overheads and (potentially) without needing any specific marketing expertise. It's also how they kick off a marketing programme early in the process without worrying too much about having to generate significant returns.

iii. EMPLOY A SMALL TEAM OF GENERALISTS

When a new venture finds itself with contractors spending upwards of 15 hours per week. That's a good indication that they need to consolidate some of the activities and bring in full-time hires. But they should go broad early-on and hire generalists with startup expertise who can turn their hand to other initiatives. They want to resist the temptation of hiring vertical specialists with big brand experience as they're likely to get mainstream marketing advice that can be counter-productive in the early market.

iv. THEN SPECIALISE

When the time comes to hire specialists, a new venture doesn't want to be defined by previous job titles. Some of the best marketing people that I have hired have come into this space from other disciplines and taught themselves marketing!

TECH AS A TEMPORARY STACK

It wasn't that long ago that marketing technology vendors numbered in the low hundreds, but today there's literally thousands out there selling a breath-taking array of services.

But just because you can automate something, doesn't mean that you should.

Figuring out the right technology mix can be a very individual process which generally requires a lot of trial and error.

- **START WITH WHAT YOU KNOW.**
  It's super easy to waste a big chunk of time (and cash) learning about a new technology that isn't going to add much value. In the early days, stick to what has worked before (even if that's just a spreadsheet) until you've played around with a few ideas.

- **MAP FEATURES TO KEY REQUIREMENTS.**
  It's also very easy to get seduced by vendors who promise the world and deliver you features that you will never use. So, beware of all-singing tech, for me it's usually better to find a single-use solution that does what it says on the tin. That also makes it easier to swap out when the business grows.

  When you've mapped out your buying journey you will quickly see where technology can help. So, map your requirements to this. Usability is also extremely important as it'll determine how much value your team extracts from the tool. The less intuitive the software is, the more you will pay for training, and the more headaches your team will endure.

- **THINK ABOUT MAR-TECH AS A STACK.**
  Technology management is now an integral part of marketing and will become increasingly more important in the years to come. But some solutions only allow integration with a small number of third-party apps which can significantly limit future adoption. That's no good for anybody.

- **DON'T GET LOCKED IN.**
  So, look for solutions without long contractual commitments and tools that don't lock-in your data so that you can easily jump to something more suitable as your needs evolve.

- **THINK BIGGER THAN MARKETING.**
  The key to startup success is not just how you are managing your data sources (although this is clearly important) but how you are integrating the data from these sources across the business.

  Adopting technology that integrates with other lines-of-business (even though it might not be the best marketing solution) often has much wider benefits.

LEARN
TO HELP
NOT HYPE

Back in the day you could fill a conference room with lukewarm leads on the promise of a decent finger buffet.

As long as these guys left with some data sheets and a stress ball, then the marketing job was as good as over.

But now these very people will be fact-checking what you said on the way back from whence they came. And, if they can't link to something in a few clicks; then all your hard-earned 'marketing' could be pointing new business in the direction of the nearest competitor.

All in the time that it takes to queue for a cappuccino!

That's the reality of marketing in the digital age. Mobile is now our primary access to the internet and together with Search technologies they've changed how every customer wants to interact with your organisation.

It doesn't matter whether you're on the business or the consumer side and how good you think your relationship is with your customers. Nobody is going to pick up the phone and call you with a question anymore, even though they've probably got one in their hand for most of their waking hours.

AI (Artificial Intelligence) doesn't change that, it just accelerates it!

Customers have become self-educators and are more likely to seek out (and trust) the opinion of a stranger than your sales rep!

They can also remain anonymous so deep into the sales funnel that they could be well along a buying journey without you ever knowing that they exist.

We are moving inexorably towards an emotion-charged, loyalty-free, convenience-driven world where more than three quarters of our marketing will be done by someone else.

This is a world where it's not going to be possible to project authenticity, if you don't have any.

Where everybody is going to have to learn how to help, not hype (i.e. provide value to their audiences without asking for anything in return).

Where the success of the marketing function is defined by a completely different set of metrices. Like how well the marketing lead can drive analytics through an organisation or unify data sources or integrate workflows and drive collaboration across lines of business.

Marketing in the AI age then, simple can't exist in a silo. It can't be about individual initiatives. it has to be more than one 'P'.

KEEP
MOVING
FORWARD

A new venture will typically encounter one of two early marketing challenges. Either they will struggle to create initial traction (get customers to see the significance of their idea) or they will be unable to sustain their early exposure.

The latter is usually the result of spreading themselves too thinly and can be solved by revisiting the market niche focus. Although, it can be caused by a business pivot and resulting credibility issues. The former is a more difficult challenge, because it typically means that a new venture has to piggy-back on other marketing initiatives before it can stand on its own.

Again, this is what's different being disruptive.

A startup is literally starting at square one. Nobody is searching for them on Google or following them on Facebook for that to mean a meaningful marketing channel yet.

And while they might have a natural advantage because they have something new. A big splash followed by radio silence or worse, a tirade of spam can make a good proposition look like a half-baked idea very quickly.

And some products just don't work in certain situations and that's not always obvious at the outset.

So, as well as considering the fluctuations that might be caused by the technical development process. The marketing team also has to build a programme that is testing multiple channels, but at the same time, appreciate the critical importance of momentum in a startup marketing plan.

The initiatives that come out of the marketing planning exercise will be a mix of inbound, outbound and sales prospecting.

Inbound marketing (i.e. search optimisation, social media) is always popular with startups because it's cheap and effective. But it can take a long time to work, which isn't something a startup usually has much of.

That is why there's normally a lot of value in planning to do some outbound (advertising, events etc). This usually scares startups as it can be expensive. But it's also direct and immediate and might be necessary in the first instance to help build awareness.

One of the biggest mistakes that I see new tech businesses make is to assume that because they operate in a world of digital technology their marketing must reflect that.

But this contradicts every rule in the marketing playbook. Successful marketing always starts with the customer and if analogue initiatives such as print media or industry events still resonate, then they are legitimate marketing vehicles.

The key is choosing the right mix of initiatives for the appropriate stage of a customer's buying journey and to understand how they might evolve. Which is why it is essential that activities are chosen based on market requirements and not the expertise of those tasked with managing them. There is just no space for vanity marketing in a startup marketing plan.

Fig. 2. (over) is a real example of an evolving customer journey for a startup attempting to position a new product category through organic initiatives. **For more information: contact gavin@novartec.co.uk**

BEWARE
OF THE
VOICES

Marketing has changed dramatically in the last decade-or-two as a result of several disruptive digital technologies. But the tech industry has also done a good job of persuading the world of how impactful these platforms can be. When the truth is more nuanced. Because there are still some very significant limitations (particularly for a startup) with them.

DON'T GET SEDUCED BY SOCIAL
For instance. Startups tend to cluster around social media without much strategy (and get kids to advise them on it) because it is cheap. But there's only so much a new venture can do with these platforms if they don't have many followers yet.

Which is why I am always fearful of a marketing strategy that's built around 'social' as it invariably takes a lot longer to work than most new ventures realise. Particularly as some products just don't lend themselves to the type of content that these platforms generally need to create scale. This article provides an overview of what each is good at: Top Social Media Platforms Worldwide.
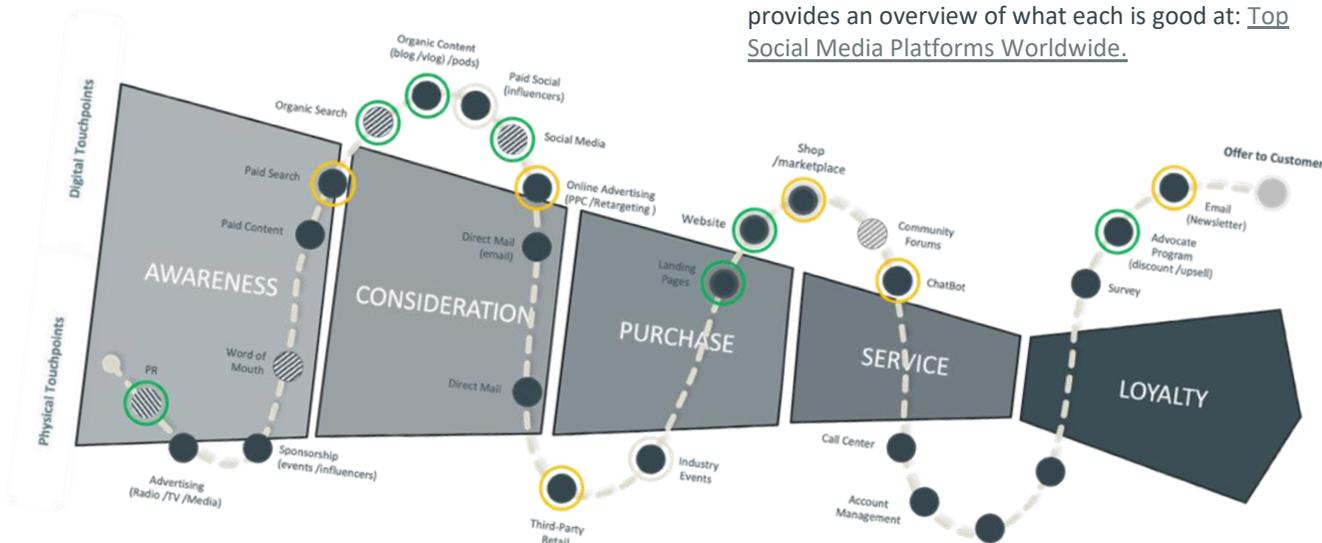
Another mistake that startups make is to focus all their attention on creating these followers. It's not a total waste of time, as this can give them a sense of how well received their ideas are.

But the key to turning social media into a marketing channel is content that people want to share (Facebook's algorithms are designed for this). And, in my experience, it's almost impossible for a new venture to do this on their own. So, they need to partner with someone who is already talking to their audience. Which means finding groups or people who have already built a level of trust with their base and figuring out how to add value to their offering.

Paid advertising through social media can be a more effective way to get to early audiences. Facebook or Instagram ads, for example, can be a targeted way to get to a focused customer group and they don't require third-party support or input.

These platforms, however, are all really competitive now. So, the quality of the engagement is very reliant on the algorithms learning about the customer. Which means that a new venture has to spend more over a longer period of time to see results. This article is worth a read before you commit to social advertising: A Startup Guide to Facebook Ads

Paid Search (i.e. Google Ads) can also be a false economy for a startup. It will usually drive traffic, but search engine marketing (SEM) it is focused around high-volume keywords which represent established concepts. So, there's a very good chance that a startup will end up paying for lots of clicks initially that don't convert. Which is only a good idea, if they have deep pockets.

The marketing requirement for every business is different. One size never fits all. Which is why it's always important to have someone advising you who can assess pain without bias and build a programme from the perspective of the customer.

Having said that, there are few marketing initiatives (and tips and tricks) that have delivered significant benefits consistently for me over the last few years.

i. **LOOK FOR LOW VOLUME**
Low volume search terms are typically keywords that people don't search that much for. Search engines also have a tendency to under-value and misreport these. But they represent buyers who have a very specific requirement. Which has 'early adopter' and 'higher conversion rate' written all over it.

There is also minimal competition, which means cheaper to buy and faster ranking potential. If a new venture's value proposition fits into this, it can be a very effective way of driving initial income. The problem: is that Google doesn't always let businesses bid on them, so you need some technical knowledge to figure out how to do this.

ii. **REMARKET AND PRE-TARGET**
Remarketing initiatives show display ads to people who have visited and then left a website. They can be a brilliant concept for fledgling companies because they get to customers who are further into the marketing funnel.

They work because when someone visits a website but does not convert, the ad network cookies the visitor, then displays ads on other sites served by the network.

Pre-targeting on the other hand is a technique where marketers target individual buyers based on past behaviour. It's 'pre' and not 're' because ads get shown before targets have been to a website.

This is what I mean when I talk about piggy-back marketing. It's a way of jumping on the back of the marketing activities of organisations who have already moved a customer down the funnel

iii. **DON'T BE AFRAID TO DUPLICATE**
The other big mistake startups make is to think everything needs to be original. According to *Marketo*, 60-70% of modern marketing operations scale their marketing by duplicating over half of their marketing campaigns.

This shouldn't be a surprise, because the marketing industry was built on 'opportunity to see' the same message multiple times. Social media is no different. So, startups shouldn't be afraid to repeat content as most people won't have seen it the first time.

iv. **THINK BIG FROM THE BEGINNING**
A lot of startups also don't think about international expansion until they've figured out their local markets. But there's a lot of marketing value going global on things like social platforms before this as that can create both traffic (which improves search rankings) and a following that can influence their initial markets.

GET
SOME
SKIN IN
THE GAME

Regardless of how the marketing strategy develops, there are always a few things that nearly all new ventures need to do quickly.

i. START YOUR ENGINES

Organic search is a haven for early adopters because it facilitates niche searches. It just takes a long time to work and it's difficult to predict returns.

But it's really important that a startup gets this right from the get-go. That means making sure that all content is tagged consistently and social media sites are lined properly (as search engines increasingly use social media activity to influence ranking).

It's also very important that websites are set-up with the right analytics (i.e. Facebook Pixel) as this is how social and search platforms fine-tune their algorithms to help optimise campaigns.

- **BE MOBILE-FIRST**
In 2020, Google moved to mobile-first indexing, which means that they look at websites from a mobile perspective first. That means that if a website is hard to navigate or slow to load (Google calls it 'time to byte') then the ranking will be impacted. So, startups should keep picture resolution to a minimum and avoid pop-up ads. Also, don't show stuff users don't need on mobile devices and design screens for fat fingers (i.e. leave space between hyperlinks).

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ii. GET THE INFLUENCER MACHINE MOVING

Influencer marketing is a hot topic thanks to social media, but a lot of key influencers still come from traditional sources (i.e. print media). The key is understanding who they are, what the mix needs to be and how to influence them. This can take a lot of time and effort (hence the need to start early).

In my experience, it's usually better to hone-in on niche influencers with a few thousand focused followers because they are more likely to see how an innovation could expand their base.

iii. GO BLOGING OR VLOGING

A blog /vlog can be an important integrator in an early-stage company's marketing strategy, particularly if they can get third-party endorsement (i.e., guest bloggers).

This is where AI engines can be very useful, because they can create well-directed content very quickly.

Blogs /vlogs help build subject matter credibility with customers and influencers alike, particularly if it includes third-party comments.

They are also an excellent way to improve SEO rankings because you can drop in key words and links and a good way of testing early messaging.

· DON'T
FAKE THE LEARNING PROCESS

Measuring progress is obviously really important for a new venture. But it is also something that it's very easy to get consumed by.

In my experience, it's usually better to be consistent rather than comprehensive (i.e. review a small set of key metrics rigorously rather than all the metrics every so often).

What those metrics are and how they evolve really depends on the nature of the business. The key is focusing in on the measures that are right for the stage of the business' development and not wasting time with vanity metrics that might look good to investors, but that can create the illusion of progress rather than challenge any potential issues.

For example, figuring out the cost of acquiring a new customer (CAC /CPA) is usually very important for an early-stage company as it has a significant impact on the business case. But this usually has to be split into two measurements: Current CPA (what it's going to cost initially) and Projected CPA (what it could cost in the future).

Lifetime Value (LTV) and repeat order rates are also loved by the industry but are not always essential in the early days. Nor are metrics like 'sign-ups', 'installs' and 'beta users' as they're usually not helping to understand what is driving customer conversion. Website traffic growth and social media interaction on the other hand, is usually a good indicator of how strong the actual value proposition is (and the level of marketing effort required). Whilst bounce rate and abandon cart numbers can also be very good at isolating key issues.

There's another document that I like to keep separate from any Marketing Plan: *The Marketing Business Case.*

MARKETING BUSINESS CASE (MBC)
This is the document that outlines all of the financial assumptions associated with the marketing programme. The Marketing Plan needs to feed into this, but I like that to be a much more slimline, action-orientated programme plan.

Separating out the business case makes it a lot easier to manage updates and create transparency for non-marketing people.

It also helps the marketing lead position their marketing programmes as an essential investment, not just a necessary overhead. As well as outline different investment scenarios so that they have an idea of how to scale the marketing programme should the investment landscape change.

A startup also wants a document that details how marketing programmes will be measured in bottom-line benefits (not just marketing speak). This normally scares marketing execs, but it [usually] creates some much-needed pragmatism around marketing targets.

For more insight into what should be included in a startup Marketing Investment Case please contact: **gavin@novartec.co.uk**

MY **DIGITAL LANDSCAPE**

Here is a list of all of the digital technologies that I regularly use for marketing planning and to stay a head of the curve (particularly with social media)

MARKET SIZING

- **Google Trends** lets you see the latest trends, data, and visualizations from Google and finds out what's trending near you right now. Not to be confused with **Keyword Planner,** this is also a free Google Ads tool that's like a workshop for building new Search campaigns.

- **Ahrefs** is a brilliant tool that gives you the opportunity to learn where your competitors get traffic, where they rank for specific keywords in Google Search, how many backlinks and who exactly links to their website and much more.

USER PROFILING

- **VWO** sells itself as the tool that enables you to drive complete integration across the customer experience. It doesn't quite do that (yet), but it does help you uncover blockages in your customer journeys and is a really powerful tool to help structure and manage A/B testing initiatives.

- **Leanplum**'s Campaign Composer helps marketers map customer journeys across every touchpoint and build behaviour-driven, multi-channel campaigns at an individual level. It enables marketers to proactively understand the future impact of their campaigns and optimize them for the highest engagement.

- **Smaply** is still my go-to tool for visualising initial customer journeys and user personas. It's a very easy to master mind-mapping tool that enables you to create detailed customer journeys. When someone figures out how to integrate this with a CRM solution, the world will be a better place.

LEAD DEVELOPMENT

- **Buzzstream** This is one of the best tools to research influencers and contact them in a personalized and efficient manner. You can discover all kinds of information about people in all kinds of niche markets.

- **Headreach** is a simple prospecting tool for marketers and salespeople. It helps you find the right decision makers and their emails without paying for a LinkedIn premium account.
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CONTENT ANALYSIS

- **Crazyegg** is my favourite tool for heat and scroll mapping, this is really good to help understand what content is creating the most interest.

PRESENTATION TOOLS

- **Slidebean** - is a great little company who produce slide decks for startups. Think of that little paint-by-numbers PowerPoint or consultancy-in-a-box. They give you the structure, you put in the data. The Slidebean vlog /blog is a must see /read.

PROJECT MANAGEMENT

- I have switched between so many project management tools (**Confluence, Jira, Slack**) over the last few years, largely as a result of what clients have been using at the time. In my honest opinion, none of them are really that good. Slack is better at team co-ordination, Jira and Confluence proper project management tools but clunky with it. But the two that I always seem to come back to are **Team Gantt** and a To Do app called **Tick Tick**. They integrate with one another, have good mobile options, reasonable team management capability and affordable price plans. Tick Tick also has a very simple but useful Kanban option.

In my experience, 'big brand' in this space doesn't mean best. A lot of popular technology tends to stand still and get overtaken by nimbler competition. I focus in on cross-platform integration and useability and try not to get locked-in to proprietary systems or pay for functionality that you just don't use.

DON'T **BUILD FROM THE BOTTOM OF THE FUNNEL**

In the early days of a startup, the temptation is always to put sales teams into the field to try to generate some quick leads. This is what I encountered at *Uniquedoc*. They had five guys in five different territories all determined to prove their value.

All that was driving however, was unstructured customer insight that these guys used to drive their own agenda. The result was feature-creep on an industrial scale which led to a confusing user experience, a conflicting value proposition and an increasingly disenfranchised software development team unable to challenge the direction of this 'market data'.

We solved it by making sure every sales guy had a more structured remit. The were targeted on connections with key audiences and the insight they were providing. We moved them away from asking customers about 'what it is that they wanted' and got them to start understanding where the real pain was and how we could fix it. This enabled the product team to focus in on key functionality and much more agile ways of working. And it enabled sales teams to focus around much more value-based selling.

Uniquedoc were building a secure collaboration system for healthcare professionals, but that meant different things to different people. One investor for example, insisted on incorporating a cloud storage offering because he'd heard that it was going to be the next big thing. He was right, but it had nothing to do with the value proposition that they were developing.

Another insisted on a calendar function because he thought it made the mobile app look more integrated. It did, but it meant customers switching from their existing PIM software to use it, which of course, they didn't!

All of this was an example of a business becoming defined by the early market demands that *Chasm Thinking* tries to avoid. Unfortunately, I was the only one who had read the book!

ALL **THAT GLITTERS IS NOT GOLD**

I did some work for a company who were putting electronic sensors into sports shoe insoles and were generating biometric data for athletes in a way that nobody had been able to do before.

Because of the nature of the technology and the industries that they were targeting, this startup was generating some significant publicity. Helped by promotional material that was deliberately aspirational. But, as a result, the press coverage focused more on what the product couldn't yet do, rather than what it actually did. Which developed 'leads' with mainstream customers that the company was not in a position to service.

It all looked good to investors initially, but the experienced startup eye could see why this was a poor use of scarce resource. Sales guys were driving down dead ends and the company was setting expectations that it didn't know how to meet. When the technical development programme started to stretch out (as was inevitable) early advocates began to lose interest.

Not that this was the end of the world. The founders had created a lot of noise that they could have used to their advantage. But they were intent on driving a strategy based on personal preference rather that customer insight and refused to pivot. Eventually, the investor goodwill that they'd generated evaporated and with it, the opportunity.

GREAT TECHNOLOGY
IS NO GUARANTEE OF ANYTHING

The sports shoe insole company's business case was built on the belief that existing demand for its data aligned to a superior product offering was all that really mattered. But that never took into consideration all the other companies vying for the same share of the customer's wallet.

Being aware of the competitive reality from a use-case scenario is very important for a startup.

The problem for this company was that they were reliant on the customer buying additional technology. And most of their target market were already getting the information that they were selling, albeit not as accurately. But when you factored in a cumbersome use-case (limited battery life, complicated charging and comfort issues) there was only going to be one outcome.

Customers don't buy stuff just because it's great engineering! You have to build a product for the way the market wants to consume it, not how you would prefer to sell it.

IT'S NOT WHO YOU
KNOW, **IT'S WHAT YOU**
KNOW!

I advised a employment firm who were developing an all-singing, all-dancing digital recruitment system. They had already squandered six figures on 'marketing' and had a lot of excuses to explain why it hadn't worked.

But it wasn't bad marketing consultants that were to blame, it was something much more fundamental. Despite 20 years of working with them, these guys didn't understand their customers (and nobody could tell them that).

That sounds a bit disingenuous; but who buys software from a head-hunter?

One of the big mistakes that many new ventures make is to assume that because the market needs something, they also want to buy it from them.

It doesn't matter how good your existing relationships are or how relevant your industry experience is. That's not what you're selling anymore!

It might be easier to get in the door, but now you need something that new customers can experiment with and sell on for you. Fortunately, for this company, we could break out a number of neat little apps embedded into the core functionality and use them to drive smaller pilot programmes with a re-focused customer base.

But not all startups are that lucky!

DON'T MAKE MARKETING THE LAST THING THAT YOU FIGURE OUT

'The reasons why innovation seems so difficult for firms is that they often employ highly capable people and set them to work with processes and values that weren't designed to facilitate success with the task at hand.' Clayton Christensen

Despite all the hype and hyperbole, startups and innovation development programmes aren't necessarily a haven for the enlightened. If anything, they're more susceptible to obstinate thinking and frequently expose individuals who would rather shoehorn in past experiences than figure out what good now needs to look like.

The idea that a startup generates its own agility because it is naturally lean is also misplaced. In fact, the opposite is nearly always true. Every successful programme that I have been involved with has been defined by a very structured approach that has been designed to control innovation and eliminate bias.

That's why technical teams have congregated around agile development. Unfortunately, this is not always the default position for a marketing industry that has grown up focused on execution and finding one-size-fits-all solutions to complex business problems.

Which is why that's the issue that usually needs to be fixed first. That doesn't mean *agile everything*, however. The key is designing processes for the task at hand and ensuring that all the operation is aligned behind that. You can't just have one part of a small business working to tightly defined sprints and the rest playing a numbers game! You have to build a marketing function around the challenge, not the experience of the people tasked with managing it.

The thing about developing new technology now, is that we know how to do it. You have to figure out how to cost-effectively create the functionality that can test a customer experience. Then build an operation that can flex to that (and has the cash to sustain it).

If you don't have either, then no amount of brilliant marketing is going to save you regardless of how you define it.

The harsh reality when you're developing disruptive technology is that it's largely irrelevant whether you have something that everybody should need. Because some things just aren't easily marketed.

So, if you can't build a product that's simple to test, easy to pilot and that people can see an immediate benefit for; then it's probably not a good idea and that's just the way it is.

So, what you really want is a proposition that is so strong, that it can create an initial market traction without that much marketing investment. And, if the truth be told, you're usually much better spending your time and money figuring out what that is, than developing promotional initiatives for something that can't! That is not advice that you're going to get from any marketing agency, however, and the real reason why I wrote this.

ABOUT
THE
AUTHOR

I have been investing in and advising startups for more than a decade now and the hardest part of nearly every role always seems to be establishing an effective marketing function.

At the base of this is usually a pre-conceived idea of what marketing is and how it fits into an organisation.

But customers who buy products that nobody has bought before from companies that nobody has heard of, are few and far between. And while it's relatively easy to make some noise because you are new, creating a meaningful scale engine and sustaining that requires a detailed understanding of where your customers are in the marketing funnel and what they need to transition.

If you de-prioritise this, or cut corners, or get kids to do it for you, then there is a very real risk that you will end up haemorrhaging cash on half-baked ideas that neither deliver what you want or help you learn what you need.

Marketing in the early market, like the innovation that it supports, is about learning and evolving. So, don't make it the last thing that you figure out. Build the need to understanding what *your good* looks like into the business plan in the same way that you do for product development.

So, that when you're ready to launch, your marketing effort can hit the ground running and when you start growing, it's set up to evolve with you.

Gavin McClement runs an innovation management company specialising in building startup accelerator programmes. He was previously head of product development for British Telecom and marketing transformation at Microsoft.

This document is a redacted version of a more detailed programme of initiatives that can be obtained by contacting: **gavin@novartec.co.uk**

NINE
MODERN
MARKETING
RESOURCES
THAT MIGHT
HELP

1. **eConsultancy** is a great resource for those looking for sharp, data-driven posts with plenty of actionable advice and tips on topics ranging from email marketing to paid social media.

2. **GlobalWebIndex** blog is a trove of insights data condensed into short, informative articles focused on analysing trends in modern marketing. Charts and statistics are the heroes of this blog, so this is a particularly useful resource for visual learners and anyone looking for good, shareable graphs. The language used here occasionally verges on technical, but posts are short enough to remain accessible to those new to digital marketing.

3. **HubSpot's blog** really is 'where marketers go to grow'. It's full of easily digestible content and covers all things digital. It's a great resource for interesting and thought-provoking advice, but also a great case study on how to structure content in the always-on age.

4. **Marketing Sherpa** is a research institute that publishes a whole suite of articles, videos and reports covering modern marketing from both a B2B and B2C perspective - with an emphasis on providing tactics and insights backed by statistics. If you're in the market for in-depth analyses of real campaigns run by real companies, this is the place.

5. **Convince & Convert** is a go-to resource for news, insights and tips in the digital marketing space. Find detailed how-tos, tips on how to build your marketing strategy and editorials written for both novice marketers and the more advanced. The team also publish a range of handy books and podcasts.

6. **aimClear** - For those looking to build an in-depth understanding of how online advertising works, the aimClear blog is a must-read. Aimed at slightly more advanced audiences, it covers the ever-changing rules of online advertising and reports on modern marketing best practices.

7. **Ignite Social Media**: this blog is an essential source of advice for businesses getting into social media marketing. It includes tutorials, lists of useful tools and tricks and updates about social media networks.

8. **PSFK** publishes reports and articles covering trends across business, design, technology and retail. Their member-only portal for modern marketers and strategists is an essential source of news and in-depth case studies.

9. **Spin Sucks,** although it mainly targets PR professionals, Spin Sucks is a great source of modern marketing advice for those delving into content, social media and business development.

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For the accompanying appendix to this document, please contact the above.