THE DIFFERENCE BEING DISTRUPTIVE

LEAN MARKETING IN A TECHNOLOGY STARTUP

A practical guide to developing a marketing programme for an early-market business.

Introducing the MVP Marketing Plan.
A working framework that aligns marketing with technology development in an AI-ready structure.

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STARTING OUT OR STARTING UP?

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 international markets will have products and services that customers have bought before; processes that they trust and a brand to fall back on. A new 'High Street' business may not yet, but 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 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.

The kind of customer who buys a product like this, from a business like that, is not just unusual, they are few and far between. Which presents a unique marketing challenge that very few executives have much experience of.

So, while this document is still relevant to an organisation that is starting out, it focusses on what's different when you're developing a marketing programme for a fledgling operation in a disruptive environment. Because most of the guidance on how to do this - in my experience - is usually based on replicating small business marketing models and then learning from your mistakes. Which is fine, if you have the time and cash to do that. But it can be the death of you, if you don't!

Most tech startups evolve in a similar way. In the beginning, a loose management team will usually come up with an idea which they'll qualify with some market research. From there they'll pull together a business plan with some initial assumptions on marketing and then, assuming they can raise some funding, they'll start developing the product.

That normally involves the creation of an MVP (Minimum Viable Product) initiative from which a full marketing plan will normally emerge.

It's not that this doesn't work. It's just not the most effective way of optimising the marketing effort in a new venture or understanding the investment requirement.

It assumes, for example, that the MVP process is testing the marketability of a solution (which isn't always the case). While it limits a venture's ability to fully understand the marketing investment requirement until after that MVP initiative. Which isn't optimal either.

A better way of managing this is to have dedicated marketing input into the MVP programme as that enables a marketing interpretation of the product development outputs throughout the process (not just at the end).

This isn't as complicated or as resource intensive as it sounds, however. In fact, because of how agile frameworks are generally structured, most startups can usually manage this without any dedicated marketing expertise.

VALIDATE

THE MARKET NOT THE PRODUCT



The best place to start explaining why is with the Minimal Viable Product (MVP) concept.

For all intends and purposes, an MVP is a slimmed down initial product offering that develops through a series of rapid prototypes to allow a venture to test a proposition in-market quickly and cost-effectively.

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 has become the de-facto way of developing new technology for many tech startups.

But, as the name suggests, 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 also has to be 'viable' and for that to be the case, a new venture needs to build into the process an understanding of how a solution has to develop in a market.

Some will do this by default, but very few will build in a mechanism to test sprint outputs through marketing channels and feed that back into process.

And that, in my experience, is where a lot of MVP programmes fall short. Too many, unfortunately, focus on validating the technology, but not necessarily the market and how customers want to buy a new solution.

This is why I developed the *Early Market Marketing Development Framework*, better known as the *MVP Marketing Plan* (which this document is based on).

What the MVP Marketing Plan does is to outline a series of initiatives to help a startup align their marketing planning to product development through existing workstreams.

This has the initial benefit of creating a funnel for marketing input into the product development process to ensure that early market validation work is incorporated into the technical build.

But it also helps co-ordinate insight development, ensuring that there's a consistent approach and no duplication of effort.

The MVP Marketing process is how a startup gets a quick view of the likely marketing requirement without creating overheads that they don't need. But at the same time, build a stronger internal understanding before making any longer-term investment decisions.

That creates a far more dynamic marketing planning process which can respond to pivots in the business model more readily. It also helps position the marketing programme as an iterative process, not as a *fait accompli*; but as a series of educated assumptions that still need to be tested.

All of which creates a more rigid structure for marketing development in a new venture. And, maybe more importantly, better aligns future marketing structures to impending technologies such as Artificial Intelligence (AI).

IT'S DIFFERENT BEING DISRUPTIVE

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

It started out as a way to drive integration through the product development process and eliminate functional bias in the planning phase. But it evolved into a framework to help new businesses adopt the right structures to also manage future scale.

This document is written around this process in order to be more of a quick-fire guide. For a more detailed understanding of the MVP Marketing Planning process please contact: gavin@novartec.co.uk

MVP (MVP МВС Market Marketing Plan) MRD Validation 80 ₩ (G)MARKETING PLAN User Platform Persona Launch Development Plan PR Plan Fig 1. Early-stage Marketing **Development Framework** © Novartec Ltd 2019

What's always interesting about innovation is the traits that the successful share.

In more than a decade observing them, the ventures that I have seen succeed didn't just loosen their ties and fill the office full of beanbags. Everyone of them put a lot of thought into how to create the right structures for their particular ventures, and understood (or quickly came to realise) the need to apply that consistently across the operation.

They all got the need to address the challenge that was in front of them and could see the dangers of being defined by individual experiences or preconceived ideas of what 'good' looked like.

But nearly all of them had the same problem with marketing. Not because they couldn't find marketing execs with the core skills, but because most of these people had cut their teeth selling established products for recognised brands and their first thought was nearly always to try and shoe-horn that experience into the task at hand.

Which is not a luxury a cash-starved, time-poor startup generally has.

Startup marketing executives need to understand what's different when you have to be disruptive and apply that understanding from the get-go. Otherwise, they can easily end up haemorrhaging much-needed cash on half-baked ideas that at best, don't teach them anything or worse, end up skewing strategic thinking.

BEGIN BY

WORKING BACKWARDS

The first thing I do when I'm asked to create a marketing programme for any startup is to understand how that venture has developed their initial market hypothesis.

One of the big mistakes that I see startups make is to assume the great technology just sells itself. But if a new venture is not solving a problem that the market is already prioritising, then the marketing challenge and therefore, the investment required, is likely to be much more significant.

But I only really need to answer two key questions initially to figure this out: i. how much of a priority is the proposed solution and ii. will the market buy it from this particular venture?

- 1. FIND THE PATH OF LEAST RESISTANCE
 To do this, I will start by developing a top-level summary of all the potential customers segments that I think could make use of any proposed solution. I'll whittle these down to three or four priority groups 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.
- VALIDATE THE MARKET (NOT THE PRODUCT)
 Then, I'll 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.

I'll 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. This will give me a good understanding of how well received the proposed solution is likely to be, although not necessarily how easy it is to sell. Which is why the next thing I like to do, is to write a launch press release (and Q&A).

3. BEGIN BY WORKING BACKWARDS

This might look like I'm putting the cart before the horse, but I have always found this a really valuable exercise which adds some (usually) much-needed early reality to a project.

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 understand how important (read: exciting) the idea really is and therefore, the level of marketing effort (and spend) that's going to be required to create the necessary traction.

It will also help shape my initial positioning and content development testing strategy (and focus essential keyword development and search engine optimisation).

More information on how to develop and manage a market validation exercise is available from gavin@novartec.co.uk

FOCUS ON

THE METHOD NOT THE MADNESS

These exercises are what I will use to develop the primary insight that I will add to my secondary research and feed into MVP programme.

The document that I use to manage this is called a *Market Requirements Document* (MRD).

MARKET REQUIREMENTS DOCUMENT (MRD)

This is a hugely significant document for a startup, but also one that many chose to side-step, preferring to incorporate their market research into an all-singing, all-dancing technical PRD (Product Requirements Document).

Please don't do this!

The MRD is an analysis of the needs of customers in a target market and a business' ability to service them. It often contains many of the elements found in a conventional marketing plan (market size, customer profiles, competitive landscape etc). But this is the document that protects the customer perspective (and acts as a single source of the truth).

The MRD is also a well-established process in tech development circles and something experienced programmers will be familiar with.

This is what the marketing lead should use to feed requirements into the technical development process and how they manage changes should the business pivot. It doesn't matter how 'agile' and organisation actually is. The PRD, the MVP development programme and the Go-to-Market Strategy should fall out of the MRD, not the other way around.

More detail on what should be included in a Market Requirements Document is available from:

BUILD EVERYTHING AROUND CUSTOMER JOURNEYS

If there is a properly defined agile product development process that is developing and testing product iterations using customers stories it will do most of the heavy lifting for the marketing plan.

There's no more magic marketing dust that an agency will be able to sprinkle on top of that (no matter what they tell you) because this process is designed to develop disruptive insight which an initial marketing programme then has to test. What the startup marketing lead is effectively doing then, is just ensuring that this is what is happening (which the MVP Marketing Plan helps them with).

In less agile organisations, I will instigate a process that effectively replicates this. I will create a series of user personas for my priority audiences and map out a buying journey for each.

If I get into enough detail, this will tell me where my marketing will have the most impact, who else has an influence over my potential customers and how I need to structure that messaging going forward.

That's not an over-simplification. If a startup bases their marketing development around customer journeys, they will see a logical order of requirements through the sales funnel. That will help them decide the marketing vehicles that they need to test at each stage of the process.

But they don't need marketing experience to do that. All they need is a process to follow (which the MVP Marketing Plan outlines) and a way of testing the outputs.

A more detailed understanding of how to develop user profiles and map out customer journeys is available from: gavin@novartec.co.uk

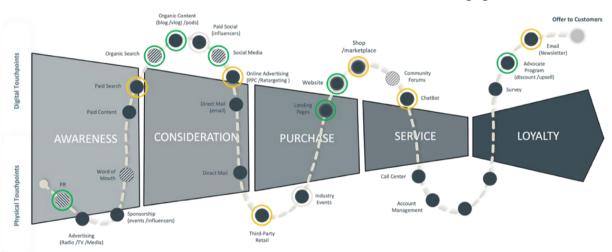
BEWARE

OF THE VOICES

The potential initiatives that come out of this [customer journey mapping] will be a mix of inbound, outbound and sales prospecting initiatives.

Inbound marketing (i.e. search, 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.

Which is why there's normally a lot of value in planning to do some outbound (advertising, events etc). This can scare 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 and stress-test messaging.



That's not to say that marketing expertise is not advantageous, nor does it undermine the effort that is needed to complete this. But if a startup doesn't have (or want to commit) the resources, then this is a way of developing an initial marketing programme and aligning it to the technical development process.

The key thing to understand about a startup marketing programme, is that it literally starts at square one. Nobody is searching for these companies on Google (in the way that they usually need) and not enough people are following them on social media yet, for that to be a meaningful marketing channel. So, while it's normally not too difficult to make some noise and generate some 'likes' that doesn't mean this will convert into followers or sales anytime soon.

That's the most profound difference between marketing an established business and a new venture. Most technology startups have to create a market before they can sell anything in it. They have to understand the end-to-end customer journey from the perspective of a discontinuous innovation and not just figure out what vehicles work and combine best at each stage, but how that is likely to evolve as the market develops.

Fig. 2. (left) is a real example of how this can manifest itself. It's a customer journey for a startup attempting to position a new product category through organic initiatives. It shows all the activities that were considered with those that were prioritised circled in green and those likely to be part of future plans in amber.

The key is ensuring that marketing vehicles are applied in the right way and at the right stage of the funnel for each audience.

CHEAT

BUT DON'T FAKE THE LEARNING PROCESS

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

There are some very important reasons for this:

- The marketing lead wants their marketing programmes to be viewed as an essential investment, not just a necessary overhead. So, they need a document that substantiates this and positions the marketing development programme as an evolving process and not a fait accompli.
- The marketing team also want to outline different investment scenarios to both ensure that the final marketing budget is defined by the current business landscape and not any legacy financials. But also, 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. Not only to create some [usually] much-needed pragmatism around marketing targets but also, to ensure that they have something that nonmarketing people can easily scrutinise, modify and manage.

This all makes for a much more slimline, actionorientated (and accountable) marketing programme plan.

More detail on what should be included in a Marketing Business Case is available from: gavin@novartec.co.uk

When you're starting something new, it really easy to get caught up in analysis paralysis as you try and figure out where the sweet spots really are.

In my experience, it's usually better to be consistent rather than comprehensive when it comes to what to measure (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. But 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 marketing plan.

Lifetime Value (LTV) and repeat order rates on the other hand, while useful to know (and loved by accountants) are usually not as important for a startup in the early days. Nor are metrics like 'signups', 'installs' and 'beta users' as they're usually not helping to understand the long-term viability of a proposition.

Bounce rate and abandon cart analysis, however, can be very good as they can quickly help isolate issues. All startups are different of course, but what's always really important, is to avoid vanity metrics that might look good to investors (and can create the illusion of progress) rather than challenge any potential issues.



NICHE OR GO NOWHERE

But the very first thing that any prospective startup marketing lead should do, is to read *Crossing the Chasm* by Geoffrey Moore.

This book is more important than *The Lean Startup* for marketing executives because it helps an organisation understand how to set up a scalable business and marketing's role in this.

Moore's argument is that disruptive innovation - by its very nature - attracts a certain type of first customer. But these 'early adopters' have different buying behaviours to the rest of the customer base so they require a unique engagement model.

In many regards, early adopters are a startup's greatest asset because they are already looking for a solution to the problem that the venture is planning to solve. They also buy into visions, move quickly and purchase things that nobody else has bought before.

But there's rarely enough of them to sustain a business, so a new venture can't get chained to their demands. They have to use them as a way of testing initiatives that will springboard into larger markets.

A startup's initial marketing effort then, needs to be focused on building a relationship with their initial base in a way that's relevant to more conservative customers. That can mean they'll be driving advanced messaging at educated audiences in order to develop testimonials that are relevant to less discerning audiences.

Again, this is what's different about being disruptive. It's rarely about the brand experience at the start (no matter how important that is for the long-term).

What a startup needs are individuals or groups who are going to authenticate both them and their value proposition and then sell it for them to the less knowledgeable or enthusiastic.

This 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). Because this is how they focus resource and create competitive advantage quickly.

It's also how they develop a structure that enables them to manage scale more effectively.

It doesn't matter how many startups I've been involved with; it always comes back to this.

While I've seen companies succeed without ever referencing 'early adopters', it was usually because they were targeted by default.

I've also seen many more flounder because they trivialised the impact of this group. Normally by driving mainstream initiatives into them that didn't hit home or conversely, by getting chained to early market insight and then ending up with a set of esoteric features that confused the mainstream market (also known as 'feature creep').

But it was usually because they didn't spend enough time figuring out where their niche focus needed to be and how to expand out of that. And then they ended up spreading their resources too thinly and running out of runway.

BUILD

THE TEAM AROUND THE TASK

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

Then they must figure out what the minimal functionality is to replicate the final customer experience and test it. 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 the authenticity of their offering.

Then, 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 the buying process.

But the objective is not just to figure out the right marketing mix. A startup is also trying to understand how the marketing discipline fits into a particular venture and how to manage that as it evolves. Which might mean that nobody even has 'marketing' in their title as the business moves forward or that there's a marketing department at all!

So, in summary of Part One, I think of building a startup marketing function as a four-stage process.

i. Test with you first: A new venture is never going to be able to optimise third-party marketing support in a business that could be about to pivot. So, they need to figure out how to integrate marketing development work into existing workstreams and allocate time to testing this. That might feel counterproductive at the time; but it will help develop a far stronger internal understanding of what is needed from future marketing investments. That is not to say that some marketing expertise is not needed early in the process. To get an initial view of the Investment requirement, a startup has to turn early insight into a testing programme with projected timescales and costs and most startups will need a third-party to do that for them.

What they don't want, however, is to pay someone for insight that they are already developing and then put them on a retainer to develop campaigns that they don't know if they need.

- ii. Add contractors before employees: When it becomes clear that additional support is needed, a startup can tap back into these third-party relationships rather than pay for full-time hires. This will also help maintain business agility and continue to expose the venture to a range of different ideas.
- 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'll 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. **Now specialise**: When the time comes to hire specialists, a new venture doesn't want to be defined by previous experience and job titles. Some of the best marketing people that I have hired, have come into this space from other disciplines and taught themselves marketing!

TO HELP NOT HYPE



What's important to understand about digital technology is what it's already done to the customer.

Back in the day you could fill a conference room with lukewarm leads on the promise of a decent finger buffet. And as long as these guys left with some data sheets and a stress ball, then the marketing job was as good as done.

But now these very same 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 you were queuing for that cappuccino!

That's the reality of marketing in the digital age. Mobile is now our primary access to the internet and together with Search (and soon AI) 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.

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 now, they could be well along a buying journey without you ever knowing that they exist.

It all means that 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 simply not going to be possible to project much authenticity, if you don't have any.
- Everybody is going to have to learn how to help, not hype (provide value to their audiences without asking for anything in return).
- The success of the marketing function is defined by a completely different set of metrices. Like how well you can drive analytics through an organisation or unify data sources or integrate workflows and drive collaboration.

Marketing, in short then, can't exist in a silo anymore; it has to be more than one 'P'.

GET

SOME EARLY SKIN IN THE GAME

There are a few things that nearly all new ventures have to do regardless of the marketing strategy.

1. START YOUR ENGINES

Startups are on a bit of a hiding to nothing when it comes to Search Engines. So, it's important that they get things up and running quickly. This means making sure that all of your digital assets (including pictures) are optimised AND integrated for Search. The last bit is particularly important, because search engines increasingly use social media activity as a way of validating products and organisations.

2. GO BLOGING OR VLOGING

A blog /vlog can be an important integrator in an early-stage company's marketing strategy, particularly if you can get third-party endorsement (i.e., guest bloggers). Blogs are easy to start (you can get a WordPress site up in minutes) and you can look for guest blogging opportunities in the blogs that are already written for your target market.

Be careful, however, not to spend an inordinate amount of time writing stuff nobody will read. Pull together a few core articles, but then spend your time helping, not hyping (linking to other sources).

KEY ADVANTAGES of a blog /vlog:

- They help build subject matter credibility with customers and influencers alike, particularly if it includes third-party comments.
- It's an excellent way to improve SEO rankings because you can drop in key words and links.
- It helps others do your marketing for you (if other people share your content).
- They are another good way of testing your early messaging.

3. GET THE REAL 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 you influence them. This can take a lot of time and effort (hence why you need to start early).

Startups usually have an advantage here because they have something new. But a big splash followed by radio silence or worse, a tirade of spam can make a good proposition look like a half-baked idea.

This used to all come under the banner of Public Relations or 'PR' and in many companies it was an autonomous department. But this never worked for me. I always preferred it to be under the marketing umbrella, in order to force teams to think beyond 'likes' or press clippings and link activity in with other marketing initiatives.

What's important is that the PR programme is driven by the marketing agenda and is generating strategically relevant content - not just press cuttings or social media posts that give the impression of scale.

SET UP TO SELF-EDUCATE

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

This is an essential physical and digital 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 summarizes 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 'shortlist' 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.
- vii. 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

DON'T GET SEDUCED BY SOCIAL

There's only so much a startup can do with social media platforms in the early days if they don't have the followers. So, I am always very wary of marketing plans that are built around them.

Startups tend to cluster around social media without much strategy (and get kids to advise them on it) because it is cheap. But developing an effective social media presence usually takes time and is not straightforward (and is usually something that they want to get specialist advice on).

The secret is to choose the platforms that are right for your value proposition and ensure that they are utilised at the right stage of the marketing funnel. This article provides a good overview of what each does: Top Social Media Platforms Worldwide.

That said, social media doesn't work for everybody. Some products just don't lend themselves very well to the type of content that these platforms generally need to create scale. And, unfortunately, a lot of startups waste a lot of energy figuring this out.

STOP TRYING TO BE LIKED BY EVERYBODY

One of the biggest mistakes that I see startups make with social media is to focus all their attention on being liked. It's not a total waste of time, as it 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 algorithm are designed around this) and to do this quickly, startups generally need to partner with someone who is already talking to your audience. That doesn't just mean paying influencers (they can be more trouble than they're worth) but finding groups or people who have already built a

level of trust with their customers and figuring out how to add value to their lives.

In my experience, the trick here is not to focus on people with massive followings. But to find influencers with a few thousand focused followers or groups with less, but more active members.

FOCUS ON QUALITY, NOT QUANTITY

Even if a startup can make some early noise, sustaining that without regular and engaging content is very difficult (particularly if the business is still prone to pivoting). Which is why it's really important to focus on quality, not quantity and on building a strong trust-based following in the right areas that can be sustained over a period of time.

THINK BIGGER THAN YOUR BUSINESS MODEL

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 value in going global on social platforms earlier as that can create both traffic (which improves search rankings) and a following that can influence your initial markets.

DON'T BE AFRAID TO DUPLICATE

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, don't be afraid of repeating great content as most people won't have seen it the first time.

How to create engaging content for social media.



THE DIFFERENCE WITH SEARCH

Paid advertising through social media channels on the other hand, is much more straightforward (even though it might not seem like that on first glance).

Facebook ads, for example, can be a highly targeted way to get to a customer group. Facebook even has a template that optimises your ad creatives and spend and it's usually the best way to start the process.

A Startup Guide to Facebook Ads

There's two major problems with these platforms in my experience. Firstly, they're now really competitive and while it's (relatively) easy to get click-throughs (if you have the right creative) conversion is still difficult for a startup (because who buys something from a company that nobody has heard of?).

Paid search has the same problem; it will drive traffic, but you will pay for click-throughs in the early days that don't convert. So, it's a tactic I normally employ further into the funnel (with very specific search criteria).

Organic search, however, is essential to get right from the get-go. And while nobody knows for sure how Google's algorithms work (they change 500-600 times a year) there's enough best practice online to be confident in it. The problem of course, is that it takes a long time to work.

Here's a few more power tips as a result of that changes that have happened over the last few years:

USE LONG-TAIL KEYWORDS

The growth of voice search means that long-tail keywords are more important than they used to be. These are longer, more specific search queries such as 'exclusive golf gifts for men' as opposed to just 'gifts for golfers'. They also often indicate that a customer is further down the buying journey which drives higher conversion.

GET SUPER SOCIAL

Search engines also increasingly use social media activity to determine rankings. So, making sure that this is liked to your web presence is important. Search engines will be looking at how active and up to date your social media accounts are and how many shares your website content gets.

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 your site is hard to navigate or slow to load (Google calls it 'time to byte') on a tablet or a phone, then your ranking will be impacted. So, 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).

You can check out a site's speed via this link: <u>Google</u>
<u>Page Speed Insights</u>

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.

 <u>Smaply</u> 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.

MARKETING AUTOMATION

• There are now hundreds of marketing automation platforms that a startup can choose, and no one is definitively the best. I tend to use a solution that links in with whoever I'm working with. Marketing automation software is a powerful tool in the right hands, but if you've learned anything from what I've written so far, it's also a highly destructive tool for someone looking to press the marketing easy button.

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

• <u>Slidebean</u> - 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.

SEE

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 breathtaking 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 a spreadsheet) until
 you've played around with a few ideas.
- 2. Map features to requirements. It's very important not to get dazzled by the technology. When you've mapped out your buying journey you will quickly see where technology can help.

Usability is also extremely important as it'll determine how much value your team extract from the tool. The less intuitive the software is, the more you will pay for training, and the more headaches your team will endure. 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.

- 3. Think about marketing technology 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.
- 4. **Don't get locked in.** 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.
- 5. **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.

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 Sales guys used for 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 met with a lot of resistance at first, but it 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 driving a strategy based on personal preference and refused to pivot from this. Eventually, the investor goodwill that they'd generated just evaporated.

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 startups vying for the same share of the customer's wallet.

Being aware of the competition 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 very 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 working with them, these guys didn't understand their customers!

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!

If you want to get in the door, 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 thing about developing new technology now, is that we know how to do it. It's not about quick wins or early cash flow; but figuring out how to cost-effectively develop the functionality that can test the customer experience.

You need an operation that can flex to that and have 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. If you can't build a product that's easy 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.

That's the problem with a life in innovation. It looks exciting from the outside, but it's a world where very few win, too few fail fast enough and most burn very badly.

So, what you really want, is a product that is so strong, 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!

'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 want to shoe-horn in past experiences rather 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. Every innovation programme requires structured process and principled management from the outset.

The industry knows this now, which is why It has congregated around agile development principles. Unfortunately, that is not always the default position for marketing functions and that's what needs to change.

That doesn't mean agile everything, however. As Clayton Christensen alludes to; the key is designing processes for the task at hand and ensuring that all the operation is aligned behind that. You can't 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.



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 will 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

- 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.
- 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 everchanging rules of online advertising and reports on modern marketing best practices.
- 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.

