BUILDING DEMAND FOR NEWCO'S

A disruptive innovation startup marketing playbook by Mark Donnigan.

" The data shows that startups do not fail because of lack of product development, or the inability to scale.

Rather, companies fail because they didn't put the same attention, passion, and ingenuity into engineering the market.

THREE MARKETING PILLARS

Intentional market engineering is required to create uncontested space as the Category King.
Three areas of focus for marketing teams are product marketing, demand generation, and category design.

PRODUCT MKTG

PRODUCT MARKETING answers the "why your solution?" It must be problem-solution centered with sufficient technical detail to clear the evaluation checks performed by technical validators. It should lean heavily on performance and benefits.

DEMAND GEN

DEMAND GEN MARKETING is the rocket fuel for sales and revenue. Demand generation success cannot be measured by MQLs or SQLs only. Demand Gen is enabled by the foundation of CATEGORY DESIGN and it supports the buyer's journey to "closed/won."

CATEGORY DESIGN

Go-to scale does not happen by accident. Category King's take 76% of the whole market. The #1 job of the executive team, founders and marketing leader is to "become the king." CATEGORY DESIGN is the bedrock for demand generation.

MARKETING PILLARS: Key Concepts

1. **Don't get stuck marketing features.** Talk about the problem-solution in the context of a category. The real job of product marketing is to define the problem that you built your product/solution to solve in the context of a category that you have named.

2. **Demand generation is more than MQLs and a sales funnel.** Real demand generation happens only when you have built a category and the market sees you as the default choice so that your competitors must always explain how they compare to you.

3. **Category design is the first and most important step to becoming a Category King.** The concept of Category King was ratified in the book 'Play Bigger'. Category kings command up to 76% of the market. The only choice is to become a king, lest you be left picking up scrapes.

4. **If an organization embraces category design as a competitive imperative, marketing and all major activities will be evaluated differently.** Traditional marketing KPIs will not always line up with the objective of defining and owning a problem where your product is the obvious solution that represents the named category. Decisions around events, partner marketing, content marketing, paid/performance media, email, SEO, speaking must contribute to establishing your company as the category king.

DEMAND GENERATION

CATEGORY DESIGN: FOUNDATION OF DEMAND GEN

MBA driven brand marketing will kill you. If you are not the Category King, you will be left fighting for scraps.

Marketing has one task: drive business outcomes. Never has the marketing team needed to be more versatile. Following the MBA marketing playbook no longer works because in today's marketplace, the buyer has all the power. For most companies it's not technology risk, but business risk that is the greatest.

Marketing value is measured by: revenue impact. The B2B sales process is fragmented and complex with dozens of stakeholders needing to sign off on a purchase decision. Many traditional marketing ROI and campaign attribution methods are no longer effective.

Your company must address the market by: defining a problem and naming the category for the solution that your product delivers.** Category King and Queens take up to 76% of the market value. They define the market when all competitors refer to them for comparison. Ex: Salesforce = CRM, AWS = public cloud.
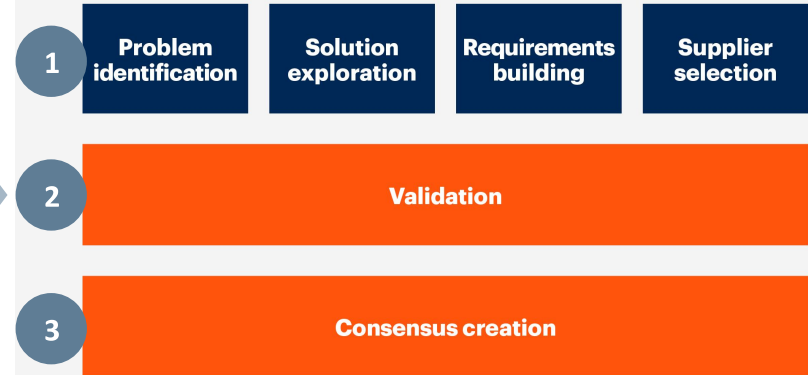
The only way to drive a market: is to be the Category King. If you are not a Category King, you are picking up scraps and your marketing spend will be much higher as a percentage of revenue than the leader. Marketing's job #1 is to define and drive a category. This is how market dominating companies are built.

DEMAND GENERATION, Jobs To Be Done:

1. Create awareness of the problem and solution. **(Category Design)**

2. De-risk the buying process. **(Establish Credibility)**

3. Build the market. **(Create Demand)**

B2B BUYER, Jobs To Be Done:
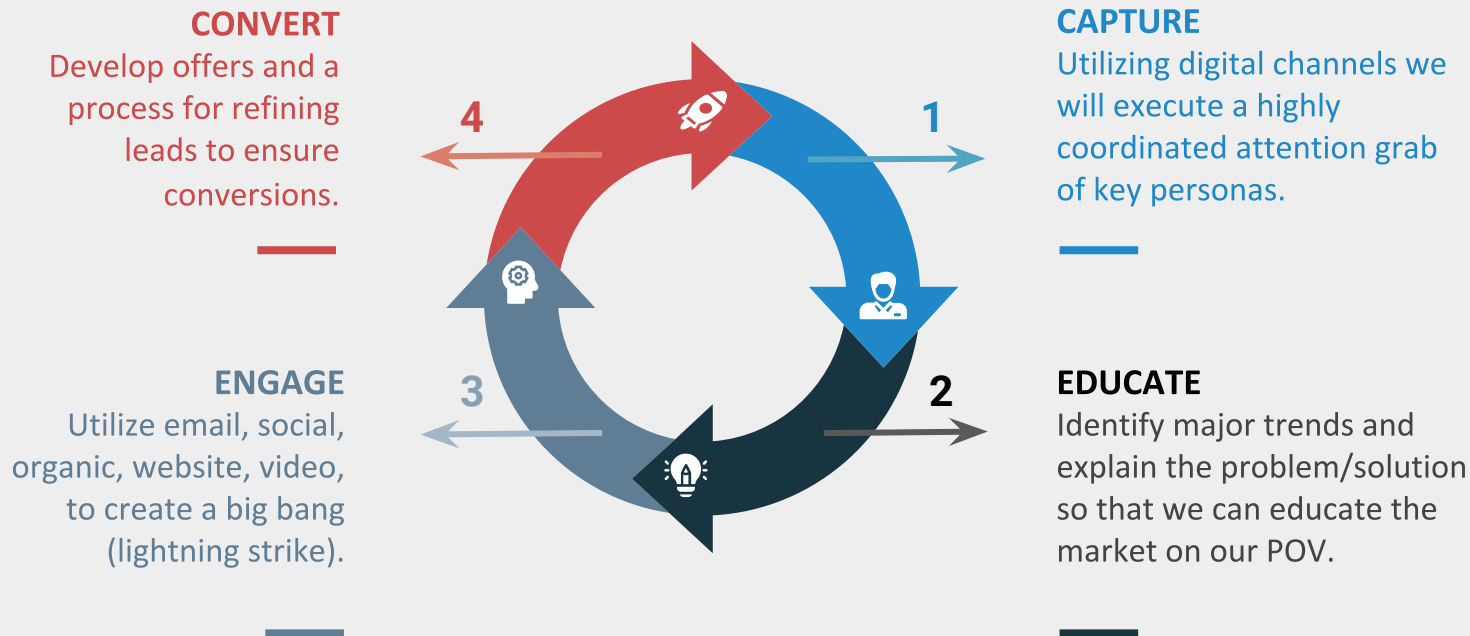
B2B buying jobs

1	Problem identification	Solution exploration	Requirements building	Supplier selection

2	Validation

3	Consensus creation

Gartner

THE DEMAND GEN JOBS FLYWHEEL

CONVERT
Develop offers and a process for refining leads to ensure conversions.

CAPTURE
Utilizing digital channels we will execute a highly coordinated attention grab of key personas.

ENGAGE
Utilize email, social, organic, website, video, to create a big bang (lightning strike).

EDUCATE
Identify major trends and explain the problem/solution so that we can educate the market on our POV.

4

1

3

2

1. CAPTURE
2. EDUCATE
3. ENGAGE
4. CONVERT

DEMAND GEN MARKETING JOBS

CAPTURE - what success looks like:

➔ **"You guys are everywhere!"**
➔ Today's buyer gives attention to companies who are present in the market. No presence, no attention.

Key tactics:

1. Highly coordinated social pushes on LinkedIn.
2. Internal company Influencer program.
3. Capture leaky website traffic via retargeting on LinkedIn and Google.
4. Paid traffic on LinkedIn.
5. Paid search ads on Google.
6. Organic search optimization (SEO).
7. Email, general news, triggered and segmented content and messages.

Learn more at GROWTHSTAGE.MARKETING | E: mark@d-launch.com

1. CAPTURE
2. EDUCATE
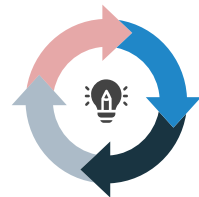# 3. ENGAGE
4. CONVERT

DEMAND GEN MARKETING JOBS

EDUCATE - what success looks like:

➔ **"I didn't realize that you could help me!"**
➔ Buyers are attention constrained and they don't know how we can help them. When we deliver value buyers reward us by paying attention.

Key tactics:

1. Publish "how to" content.
2. Write with a problem-resolution slant, all content should show that you understand the buyer.
3. Leverage key trends in the industry to educate and inform.
4. Leverage hot topics and trends in the industry and ecosystem.
5. Publish Case studies, Scenario Guides, ISV/CSP/VAR resources.
6. Content types can be video, white papers, blog posts, podcast, audio summaries.

1. CAPTURE
2. EDUCATE
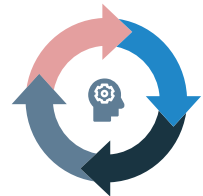# 3. ENGAGE
4. CONVERT

DEMAND GEN MARKETING JOBS

ENGAGE - what success looks like:

➔ **Growing engagement across distribution channels.**
➔ Improvement in trackable metrics that indicate intent (views, downloads, opens, actions).

Key tactics:

1. Marketing automation produced dynamic content, email, e.g. "smart content."
2. Email still works! (if done right)
3. Direct engagement on website during a session (chat - create and hold conversations).
4. Online events - webinars and virtual conferences.
5. Provide intelligence to SDR's and AE's on the actions taken by identified prospects.
6. Custom landing pages by industry, use-case/scenario, and company.
7. Google Analytics, CRM, marketing automation integration to drive lead scoring/grading.

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1. CAPTURE
2. EDUCATE
# 3. ENGAGE
4. CONVERT

DEMAND GEN MARKETING JOBS

CONVERT - what success looks like:

➜ **Demand Gen is a cradle to grave activity, it doesn't stop at the SQL phase but follows thru to the P.O.**

➜ Demand Gen can (and should) play a roll with customer success to stimulate usage and follow on revenue.

Key tactics:

1. Irresistible offer- time bound, e.g. sample simulation of a real life workload that is preconfigured and ready to run.
2. Website engagement via chat (conversational marketing) to drive live conversations.
3. Sales -> marketing feedback loop via an internal "NPS" like process.
4. Reduce content gates but increase data telemetry and analysis, be omnipresent.
5. Be omnipresent not by saturating channels but diffusing content distribution and increasing share of voice and brand perception as category king.
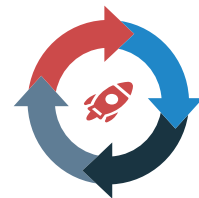
CATEGORY DESIGN

CATEGORY DESIGN STEPS: 1.2.3.4.

The marketing head, supported by the executive team, is the caretaker of category design.
Here is the process for making your company the most demanded by the market:

Define Problem

Define the problem that needs addressing for the category to exist.

1

2

Name Category

Name the category and reference it when presenting your product.

3

Develop POV

A point of view is how you will explain the need for solving the category problem.

4

Mobilize

The entire company must be activated in the category design process.

To win a market, marketing must lead with the objective of defining and dominating a category.

Category design is a process, but there has never been a dominant company in a market space who wasn't the category definition. Example: AWS (cloud computing). Salesforce (SaaS-CRM). UBER (ridesharing). Apple (iOS/mobile).

CATEGORY DESIGN: Key Concepts

1. **Problem definition is built by developing insights into a problem** that you've identified where the technology/product/solution can solve it (the problem) in a substantive way.

2. **Category name must comprise the market definition, the nature of the problem, and who the problem most affects** (the beneficiary). Do not be afraid to refine the name or change it as market feedback directs. The name must be adopted by the industry or ecosystem for a category to be established.

3. **Documenting the category "from-to" state is essential.** Publish a visual ecosystem map or other graphical representation that shows what exists today and what will exist in the future. Explain what your product and solution is taking the client from and to what desired outcome.

4. **The POV (point of view) document frames the problem**. The POV articulates the ramifications of the problem not being solved while presenting a vision for the future with your product and solution as the obvious answer.

5. **Category design is led by marketing and it requires the active participation of product and sales.** Marketing leads the mechanics of the process but the entire company must help with implementation. Category design requires CEO and founder support to be effective. No executive support, no category creation.

6. **Lightning strikes are designed to capture the attention of the entire ecosystem in order to shine a massive spotlight on the category, problem being solved, and what happens if this doesn't happen.** Marketing leads these events, but the entire company almost always will participate.

   Source: playbigger.com/category-design

MARKETING MESSAGES FRAMEWORK

INDUSTRY: Stage of company specific, usually leads with category definition followed by answering the "who are you?" question. Respond to "What problem do you solve and why does it matter?" References regularly your POV on the problem/solution for the category.

01

TARGET ACCOUNTS: ABM takes into account the full spectrum of influencers and the buying group. Less about competitive positioning, more about the solution to the problem. Answers question, "How is life better after you?" What happens if we don't use or adopt you?

02

04

PRODUCT: Problem/solution centered with a focus on defensible technology and performance benefits. Will point to the category for positioning of feature choices and key product decisions.

03

PARTNERS: How partners will benefit by supporting the category and company. Content is heavy on category training using your POV as the basis for education and why you are the only choice. The best partners become evangelists for your company and the category.

MARKETING MESSAGES: Key Concepts

1. **When talking to the industry it is essential to speak in the context of the ecosystem and your role as the leader "problem solver"** having the most obvious solution to the problem that you have defined.

2. Avoid marketing copy that talks about the company or the product in terms of features, price, or competitive position. **Customers only care about the answer to this question: "Can you solve my problem?"** clients are looking for a solution to a problem and effective marketing explains the problem even better than the customer can articulate it.

3. **ABM or account based marketing is often defined by a set of tools rather than a specific messaging framework.** Effective ABM strategy uses all the appropriate marketing vehicles and channels to get the following messages in front of every buying constituent in this order: (1) *"This is the problem and here is the solution."* (2) *"This is what your life will be like after you choose us."* (3) *"Here is what to do next."*

4. **Partners must be trained on how to represent the category.** To amplify your category creation efforts, give your channel partners the precise words and messages so that the market always hears the same category story.

5. **Presenting product features and technology is best done in the context of the category.** Don't miss the opportunity to further strengthen your leadership role as the Category King by presenting your product relative to the category. In time, the industry will begin to embrace you as the defacto "standard." e.g. Salesforce enjoys the category king position such that everyone searching for a CRM, compares alternative solutions to Salesforce. This gives Salesforce exposure to a very high percentage of the TAM simply because they are seen as the "King."

CATEGORY DESIGN STARTS WITH THE LEADER:

The marketing leader must be a doer, capable of crafting the strategy, winning over internal stakeholders, and building a team or leading the team where one already exists. All while executing a plan that will require cross-functional coordination and agreement.

MARKETING LEADER ATTRIBUTES

The marketing leader must have built markets (categories), not "only" maintained brand identities.
ABLE TO BUILD A TEAM OF WORLD CLASS MARKETERS.

Sales and revenue driven, comfortable measuring their activities based on unknown outcomes. Willing to make bold bets while limiting downside.

Comfortable seeking alpha of the market, and understanding trends when the information is highly diffuse and no historical data is available.

Crafts product messaging, and take an active evangelism role. Have great instincts on category and consumer/market message fit.

Able to dissect markets, observe and take action, network and communicate with customers using intuition that is informed by logic and experience.

MARKETING LEADER PROFILE

Record of building marketing engines (categories) in emerging or yet to be defined sectors & categories.

Creative, articulate, expressive. Good writing ability with an understanding of copy writing and "voice" will be an advantage.

Critical thinker with an analytic mind. Able to see industry shifts, trends, and market dynamics that others do not.

Ability to communicate to small and large audiences, needed for 1:1 customer and partner meetings, as well as industry events.

Experience leading sales teams with revenue accountability will provide valuable partnership alignment to the head of sales and CEO to ensure marketing drives revenue.

WHERE TO START

1. Build Understanding

MARKET

Market & Product G2
- Learn competitors GTM strategies, sales motions, marketing motions
- Talk to Rescale ISV & CSP partners
- Internal product training

Internal Meet & Greet
- Marketing team, history, what's working
- Calls with AE's & BDR's across industries & geographies
- Founding story, company history- the Genesis

Customer Education
- Listen to sales calls
- Talk to prospects & customers, facilitated by sales (if possible)
- Talk to internal field facing team

MARKETING

Asset Review
- Review marketing assets
- What do we have?
- Where can they be found?
- Why were they created, do they still work?
- How are they being used?

Mktg Perform/Analytics
- Distribution/channels audit, what's working best, why? What's not working?
- Conversion rates, costs, organic data
- What data sources do we have access to?

Marketing Tools Audit
- What tools are available?
- How are they being used?
- What tools are still needed?
- What tools should be replaced?
- Resident knowledge in the team on the tools in-house

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2. Administration

Develop SLA with Sales

- Goals, metrics
- Expectations
- Define success
- Responsible parties
- Contact points

RACI roles/responsibilities

- **R**esponsible, **A**ccountable, **C**onsulted, **I**nformed
- Facilitate ownership of tasks as well as communication
- Transparency & accountability across stakeholders is goal

Implement marketing tools

- Hubspot - Marketo
- Identify tech resources
- Connect, identify if needed CRM admin
- Training if needed

3. Take Big Action

CAPTURE
Email grooming & seg exercise

Data grooming exercise to ensure max email deliverability & engagement. Tighten segmentation based on buying role, industry, and geography.

EDUCATE
Email: news & trigger blasts

Post list grooming, develop newsletter themes & trigger mails for high intent funnel actions taken. Goal: Send 2 newsletters (bi-weekly) and establish email sequence based on a meaningful action.

ENGAGE
D100 LinkedIn organic camp

Using LinkedIn target a list of the Dream 100 customers. Goal: build organic reach, but will require paid ads. FLOWS: Ad-Webinar, Ad-Case Study, Value prop video with CTA.

CONVERT
Webinar amplifier camp

Build campaign to promote evergreen webinar (existing). 360 campaign with paid promotion on LinkedIn, website CTA, email promotion. Net new acquisition funnel designed to convert new new lead.

BEYOND 90 DAYS

1. **Start Category Design Process: Top priority (P1).**
2. **Build a Content Engine.**
   - Leverage existing assets, be efficient with content by repurposing and updating.
   - Go big with video!
   - Tent pole content for industry targets and key buying personas.
3. **Build a Distribution Engine.**
   - LinkedIn, organic & paid.
   - Google, organic & paid.
   - Optimize website.
   - Events: virtual, partner & company (in-person when safe).

OBJECTIVE >> Build pipeline for business contribution.

WHO IS MARK DONNIGAN?

- 20+ years building new markets & categories for early/startup stage co's.
- Focused on disruptive innovation technology (IP/hard tech).
- Built & led Marketing & Sales Navy Seal Teams producing $29mm/yr.
- Master of dynamic buying journey's with multiple stakeholders & buyers.
- Managed sales & marketing teams using ABM to close deals > $100k/yr.
- Companies I've worked with and sold to include:

AMD · Microsoft Azure · intel · NETFLIX · verizon
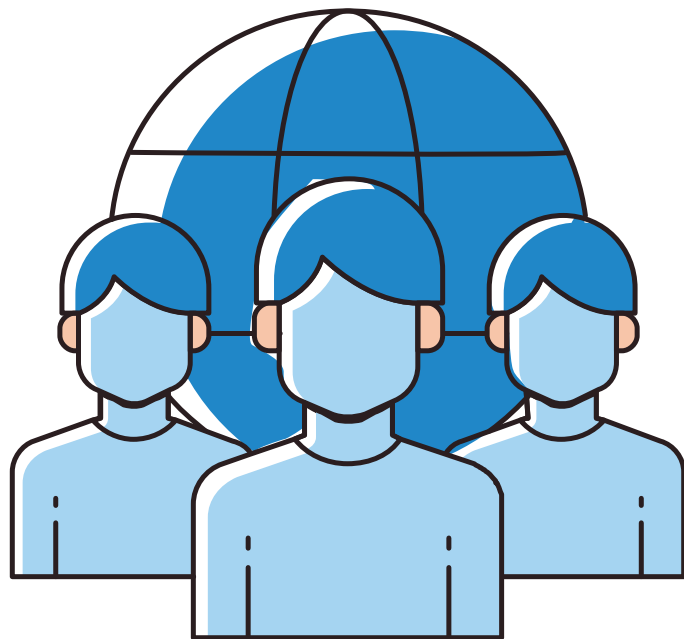
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LET'S TALK ABOUT YOUR MARKETING

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