# Introduction to Solution Marketing

Steve Robins
Product Marketing Leadership
March 2009



snr@robins4.com



### **Steve Robins**

- Nine years in solution marketing
- Expertise in product, solution and industry marketing
- Experience: EMC, KANA, the Yankee Group as well as office products

email: snr@robins4.com





### What Do These Have In Common?











### **Hyundai** *Removing the Biggest Obstacle to Car-Buying*

#### THE WALL STREET JOURNAL.

WSJ.com

JANUARY 6, 2009, 11:25 A.M. ET

#### Hyundai Plans 'Giveback' Program on Cars

BySHARON TERLEP

Hyundai Motor Co. announced a new incentive plan Monday that would allow buyers to break contracts and return vehicles if they lose their job or income.

The program is the latest effort to v offering to cover up to \$7,500 in n

To qualify for the giveback program covers the first 12 months of owner

The company would decide whether much the vehicle is worth.

If buyers loses their income for rea

Owners returning a car or truck wo remaining on a truck that is now wo liability.

The industry sales slump has trigge been far less generous with deals ar

Hyundai, though its sales are down



A decade ago Hyundai pioneered America's Best Warranty™ to show you the faith we have in our cars. Today, in addition to our warranty, we're introducing Hyundai Assurance, to show you the faith we have in you. Right now, finance or lease any new Hyundai, and if in the next year you lose your income\*, we'll let you return it. That's the Hyundai Assurance.

#### Overviev

Hyundai is the first automaker in the U.S. to offer a vehicle return program that allows you to walk away from your loan or lease without having to worry about negative equity. It lets you return your vehicle in case of certain life-altering circumstances. That's the Hyundai Assurance.

#### Program details

- · Available on all new Hyundai vehicles.
- · Available to everyone regardless of age, health, or employment history.
- · 12 months complimentary on every new Hyundai vehicle financed or leased.
- · Covers up to \$7.500 in negative equity.





SIGN UP FOR PRODUCT UPDATES, OFFERS & MORE

Need Coverage?



FIND A DEALER NEARBY.

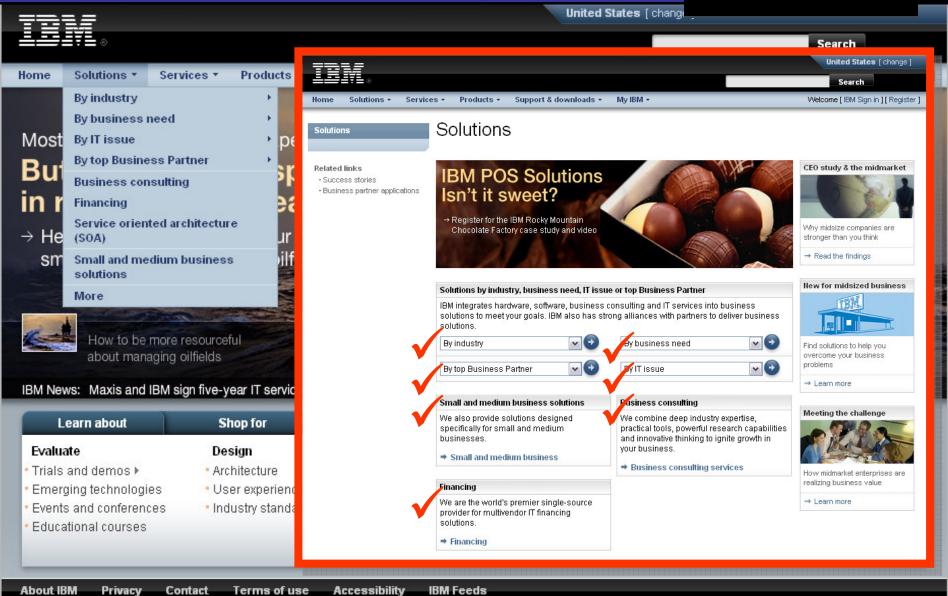


### ChuckECheese's Party Complete



### IBM Thinks Like a Customer





### Amazon Kindle The Complete Experience





Monday, February 09, 2009

#### Amazon Unwraps Kindle 2.0

The device betrays a plan to dominate the transition from printed books to electronic ones.

By Erica Naone



Out of print: The new Kindle is less than a centimeter thick, weighs 300 grams, and turns pages 20 percent faster than its predecessor. The e-ink technology powering its screen is also a newer generation, displaying sixteen shades of gray rather than four. Credit: Amazon At a press conference held at the Morgan Library in New York City this morning, Amazon announced a new version of its Kindle electronic reading device. While the new device offers important improvements over the original Kindle, it is most significant as a sign of Amazon's ambitions to dominate the transition from printed books to electronic ones.

The Kindle 2's biggest new feature is text to speech, powered by software from Nuance. The device can read a book aloud to a user, and is designed to make it easy to switch between reading and listening. At Monday's launch event, Jeff Bezos, the founder and CEO of Amazon, demonstrated this technology by having the Kindle read from the Gettysburg Address. The device betrayed the stilted speech that is characteristic of most text-to-speech software, but nonetheless pronounced the words clearly and accurately.

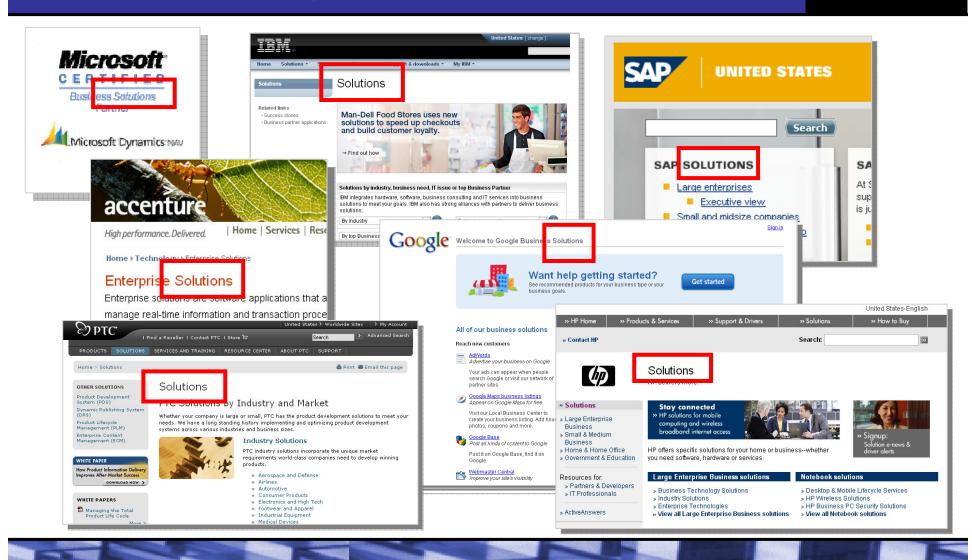
Most of the other changes to the Kindle are improvements designed to further its ability to "disappear" while the user is reading, as Bezos put it. At just under a centimeter thick, the device is smaller; is, at 300 grams, slightly lighter than the previous version; and turns pages 20 percent faster, Bezos said. The e-ink technology powering its screen is also a newer

generation, displaying sixteen shades of gray rather than four. And the Kindle 2 has enough storage space for 1,500 books instead of just a few hundred. The Kindle 2 will sell for \$359 and, as with the first Kindle, will come with free wireless access to Amazon's store.

### **Solutions Everywhere!**



### **Solutions Everywhere!**



### Is This You?

#### **Product**

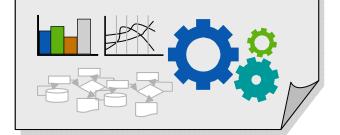
- Addresses only part of customer need
- Feature-function
- Prone to commoditization



#### **Pocket Sprocket**

This new product will revolutionize your life!

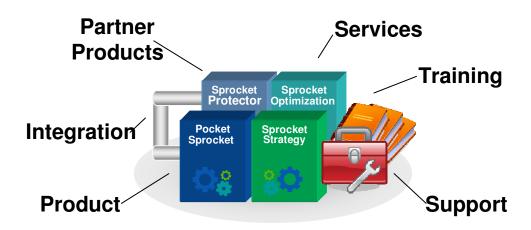
- **☑** Best features!
- ✓ Newest capabilities!
- ☑ Technically advanced!
- ☑ Fastest processor speed!



#### **Customers Want Solutions**

#### Solution

- Addresses the entire customer need
- Includes the ecosystem
- Provides unique value



### Complete Sprocket Solution

*Increase your profits* 

- ✓ Streamlines processes.
- ☑ Improves customer service.
- ✓ Lowers costs.
- **☑** Ensures compliance.





### Comparing **Product Marketing vs. Solution Marketing**

#### **Product Marketing**

• **Product:** features-benefits

• Promotion: push communications

• Pricing: cost-plus

• Place: distribution

#### **Solution Marketing**

• Solution: Customer needs

• **Information**: Dialog

• Value: Cost vs. benefit

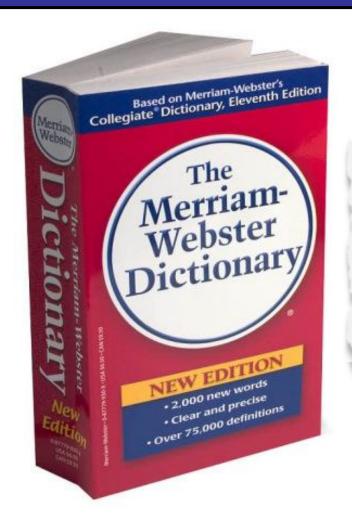
**Access:** Customer choice

\* Based on Dev & Schultz in Marketing Management, 2005





### What is a Solution Anyways?



so 'lu 'tion. \sə-'lü-shən\
noun

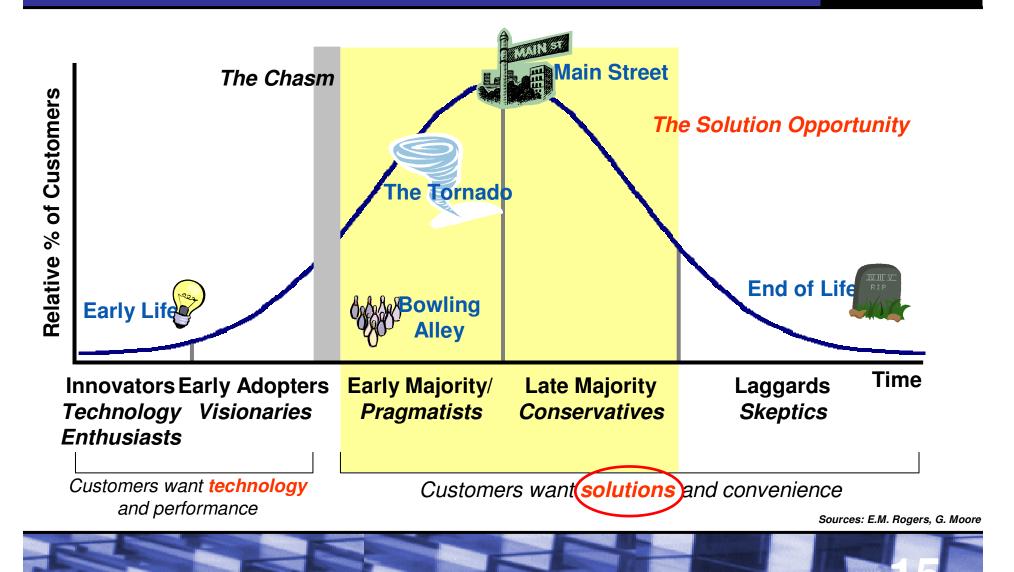
1 a: an action or process of solving a problem b: an answer to a problem

volve \'salv 'solv\

### **Solution Marketing Defined**

•so-lu-tion mar-ket-ing. Noun.
The process of defining, informing, and providing access to complete and integrated solutions that help customers to solve their problems and deliver value.

### **Technology Adoption Curve**



### **Geoffrey Moore's Technology Adoption Lifecycle**

- Early Market Technology enthusiasts look to be first to get on board.
- The Chasm Early market's interest wanes but mainstream thinks technology is immature.
- Bowling Alley Niche-based adoption in advance of the general marketplace, driven by compelling customer needs and willingness of vendors to craft niche-specific whole products.
- The Tornado Mass-market adoption as general marketplace switches over to the infrastructure paradigm.
- Main street Aftermarket development, when base infrastructure has been deployed and goal is to flesh out potential.
- End of Life New paradigms supplant the leaders.

### **Solution Marketing – Answering Four Basic Questions**



Customer: "How can I solve my problem?"



Customer: "Where can I learn more about it?"



Customer: "What is my total sacrifice to get this solution?"

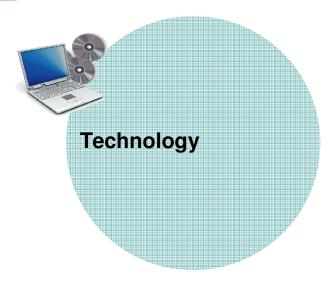


Customer: "Where can I find it?"

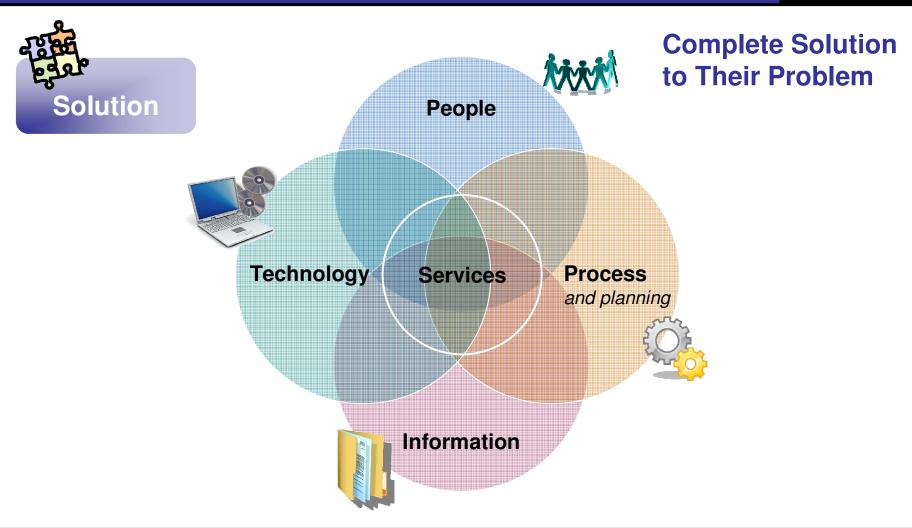
Adapted from In the Mix (Marketing Management) (Dev & Schultz, 2005)

### Solution Marketing What Do Prospects Want?



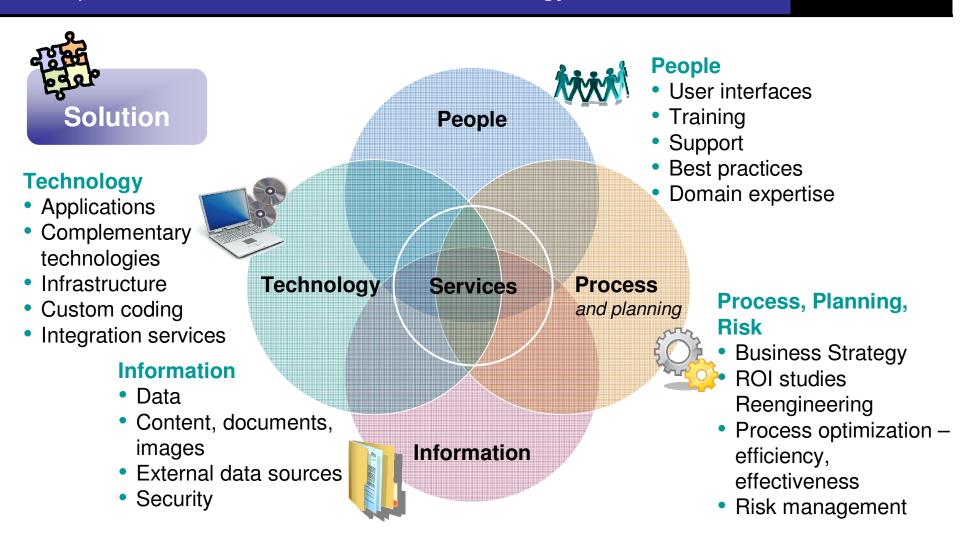


### Solution Marketing What Do Prospects Want?



### The Complete Solution:

People – Process – Information – Technology - Services



### Solution Marketing Solution Portfolio Management



Market Assessment Solution Strategy

Target Solution Identification

- Market sizing
- Technology
- Competition
- Target markets/ industries
- Technologies
- Partners
- Tech/ServicesMix

- Use cases
- Bill of materials
- Users, decision makers
- Business value
- Revenue potential

Solution Strategic Plan

Overview



**Users** 



Business Process



**Technologies** 



### Solution Marketing Solution - Research



Customer: "How can I solve my problem?"

- Solution Research Solving the Problem
  - Determine target use case, users, purchasers
  - Industry/functional issues and regulations
  - Business challenges
  - Operational challenges with current process
  - Legacy systems
  - Training requirements
  - Other business and system requirements

### Solution Marketing Solution – Develop the Solution

Solution

Customer: "How can I solve my problem?"

- Action Develop the Solution!
  - Product enhancements required?
  - Partner technologies
  - Services strategy, process reengineering, integration, training, support
  - Beta partners, prospects and customers

### Solution Marketing Information – Research



Customer: "Where can I learn more about it?"

#### Research

- Functional/industry terminology and buzzwords
- Target job titles and companies
- Optimal communication channels.. live events, podcasts, web, most popular publications, etc.

(e.g., government employees often lack web access)

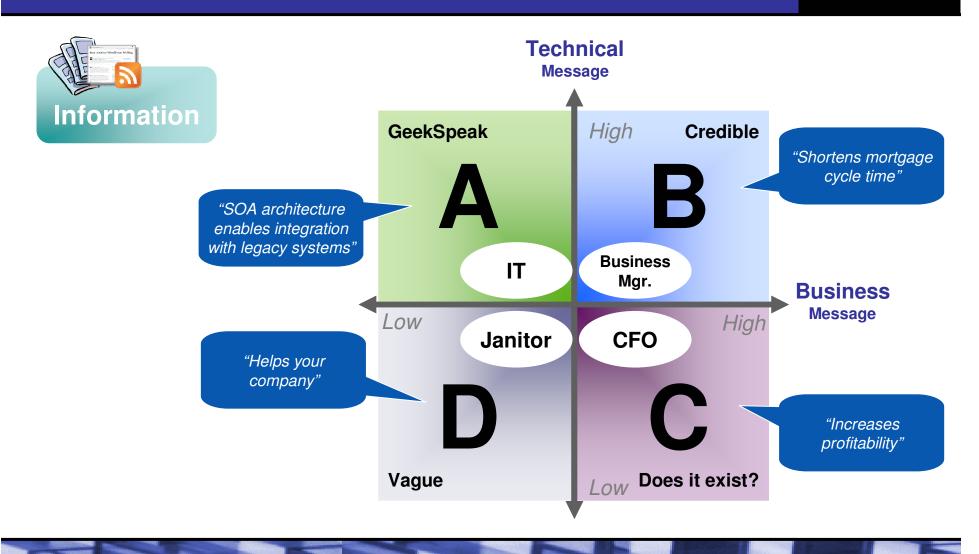
### Solution Marketing Information – Message



Customer: "Where can I learn more about it?"

- Message It's About Relevance
  - Use language the prospect understands...
    - Industry/function terms
    - Common business issues and challenges
    - Remember this is all about how your solution solves their business problems
  - Benefits: business-oriented rather than technical...
    - Higher profits, lower expense, higher revenue, better customer service, ensures compliance

### Solution Marketing Information - Tuning the Message



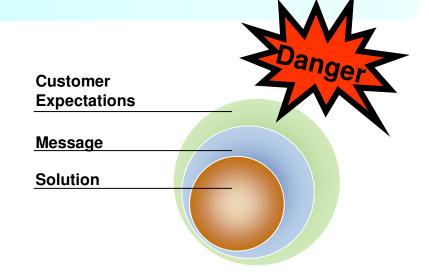
### Solution Marketing Information – the "Solution Paradox"



Customer: "Where can I learn more about it?"

#### **Beware "the Solution Paradox"**

- The customer wants out-of-box offerings...
  - ....but no one company can provide everything out of the box
- Even a fully integrated and "complete" solution <u>cannot</u> possibly solve all of a customer's problems due to:
  - Unique environments
  - Specific industry requirements



#### Ask:

- Does the solution meet customer requirements?
- Is the message backed up by the solution?

### **Solution Marketing Information – Create a Dialog**



Customer: "Where can I learn more about it?"

- Action Create a Two-Way Dialog with the Market
  - "Give customers the right information on the right subject at the right time on their terms" \*
  - Enable prospects to find your solutions
  - Enable market education
  - Use Web 2.0 tools Blogs, Podcasts, Twitter, Facebook, etc.
  - Provide recent customer references, who are most likely to advocate \*
- Go beyond one-sided "push" promotion

\* In the Mix (Marketing Management) (Dev & Schultz, 2005)



### Solution Marketing Information - Sales



Customer: "Where can I learn more about it?"

#### SALES

#### – Sales training:

- Solution selling methodology, consultative selling
- Business problems, industry/functional issues
- Business solutions
- Company and solution messaging
- Partner engagement models system integrators, tech partners etc.

#### – Sales tools:

- Collateral, references
- ROI models and value tools
- Pricing



### Solution Marketing Value



Customer: "What is my total sacrifice to get this solution?"

- Value = Benefit Cost
- Research
  - Identify and place value on significant customer purchase drivers \*
  - Common ROI models/"before-afters"
  - Purchasing habits
  - Budget trends

#### Action!

- Articulate value in terms of price, ROI, TCO
- Develop ROI assessments with consulting/system integrator partners
- Reference customers value achieved

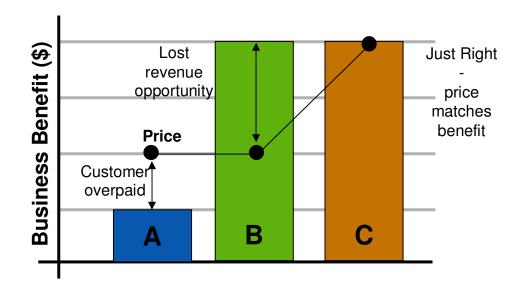
\* In the Mix (Marketing Management) (Dev & Schultz, 2005)

### Solution Marketing Value



Customer: "What is my total sacrifice to get this solution?"

### Value-Based Pricing



### Solution Marketing Access



Customer: "Where can I find it?"

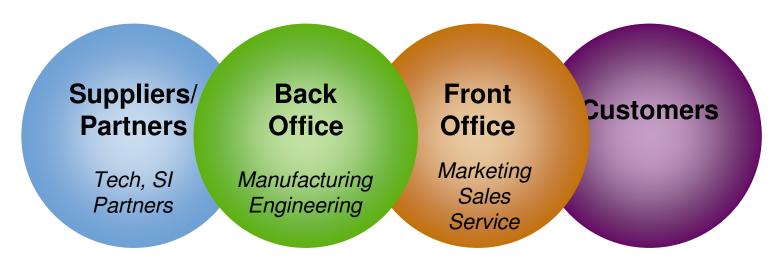
#### Research

- Common purchasing channels?
- Do they prefer to buy through VAR's? Through SI's? Direct? On contract?
- Preferred delivery models... Software? SaaS? Business Process Outsourcing?

#### Action!

- Enable the customer to purchase the solution through the channels that they want
- New channels beyond the traditional
- Marketer provides fastest, least-expensive access
- Successfully complete the sale
- Ensure customer success through "the last mile"

### **Ensure Alignment Throughout the Extended Enterprise**



- Goal: Customers get what they were promised
- How Do You Achieve This?
  - Consistent messages across entire company and ecosystem
  - Sales longer sales cycles; solution training; specialized sales teams
  - Support from engineering/product management, services, tech support, consulting teams
  - Executive support

### Conclusion

- Solutions meet customer needs
- Solution Marketing SIVA
  - Solution
  - Information
  - Value
  - Access

#### Benefits

- 3-7% return (increase) on sales (McKinsey, 2003)
- Higher margins price based on value rather than cost-plus
- More differentiated offering
- Increased customer satisfaction

### **Continue the Dialog!**

#### **Steve Robins Product Marketing Leadership**



snr@robins4.com



solutionmarketing.wordpress.com



Linkedin.com/in/steverobins1

# Thank



# Introduction to Solution Marketing

Steve Robins
Product Marketing Leadership
March 2009



snr@robins4.com