



The Internet Does Not Change One Basic Rule Of Marketing.

By Martyn R. Lewis, President & CEO, Market-Partners Inc.

Before exploring this perhaps provocative title statement more deeply, I would first like to share with you one of my favorite marketing case studies.

Once upon a time, there was a small family-operated bicycle business in Dayton, Ohio. The business was reasonably successful as bicycles were very popular at the time and while sales of new bicycles were relatively static, the accessory, repair, and maintenance business was steady if not spectacular. The stagnant sales situation might not have bothered some but the owners were ambitious young men and this being in the pre-VC age, the only way to capitalize a venture was to provide your own capital. It became very clear to them that the sales of new bicycles had to improve quickly and dramatically.

From experience, they knew that their largest market sector was students. They also knew that the best time of year for selling was in late spring and indeed what youngster has not looked forward to summer vacation with a new bike. Unfortunately, they also knew that the main thing on the students' minds in late spring was not bicycles but final exams. A marketing dilemma needed solving, so here's what they did.

They designed and had printed up hundreds of sales flyers made to look exactly like final exam papers. They used the same paper, the same size and layout, the same font and pitch, and even the ad copy itself was presented in question and answer format. They then enlisted some key students to distribute the flyers a few days before the finals and the results were astounding. All the students went crazy thinking that they had found copies of the actual exams. Everybody wanted one and even after they realized what it actually was, the marketing mission had been accomplished – the word “bicycle” was firmly implanted in the students' minds. Well, what card-carrying marketing person wouldn't die for this - 100% message absorption to the selected target market audience at peak buying season. And yes, after final exams that year, 1896 to be exact, new bicycle sales at the Wright Brothers bicycle shop really took off (sorry) and Orville and Wilbur went on to their well-earned place in history.

Why is this a favorite story? First and foremost, it was a very successful strategy. They realized the importance of understanding their market. They segmented their market and defined the most profitable business sector. Their target market was accessible, and that market was reached with a clear message via a very compelling medium. Indeed, these endeavors of the Wright brothers harken forward to at least two of *The 22 Immutable Laws of Marketing*¹. The Law of Focus, which states, “The most powerful concept in marketing is owning a word in the prospect's mind,” and The Law of Acceleration, which asserts that “Successful programs are not built on fads, they're built on

¹ *Al Ries & Jack Trout, 1994*



trends.” A powerful message sent at the right time to the right market. Marketing doesn’t get much better.

A hundred and five years later, the technological revolution enjoyed by the Wright brothers, including before them Watt, Babbage, and Edison, and continued by the likes of Marconi, Einstein and Turing, has certainly come a long way and I suppose it is natural to believe that with great leaps in technology come similar strides in how to generate revenue from the resultant products. But have the basic rules of sales and marketing changed? No they have not, and the latest iteration of technology - the Internet - is a prime example.

Before we ruin everyone’s day though, let’s take a look at what the Internet *can* do.

- It is arguably the most powerful communication medium yet developed.
- It is capable of accessing new markets faster and wider than ever imagined.
- When properly applied, it is an imaginative and flexible marketing tool of devastating efficiency.

But beware; it can also be a great temptress. It often embodies and encourages activities that I sometimes refer to as ABS – anything but selling – ie. a great excuse to play with technology, run hot animation and cool graphics, do all sorts of pseudo-marketing things except get in front of the customer. It is interesting to note that one of the specific areas of current downsizing is now taking place in corporate website investment. It would appear that some high-level executives are perhaps suspecting that Internet “ABS” may be putting the brakes on sales.

I referred earlier to the excellent Ries/Trout book and I would like to draw your attention to another one of my mainstays, Ted Levitt’s [The Marketing Imagination](#)². In it he states that,

- The purpose of a business is to create and keep a customer.
- The enterprise must produce revenue in excess of costs.
- The relationship between a seller and a buyer seldom ends when the sale is made.

If and when all this is accomplished, he makes the most compelling point of all,

- “No enterprise...can do any of this by mere instinct or accident”

To pragmatically summarize, it becomes obvious and necessary that companies must identify and reach out to specific prospects that possess unsatisfied needs or desires. They must be able to present such a compelling offer to those prospects that a commitment to purchase the company’s products and/or services ensues. Most importantly, the company’s sales organization must identify and define all of the required activities that make this happen and forge them into a systematic chain of events that is measurable, repeatable and sustainable. In short, we must have process.

Now, has the Internet changed any of this? Well, there were certainly those in the wild and heady dot.com days of the nineties (it seems like only yesterday) that advised us to throw out all the old

² Theodore Levitt, 1983



rules, all the old books, the new world was upon us, it's name was Internet and it was good. We now know that this is simply not true. However, what is true is that there *is* a place for the Internet.

So what role should the Internet play in our marketing and sales organizations? What role can it play? The actual answer to these questions is nobody really knows, it will be different for each situation. Each product will have its own market. Each market will have its own strategy. Each strategy will have its own issues. There is no broad-brush solution.

To find out what role the Internet or indeed any tool or methodology has, we must first clearly understand the specific sales and marketing processes that we wish to enhance. Let us consider how these processes relate in two distinct but complementary areas. There's the much talked-about customer relationship management (CRM), and the newer discipline that my company Market Partners has defined as - customer acquisition management (CAM).

CRM has become arguably the fastest growing area of software automation. Some of today's superstar software performers have cut a large swath with these applications. And regardless of the market uncertainty and the Internet sort-out, Business Week has now quoted revised estimates for the CRM market showing even more aggressive growth than previously forecasted, indeed "growing by as much as 70% in 2001" and reaching "\$9.8 billion for 2001."

It is important to note that CRM's strength is really in its ability to better understand and analyze an organization's *current* customers. It tracks various historical buying patterns such as what they buy and don't buy, how they like to buy, and when they buy. It can summarize the overall buying behaviors and document quite accurately what the customers have historically looked for in a supplier. It can also quickly make vast amounts of industry intelligence, sales collateral, product specifications, and other customer-specific information readily available.

Customer acquisition management looks specifically at the task of finding new customers. It leads sales people through the labyrinthine steps of a complex sales cycle and determines the best route to the close. CAM balances Levitt's definition of the purpose of business by focusing on the *creation* of a customer. It looks at the crucial questions of business, who are our potential customers, where are they, and who do they currently buy from. It addresses the issues of new leads, how can we approach them, with what value proposition, and why would they buy from us now. These are questions that must be answered, and only by understanding these processes can we then determine how best to leverage the Internet.

In my area of concern - the enterprise B2B sales world - where long and complex sales cycles are still the norm, the role of the Internet can actually be somewhat paradoxical. In most B2B sales situations, we still use the very personal and some may say intrusive marketing strategy - the direct sales force - to generate leads and business. However, in many of these cases it may be that the Internet can deliver product information faster and more effectively than a sales professional can. And herein lies the paradox. If we stop and consider a major aspect of the sales person's role, that of "bringer of information", we know that many prospects have traditionally relied on the direct sales person to deliver vital product information. And of course good sales people have always used this opportunity to "get in the door" and discover more about the prospect, their needs, wants, and desires. In many



cases, these days are virtually gone. The prospect, an often tenuous contact at the best of times, can now simply say that they will visit your website and will call back if they need more information.

While it is my belief that the Internet has not changed any basic rules of marketing, it cannot be disputed that it has redefined many of our roles and activities as sales and marketing professionals. It is a tool of enormous power and flexibility and we have obviously only scratched the surface of its potential. With that in mind, common sense dictates that great care and consideration must be given to not only how the Internet is used, but what its impact will be on our sales and marketing systems.

So like the Wright brothers, we still need to understand our market and apply the basic rules. We must look at our sales and marketing initiatives as definable, repeatable, measurable, and sustainable processes. It is only by adhering to these processes that we can measure, manage, and continually optimize them, including how to apply the Internet, to develop new markets and better serve existing ones.
