

Go to Market Strategy: How You Sell Stuff

Introduction

For first-time and experienced entrepreneurs, this tool was created as a guide that reviews the process of planning and executing a startup's Go to Market Strategy (GTM) by using examples, offering insight, and providing links to helpful third party resources. Below are some helpful tips to consider while reading this document:

"How you sell stuff" is the simplest way to explain a Go to Market Strategy

You're answering **4 questions** when completing a GTM Strategy. [Watch this video for a further explanation.](#)

1. What are you selling?
2. Who are you selling it to?
3. How will you reach your target market?
4. Where will you promote your product?

Start with the end in mind. As much as possible, initially try to consider how you will succeed and build your company around that vision from day #1. [Here's an example of that methodology.](#)

Every GTM strategy will be different. No one company is going to sell its products and services the same way.

Consider past sales and revenue trends. If you've already been in business prior to creating your GTM strategy, then make sure you review your past marketing and selling tactics and results. You can also gain insight from the strategies and tactics established competitors in your industry (or similar industries) use to reach their customers.

Measure everything. At the end of every section there is a segment that offers suggestions for appropriate metrics that can be used to measure the success of each aspect of your strategy. Not all the suggested metrics provided in this document will be appropriate for your specific business and it is encouraged for you to create several of your own metrics that are not provided.

Segmenting: Who Is Your Target Customer?

Target Market

- A “target market” or “target customer” is a group of potential customers who you intend to be the recipients of your marketing efforts.
- Often target customers will be identified as a group of people or organizations that have similar needs or pain points that your product/service looks to address

Identifying Your Target Market

- Identifying your target market will likely require a deep understanding of your customer and their needs. This knowledge can be obtained through:
 - Collecting data from market research that’s already been collected by reports and studies by government agencies, trade associations or other businesses. This is referred to as secondary market research.
 - Collecting data through your own primary market research efforts using surveys and speaking directly to customers. This is often called “Customer Discovery”.
 - [Click here to learn more about Customer Discovery](#)
- Continue to ask yourself “what are the common needs or pain points of the people or organizations that make up my target market?”. Ensure the commonalities are easily distinguishable.
- [Click here for a video that illustrates a strategy that helps narrow down a larger customer segment into a more focused target segment](#)
- [Click here for an article further clarifying steps to identify your target market](#)

Keep it Focused! Expand On Success, Don’t Contract On Failure

- Early-stage companies are often ambitious and make the mistake of considering “everybody is our customer” or “anyone with a smartphone is our customer”
- Startups are strapped for money, time, and other resources. It requires a lot of resources for a company to try to attract “everybody” as their customer.
- Young companies should dominate a smaller market then expand to a larger market as opposed to initially failing to reach a larger market and having to then refocus on a smaller segment.
- A Minimum Viable Segment (MVS) is a market that is focused enough that your product/service can dominate by meeting the common needs of the customers in the segment. [Click here for a detailed explanation of a Minimum Viable Segment](#)
- MVS methodology allows a you to quickly and cheaply validate potential markets
 - If initially the assumed target customer isn’t a good fit, the company will have ideally saved enough marketing resources to try a different segment.

Developing Customer Personas

- Buyer personas (or marketing personas) are fictional, generalized representations of the exact customers that you are trying to attract.
- By creating fake characters like “Attorney Anthony” or “Manager Molly” you can make it easier to see your customers as real people.
- For example, let’s say your ideal customer is someone you name “Manager Molly”
 - Just a few of the many characteristics that you may assign to her may be:
 - She is in her 30s with a college degree
 - She hasn’t been in a management role for more than 2 years
 - She is ambitious and wants the attention of senior management
 - Imagining Manager Molly as a real person who has all those attributes can help you consider her deepest needs and how to effectively market to her.
- [Click here for an article on how to create a detailed buyer persona](#)

If you have multiple audiences, initially go for the one with the deepest need

- Sometimes a business will have two (or more) very different types of potential customer markets and will need to decide which group to target first
- For example, Google has 2 customers—1) the everyday person who uses the search engine and 2) the companies who pay for Google AdWords advertisement
- It’s advised that you thoroughly examine each market, then initially target the one you determine has the greatest need/pain points that your solution solves.

Measure Everything! Suggestions for What to Measure

- Estimate the size of each segmented market. [Click here to learn more.](#)
- If overtime you go after multiple target markets, measure how each market compares in regards to the sales revenue [customer acquisition costs](#), length of sales cycle, buying habits, [market penetration rate](#), etc.?

Value Proposition: What Do You Offer And How Is It Different?

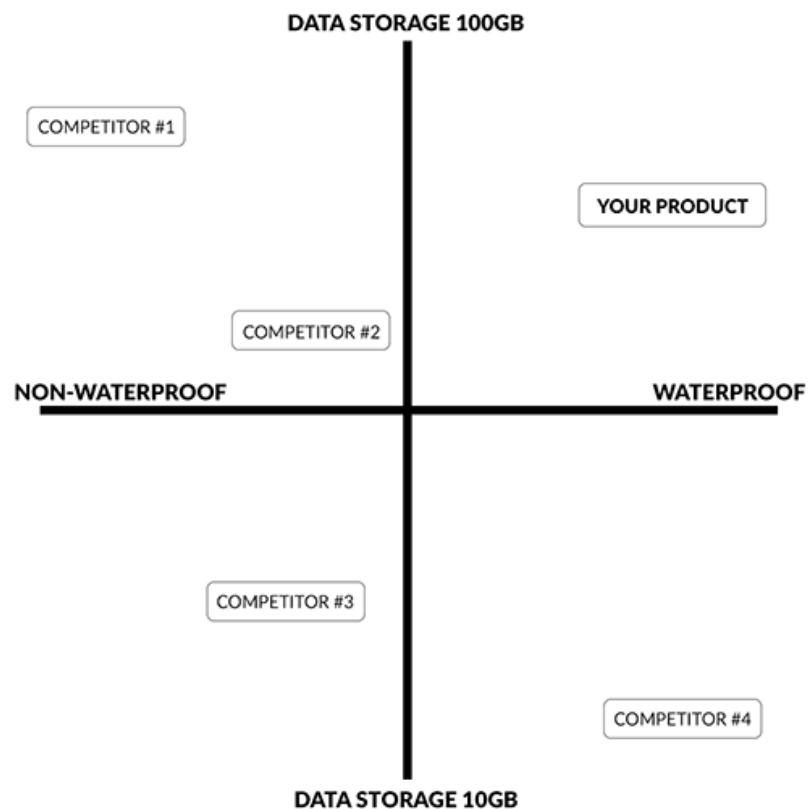
Positioning

- Market positioning is the effort of attempting to influence your customer's perception of your brand or product/service relative to their feelings toward your competitors' brands or product/services.
- Effective positioning will allow your brand or product/service to occupy a clear, unique, and advantageous position in the customer's mind.

Imagine you sold smartwatches.

- See below for an illustration of how your smartwatch's features of waterproofness and data storage could set your product apart from the competition in a customer's mind.
 - Note how in the illustration below "Your Product" occupies a clear, unique, and advantageous position when compared to competitors.

THE FICTIONAL COMPETITIVE LANDSCAPE OF SMARTWATCHES



Determining Your Value Proposition

- A Value Proposition requires an understanding of:
 - Your target customer
 - Common needs or pain points your target possess that sets them apart
 - The category of products/services you compete in
 - The distinct value(s) your solution offers your target customers
 - How your product/service provides the stated distinct values
- [Click here for a video that will help you determine your value proposition](#)

Articulating Your Value Proposition

- To position your product/service, it is important to be able to clearly articulate your value proposition within your organization and within your messaging to your customers.
- One common structure for a value proposition statement is:

“For **target** who are **segment**, [insert name of brand/product/service] is a **category** that provides **distinct value(s)** by/through/because **solution**”

- Who is your **target** customer? (refer to “Segmenting” section above)
 - In the smartwatch example above, let’s say your target audience is “professionals”. To clarify, this means that you are not targeting entire organizations, amateurs, or hobbyists.
- What common attribute(s) do your target customers possess that **segments** them apart from others?
 - A fully waterproof smartwatch with high data storage might be most useful for people whose professions require them to work underwater while collecting significant amount of data. How successful they are at their job is greatly affected by the functionality of the tools they use.
 - For example, consider a deep sea marine biologist as someone who may find this product useful.
- What **category** of products/services do you compete in?
 - The category would likely be “smartwatches”.
 - People in your target market are likely, in general, familiar with what a smartwatch is. If you referred to your product as something that is less familiar or vaguer, like a “portable data storage device”, then your target might have difficulty understanding what you sell.
- What are the **distinct value(s)** you offer your target customers?
 - The smartwatch provides the value of complete underwater protection for mass amounts of data.
- How do you provide the distinct values? Concisely explain your **solution**.

- The smartwatch provides the value of complete underwater protection for mass amounts of data through “revolutionary pressure control and compact data storage technology”

Complete Value Proposition Statement: “For professionals who perform underwater data collection, the Deepsea Turbo 5000 is a smartwatch that provides complete underwater protection for mass amounts of data through revolutionary pressure control and compact data storage technology”

- [For more practice articulating a value proposition, click here to watch this video](#)

Pay close attention to what your competition is doing

- In order to effectively position your solution, it is important to regularly and thoroughly monitor your competition and their offerings.
- Your positioning may change as new products or competitors enter your market

Measure Everything! Suggestions for What to Measure

- Discover what your customers value most. Don’t just guess what they value, ask them. Then attempt to identify metrics that allow you to measure the ability of your solution to deliver those values versus that of your competitors’ solutions.
 - For example, if your customers cared about speed, then measure and compare the speed of your product and your competitors’ products.
- If you experiment with multiple value propositions, identify metrics that will help you determine which one was most effective. (Ex: sales, views, shares, etc.)

Branding: How Do You Want To Be Perceived?

What Defines a Brand?

- Vision – What about the world is changing that makes your company necessary? Where do you see your business and brand being in 5 years? 10?, 20+ years?
 - [Click here for a video covering brand Vision and Mission](#)
- Promise – What do you promise to customers at the most fundamental level?
 - [Click here for examples of well-known brand promises](#)
 - Note the example promises are fundamental (not necessarily specific)
- Attributes – What makes you different, better, and unique?
 - [Click here for an article that lists the attributes of successful brands](#)
 - [Here's a guide on how to survey in order to identify the brand attributes most important to your customers](#)
- Emotion – From a customer's perspective, what does it feel like to engage with you?
 - [Click here for an article covering key strategies for building emotional connections with your customers](#)

The Evolution of a Brand: Accept That You'll Lose Control

- In the very beginning of the life of a startup the brand embodies the founders. As the company grows, the perceived brand will be represented by the employees, the company culture, and the execution of business operations.
- Before a startup introduces its product/service into the market, the story of the brand will be told by the company. At this point, founders have a lot of control over the brand.
- Once the product/service is available, the market will begin to tell your brand's story. At this point, your customers will develop and share their own perceptions of your brand.

Don't Initially Over-Promise

- For example: imagine that before you launched, you initially conveyed that you were a luxury brand. If customers begin to use your product and they perceive it as far less than luxury, you may find that you over-promised.
- Startups often make the mistake of initially over-promising what their brand offers
 - Brand image can suffer when you over-promise and under-deliver
- Consider the promises that you can over-deliver on and initially convey those.
 - Be realistic.
 - Don't over-promise but also don't be so cautious that you undersell.

- Initially, you can convey what your solution offers at the most fundamental level. Then let satisfied customers sell others on the additional benefits they recognize that your product/service can deliver.

A Brand Has To Be Consistent

- Just like in personal relationships, individuals want to be able to depend on your brand to be consistent in the products/services it delivers and how it markets.
- You want to consistently deliver in meeting your customer's expectations.
- [Click here for an article that lists the benefits of brand consistency and strategies to consider](#)
- [Here are examples of successful brands that have remained consistent](#)

Measure Everything! Suggestions for What to Measure

- Identify metrics for your marketing efforts and products/services that can be measured in order to determine if you are staying true to your brand.
 - For example, a restaurant may regularly measure the shape and weight of its cheeseburgers to ensure that those measurements remain consistent.
- Continually poll and listen to your customers to ensure your brand has remain consistent and that it is fulfilling all its promises.

Pricing: How Much Will You Charge Your Customers?

There is no one size-fits-all answer for how to price products/services

- A successfully priced product/service typically requires the seller to:
 1. Gain in-depth insight into how much a customer is willing to pay in order to solve the problem your solution intends to fix.
 - A suggested way to gain this insight is [market validation interviews](#).
 2. Consider competitors' pricing and how your solution compares.
 3. Understand the relationship between quality and price.
- [This article provides further insight and strategies for pricing what you sell](#)
- [This article lists 10 questions a startup should ask itself when considering pricing](#)

Quantify the Benefits You're Promising Your Customers

- When pricing something, it often helps to attempt to quantify in dollars and cents the real savings of your solution will offer your customers. This includes savings the customer may not consider at first glance.
- Some of these savings will be tangible allowing you to do research and assign a dollar amount to them
 - For example, the dollar amount of fuel savings if you buy a smaller car.
- Other savings might be more intangible (difficult to value)
 - For example, the value of a full night's sleep or the value of your safety
- For example, imagine you sold an organic frozen pizza that was 30% more expensive than non-organic frozen pizza. Although your option costs more upfront, consider the less-immediate (maybe less obvious) savings your pizza might offer to your customers.
 1. Organic food retains more nutrients that lead to better health. How much money does the average person spend on doctor visits and medication a year?
 2. If your pizza was packed with so many nutrients that the consumer wouldn't need to buy an extra vegetable that they regularly would buy otherwise, how much money would they save?
 3. People who eat healthier tend to get more full nights of sleep. How much money is a full night of sleep worth to your customer?
- [Here's a short video listing 3 pricing strategies, refer to the "mattress method" of pricing as an example of how to quantify the savings to your customers](#)

Measure Everything! Suggestions for What to Measure

- If you experiment with pricing, measure how/if changes in price affected your sales metrics (ex: revenue, quantity sold, average order amount, order frequency, etc.)
- Measure your customers' savings (see "Quantify the Results..." section above)

Channels: What Do You Use To Reach Your Customers?

- A marketing channel is the way your product/service gets to the end-user. A marketing channel can serve the following purposes:
 - Introduces your potential customers to your product/service
 - Educates your potential customers on your product/service
 - Enables your potential customers to purchase your product/service
- Some examples of traditionally popular channels: direct sales, partnerships, magazines, franchises, web advertisements, social media, blogs, newsletters
- [Click here for an article that list several trending marketing channels for 2016](#)
- [Click here for an article that includes results from a survey that provides insight into the most effective digital marketing channels for 2016](#)
- [If you choose to have a sales team, here's how to build a stellar sales team](#)

Go to Where Your Customers Are

- With a thorough understanding of your target market, you can determine what channels will be most effective at reaching your specific potential customers.
- For example, if your target market is senior citizens then you might find that direct sales and partnerships with organizations like AARP will be more effective at reaching your intended audience than a social media platform like Snapchat.

Channel Partner Considerations

- Many startups find success through channel partnerships with other companies. Startups can use channel partners to help introduce, educate, and sell products/services.
- Channel partners care about their customers. This requires you to ask yourself how partnering with your company can benefit the channel partners' customers.
- When trying to identify partners, consider what products and services are sold before and after the purchase of your solution.
- [Here's an article that highlights four ways a startup can secure partnerships](#)

Inbound Marketing

- "Instead of the old outbound marketing methods of buying ads, buying email lists, and praying for leads, inbound marketing focuses on creating quality content that pulls people toward your company and product, where they naturally want to be."
– HubSpot
- Your audience is an asset that is a competitive advantage
- When your startup utilizes social media to build a following, you are essentially renting the audience from the social media platform.
 - For example, Facebook owns your followers. At any time Facebook could change your relationship with your followers thus potentially making it more difficult for you to reach them.
 - This doesn't mean don't use social media platforms. They can be very useful in helping you initially gain your following, but you should consider

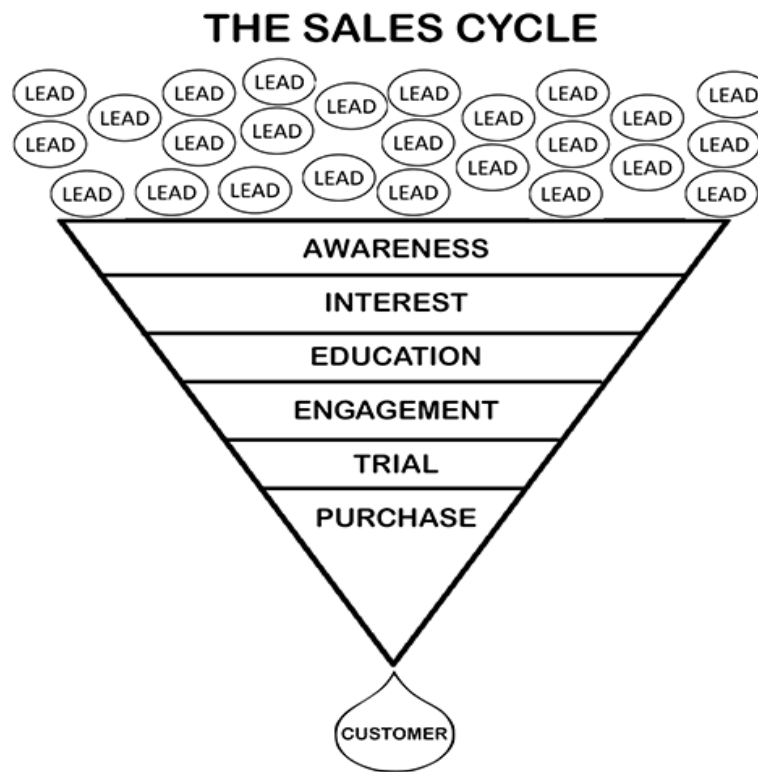
how you can eventually move the followers you gain over to a marketing platform that you have more control over.

- By producing unique content that your startup hosts on its blog, website, newsletter, etc., you can control your audience
 - The challenge is to produce truly unique and useful content that will draw new followers and (hopefully) eventually customers.
- [Click here for more information on inbound marketing](#)
- [Click here for more information on drawing an audience through unique content](#)

Measure Everything! Suggestions for What to Measure

- If you experiment with different channels, measure to see how/if different channels affected your sales metrics (ex: revenue, quantity sold, average order amount, order frequency, etc.)
- [Click to learn more about measuring the customer acquisition cost for a channel](#)
- [Here's an article on how to measure the success of content marketing efforts](#)

The Marketing & Sales Cycle: How Does A Lead Become A Customer?



Think of the Marketing & Sales Cycle as a Funnel

- Above you will see an illustration of a marketing & sale cycle. There are many different variations of how to depict this process, but most of them include similar concepts.
- At the top of the funnel are leads (potential customers). At the bottom are customers.
- The goal is to get the lead into the funnel and move them through the various stages as efficiently as possible until they come out at the end of the process as a customer.

Qualify Leads Early and Often

- Don't spend resources on leads that likely won't become customers
- Qualify stronger leads early in the process so the least amount of resources are spent on weaker leads.
- Qualify leads often because things are always changing. As time progresses, strong leads can become weaker and weak leads can become stronger.
- [Here are 16 sales qualification questions to identify prospects worth pursuing](#)
- [Here is a workbook on how to score the strength of one lead versus another](#)

The Stages of the Cycle

- Awareness – at this stage you want to make your leads aware of your solution. This might also be time when a lead becomes aware of their problem.
 - No matter how effective of a solution is being offered, this stage is usually one of the most difficult hurdles for a startup.
 - [Here's an article with some lead generation tips for startups](#)
- Interest – at this stage your goal is to convert a lead's awareness of your solution into interest in learning more about your product as a potential solution to their problem.
- Education – at this stage you want to educate an interested lead on how your solution can fix their problem. Note that at this stage you are still not pushing them into a purchasing decision.
- Engagement – at this stage your goal is to engage educated leads by showing them how to purchase your solution. This is the stage when you can begin to apply appropriate pressure to convince the lead to make a buying decision.
- Trial – in some sales processes, but not all, leads may be offered a trial of your solution for them to test it out before they want to make the full purchase.
- Purchase – this is when a lead purchases your full solution and becomes a customer.

Taking a Lead from Awareness to Purchase Likely Won't Happen Overnight

- More than ever, potential customers have the ability and willingness to research multiple options before making a buying decision.
- Depending on the industry, a sales cycle's duration can range from a matter of days to a matter of years.

Understand What the Seller Controls vs What the Buyer Controls

- As a seller, your business can control:
 - The product/service and it's features
 - The channels you use to generate leads
 - The resources you put toward moving leads through the sales process
 - The tools and methods you use to educate and engage leads
 - The customer retention efforts
- As a buyer, leads can control:
 - The interest in your solution and the value they assign to solving their problem
 - The resources they have available to buy and implement your solution
 - The resources they are willing to expend in order to get your solution
 - The duration of the sales process
 - Who is the decision maker at each stage including the purchasing decision

Identifying the Decision Makers

- In business-to-business (B2B) sales you need to identify the decision makers.

- [Click here for an article that highlights how each stage of the sales process can include different decision makers.](#)

Avoid Stalling the Process

- Avoid the situation in which a lead wants to move forward in the sales process and you haven't provided them the necessary resources, incentives, and/or instructions to do so.
- To avoid stalling, continually communicate with your leads.
- [Click here for an article highlighting methods to speed up a sale cycle](#)

Do Not Attempt To Force a Lead through the Sales Process

- If a lead isn't ready to purchase and you apply too much pressure, you may risk irritating them enough that they won't consider you in the future
- Converting a lead who isn't a good fit into an unhappy customer can backfire.
 - Unsatisfied customers can be vocal and scare away future potential leads
 - Unsatisfied customers can unnecessarily drain your resources and sanity

Measure Everything! Suggestions for What to Measure

- You will never know what's working and what's not working unless you measure the following at each stage of the sales cycle:
 - Conversion rates for how many leads successfully progress at each stage
 - Money spent to convert a lead at each stage of the process
 - Time spent to convert a lead at each stage of the process
 - Opportunity costs incurred to convert a lead at each stage of the process
- ROI – On average, the revenue received from each customer minus your costs
- Know how many leads you must attract in order to gain on customer
 - For example, you need 50 leads to get 1 customer (2% conversion rate)
- [Here's an article that suggests 50 metrics to measuring marketing success](#)
- [Here's an article on important sales metrics for early-stage tech startups](#)

Launching: How Do You First Tell People You Exist?

A launch is a public announcement that secures widespread attention while broadcasting your value proposition in order to drive a surge in demand for your product/service

Elements of a Great Launch

- Timing – anticipate events happening in your industry, target market, and/or pop culture and attempt to tie or align your launch to those events
- Influencers/Beta Customers – secure influencers and reference customers well before your launch date. Coach them on how to best represent your company.
- Exclusive Content Offering – if possible, find one or a few media outlets and provide them exclusive content that is substantive and thoughtful.
 - Media outlets value opportunities to give their viewers unique content
- Consistent Messaging – Ensure all messaging, whether generated by your company or by a third party, captures the same key points.
- Show, Don't Tell – Consider providing a video demo that can be shared
- All Team Readiness – make sure all employees (regardless of roles) has the tools, coaching, and knowledge they need in order to answer questions

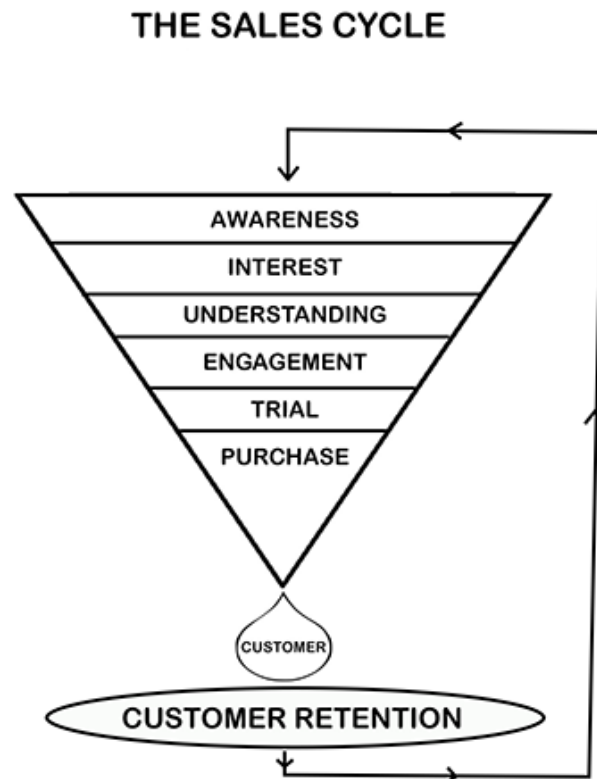
Measure Everything! Suggestions for What to Measure

- [Click here for a detail explanation of how to measure the success of a product launch](#). Many of these metrics can also measure the success of a startup launch.

Customer Success: How Do You Keep Your Customers Happy?

The Sales Cycle Shouldn't End with the "Purchase"

- Customer retention should be an ongoing stage in your marketing & sales cycle.
- If the customer has already purchased from you, the process through the sales cycle should take less time and effort than it did when they were a new lead.



How to Get Customers to Keep Coming Back, Stay Longer, and/or Pay More

- Your products/services have to continually help your customers achieve their desired outcomes.
- A customer's needs can change overtime. You need to understand their changing needs and be able to provide solutions through your products/services.

It Costs Up To 5x as Much to Attract a New Customer, Than to Keep an Existing One

- Not only is it cheaper to keep a new customer than it is find a new one, existing customers are also more likely to buy from you again and can be some of your most effective marketers
- [Read this article to further understand the benefits of retaining your customers](#)

Subscription-Based Companies: Reduce Churn and Measure Customer Success

- Companies that receive recurring revenue by charging customers periodic subscription fees, such as [Software as a Service \(SaaS\)](#) companies, recognize the vast majority of their income long after the initial onboarding of a customer
 - [Click here to learn more about considering the Customer Lifetime Value](#)
- Churn Rate – the annual percentage rate at which customers stop subscribing to a service. Keeping the churn rate low is vitally important to SaaS companies.
- [Read this article on managing customer success to reduce churn](#)

Measure Everything! Suggestions for What to Measure

- [Here's an in-depth article on considering and calculating Customer Lifetime Value](#)
- [This article offers a case study on how Starbucks can calculate the lifetime value of its customers](#)
- [Here's an article on how to calculate the value of e-commerce customers](#)
- Keep track of the amount of current customers purchasing premium upgrades
- Keep track of referral rates (new customers attracted by current customers)
 - If you offer a customer referral program, [see this article for valuable metrics to track the success of a referrals.](#)
- [This article offers a formula to calculate your customer retention rate](#)