

# Just Enough Strategy

A Series of Technology Marketing Articles

Contributed by

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# Just Enough Strategy: The Three Cs

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The panic doesn't usually creep into their voices until we're nearly done with the coffee.

"I know strategy is important," the colleague will say to me as we wrap up. "But I can't spend a lot of time or effort on marketing strategy. I need to do stuff that will generate sales today."

I'll nod sagely. And hope he doesn't waste too much money on misdirected marketing tactics, confusing any motion with forward motion.

Strategy has gotten a bad rap as the tech economy has soured. In part, this is the fault of some direct marketing consultants, Web designers, PR firms, and ad agencies who charged inflated prices for meaningless "marketing strategies" during the boom times as a way to add margin to their basic services.

But marketing is needed to create demand that sales then fulfills. And a marketing strategy is nothing more than a disciplined approach that focuses demand creation efforts. Indeed, as I'd have liked to have told many colleagues over coffee, in a down economy you need focus more, not less, so every dollar spent is well spent.

So how to make marketing strategy fast and fashionable again? Start by demystifying it. A good way is to begin thinking of spelling the word "strategy" with three Cs:

## Customers

Who are your firm's target customers? Most companies think they know, but it's not enough to say "Fortune 1000 firms" (or, God forbid, "anyone with a computer"). What title do individuals you're targeting at these companies have? In many cases, the "customer" really is two people -- a user and a purchaser (in education, for example, the teacher is the user, but the P.O. may be issued by a curriculum administrator).

Now boil down, briefly in writing, what motivates them: Why do they buy what they buy, why do they avoid certain products, and what larger forces in their industry or company may influence their decisions? Past sales call results and trade Web sites can provide clues.

## Competitors

Who are your firm's top competitors -- really? Not the firms that you think you compete against, but your competition from your customers' perspective.

You may think they're one and the same. But let's say that at home you have a ripped couch. Upholsterers and furniture manufacturers think they're competing for your business. But from your perspective, so may sewing needle and duct tape firms.

Pick up the phone and do a soft sounding of some of your best customers, asking them who they think your competition is.

## Course

The third "C" is the course -- the strategic marketing direction. Once you better describe who your target customers and primary competitors are, defining your course is much simpler. You've already developed touchstones that can provide a reality check on whether any marketing or sales tactic fits inside those boundaries.

Tempted, for example, to exhibit at a local tech event just for the exposure? If that tactic doesn't draw or influence a target audience, commit those resources elsewhere.

Of course, if you have time to do the traditional market analysis, SWOT analysis, competitive analysis, target audience identification, key features/benefits grid, positioning statement, and functional strategies of advertising, collateral, distribution, public relations, packaging, pricing, and promotion -- by all means do them.

But you shouldn't embark on any marketing tactics without, at the very least, a firm understanding of the three Cs and how they define a rudimentary marketing strategy. Anything else could spell, well, disaster.

It's an approach I call "just enough strategy" -- enough practical strategy to quickly focus marketing efforts. It's an approach I'm exploring ...occasionally, even over coffee.

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# Just Enough Strategy: The Perfect Name

by Frank Catalano  
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Few marketing projects are as likely to turn into a free-for-all as choosing a name for a new product or service.

Unlike expectant parents who can turn to *The Baby Name Book*, there is no equivalent for marketers (which, unless you want a slew of products named Tiffany or Amber, is probably a good thing). But there are some guidelines companies can follow to properly pick a name themselves, short of retaining a naming specialist to come up with a made-up word.

## Set Criteria

Too many times names are brainstormed with the assumption that everyone will instinctively know the best name when they hear it. That's a trap that can lead companies to pick names based on personal preferences or, in some cases, because a name sounds familiar and thus sounds "good."

Instead, start by establishing at least three, and no more than five, naming criteria. Naming criteria can be general ("sounds active") or specific ("starts with the letter F"). The criteria should be agreed upon by all involved in advance.

For example, naming criteria for a boys' soccer club located near Mt. Rainier in Washington State might be:

- 1) Active, to imply action;
- 2) Gender-neutral;
- 3) Have a dual soccer and mountain meaning.

Criteria for other types of names might be that a name "fits within a product family identity," "is easily spelled," or otherwise takes into account any marketing or creative requirements.

Now brainstorm away. After brainstorming, map each name to the stated criteria to come up with a list of candidates, listing pros and cons as they relate to the criteria.

For the soccer club, the candidates were "FC Avalanche," "FC Ascent," "FC Advance," and "FC Summit." Tossed were a long list of initially-appealing names ranging from "FC Rainiers" (not active; indeed, glacial -- a bad connotation for a soccer team) to "FC Pyroclastic Flow" (too long for a jersey and, uh, silly).

Agreeing on naming criteria in advance, and making sure each brainstormed candidate maps well to the criteria, imparts some objectivity to the naming process.

## Cull Candidates

Next, filter the candidate names through a series of sieves.

**Existing uses.** Find out who else is using the name and for what purpose. Start with a quick search on Google ([www.google.com](http://www.google.com)). Ideally, also do a trademark

search. An existing use isn't necessarily a conflicting use if it's in a different industry, but you should know that before you decide on a final name.

**Available URL.** See if the Internet domain for your candidate is available by doing a WhoIs database search ([www.netsol.com/cgi-bin/whois/whois](http://www.netsol.com/cgi-bin/whois/whois)). Grabbing the domain is a plus for any branding or Web marketing efforts.

**Customer reaction.** Contact a few customers and prospects, formally or informally, and see how they react to the name. A neutral reaction isn't necessarily bad; many names only stick after repeated exposure, or when placed in the proper context with a physical product or logo. But consistently negative reaction should make you take pause.

## Memory Lane

Finally, a name should be memorable, either by itself or in combination with the company name. "Memorable" means distinctive as well as easy to remember.

In 1994, when coming up for a name for a weekly column on tech industry trends, I first proposed the sober "Dispatches from the Digital Frontier" and then "Byte Me." The latter was more memorable and stuck.

Similarly, the names "Bean There" (for an espresso stand whose owner loved travel), "RavenFire" (for a business strategy firm that wanted to inspire passion in its clients), and "McGraw-Hill Homeroom" (for a line of educational software designed for home tutoring) all won out in my naming work over their less-memorable counterparts.

Above all, listen to the marketplace. When "Marketing Online for Dummies" was published in 1998, reviewers kept slipping and calling it "Marketing on the Internet for Dummies." My co-author and I got the hint and convinced the publisher to change the name of the 2001 edition to "Internet Marketing for Dummies" -- just in time for the dot-com crash. Sometimes timing counts, too.

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## Just Enough Strategy: How Tech Differs

by Frank Catalano  
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A decade ago at the Software Publishers Association conference in Seattle, Kevin O'Leary proclaimed that "software is cat food."

While the former president of bargain software publisher SoftKey (later The Learning Company) can be credited with many things -- among them driving down the average retail price of software and creating "free after rebate" offers that simultaneously may have destroyed that software's perceived value -- articulating the differences between taking PC and pet products to market doesn't appear to be one of them.

Even today, with CD-ROM programs found in boxes as cereal premiums, successful tech marketing in general -- and hardware and software marketing in particular -- bears more resemblance to selling cat surgery than cat food.

Yet several factors do, on the surface, place many tech products in the "cat food" packaged goods camp:

**Mass market channels.** Packaged consumer and general business software is on tables at Costco, on racks at Office Depot, and downloadable from the Internet. Only enterprise software and specialized applications aren't easily available to the masses. CD burners, USB hubs, and all manner of hardware add-ons are likewise everywhere.

**Incremental growth.** PC penetration in the U.S. is at the saturation point and there are fewer virgin domestic buyers of software and add-ons. In mature product categories, traditional tech marketers have nightmares of endless focus groups designed to test the tech equivalent of new Clorox bottle cap colors (e.g., fashionable Apple or Sony designs) in hopes of gaining a few incremental market share points.

**Lower price points.** Mass market distribution and consumer expectations (thank you, Mr. O'Leary) have pushed consumer and general business application price points down and kept them there. It's not unheard of to find new consumer software in retail stores for \$20 or less.

However, tech marketing has tricky aspects that will likely keep a pure Proctor & Gamble mentality from being completely successful with buyers:

**Educate on need.** Marketers generally don't have to educate cat owners on why they need to buy cat food, or deodorant prospects as to why they need Ban (at least, I hope they don't). But what's the clear benefit to buying a Palm, a photo printer, or data mining software? Marketers must still carefully identify the prospect's need for a new technology, communicate it clearly, and show how their products meet that need.

**Instruct on use.** When was the last time you had to call Ban's tech support line after your armpit refused to work after using their product? Tech marketing, at some level, has to address product limitations to avoid buyer remorse and returns -- be they PC system requirements for software and peripherals or the need for a phone line for an Internet appliance.

**Motivate purchase.** Tech marketing shares this task with consumer goods marketing. The difference is tech marketing needs to integrate the education and instruction aspects without dampening the motivation. (Doing otherwise leads to stereotypical text-dense

ads that read more like obits than benefits.) It's easier only motivating, or only instructing/educating. It's tougher combining the two.

Tech marketing has, unquestionably, become more like packaged goods marketing over the past decade. Tech marketers now have to know how to use focus groups and other traditional research methodologies. They must have an overall grasp of how to create a mainstream marketing strategy and what it takes to leverage the functional areas of marketing, from pricing and packaging to advertising and PR.

But marketing tech remains a slightly different beast than marketing packaged goods, much as the marketing approach for consumer electronics is different from that for household appliances. And it'll always be different -- until the day when the software transparently becomes an ingredient of the cat food itself.

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## Just Enough Strategy: Should You Spam?

by Frank Catalano  
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E-mail is cheap. Times are tough. Those two facts alone are enough reason for some companies to consider launching an e-mail marketing campaign to find new customers using outside lists.

My advice? Forget it. Unless you want to be labeled as a spammer.

Spam has led to the death of legitimate e-mail prospecting. The harvesting of e-mail addresses from Web pages and discussion groups, systematic "alphabet attacks" against well-known domains (e.g., AOL, Hotmail, and Earthlink), and leaky or bogus opt-in lists all but guarantee that any business will be called a spammer if it sends unexpected e-mails to unsuspecting prospects.

The perception of junk e-mail by customers is so bad that "spam" has become a generic term for any intrusive electronic communication, from unsolicited bulk commercial e-mail to personalized political pitches. Such messages not only generate complaints, but can get an organization in trouble with its upstream Internet service provider if it appears the messages violate hosting terms of service.

IDC recently estimated that, by 2006, e-mail message volume worldwide will double to some 60 billion messages each day -- and up to half of that may be spam. Likewise, Jupiter Research figures that by 2007 each consumer will get 3,900 spam messages a year; that's nearly 11 each day, up from an average of six per day now.

So should marketers abandon e-mail as a tool? Not entirely. Instead, use e-mail marketing for customer retention and to encourage lookers to become buyers.

Recipients should be people who have already had contact with your company, be they current, former, or potential customers. All should have given you explicit permission to communicate with them via e-mail, whether it was during the product registration process, from a promotion or newsletter sign-up on your Web site, or by dropping a card into a fishbowl at a trade show.

And though these folks know who you are, follow these five rules of e-marketing etiquette:

1. **Keep it short.** If you can't get your main message across briefly, it doesn't belong in a marketing e-mail. (This applies differently to e-mail newsletters; see below.) Refer customers to a Web page with more detailed information and to close the sale.
2. **Keep it text.** Not every e-mail client receives HTML-formatted mail properly, especially Blackberry devices, PDAs, and mobile phones. Rich media e-mail with lots of graphics, sound, and animation can be infuriatingly slow to download on dial-up connections that customers may use when traveling. If in doubt, go with straight text.
3. **Keep it relevant.** If you sell utility software, don't send your customers a marketing e-mail for, say, someone else's consumer electronics -- even if a consumer

electronics company is a business partner. There's no easier way to get a reputation as a spammer than by sending off-topic offers. Focus on satisfying customer needs and expectations.

4. **Keep it private.** State clearly when gathering addresses or in the first e-mail contact what you will and won't do with someone's e-mail information. I recommend saying you won't sell, rent, or share your list -- period.
5. **Keep it optional.** Make it exceedingly easy for customers to stop getting e-mails from you. Put unsubscribe instructions at the bottom of every message, even if you think it's redundant. This may seem counter-intuitive -- making it easy to lose a marketing target -- but it's better than the reputation you may gain by repeatedly mailing recipients that no longer want to hear from you.

If your product or service is conducive to a regular e-mail newsletter offering tips or industry news, by all means offer one. But e-mail newsletters should be informational, not sales-like, in tone, and be no more frequent than once a week (ideally, monthly is best -- often enough to be a presence but not a nuisance). Be brief, under 1,000 words. Rules 2 through 5 still apply.

These days, the only legitimate businesses to unquestionably benefit from blind e-mail prospecting are those selling spam filters. E-mail's current role in your marketing strategy should be customer service and retention -- at least, until spam returns to being primarily thought of as luncheon meat.

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