

Napier

The 15 Marketing Models You Can't Live Without

A Napier eBook

Contents

- Introduction
- The Funnel
- The 4 Ps, 7 Ps and 8 Ps
- PESTEL
- SWOT
- Porter’s Five Forces
- Ambition Star
- Technology Adoption Lifecycle
- Ansoff’s Matrix
- Boston Matrix
- Product/Customer Involvement
- Perceptual Map
- Persona
- Customer Journey
- Messaging House
- The Four-Step Approach

Introduction

Why Are Models Important?

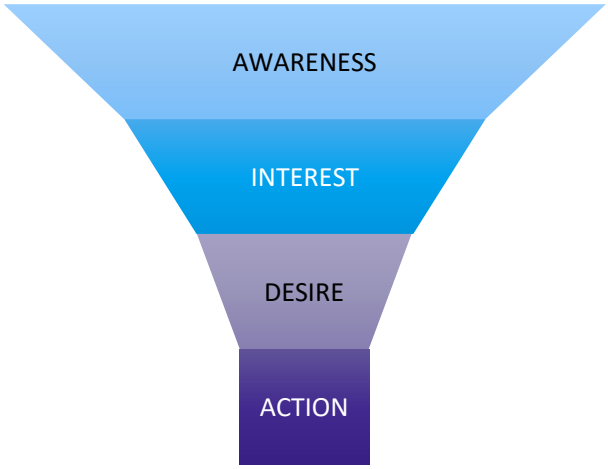
Marketing is hard! It's not just the challenge of creating engaging content, building strategy for marketing campaigns can be really complicated. Models are designed to make the process a little easier by simplifying complex real-life systems into simpler versions.

Many professions make use of models. For example, scientists might think of a gas as "billiard balls" colliding, they might think about a model of the atom in the gas or even sub-atomic particles. Models are great, because they allow you to predict what is likely to happen without having to understand all the details.

Psychology is a science that uses models: Freud's concept of id, ego, and super-ego is perhaps the best-known. So it's not surprising that marketers, who are dealing with human psychology, also have developed models.

The best marketers have a toolbox of models that help them understand and optimise for different situations. Some might be borrowed from business, for example the SWOT analysis, whereas others, including the customer journey, might have been developed specifically for marketers. This ebook explains the important models you need as a marketer.

The Funnel



A funnel is a very simple model of marketing or sales. The idea is simply that you have prospects or contacts entering at the top of the funnel, and moving through each stage.

As prospects move from one stage to another, you will lose some of them, hence the narrowing of the funnel. Typically you will measure the conversion rate from one stage to the next as a percentage, and then try to optimise your activities to get the conversion rate as high as possible.

There are many funnel models that can be developed using different stages. Our example is a simple four-stage funnel using the AIDA model; you might want to be more specific.

The 4 Ps, 7 Ps and 8 Ps

There are several versions of this model created as people extended the initial 4Ps. We like the eight Ps model to describe the primary elements of the marketing mix, and therefore the things that should be considered as the tactical components of any marketing plan. The great thing about this model is it encourages marketers to think beyond the promotional campaign.

The eight Ps are:

PRODUCT: the features and characteristics of the product itself.

PRICE: pricing strategy (obviously!).

PLACE: this relates to how the product is distributed. It includes sales channels, including online availability.

PROMOTION: the way that the audience is informed about the product and its benefits. This is the "marketing campaign"

PEOPLE: the human element of the campaign, which addresses everything from the training of sales people to the resourcing of campaigns.

PROCESS: the impact of internal processes on the customer experience.

PHYSICAL EVIDENCE: the experience of buying the physical product or the online experience.

PARTNERS: the importance of partners – often called the ecosystem around the product.

PEST or PESTEL



This is a really simple model to help ensure you consider environmental factors when conducting a situation analysis.

The model was originally PEST, which stood for:

POLITICAL: the impact of government intervention.

ECONOMIC: impact of the economy (e.g. exchange rates, inflation, etc).

SOCIAL: factors including demographics, perceptions and motivations.

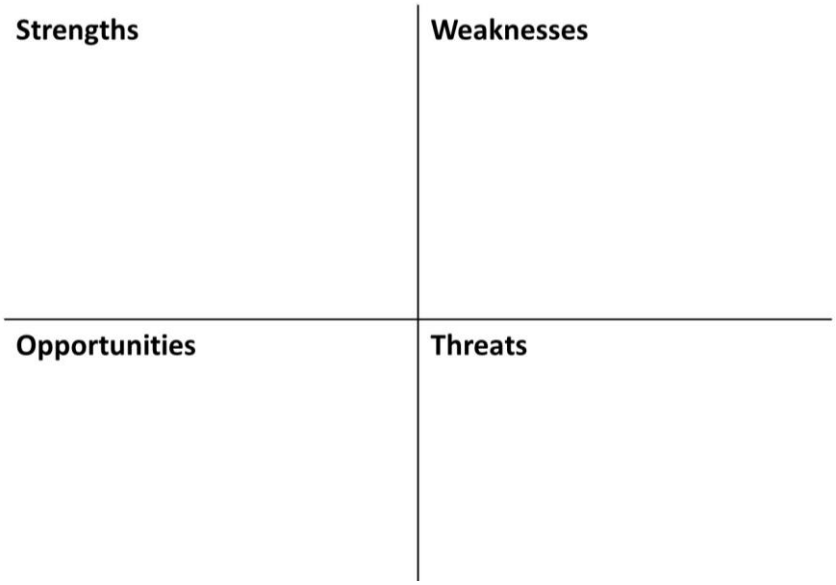
TECHNOLOGICAL: the impact of changing technology.

Subsequently two more factors were added:

ENVIRONMENTAL: the impact eco targets and similar factors.

LEGAL: legislation that affects the organisation.

SWOT



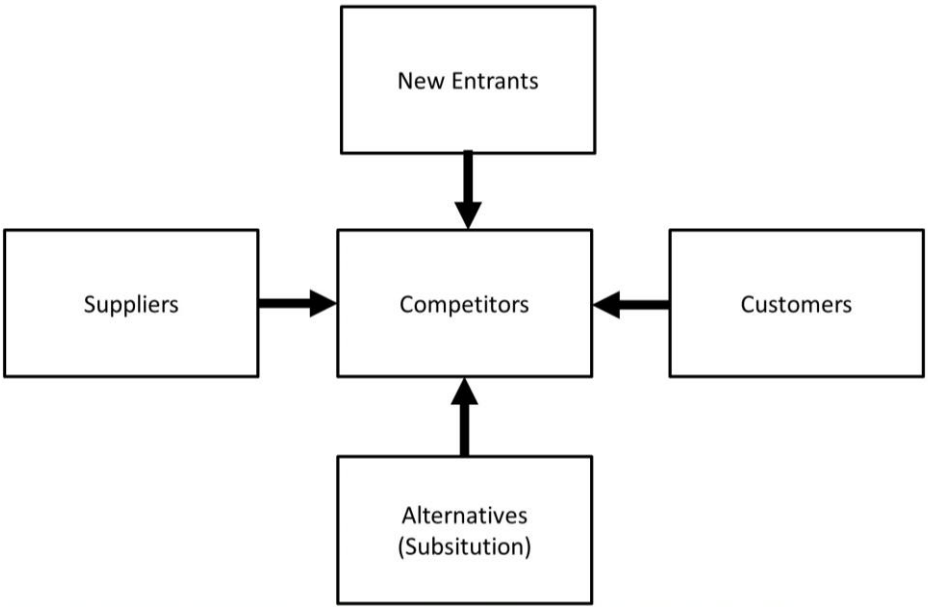
The SWOT (Strengths, Weaknesses, Opportunities and Threats) is a simple tool for situation analysis.

It's important to understand that the layout of the tool is not accidental: it should always be drawn as a 2 x 2 grid. The reason for this is that there are links between adjacent boxes.

The section at the top should inform the section below. So your opportunities are usually driven by your strengths, and threats often occur because of weaknesses.

The left side is also the opposite of the right – strengths are the opposite of weaknesses – although sometimes the same thing can impact both sides.

Porter’s Five Forces

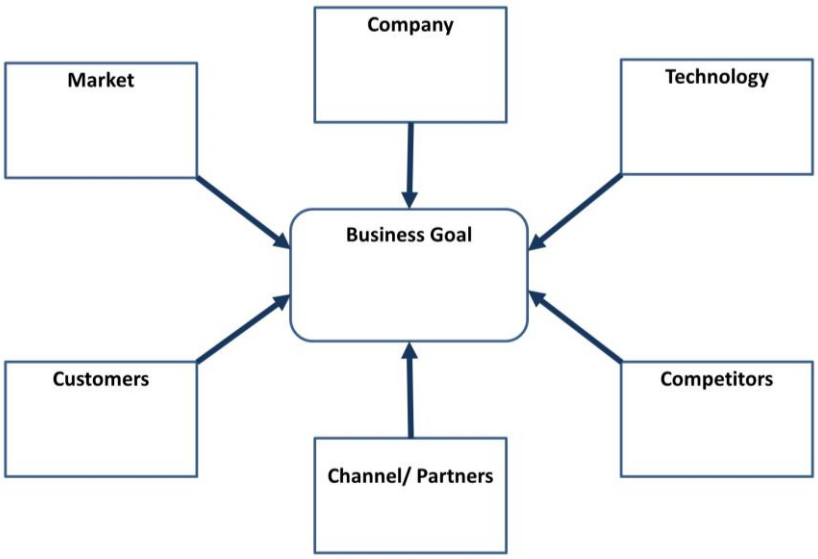


A true classic in the world of business models, Porter’s Five Forces is a great tool to analyse a market.

The model is designed to show the impact of different forces on a market for a product or products, with opposite boxes closely related to each other.

You work through each box, considering the impact of competitors, then the strength of customers and suppliers. Many markets will be driven by customers, who hold all the power, but sometimes there are suppliers that determine your success. Equally customers could choose competitor products, or alternative products, and the market could change with the entry of new companies.

Ambition Star

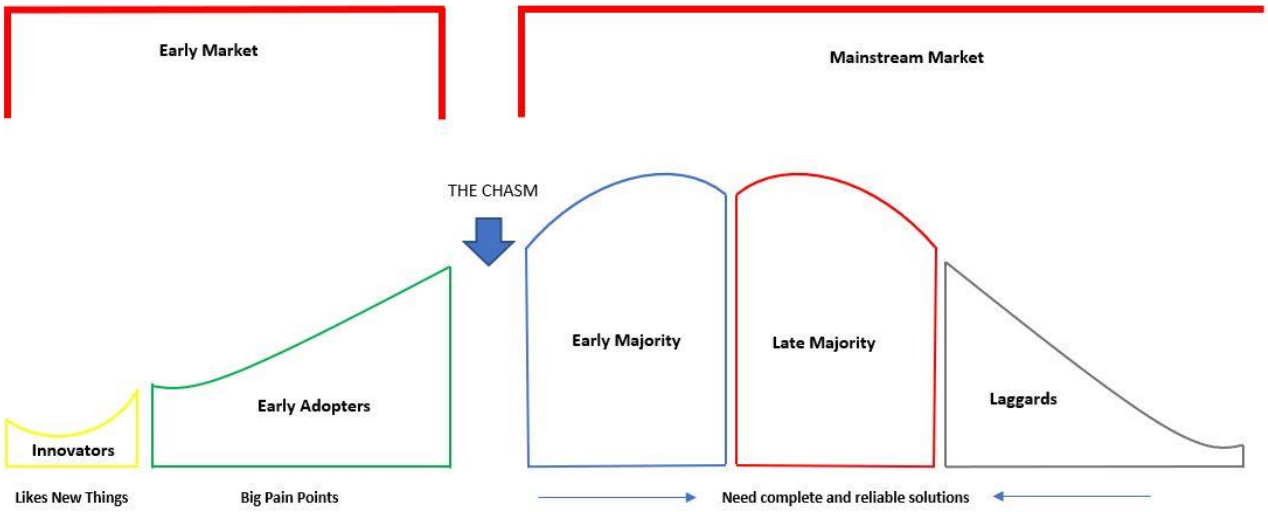


The Ambition Star is a Napier tool that has been based on several other tools. It is specifically designed to understand the environmental factors that impact on whether or not a B2B company achieves its goals.

The Ambition Star is constructed by entering in details of the impact of each item on the company. You start with the business goal, and then work through the external factors that could impact whether or not you achieve that goal.

Starting with the situation inside the company, you look at each area to determine how it might help or hinder the achievement of the goal. It's a great tool for presenting a situation analysis to internal stakeholders.

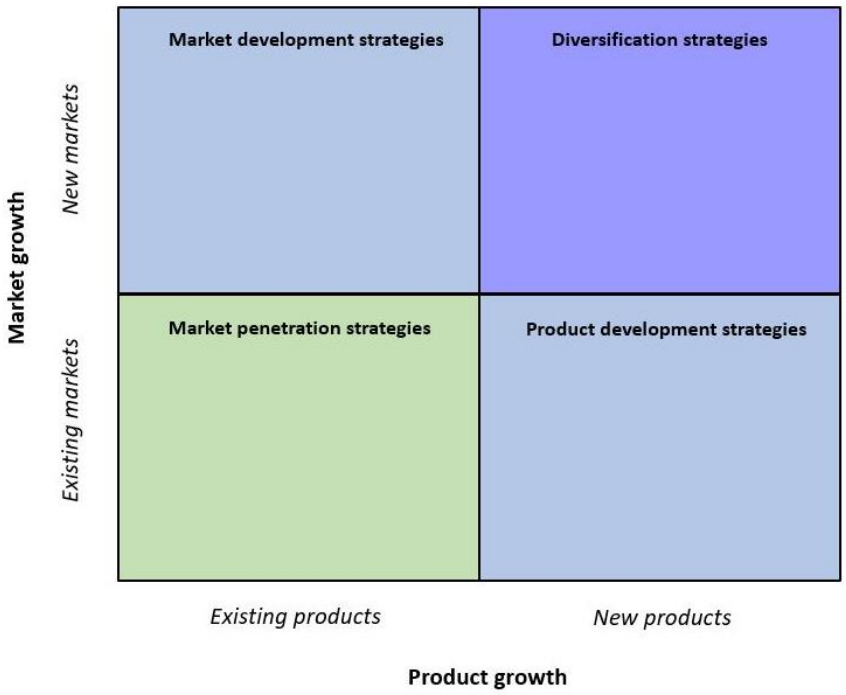
Technology Adoption Lifecycle



The product lifecycle model is a well-known approach that is part of the everyday conversation of marketers working with B2B technology products and services. The idea is that the types of customers at the start of a product's lifecycle are different to those who buy later on, and therefore different marketing tactics are needed to engage the audiences.

We particularly like Geoffrey Moore's addition of "the Chasm" to this model. In his famous book, *Crossing the Chasm*, he asserts that the adoption is not smooth, and the different between the mindset of early adopters and the early majority is so great that technical products and services need to cross a chasm between these two groups of customers.

Ansoff's Matrix



Ansoff developed this matrix that helps marketers think about the correct strategy. The model considers whether the organisation is promoting an existing product or a new one, and if they are addressing a market where they already are present or not.

The matrix dictates that you will follow one of four strategies, depending on where you are in the matrix. These strategies are:

MARKET PENETRATION

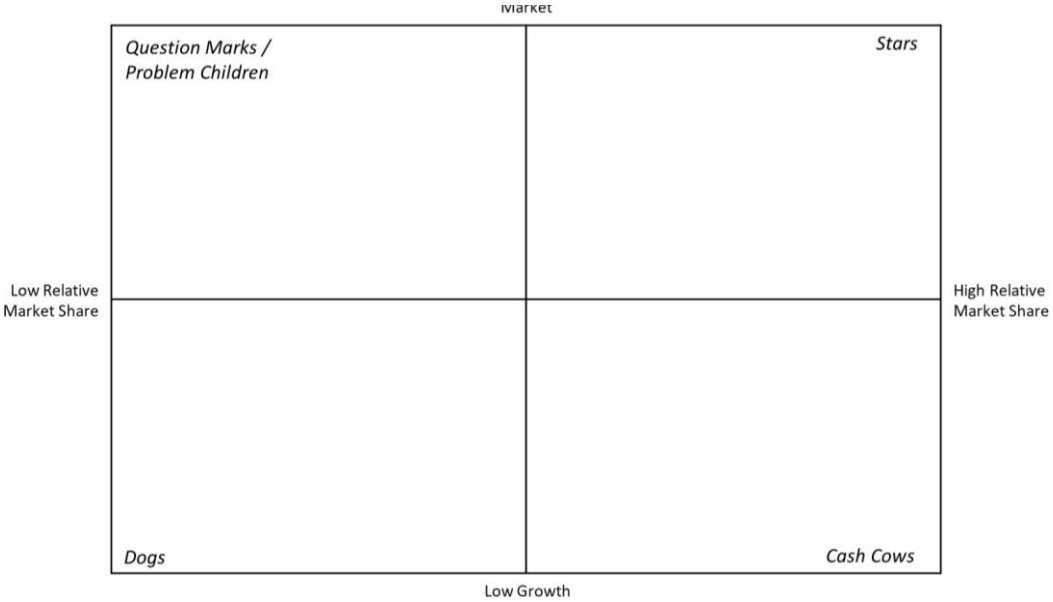
MARKET DEVELOPMENT

PRODUCT DEVELOPMENT

DIVERSIFICATION

The tool is a great way to discuss why you might need different approaches for different products, based on the situation.

The Boston Matrix

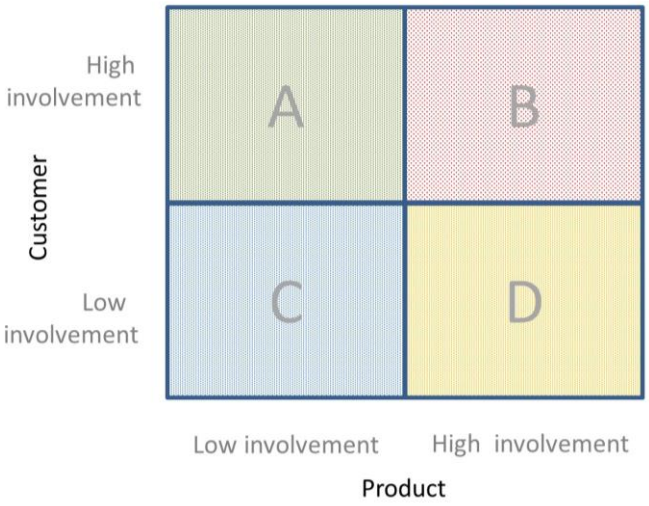


The Boston Matrix owes its name to the company that developed it, the Boston Consulting Group. The tool analyses the market position to determine whether to invest in the product or not.

Note that the two axes are very specific, representing market share and market growth rate.

A ***Dog*** is a product with a low market share in a slow-growth market. It will be hard to increase sales and so the product should be discontinued or ignored. In a high-growth market you should invest if you have a large market share (***Star***) and may also invest with a lower market share (***Question Mark***). Finally, a high share of a mature/slow growth market means you should focus on taking profit from the ***Cash Cow***.

Product/Customer Involvement

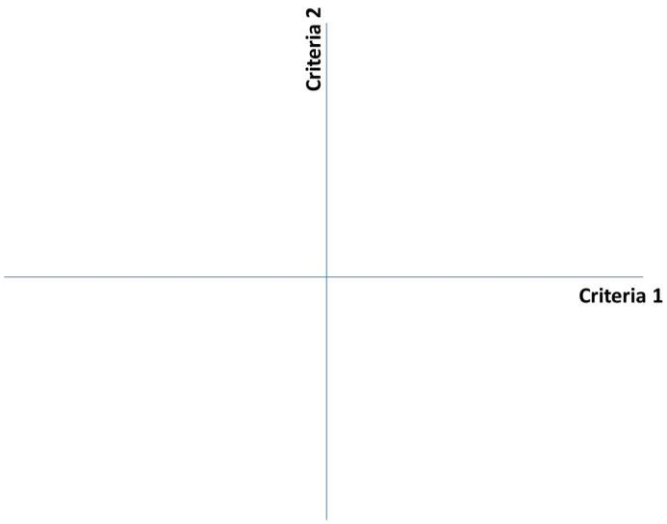


This tool was developed by Napier to help clients understand the challenges they will face when marketing technology products.

Products can be high involvement: i.e. they require a lot of effort to select and buy, or they can be easy to choose and buy (low involvement). Equally customers may be highly invested in the product, thinking it's really important to them (high involvement) or may have a low involvement with a purchase.

Marketing campaigns depend upon the position in this matrix. Where the customer and the product match, the marketing is easy, but there are problems marketing complex products to customers who are not highly involved.

Perceptual Map



Perhaps one of the most flexible tools is a simple two-axis plot of characteristics. Typically, this is used to show how customers perceive products or suppliers: so you might plot cost against performance, for example. The tool is also often called the brand positioning map.

The tool allows you to create a visual representation of how a customer sees different suppliers. You look for a gap in the perceptual map that could be filled, creating a product that has unique positioning. Note, however, that not all places on the perceptual map would be beneficial: e.g. in the cost vs performance example, high cost and low performance would be a poor position to occupy, whereas the other quadrants all have value.

Personas

Sometimes referred to as the Ideal Customer Profile (ICP), a persona is a composite of the features that define the audience you would like to communicate with.

The concept of a persona is simple. Any audience will be comprised of a wide variety of different people, each with slightly different characteristics, it is often hard to work out exactly what to say. The single, idealised description of a "typical" member of that audience is the persona: allowing you to more easily create content and campaigns by removing the complexity of the real world.

A campaign designed to precisely target the persona will be effective across the audience, as each member will share several characteristics with the fictional person you create.

It's important to consider a range of factors to describe your persona. In some instances, it's the demographics that matter (e.g. job title or years or experience), whereas in other cases the psychographics matter more (e.g. what drives them at work or what their pain-points are).

Try our online persona generator on the Napier website.

Customer Journeys

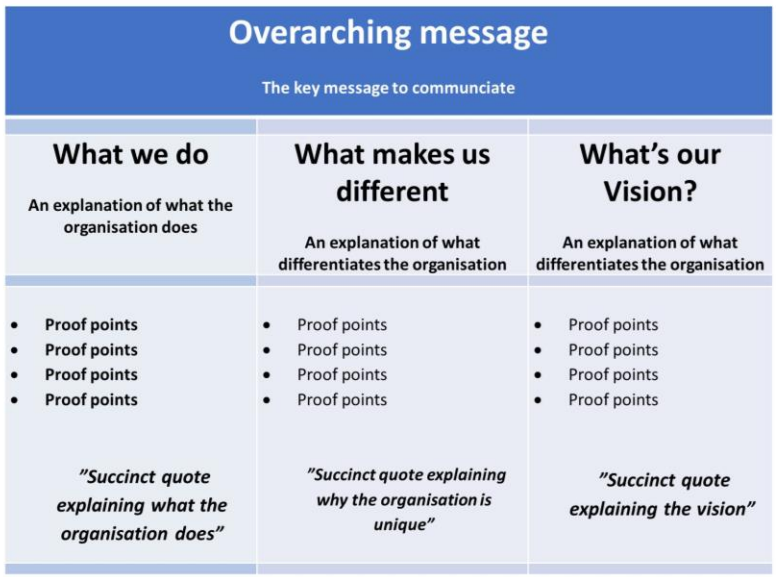
	Awareness		Interest		Desire		Action		Customer	
Journey step										
Motivators										
Barriers										
Desired response/ action										
Experience										
Notes										

The concept of a customer journey can be used and communicated in many different ways. In the example above, a simple matrix collects information about each stage in the customer journey.

The matrix can easily be modified to have different journey steps, rather than the simple AIDA model in the example. Typically, it's best to customize these steps to reflect the steps your customer takes, although the AIDA model can be useful when you don't have as much information.

The customer journey map, however it is drawn, should include information about what you want the customer to do, what is driving them and how good their experience is today.

Messaging House



A house is a widely used model when creating messaging for organisations. The aim is that the roof of the house – the overarching message – will be underpinned by substantial foundations that make the message more credible.

In this version of a messaging house, we have introduced some structure to help the message development process. The overarching message is underpinned by what the organisation does, why it is unique and how it sees the world and the future (it's vision).

Proof points are important elements of any messaging, demonstrating that the claims made are credible and realistic.

The 4-Step Approach



It's too easy to rush into deciding and delivering activities when developing B2B campaigns, so we created the Napier four-step process.

The model draws inspiration from other models for PR campaigns, including RACE (Research, Action and planning, Communication and relationship building and Evaluation) and the four phases and nine steps outlined by Ronald D. Smith in his book *Strategic Planning for Public Relations*.

Our four-step process consists of:

- DETERMINE
- FOCUS
- DELIVER
- ENHANCE

More information is available on our website.

Napier Partnership Limited
Donnington Park
Birdham Road
Chichester
PO20 7DU

+44 1243 531123
www.napierb2b.com