GO TO MARKET STRATEGY
Go-to-market or go-to-market strategy is the **plan** of an organization, **utilizing** their inside and outside **resources** (e.g. sales force and distributors), to deliver their unique value proposition to **customers** and achieve competitive advantage.

The end goal of a go-to-market strategy is to enhance the overall **customer experience** taking into account various aspects of the **value proposition** such as the quality of the product and pricing.

Go-to-market strategy (GTM) is an action **plan** that describes repeatable and scalable **processes** for how a company acquires, retains, and grows **customers**.
KEY QUESTIONS YOU SHOULD ASK YOURSELF

WHO are we selling our solution to?

WHAT will our portfolio of solutions be for each target customer?

HOW MUCH do we intend to charge our customers?

HOW will we promote our solutions to customers?

WHERE will we promote and sell our solutions?

WHO (customers and markets) is the first question you need to give an answer to, because all the following decisions will be based on a) your target customer, b) competition and c) your unique value proposition and strategy.
KEY DRIVERS OF YOUR GO-TO-MARKET STRATEGY

CUSTOMERS
- Deeply understand your target markets

COMPANY
- What is your vision, your mission, your strategy, your strengths and weaknesses

COMPETITION
- What is their strategy, their strengths and weaknesses
Market segmentation is the process through which prospective customers are divided into different groups (segments) that have common needs and the same expected reaction to a marketing action. This approach enables companies to cluster full value proposition of their products or services and offer it to customers.

- Customer size and sales potential of the customer
- Customer behavior: Studying the customer's behavior related to the product or service such as the customer buying from a competitor or examining the responsiveness to selling effort
- Geography: Geographical locations of prospective buyers
- Application and use of the product or service by the customer
- Benefits earned by the customer due to buying the product or service and comparison to the related costs (purchasing, switching, …)
- Information which is required to be provided by the company to the customer
- Usage situation: When and where the product or service is used.
- Profitability of selling to a certain customer
<table>
<thead>
<tr>
<th>Scope</th>
<th>Source of competitive advantage</th>
<th>Cost leadership</th>
<th>Differentiation</th>
<th>Cost focus</th>
<th>Differentiation focus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Narrow</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Broad</td>
<td></td>
<td>Cost</td>
<td>Differentiation</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## SWOT ANALYSIS

<table>
<thead>
<tr>
<th>Strengths</th>
<th>Weaknesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>What do you do well?</td>
<td>What could you improve?</td>
</tr>
<tr>
<td>What unique resources can you draw on?</td>
<td>Where do you have fewer resources than others?</td>
</tr>
<tr>
<td>What do others see as your strengths?</td>
<td>What are others likely to see as weaknesses?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Opportunities</th>
<th>Threats</th>
</tr>
</thead>
<tbody>
<tr>
<td>What opportunities are open to you?</td>
<td>What threats could harm you?</td>
</tr>
<tr>
<td>What trends could you take advantage of?</td>
<td>What is your competition doing?</td>
</tr>
<tr>
<td>How can you turn your strengths into opportunities?</td>
<td>What threats do your weaknesses expose you to?</td>
</tr>
</tbody>
</table>
A PESTEL analysis is a framework or tool used by marketers to analyse and monitor the macro-environmental (external marketing environment) factors that have an impact on an organization. The result of which is used to identify threats and weaknesses which is used in a SWOT analysis.
The tool was created by Harvard Business School professor Michael Porter in 1979, to analyze an industry's attractiveness and likely profitability.

For example, when looking into competitive rivalry, the elements you should consider are:

- How many competitors?
- Differences in quality? In Price?
- Other differences?
- Switching costs?
- Customer loyalty?
A marketing expert named E. Jerome McCarthy created the Marketing 4Ps in the 1960s.
PLACE – WHERE AND HOW WILL YOU REACH YOUR CUSTOMER?

Channel(s) Strategy
Many options for reaching your target market

Channel Options

- **e-Commerce**: You → Customer
- **Direct Personal Selling**: You → Salesperson/Reps → Customer
- **Retail (on/offline)**: You → Retailer → Customer
- **Indirect**: You → Distributor/Reps → Salesperson → Customer
- **Component or Private Label**: You → OEM → Customer

*Go-To-Market Strategy - Entrepreneurship 101 (2012-2013)*
PROMOTION – HOW WILL YOU COMMUNICATE TO YOUR CUSTOMER?

Based on your strategy, you should define:

- WHO are you communicating to
- Using WHICH communication channel
- WHAT are you communicating (message)

The mix of the above elements determines your plan.
Companies like Amazon build their whole value proposition on price on the one hand and quality of the process on the other hand.

According to Leinwand and Mainardi – in their book Strategy that works – Amazon's value proposition is: "Amazon is a super-aggregator of vendors and customers, giving people a compelling, one-stop online shopping experience with easy access to products, information, and friction-free delivery."

Amazon's capabilities include retail interface design, back-end supply-chain management, and advanced technical innovation.

All the above supported by a very aggressive price strategy.
WHAT IS YOUR MOST PAINFUL HEADACHE?

Customer | Understanding the market
Competition | Identifying your competitors’ strategy
Price | Reaching out to customer and engaging them
Product | Identifying potential threats
Place | Defining your vision and mission
Promotion | Choosing your strategy
Process | Determining the action plan
People
Physical evidence | Anything else?

Anything else?
When you go international what are the elements that you think are impacted more and might need some revision?

Customer  
Competition  
Price  
Product  
Place  
Promotion  

Process  
People  
Physical evidence
THE NEXT SOCIETY

Join the movement!

Facebook: THE NEXT SOCIETY
Twitter: @TheNext_Society

welcome@thenextsociety.co
www.thenextsociety.co