



DM Days & Expo '06

# Outside-in: A customer-focused approach to targeting

Don Drews  
President, Courageous Marketing  
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## “Outside-in” vs. “Inside-out”:

Even though we know better, most marketers use inside-out (me centered) thinking as the basis for their targeting.

There is a better way.

## Definition: Inside-out targeting

- A “We-will-tell-you-who-we-are” value proposition
- Broadcast our messages to a demographic:  
Cast the widest possible net
- Subconsciously, push-based thinking

## Does this sound familiar?

- “We are the global leader in web-enabled left-handed widget technology.”
- “We are your world-class NKWIM\* solutions partner.”

\*Acronym for “Nobody Knows What It Means”

## Problems with inside-out targeting

For the prospect—

- I have to do all the work to connect to your message
- I have to figure out if this is important to me
- This is not how I define my problem

For the company—

- Our “leads” are poorly qualified
- Our selling takes longer
- Waste and inefficiencies add cost to the system

## An alternative approach

- The best target is not a demographic, but a person with a problem who is ready to take action



## Definition: Outside-in targeting

- A “We-understand-your-world; we-can-make-it-better” value proposition
- Broadcast messages that will spark strong connections among ideal customers
- Consciously pull-based thinking

A helpful exercise . . .

Can you pass the Moroccan Bazaar test?



## Another helpful exercise . . .

- Rather than asking “Who is responsible?”, consider “Who is *concerned?*”.





## The benefits of outside-in targeting

For the prospect—

- You help me opt in or opt out (and I appreciate that)

For the company—

- Our message really stands out; people are listening
- Better quality leads and shorter sales cycles
- Higher margins in solving *their* problems

For you—

- More gain with less pain



## The big picture

- Outside-in is a mindset
- You're not ***doing*** anything different
- But you are definitely ***thinking*** differently



## Making it real—applying outside-in targeting

- With this approach, you go through all the normal steps of solving a marketing problem
- But you look at each choice from the perspective of a person who is ready to take action to solve a problem

# Case study: The Strategy & Message

from this . . .

#1 in  
outsource  
medical cost  
management



to this . . .

We make  
big  
medical bills  
smaller



to this

Managing  
healthcare  
costs is  
challenging.  
XYZ Co.  
can help.



## Making it real—applying outside-in targeting

- Outside-in thinking and the Prospect
- Outside-in thinking and the List
- Outside-in thinking and the Offer
- Outside-in thinking and the Creative
- Outside-in thinking and the Budget



## Outside-in thinking and the Prospect

- What is the most important and compelling problem people solve with our product or service?
- Who are the people most concerned about that problem?
- Is this a big group?
- How much value do they put on the solution?



## Case Study, Part A

- A manufacturer of point-of-sale equipment for the paint industry
- Both retailers & paint companies were customers
- The customers said, “We want you to be invisible.”
- But when the equipment wasn’t working, the retailer was out of business

## Outside-in thinking and the List

- Where do the people who are concerned about this problem look for solutions?
- Where are they and what are they doing when they are thinking about this problem?
- Where and when are they receptive to receiving messages in general?
- Who has credibility with these people?

## Case Study, Part B

- Retailers relied on their paint company sales rep
- The sales rep wanted to sell paint, not equipment
- By shifting to an outside-in perspective, we could solve a problem for the sales rep and the retailer
- Solution: make it easy for the sales rep to endorse our equipment at *the moment* when they wanted us to be visible



## Outside-in thinking and Multiple Channels

- When extending our message into multiple channels, we ask more of the same questions we ask about lists
- Direct mail, mass media and web traffic builders all work together to create connections with people who are ready to solve a problem
- Consistency in message, tone and perspective—  
"outside-in"—is the key to success

## Outside-in thinking and the Offer

- The offer must have the strongest possible link to the problem—as defined by the prospect
- How can the offer demonstrate that we understand your world?
- How can the offer highlight the importance of this problem?
- How can the offer trigger action for those who are aware that they have the problem?



## Outside-in thinking and the Creative

- The creative must spark instant recognition and a personal connection within the prospect
- How can the creative convey that we understand what your situation feels like?
- How can the creative dramatize this problem?
- How can the creative sharpen the opt in/opt out thought process?

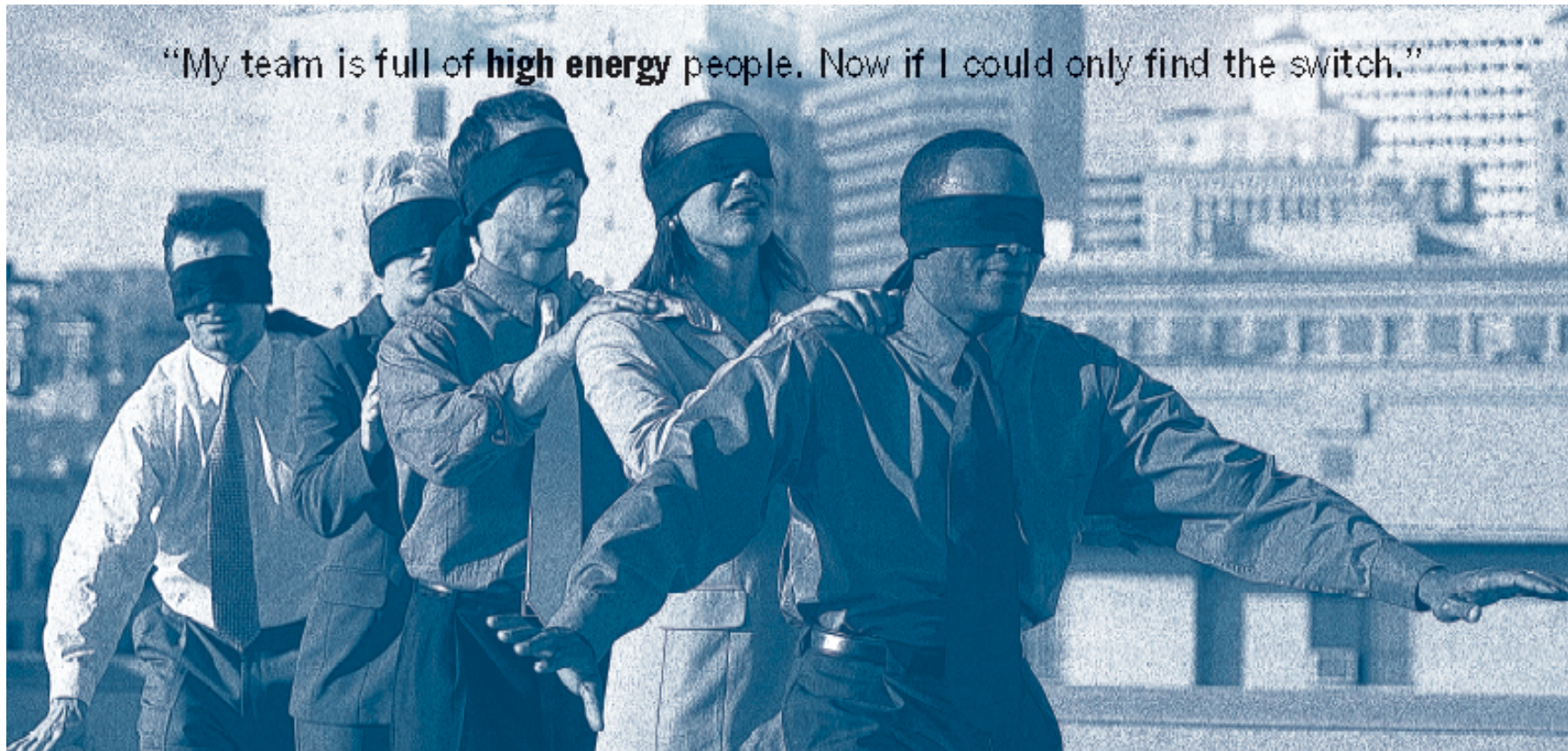
# Case study: postcard campaign



# Case study: postcard campaign



## Case study: postcard campaign



## Outside-in thinking and the Budget

- With an outside-in approach, you don't spend more—or less—than with an inside-out approach
- You spend ***differently***
- Spending works harder because you
  - attract those who are ready to take action
  - speak to them in their terms
  - focus on the value of solving the problem



## Closing thoughts . . .

- Outside-in is a mindset
- You're not ***doing*** anything different
- But you are definitely ***thinking*** differently
- . . . And it gets easier with practice



# Discussion . . .



# Thank you!

Don Drews  
President, Courageous Marketing  
708.528.0925  
[d.drews@couragemarketing.com](mailto:d.drews@couragemarketing.com)

