



DM Days & Expo '06

Outside-in: A customer-focused approach to targeting

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March 28, 2006



“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

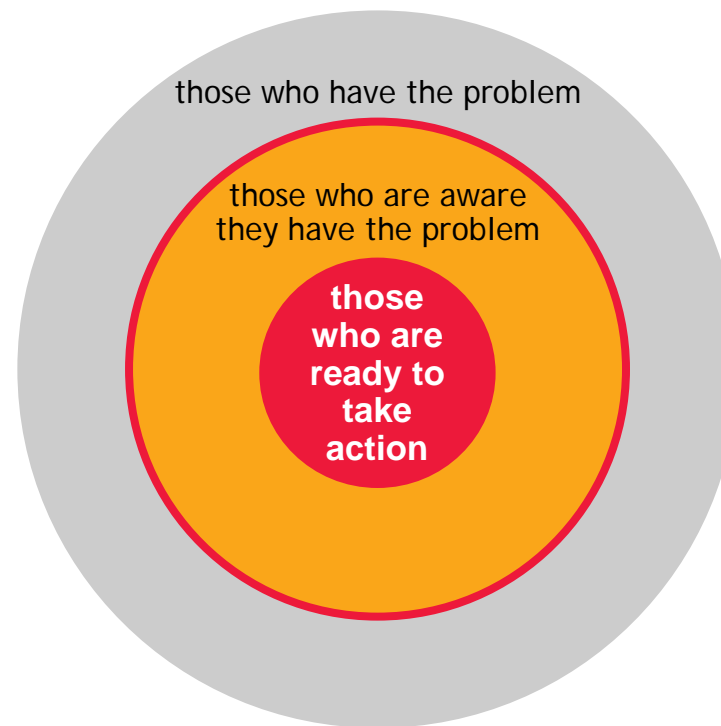
A helpful exercise . . .

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?

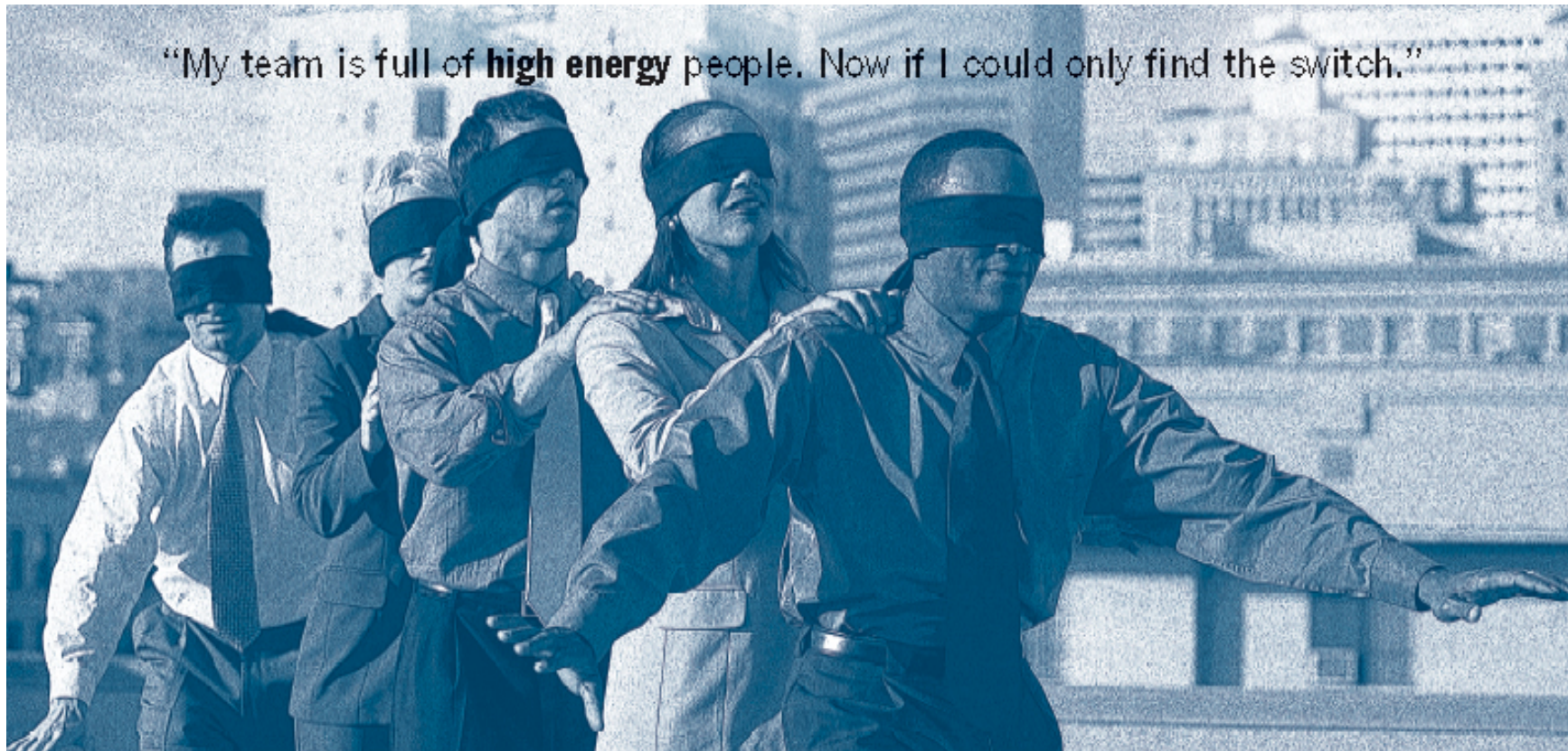
Case study: postcard campaign



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!

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