

## **GROWING MARKET SHARE**

### CHANGING WORLD OF PRINTING

"What did you see that was new and exciting?" is the most common question asked of visitors to GraphExpo. That question is both logical and revealing. It implies that most or all of the significant changes in the graphic arts industry are technological and tangible. However, changes in buyer-seller relationships and, consequently, in the role of the sales function in a printing company, have been at least as dramatic and pervasive as technological changes in recent years.

Space does not allow a discussion of all, or even most of those changes in buyer-seller relationships and the implications for growing market share at a printing company. They will be discussed at length at the forthcoming PIA/GATF Sales and Marketing Executives Conference in Snowbird, Utah on June 24 to 27. However, this article will discuss, albeit briefly, some of the more salient issues.

The role of the salesperson is changing as much as changes in prepress and printing equipment. The reason: buying motives, practices, and behaviors are changing. Marketers' adoption of other communication vehicles is contributing to the change. Competition comes from e-mail, broadcast, billboards, social media and even so-called "word of mouth marketers", as well as other print companies.

### MARKET SHARE - WHAT IS IT?

The need to grow market share is increasingly becoming apparent. With our market maturing, achieving market growth is no longer sufficient for survival. Growing market share doesn't mean growing, doesn't mean achieving budget; growing market share means growing more than the market grows.

Most printing firms either increased substantially more than the market grew or did not grow at all. I suspect this diversity of results is due to the lack of planning and of monitoring sales growth - sales growth just happens more than it is planned, managed and executed! The need to grow market share is more important today than ever. In the "roaring nineties" and

the "good ole eighties" the market grew much more than today. The new millennium brought less growth and lower prices. Profits derived from today's market growth do not offset labor increases, spiraling health cost and lower prices. Successful firms today must grow more than the market. With more firms looking to grow market share - more competition exist. Too many lower their prices to grow. These forces make achieving market share growth that much more difficult.

Today's market dynamics require sale management to better manage the sales process and more closely monitor the results.

### CUSTOMER-SPECIFIC STRATEGY

The day of the all-purpose sales strategy is fast disappearing. The salesperson who asks, "What do you want me to sell?" may fail to understand that there are no off-the-shelf answers in 2007. Individual customers have different needs. In the same way that a competent physician should never prescribe treatment without first understanding the illness, medical history, and lifestyle of a patient, the successful print salesperson needs to excel at information gathering.

The successful sales rep is best described as a commercial social worker. He or she should ideally understand the objectives, needs, experiences, and perceptions of important customers and prospective customers well enough to be able to create print that otherwise wouldn't exist. The ability to create, as well as fulfill, demand for print and related services is the hallmark of the best graphic arts salespeople.

Many companies engage in an unfortunate annual practice: each salesperson is asked, "What are you going to sell next year?" If anyone could provide an accurate number, they would probably be working at a think tank. One cannot successfully sell without first establishing the conditions that make someone want to buy. The preferred approach: develop a written operating plan for a handful of high-potential current and prospective accounts.

Selling today must be account-specific.

## THE DIFFERENTIATION ISSUE

Faithfully providing customers good product, on time, a competitive price is no longer a winning formula. It's the least that customers expect. Having provided good product, timely delivery and competitive pricing, what product or perception are you providing - or can you provide - that will result in elevated value to your accounts?

That's the essential issue facing every company in every industry. God has not singled out the graphic arts industry for punishment. Every charity, restaurant, airline, and service station faces the same challenges. The inevitable result of failure to provide a differentiated product or service is price competition.

Technology is seldom an effective differentiation. Effective technology soon becomes ubiquitous, falling into the hands of both competitors and, at times, customers. Examples: desktop publishing, the office copier, and design software.

The salesperson that cannot meaningfully and credibly differentiate his/her company is condemned to a life of eternal price competition.

A thorough discussion of the differentiation issue could fill volumes. Suffice it to say that most graphic arts companies are seen as meaningfully differentiated by many of their customers and, due to lack of an ongoing investment in research, they don't understand these critical customer perceptions. A mundane example: few salespeople, two or three months after taking the first order from a new account, bother to ask the buyer the reason(s) that an existing supplier was dropped in order to place that first order. As a result, a sales rep doesn't learn the behavior that makes him successful.

## THE VERTICAL MARKET CONUNDRUM

Vertical market specialization sounds logical. IT is behind the success of many successful marketers. Beware it is no longer foolproof, let alone successful. As I discussed earlier in this article, companies within a vertical market may

be doing their best to defy the conventional wisdom in their respective industries. In doing so, they may - or may not - even use print. Even in an industry as standardized and heavily-regulated as airlines, Southwest Airlines offers price and absence of amenities, using televisions as its primary medium. Northwest Airlines, on the other hand, targets the very frequent business traveler and uses four-color direct mail pieces to reach its market.

A printing company's success with a customer in one industry may not necessarily be transferable to other companies in the same vertical market.

#### THE CHANGING PRINT BUYER

We glibly refer to "the print buyer". In truth, there are very few full-time print buyers. Research by the graphic arts consulting firm Gorelick and Associates indicates that about 80% of those empowered to specify and/or buy print spend less than 40% of their time on these activities. The day of the print buyer considered technically knowledgeable by their suppliers is disappearing.

The implications of this development are significant. Buyer involvement in the production and distribution process is in decline as a buying motive. It is being replaced by avoidance as the chief buying motive. Supplier selection is heavily based on the buyer's ability to spend time on other responsibilities. Surveys indicate dissatisfaction with a supplier if achieving excellent product delivered on time at a competitive price involved surprises or hassles. This attitude encompasses the entire process. It's not limited to production. There could be issues involving samples, the quotation, invoicing, status reports, or the way the phone was answered.

#### FINAL COMMENT

The leading cause of failure in business is success. Maintaining old behaviors, attitudes, and policies in the face of a dynamic marketplace can court trouble, if not disaster. At the Sales and Marketing Executives Conference we will further discuss the following six imperatives for growing market share:

1. Work a Plan - set targets, plan, act, monitor results, and adjust actions.
2. Measure sales activity with the same vigor you measure production activity.
3. Execute a product focus strategy or customer focus strategy.
4. Provide a differentiated product or service.
5. Pursue high growth firms.
6. Implement selective acquisitions.

See you at the Sales and Marketing Executives Conference.

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