



# Vertical Market Development Strategies for Business-to-Business Marketers

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# VMD Strategies for Business-To-Business Marketers

Recently, FUSION b2b has witnessed an upsurge in clients' interests, either for entering new markets or entering multiple markets with a targeted approach for each. As FUSION developed marketing plans and strategies for each client engagement, several similarities were identified and formed into a system or process called Vertical Market Development or VMD™.

What is VMD? FUSION typically begins with sales analysis in which customers are segmented into similar groupings, whether SIC/NAICS codes (Standard Industrial Classifications or North American Industry Classification System) or home-grown market descriptors. With sales data, FUSION can quickly identify largest revenue or highest margin segments, and often applies the 80/20 rule to prioritize segments for market development investment.

Within each market, the sales cycles are evaluated and decision-making processes are identified. It is important to note that in a given market, several sales scenarios may occur, or may differ by size or type of purchasing organization. Initial information is gathered from internal stakeholders, including sales personnel, but ideally such intelligence is gathered first-hand from customer interviews or surveys. Quite often, both channels (distributors or retailers and end users) must be considered.

With this information, FUSION develops a profile for each market segment. Included in each segment profile is a list of top customers (or prospects) or, in smaller markets, all customers in each segment.

But market profiles and customers lists are only the beginning. Who are the decision-makers at each customer location? Most often this information is not available, and must be determined through a telemarketing qualification

process. During this process, FUSION qualifies mailing and email addresses, and asks whether other customer contacts participate in decision-making for our client's product or service. If yes, we obtain his or her contact information.

Also during the surveys and interview process we will often qualify what types of marketing information these decision makers need. Finally, all this customer information, or intelligence, is captured in a single record—a marketing database—that will serve as the engine behind our direct marketing.

However, we're still not ready to deploy marketing. With this market-segment-specific insight, we should consider what types of marketing communications will best suit each segment's information needs. In business-to-business scenarios, we often recommend educational and strategic marketing information such as white papers, "how-to" guides, or other thought provoking, problem solving content.

Now we're finally ready for direct marketing—whether via mail, email or internet content that drives search marketing initiatives. We may even complete more telemarketing, but this time with offers or promotions that relate to identified customer marketing information requirements. We also measure results by documenting new customers, or asking the basic question, "How did you hear about us?"

"VMD is nothing more than intuitive marketing, backed with a whole lot of experience to deliver a complex yet streamlined process," says Neil Brown, FUSION b2b managing partner. "It's truly strategic direct marketing, based on market intelligence, customer insight and aggressive direct marketing." So how can Vertical Market Development work for you and your markets? By following seven easy steps, let FUSION assist you in implementing VMD to increase your sales.

## VERTICAL MARKET DEVELOPMENT STEPS

1. Sales analysis and market segmentation;
2. Purchasing, decision-making and sales cycle determination;
3. Market profiles including top customer identification;
4. Telemarketing qualification, including mail and email;
5. Educational marketing communications development;
6. Direct marketing implementation via mail, email, internet, more telemarketing;
7. Measure the results.

*FUSION b2b is a full-service, strategic marketing and creative communications agency focused on business-to-business markets. Clients include USG Sheetrock, Panasonic, AMCOR packaging, OMRON electronics, Woodworking Machinery Industry Association (WMIA), ITW, Tyco Electronics, and others. For more information or press kit, contact Heather Hawes.*

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