



INTERCEPT MARKETING

OVERVIEW

Economic development is about increasing jobs and income.

To do that, the basic requirement is that businesses grow, which requires they increase sales. Every branch and element of the profession – whether recruiting, incubators, Main Street revitalization, urban renewal, brownfield redevelopment, workforce development or entrepreneurial development – every activity depends on increased sales in a company.

Economic Gardening finds high probability sales calls which convert into increased sales.

The purpose of this paper is to clarify and document how Economic Gardening's does that. It is much different than traditional marketing.

FOUNDATIONAL IDEAS

Over the years, we have discovered several powerful ideas that move the needle for sales. These include:

- Sales Window. The purchasing process involves 4 steps (motivation, investigation, evaluation, selection) which creates a sales window. There is a higher probability of making a sale during the open window time period.
- 2% Factor. Data regularly shows that most marketing efforts produce about a 2% return. Which means that markets are 98% stable and selling in stable regimes has a low probability of success.
- Signals of change. Those who are in the market have generally experienced some type of change that motivated them to make a purchase. They give off public signals of change.

- Intercept Marketing. Economic Gardening’s innovation in marketing is to intercept buyers in the investigation stage instead of trying to motivate them. There is a much higher probability of making a sale.

SALES WINDOW

In virtually every purchase, buyers go through a four-step process: motivation, investigation, evaluation, selection. In simple terms this means:

- I want or need something.
- What are my choices?
- Which one is best?
- I’ll take this one.

This purchasing process is the same whether I am buying a million-dollar machine or a snack at a convenience store. It may vary in complexity and length of time, but it runs the same course. The *motivation* step may come from a complex production problem that has arisen in the company or it may be a simple hunger in a convenience store. The *investigation* step for an expensive machine may run over weeks or months, whereas a search for a snack may be as simple as scanning a shelf for a few moments. The *evaluation* step for the machine may be complex, with a number of interrelated factors like price, durability and maintenance costs, whereas evaluating the best snack may be as simple as “chocolate.” Finally, we arrive at *selection*: I’ll take this machine and that candy bar.

This entire process can be considered a ***sales window*** – a period of time that starts with a motivation and closes when the purchase is made. Contacting the potential customer inside that window has a much higher sales probability than contacting them before or after.

The 2% Factor

An unacknowledged truth in the sales business is that on any given day, most people are not buying. By most, we mean 98%.

Over the years, experience with email campaigns, direct mail, cold calling sales and the click through rate for Google and LinkedIn ads indicate that at any point in time, about 2% are in the market. It may vary a percent or two by industry, season, economic conditions, and media choice but 2% is a useful rule of thumb. A vast area of the sales landscape is stable.

Economic Gardening principles argue that it is more difficult to make sales in stable environments. The thinking goes that *“The equipment (or software) is working, we know the guys, we like them, and the company is responsive to our requests. If I propose that we change that situation, then I have to convince my boss to leave something that is working for something that is unknown. I have to get budget approval and if it fails it is a career risk for me.”* Making a sale in a stable environment is a low probability exercise.

Signals of Change

The 2% who *are* in the market, have a common factor: they are all already *motivated* to buy. Some type of change has launched them into the “purchase decision” process and a sales window has opened. It may have been a new CEO, a merger/acquisition, or recent funding. The change might be a new product or a lawsuit, or a regulatory problem.

We have over 25 categories of change that we track. All these events are public signals which indicate something has changed. Whatever that change was, it moved the customer from step 1 (motivation) to step 2 (investigation). We no longer need “push” marketing because we no longer have to worry about motivating the customer to buy.

Intercept Marketing

Economic Gardening’s innovation is “intercept marketing.” Instead of “push” marketing (go out and sell this), Economic Gardening finds companies that are in the investigation stage of making a purchase, and then gets in front of them. As a technical matter, this occurs in three marketing channels:

- Outbound cold calls
- Inbound website searches
- Watering holes where people congregate around a subject

Our first job is to identify companies giving off public signals of change and then to determine where they are doing their investigation. Inbound web searches are the most common and most effective channel. When someone enters a keyword in their search, we know two important things about them: exactly what they are looking for and that they are looking for it right now. It doesn’t get any better than that in intercept marketing.

Watering holes are often the second-best marketing channel. Economic Gardening can't always tell you who has gathered at a watering hole, but we can tell you what the subject matter is and that you should be in that room.

Cold calls are a remnant of traditional marketing, but they can be improved by setting up listening posts for public signals of change. Even though we could develop a profile of who we are looking for and create a universe list of all the companies in that profile, *most of those companies are not actually in the market*. Salespeople can make motivational pitches, but they will be low probability sales calls. Spotting signals of change, on the other hand, will distill the universe list down to companies that are in the market.

SUMMARY

Economic Gardening is built on this logic chain:

- Economic development is about the creation of jobs and income.
- This occurs when private companies grow, adding jobs and creating wealth.
- Growth is dependent on making new sales.
- High probability sales occur inside the sales window
- At any point in time, only about 2% have open sales windows – the motivation to buy something new
- Motivation typically comes from some change internal or external to the company.
- Looking signals of change isolates and identifies those in the market.
- Economic Gardening then intercepts those who are in the investigation stage, in the three marketing channels.