



Stanford eCorner

Marketing a Start-up

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Video URL: <http://ecorner.stanford.edu/videos/1850/Marketing-a-Start-up>

Donna Novitsky talks about developing a marketing strategy for a start-up. She addresses key issues about segmenting customer priorities and their pain-points; and building a competitive strategy. Novitsky notes that customers are the biggest marketers for an organization. She also illustrates from her personal experience about partnering with other players to generate mutual benefits.



Transcript

In '91 before Clarify had a product, they brought me in to figure out what we're going to do in the marketing front. Dave Stamm, the CEO, said, We're not going to hire sales yet because if you and I can't sell this thing, no one can sell this thing. So he and I went out. First, before you can market, you need to have a marketing strategy. You need to understand: What customers are we going after? What's the pain point in those customers? What problem do we solve from them? What are our competitors offering as alternative ways to solve that problem? Where does this fit on the customer's priority list? You need to understand all that stuff inside out before you can start broadcasting things like marketing messages, right? So you got to figure that out, and in so doing, hopefully, you will acquire a few lead customers, early adopter customers. Then, those customers become your absolute best marketing material because whether you're a word of mouth viral business like Big Tent is or Facebook is or you're an enterprise software business selling to other companies, your customers are always going to be much more credible than you are in conveying your message. So you want to make sure that those first customers that you work with are going to be referenceable customers, and work with them. Back when I was in a business that charged money for software, I was always willing to give generous discounts like 50 percent discounts to my early customers in exchange for working with me on references and customer profiles and things like that. So building up a strong customer base and having reference is first. Then there are all kinds of free marketing that you have to make sure that you are all on top of as a startup because the best thing you can do is if it's free.

The second best thing is if you're spending other peoples money. So you want to look for opportunities that give you free marketing like search engine optimization on your website, having a good website and optimizing so that it gets found for free. Then, the next thing is: Are there partners that you can work with that have mutual benefit to you and the partner to go out and go to market together? When I was with Clarify, we ran on Oracle database and Sybase and others. They didn't have people to go out and push their databases, but they had money. I had people but no money. So it was a marriage made in heaven. I spent their money, used my people; we were all happy. So look for ways to partner with other people and leverage their resources.