INNOVATEMAP

How a Product Marketing Strategy Supports a Digital Product

An Innovatemap White Paper

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Executive Summary

Companies that dominate the physical product industries are starting to see the need to add digital products to their portfolio. Reasons can include diversifying revenue streams, optimizing efficiencies in the workforce, or delivering a service in a way new.

Unlike physical products, digital products can't be photographed or physically seen or held: to be understood by the buyer, digital products require clear, compelling language targeted to the right audience. This is where the strategic role of product marketer comes in: product marketers bridge the gap between the technology and marketing teams. They often sit on product teams and work alongside the sales and marketing teams. They build the foundational positioning and messaging strategies that form the basis for all marketing collateral and sales enablement. The foundational strategies act as the North Star for your marketing teams, who can then build marketing campaigns with the messaging provided by product marketers.

You can't afford to spend time and money targeting your customers with poor messaging that doesn't speak to their needs. Build a product marketing strategy that can guide your sales and marketing teams to create more compelling campaigns that convert and increase the number of demos to closed won deals.

If your digital product is already in market, this white paper can help you re-evaluate your product marketing strategy.

If your digital product is in development, this white paper is right on time. Go through this methodology with your teams to get ready to launch a successful product.

If your company does not have a digital product, this white paper can help you understand the fundamentals required to maintain a successful digital product. It's one thing to build it, but it's another to get customers to adopt it.

Introduction ● ● ○ ○ ○ ○ ○

Product marketing can be the winning ingredient for getting your digital product to market and attracting new customers. Unlike physical products or services, digital products require a unique set of product marketing principles to be effective.

> While physical products can be picked up off a shelf, digital products require investment of time and money to experience the benefits. Product marketing strategies help prospective customers understand why they should make that investment in your product.
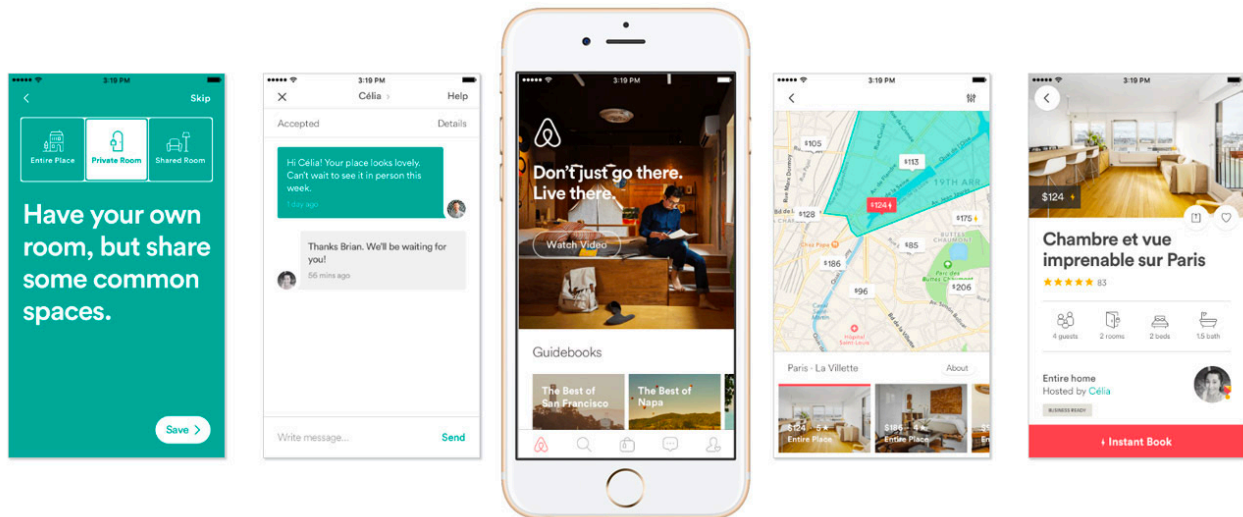
At its core, Airbnb is a service, but most people are familiar with it as a digital product.

Despite its importance, product marketing is still relatively unknown. The consequences of going to market with a digital product without proper product marketing, however, are all too familiar. Some examples of this: when a website is so full of jargon that a prospect can't understand it, when salespeople have ineffective demos, when marketing teams waste money on the wrong keywords, or when websites don't convert to paying customers. All of these are signs of missing or poor product marketing strategy.

This white paper will describe the underlying foundation of product marketing and how product marketing strategies can launch a digital product to market. The research for this white paper comes from previous Innovatemap client projects and the knowledge acquired by the team of product marketing experts who have decades of experience in technology companies and digital products.

Who this white paper is for:

CEOs
Apply product marketing principles to your business strategy, find appropriate talent or agencies to do the work

Marketing Leaders
Learn to apply product marketing to enhance the effectiveness of your overall marketing strategy

Product Managers
Understand how product marketing translates technical product features to help buyers buy

Aspiring Product Marketers
Learn the fundamental concepts of product marketing

What is a Digital Product?

A digital product is any software-enabled product, such as an app, e-commerce site, website application or service, that provides value to its users.

slack   **Dropbox**   **Trello**

Today's technology entrepreneurs who are starting new businesses are looking to digital solutions from the beginning. Slack, Dropbox, and Trello are a few mainstream examples of tech companies that operate around their digital product and the value it provides.
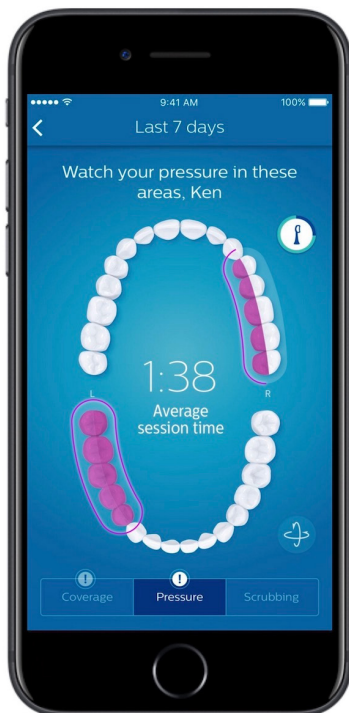
However, existing businesses may need to complement their core product or service with a digital product. For example, Proctor & Gamble sells manual and electric toothbrushes under the Crest brand, but if they want to add an app that tracks how and when you use your toothbrush, that app now complements their core business.

Left: Philips Sonicare Debuts New iPhone-Connected Smart Toothbrush

Every company, regardless of industry, needs to have a digital play to keep up with the changing landscape. Whether your digital product is your core business or you create a product that complements your non-tech business, it is critical to have a digital presence to meet the needs of your customers or employees.

Nike added a digital product with it's Run app that allows users to track mileage and connect and compete with other runners.

Other examples of companies that used digital products to transform their businesses:

Premiere Agent App

Zelle Money Transfer

Subscription Workout App

What is Product Marketing?

You can build the most valuable and usable product in the world, but if the target buyers don't understand what it does, why they should use it, or whom it's for, then the product is useless. This is where product marketing comes in.

> Product marketing is a discipline that blends marketing, sales, communications, and technical digital product knowledge.

Product marketers are a rare mix of marketing, sales savvy, communications, product knowledge, and subject-matter expertise. They are responsible for things such as positioning, product brand strategy, product hierarchy, packaging, and more. The responsibilities of product marketers are indispensable to the success of a product, and if they're not properly understood or accounted for, the product can suffer.

Because of their blend of extensive product knowledge, marketing expertise, and sales focus, product marketers typically act as the translator between the product team, marketing team, and sales team. At the end of the day, product marketers are tasked with supplying each team with the necessary knowledge, tools, and feedback to deliver the right product to the right audience. Product marketers understand the product inside and out and can translate features and functionalities of the product into benefits that customers want and understand.

" To the sales team, product marketing delivers product messaging, enablement, and all the tools they'll need to sell. Product marketers work hand-in-hand with the marketing team to create demand and close leads. And as for the product team: product marketing owns the psychology of the prospect while product development owns the psychology of the user.
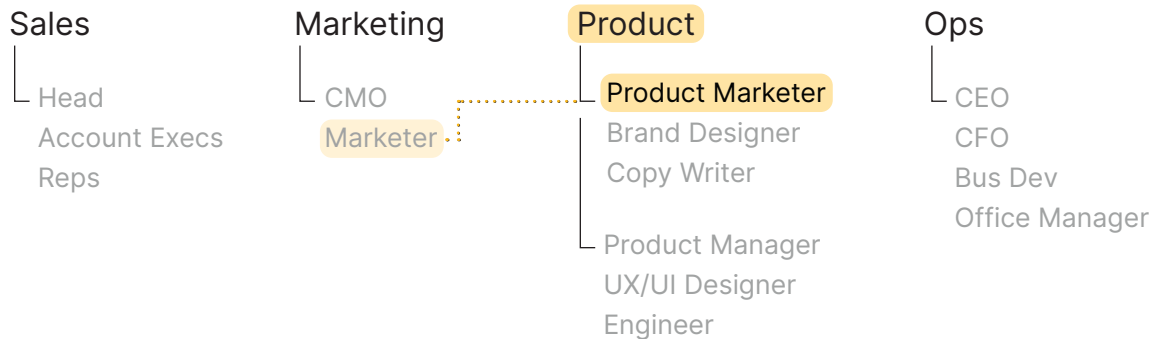
Nick Tippman, VP of Marketing

greenlight guru

" A critical responsibility of product marketing is to supercharge a sales and marketing team in a world where it is harder than ever before to break through. Product marketers do this by helping people understand what truly sets your product apart for your target-market buyers and how it's going to make their lives better.

Craig Sturgis, VP of Product

SmarterHQ

Software Company

1 digital product

Sales
└ Head
Account Execs
Reps

Marketing
└ CMO
Marketer

Product
└ Product Marketer
Brand Designer
Copy Writer
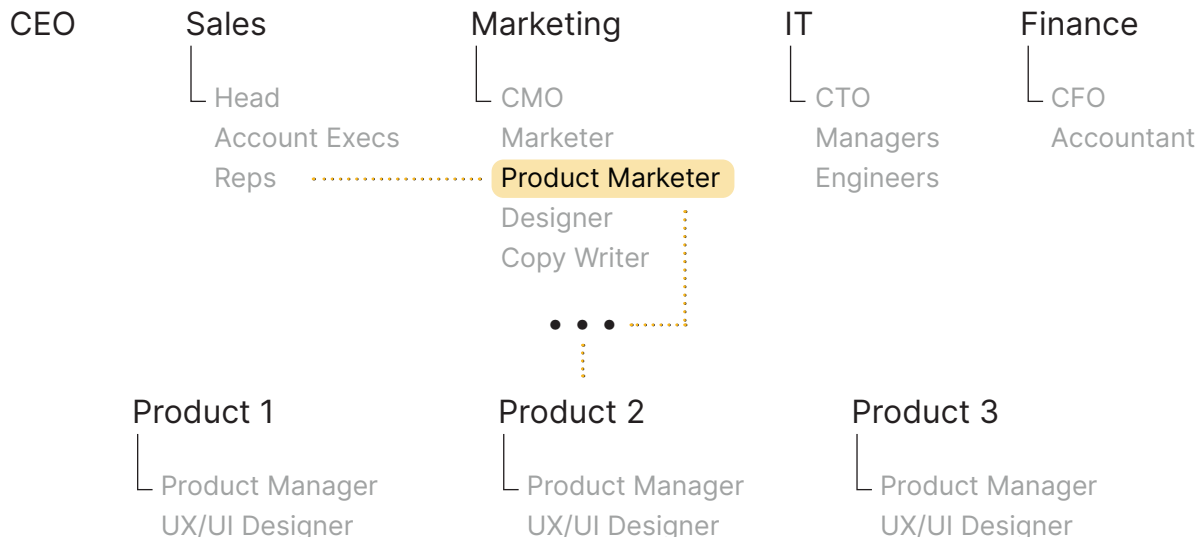└ Product Manager
UX/UI Designer
Engineer

Ops
└ CEO
CFO
Bus Dev
Office Manager

In a software-as-a-service (SaaS) company, product marketing typically sits on the product team but acts as a bridge to the marketing team. For non-software companies developing digital products for the first time, product marketing should be as closely related to the product team as possible. That allows product marketers to focus only on the product while the company's marketing team focuses on the entire business strategy.

Tech-Enabled Company

Multiple digital products

CEO

Sales
└ Head
Account Execs
Reps

Marketing
└ CMO
Marketer
Product Marketer
Designer
Copy Writer

IT
└ CTO
Managers
Engineers

Finance
└ CFO
Accountant

• • •

Product 1
└ Product Manager
UX/UI Designer

Product 2
└ Product Manager
UX/UI Designer

Product 3
└ Product Manager
UX/UI Designer

Regardless of where the desk sits within your organization, the most important part of product marketing is alignment. Wherever it lives, it must be aligned across all disciplines. There must be a direct line of sight between all departments and a constant stream of communication; otherwise, it is impossible to accomplish all the necessary functions of product marketing.

Components of Product Marketing ●●●●●●●●

Product marketing starts with a critical view of how well you know your buyers, your target market, and the users the product will serve. Market research, qualitative interviews, and competitive analysis form the foundation for your understanding of your customers, your differentiating factors, and your product marketing strategy.

Target Market and Customers Defined

It is critical to have a hypothesis of who your target customers will be, ↗ as well as who they definitely won't be. This information will inform everything about the product: which features you prioritize, your positioning and messaging, how you market your product, and even how you package and price it. The guardrails and focus of a well-defined target market and customer will help you test those hypotheses early and with intention.

Familiarity with Competition

Understanding your target consumers should reveal their alternatives to your product. Don't get fooled into believing that you don't have competitors; even if there isn't another product claiming to do what you do, you are always up against alternatives (even if that alternative is doing nothing). By knowing what other options your customers are exploring, you can hone in on what makes you different, and develop your playbooks for explaining why you are the better choice.

The information you gather from these activities should be used to help guide you through the product marketing components below:

Foundational Statement

The North Star that guides all your positioning and messaging efforts. It needs to answer the question of what you do, who you do it for, and why it matters.

Positioning

The process of establishing the necessary foundation to create a consistent, repeatable, and differentiated way to talk about your digital product and the value it provides to your target buyers. Position yourself to make it clear to customers why you're the best solution to something they care about.

Messaging

The external-facing messages used to communicate the key benefits of your digital product in sales, marketing, or other external channels. This will align your team to the same consistent, relevant, repeatable message you're putting into the world.

These primary components combined make up the product marketing strategy. That strategy can and should support your sales enablement efforts and marketing campaigns. It is the foundation for future one-pagers, pitch decks, landing pages, Google ads, and even thought-leadership.
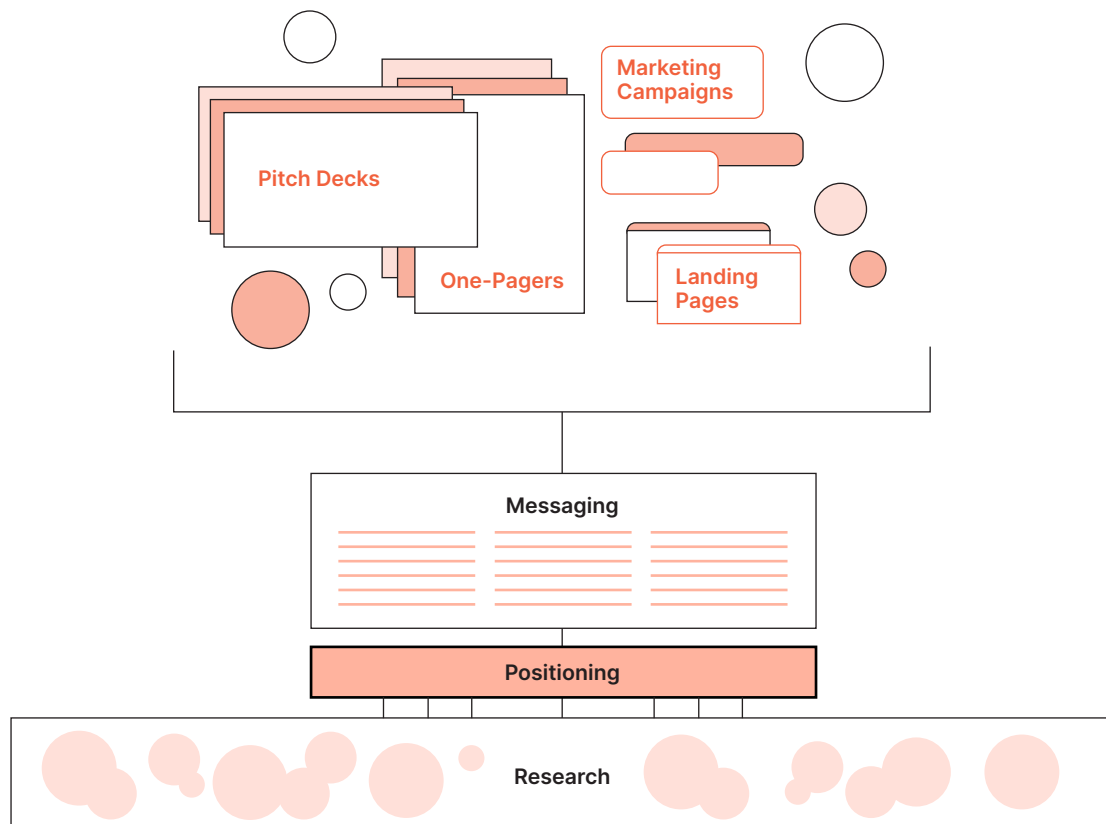
For this exercise it is best to bring together a cross-functional team of people from sales, marketing, and of course product, so that you hear diverse perspectives. This is also where agencies — like Innovatemap — can help. Product marketing experts will have in-depth knowledge of your industry to propose the right go-to-market plan.

Further reading:

The 5 Crucial Steps to Fine Tuning Your Positioning Statement ↗

How to Evaluate Your Product's Messaging ↗

*Considering Target Market Research to Inform Digital Product Decisions* ↗

How an Enterprise Security Company Used Product Marketing to Successfully Launch a New Digital Product

Let's take a look at product marketing components as if they were being used in real time for a digital product go-to-market launch.

An enterprise security company recently developed a new customer portal, where, for example, a facility manager could log in to access features of their security system. The customer portal was game-changing: it saved customers time and made them more self-sufficient.

The challenge then was:
How could they roll out this incredible new portal to customers across the globe so that they understood what it was for and how it worked?
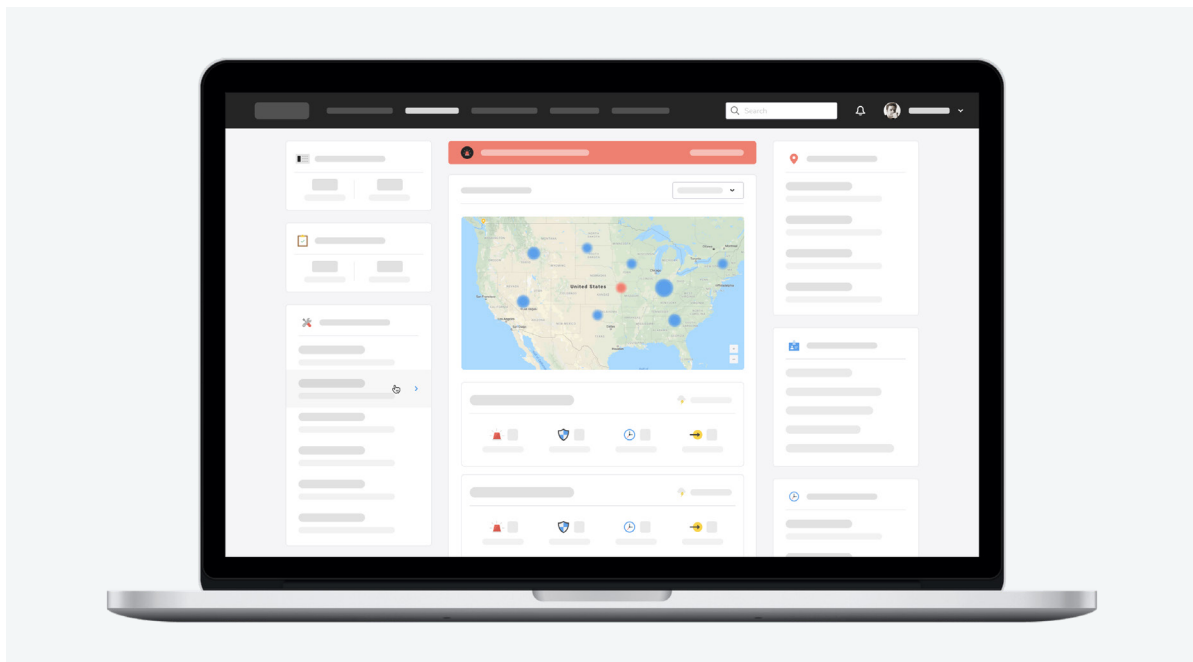
Project Process

Innovatemap complemented the enterprise security company's brand marketing team with a product marketing team. Innovatemap's product marketing team worked directly with the security company's product managers of this new portal to translate technology features into benefits that would resonate with customers who would be logging into this on a daily basis.

Project Outcomes

Innovatemap's product marketing experts crafted the story and messaging that resonated with customers by applying a product marketing methodology through foundational statements, positioning and messaging. The result was a clear, concise way of speaking about the portal that resonated with their customers needs. Because customers clearly understood the portal and why they needed it, they adopted it quickly.

Messaging was then translated into two product videos: a 30-second marketing teaser video and a 60-second marketing video. The brand marketing team found it valuable to explore various media to engage their customers on the portal benefits.

Other marketing collateral and sales enablement materials were created, along with an email strategy, email templates and social media messaging and graphics. The team also delivered a messaging guide to serve as a starting point for future materials.

As a result, the digital portal launch was deemed successful by the enterprise security client's executive leadership. Customers were reporting that features were easy to find and allowed them to spend more time on other areas of their job. The product marketing strategy continues to iterate and improve, but the messaging guide is a foundational element that will allow the company to introduce new features and benefits at a later date and refer back to the North Star of the foundational statement.

When Do You Hire a Product Marketer? ●●●●●●●

While there is no question that the functions of a product marketer are indispensable, you don't necessarily need to run out and make a hire. You have to make sure that all the bases are covered.

Product market strategy in particular requires a specific skillset, so if you don't have someone with experience within your company, there are product agencies that can provide the necessary expertise to fill the gap in your team. It is important to note, however, that it isn't a marketing agency that can provide these services, because product marketing requires a technical knowledge and ability to put the product at the center of the conversation.

If you have to tackle the basics of product marketing in a short time period, partnering with an agency may be the right call for you. But if you want to continue to grow and scale your digital product, eventually you'll want to take the product marketing role in-house. You will need someone who lives and breathes your product every day, and who can devote time to filling your product's needs today and dreaming about where your product can be in the future.

> Innovatemap is a digital product agency specializing in product marketing and other product disciplines. We help companies of all sizes dream, design, and deliver award-winning products to market.
>
> See our work at innovatemap.com/work ↗

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