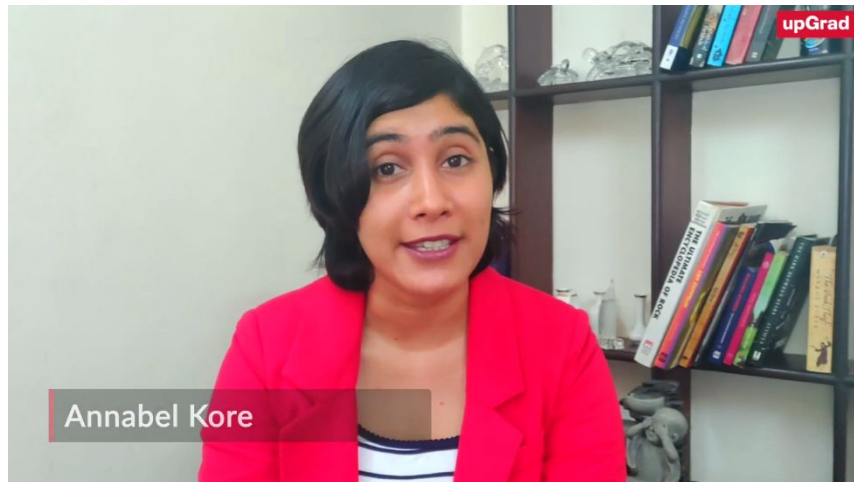
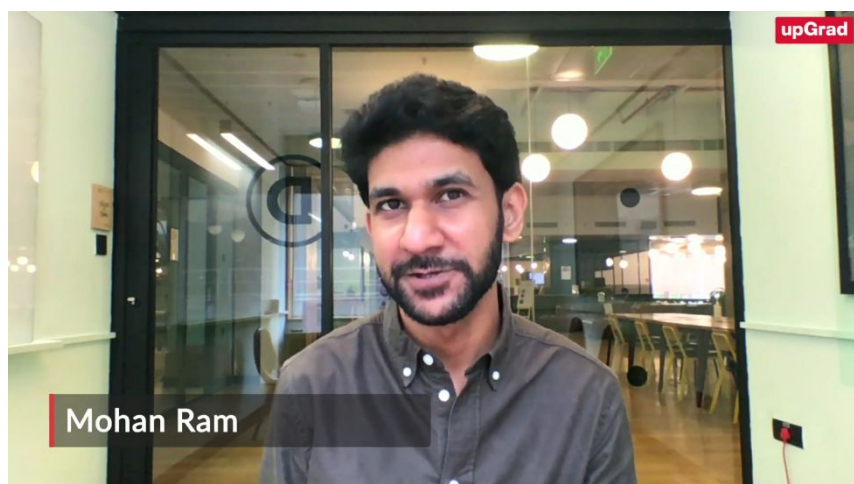


Transcription

Introduction to GTM Strategy



Now that you've understood what the go-to market strategy is, when and why it is needed, in order to build the right GTM strategy as a product manager, it's very important that you understand its components. So, let's learn a little more about its components from our subject matter expert.



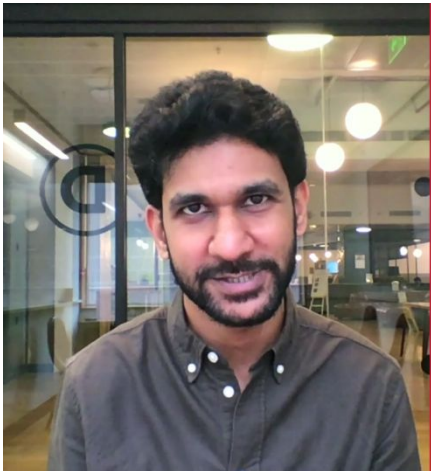
Is it just the product launch that is crucial to get the product into the market successfully? No, a lot of planning and strategy goes behind getting a product out before the customers. The key objective of this segment is to introduce you to the major components involved in planning a GTM strategy.



So, let's divide the strategy into four major competence.

1. First, you have to understand your product and the market where you would want to enter.
2. Second, you have to price the product right with a suitable pricing strategy.
3. Third, you need to take your product to the customers in the best possible way by optimising your sales and marketing channels.
4. And finally, bringing all of this together to plan a great product launch.

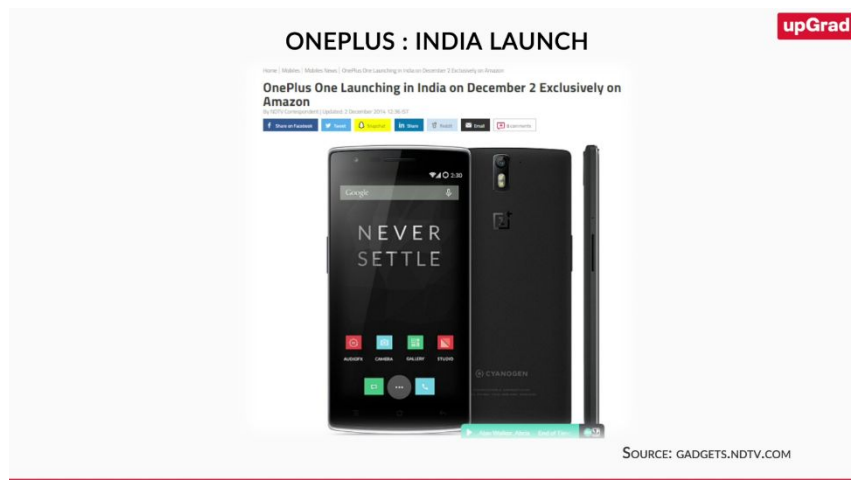
Let's start with the first component, that is product and market and what does it let you achieve. When a new product is to be launched or has to enter a new market, the first thing you need to ensure is that you want to start your product and the market where you need to sell it.



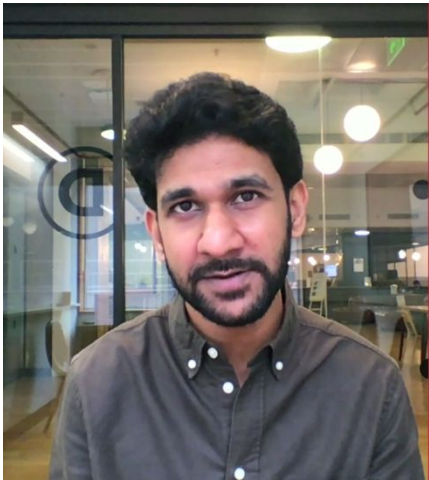
**UNDERSTANDING
PRODUCT & MARKET**

- 01 What does your product stand for & what is its value proposition?
- 02 What is the target market & the target audience for your product?
- 03 How is your product different from your competitors?
- 04 Is it a product-market fit?
- 05 What are the constraints associated with the GTM strategy?

This will help you identify the following. What does the product stand for? What is its value proposition? What is its target audience and target market? How does it differentiate from the competitors? Does it solve customer's problems? And if there is a product market fit, and what are the constraints that need to be taken care of while building a go-to-market strategy?



So, let's take an example of the mobile company OnePlus to better understand what the first component, which is product and market help the company achieve. When launched in April, 2014, OnePlus initially did not have a plan to enter India. But seeing significant interest among Indians in smartphones, the company entered the Indian market in December, 2014.

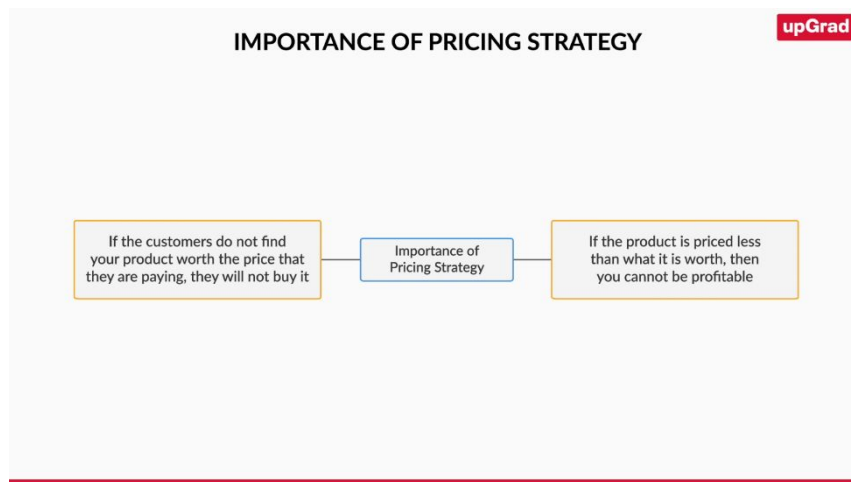


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**UNDERSTANDING
PRODUCT & MARKET**


- 01 OnePlus introduced phones which were at par with Apple's build quality
- 02 These phones were equipped with OS, which matched the openness of Android
- 03 They targeted the right audience

When the mobile phone was launched on Amazon, the sales numbers scored high. This happened because OnePlus knew exactly what their product would stand for. They envisioned a mobile phone to match an iPhone's build quality with the openness of the Android ecosystem. They targeted the right audience, that is young users who wanted stylish, but affordable Android phone. So, the company fit very well into the market as the audience wanted a quality product, but at affordable prices.



After you have complete knowledge of your product and its target market, you need to price it. Now pricing can either make or break the game. If the customers do not find your product worth the price they pay, they will not buy it. On the contrary, if you price your product less than what it is worth, then you cannot earn a profit. That means the price of the product is its true, but hidden value.

Therefore, a well-defined pricing strategy is required for the success of a product. You will later learn about the factors that should be considered while deciding a product's price, and how to choose the right pricing strategy.



ONE PLUS - PRICING STRATEGY

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graph TD
    A[Competitive Pricing  
They kept their profit margins low to ensure low pricing and a great customer experience] --- B[Mid-Range Phones  
They priced their phones in the mid-range and delivered quality products at affordable prices]
  
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Now let's recall the example of OnePlus to understand how they manage their pricing strategy. The company had very competitive pricing. They kept the profit margin small to ensure uninterrupted operations, and passed on the savings to customers in the form of low prices at a great customer experience. They set the phone's price between that of Xiaomi and high-end devices such as the Samsung and Apple phones, but matched the specifications of the latter.

After planning the price of the product, you need to reach your target audience and engage them towards converting into your customers. Various sales and marketing channels can help you achieve this. These channels help reduce time to enter the market and reach a wider audience. Optimising these channels will help you lower your customer acquisition costs.

In the later sessions, we will discuss marketing and sales channels and acquisition channels and how to further optimise them. Let's continue the case of OnePlus.



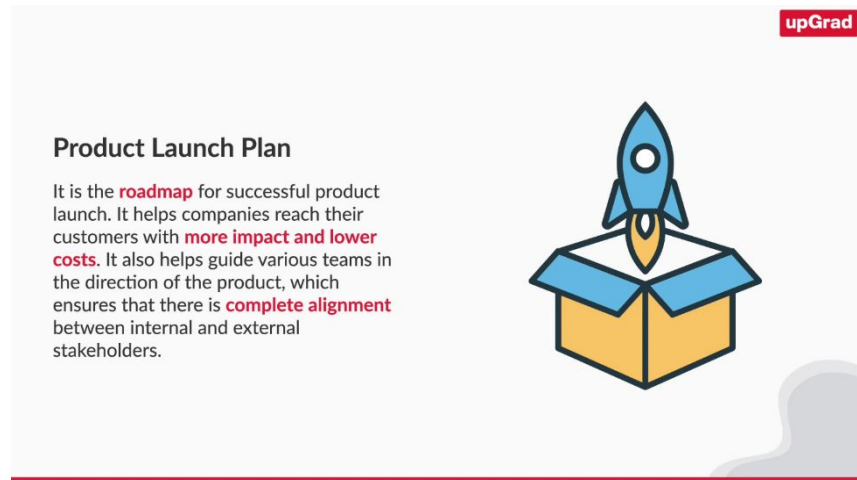
OnePlus achieved success by focusing on marketing, through online channels and community interactions, which made them reach a larger audience in a short span of time. The company's NEVER SETTLE campaign became a major attraction for young users and it claimed OnePlus would strive for the best user experience and not rest till they have found it.



Rather than working with retailers, OnePlus sold its phones through online partnership with Amazon. They also used an unusual invite policy that a person could buy the smartphone by getting an invite either from a OnePlus employee or an existing mobile phone user. This made the product seem exclusive and generated a lot of positive buzz.

Understanding various channels and optimising them helped OnePlus to cut costs significantly and that became the primary reason for the buzz.

Once all your preparation is complete, then comes the time for product launch. Product launches can sometimes be daunting and are full of uncertainties. But with a well-planned product launch, you can ease out these struggles. This plan is the roadmap for a successful product launch.



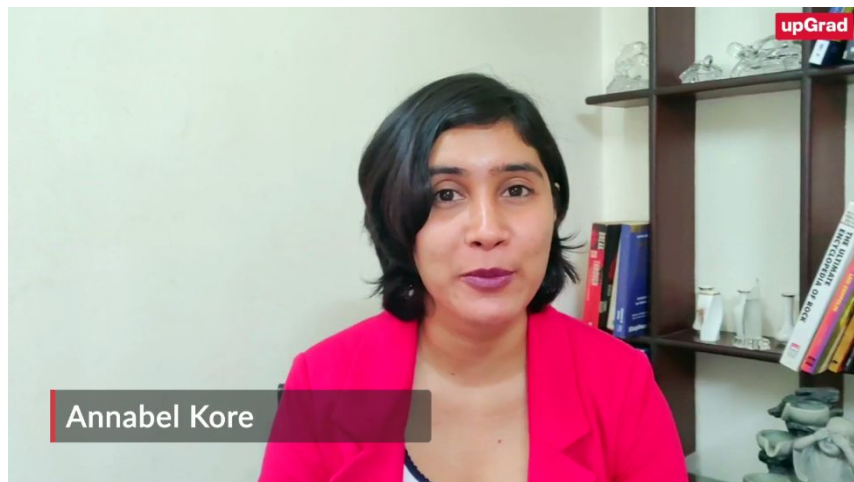
A product launch helps companies reach the customers with more impact, block failure points, thus reducing iteration costs, guide various teams in the direction of product vision, ensure alignment with internal and external stakeholders, and improve customer experience.

For the OnePlus one phone, the entire launch strategy was based on creating a buzz with exclusivity. The strategy required prospective customers to obtain an invitation before they could make a purchase. The hype was such that the invites were getting sold out quickly online. The company primarily distributed these invitations through contests.

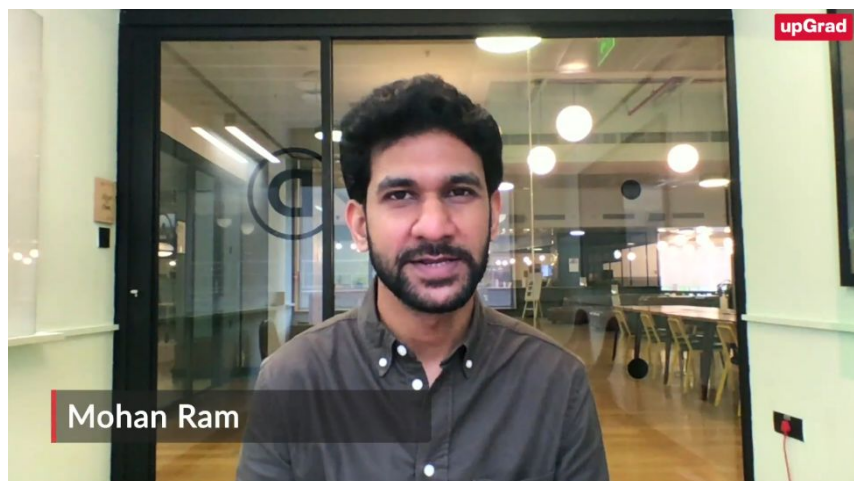
In India, OnePlus banked on the reach of Amazon and made exclusive sales through it. And in this way, it avoided high cost offline distribution from the start. With clever use of influencer marketing, thus leveraging word of mouth influence.



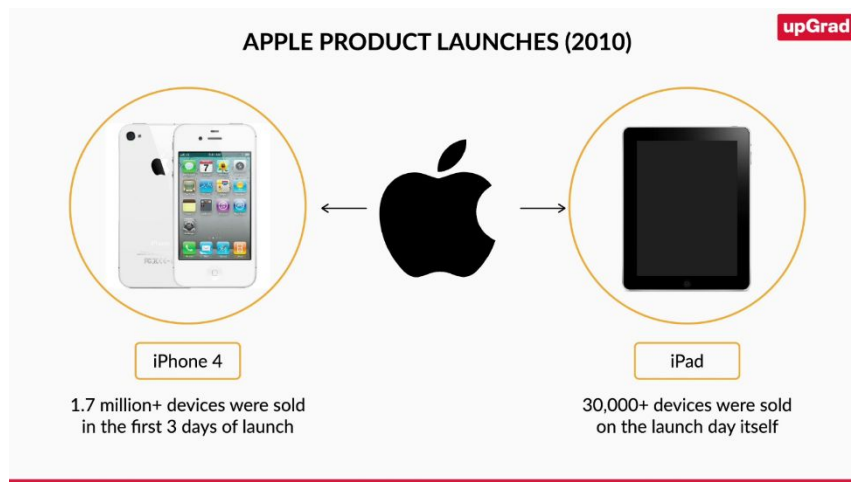
So, now you have learned about the four components of go to market strategy, you also saw how OnePlus build their go to market strategy by leveraging exactly these components. But in order to create an effective GTM strategy, you need to understand all these components in detail. We will be doing that in our next segment. Before that though, let's do a quick summary of what we've learned so far.



Hello and welcome to the session on the go-to market strategy. By now, you would've learned several processes that are involved in the product development life cycle. An important aspect of introducing your product to the market is developing a great strategy, and that's where the go-to market strategy or GTM as we know it comes into play.

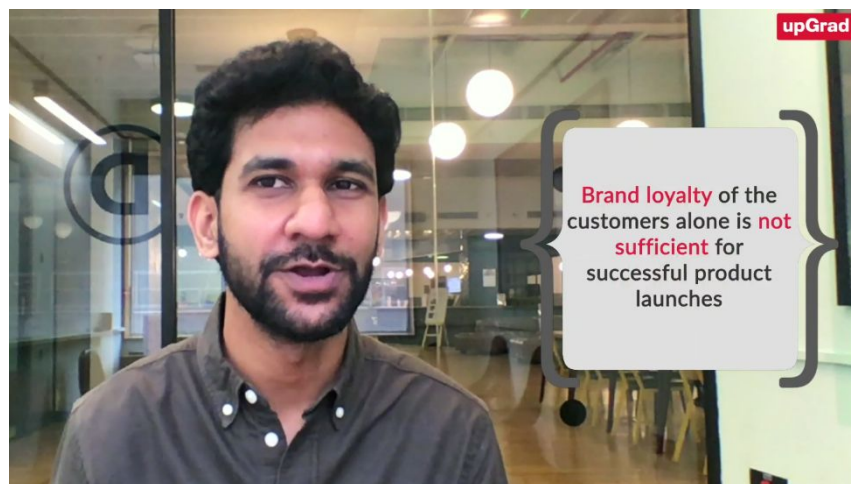


Building an effective GTM or go-to-market strategy is an important aspect of the entire product development life cycle.



To understand the concept of GTM, let's go back to the year 2010 when Apple had launched iPhone four and iPad.

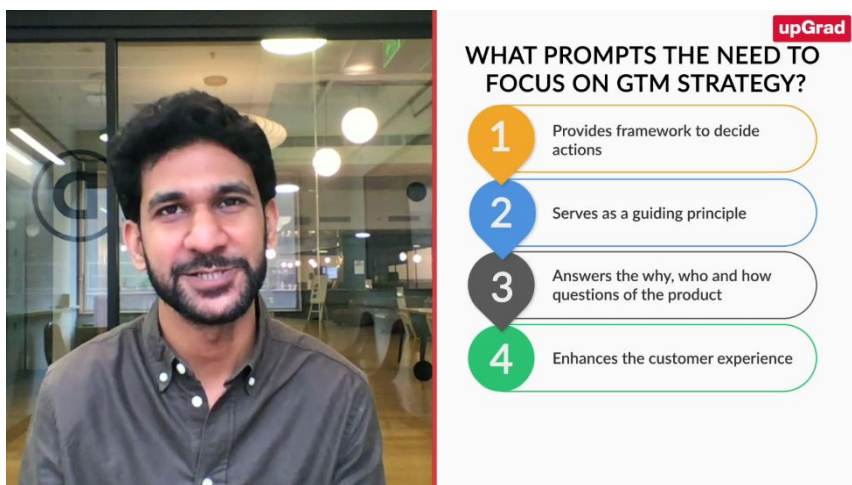
Steve jobs, the then CEO of Apple had announced these products at press conferences which were witnessed globally. According to Apple, it sold over 30,000 iPads on the launch day and almost 1.7 million iPhone four devices in the first three days after the launch.



Now, the question here is how companies like Apple manage such successful product launches? Is it only the love that people have to these brands or are there other reasons as well? The answer to all these questions is that only the customer's brand loyalty is not enough for such successful product launches.




The actual reason is the why companies like Apple strategize before actually launching their products in the market. And this is known as the go-to market or GTM strategy. It largely determines the success of a new product or service when it is launched in a new or existing market or to moving an existing product or service into a new market. The end goal of every GTM plan is to achieve a competitive advantage.



So, what prompts the need to focus on a GTM strategy?

- One, it provides a framework. While we all intend to achieve product market fit quickly and scale our product, if we don't put a proper framework behind our actions, we will most certainly keep going in circles. This becomes all the more relevant for launching a new product.
- Two, guiding principle. GTM strategy is more than a documentation. It becomes the guiding principle whenever we get stuck or need to understand the next set of action plans during our product launch journey.
- Three, why, who, how. It helps answer all the fundamental questions that other stakeholders would want to understand to be able to work in sync. For instance, who you're launching the product for? Why you're launching it and for serving what needs? And how you're going to engage your customers?

- Fourth, customer experience. It ensures that you proactively think about all possible issues your customers might face while engaging with your product. This in turn helps offer a better customer experience leading to more trust and engagement.



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KEY LEARNING OBJECTIVES

- What is a GTM strategy?
- Why does a product need a GTM strategy?
- When does a product need a GTM strategy?

Now the key objective of this session is to help you understand the different aspects of GTM strategy. We will start by understanding what GTM is, and then we will answer one of the most important questions. Why does a product need the GTM strategy? And finally, we will analyse another question, when does a product need a GTM strategy? So, let's get started.

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Go-to-Market Strategy (GTM)

It refers to a **comprehensive action plan** to successfully launch a product into the market. It involves key stakeholders such as product marketing specialists, product managers, and other decision makers, to ensure a smooth launch of a product. It is defined by answers to questions such as:

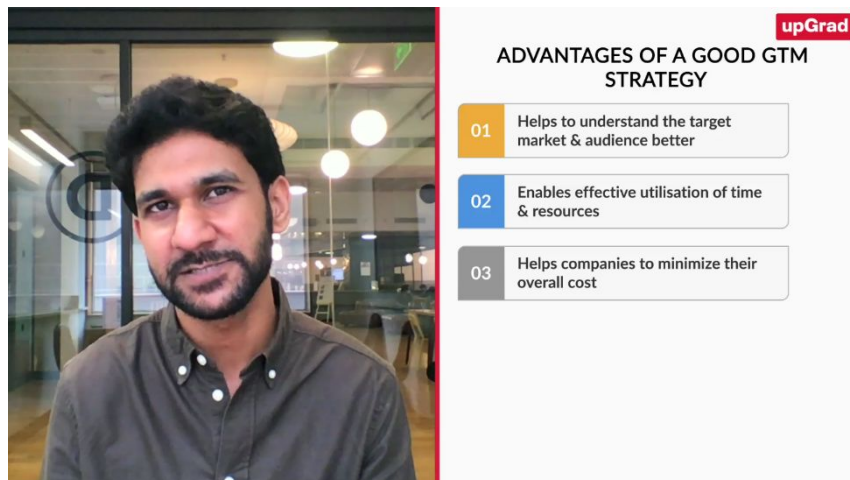
- Who is your **target customer**?
- Why will the customers choose your product over your **competitors**?
- How will you **reach these customers**?

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First of all, let's try and understand what a GTM strategy is. If you look at the definition, the GTM or Go to market strategy refers to a comprehensive action plan to successfully launch your product in the market. It involves key stakeholders such as product marketing specialists, product managers, and other decision makers to ensure a smooth launch of a product.

One can define the GTM strategy of a product or company based on the answers to the following question. Who are our target customers? Why should the customers choose your product over competitors? And how will you reach these customers?



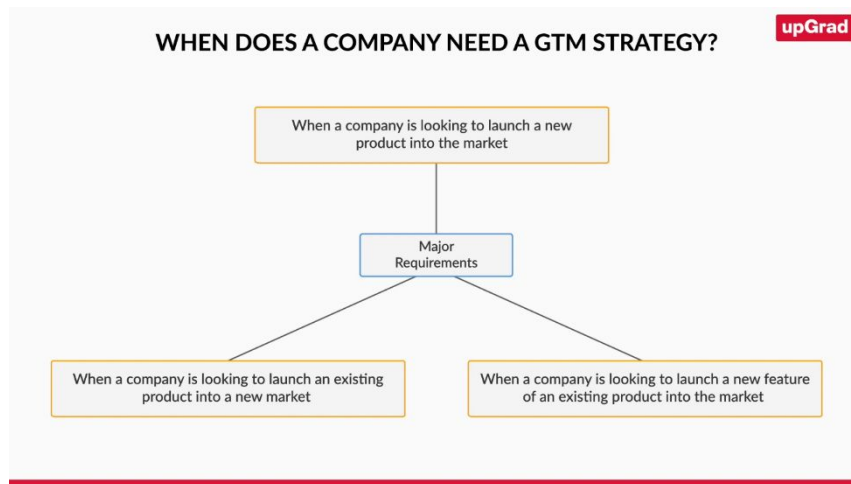
Having a good GTM strategy in place can have several advantages, and these advantages will answer our question, why does a product or company require a GTM strategy?

- 1) The first major benefit of a good GTM strategy is that it helps you to better understand the target market and target audience of your product. Without proper planning, it is impossible to know if you are chasing the right audience, or if are too early or too late to enter the market, or whether the market is already saturated with similar solutions.



- i) To avoid such situations, it is crucial to craft a carefully thought out GTM strategy. If you recall the example of Apple, the company has a great understanding of its target market and target audience. And that is a major reason why most Apple products perform well in the market.
- 2) The next major benefit of having an effective GTM strategy is that it enables companies to efficiently utilise their time and resources during the entire life cycle of a product. When you are unveiling a new product, as a company, the worst possible thing that could happen is a waste of time and resources on launching a product in a market where it is not required. So, a GTM plan ensures that all the activities are planned and optimised beforehand so that time and resources are efficiently utilised.

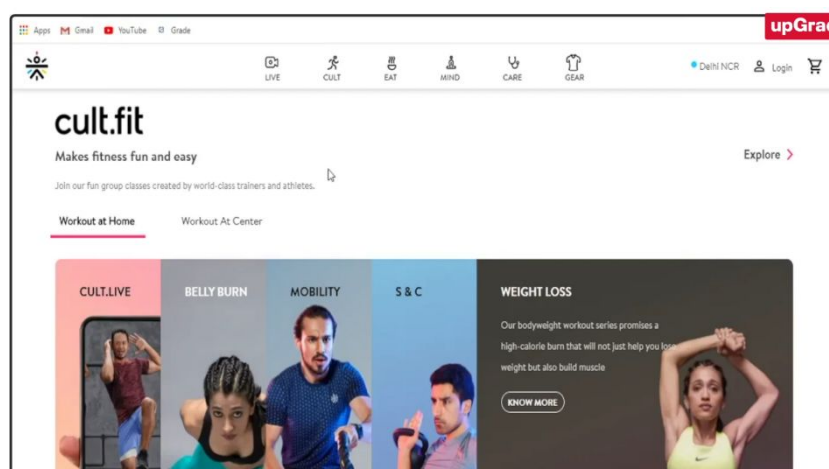
- 3) Another advantage, which is somewhat tied to the previous one is that a good GTM strategy helps companies minimise the overall cost of introducing a product in the market.
- i) We already discussed that an effective GTM strategy ensures efficient utilisation of time and resources thereby significantly reducing the costs. An effective GTM plan can help you save the money that you would otherwise spend on launching your product in a market where it is not required.



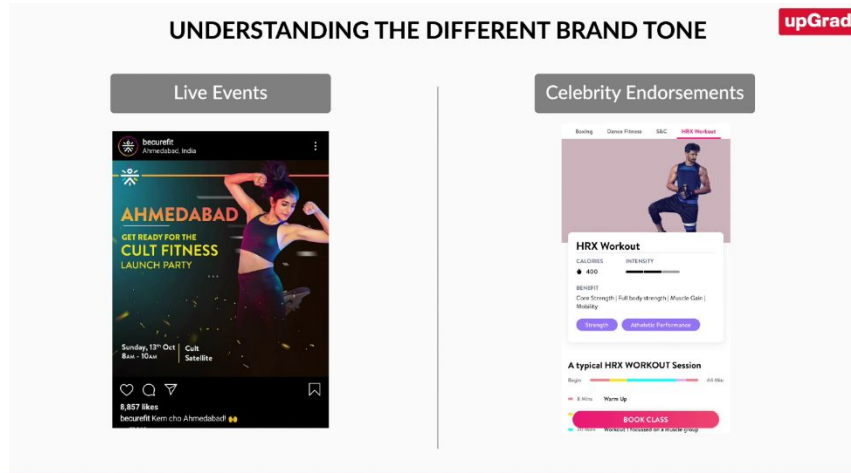
So, these are some of the advantages of having a good GTM strategy. Let's look at common product launch scenarios and how go-to-market strategy is planned out.

- A. First, when a company is looking to launch a new product in the market.
- B. Second, when a company is looking to launch one of its existing products in a completely new market.
- C. And third, when a company wants to launch a new feature or offering for an existing product.

Let's look at the first scenario, which is when a company is looking to launch a new product in the market. To understand this better, let's consider the example of Cure Fit, a fitness and wellness start-up that offers both online and offline fitness experiences.



As part of their GTM strategy, the company targeted fitness enthusiasts and focused on fulfilling their needs such as specialized workouts, consultations with expert trainers and personalized diet plans.



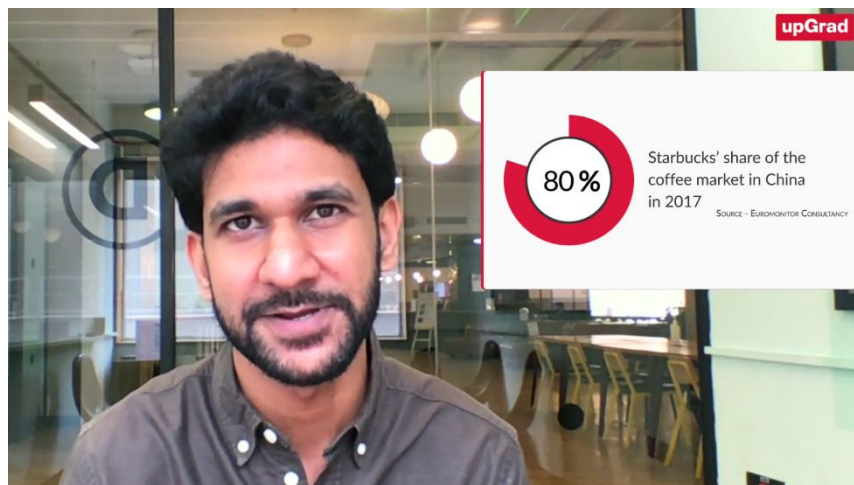
When Cure Fit was launched, it attracted people by organising light workout events in major cities and also onboarded several celebrities to endorse the brand.

Their product Cult Fit saw a good adoption immediately after the launch, as many fitness enthusiasts were interested in their offerings. Clearly, Cure fit's GTM strategy played a vital role in the successful launch of the product.



In the second scenario, a company is looking to launch one of its existing products in a completely new market. Let's consider the example of Starbucks, which is one of the most popular coffee houses in the world.

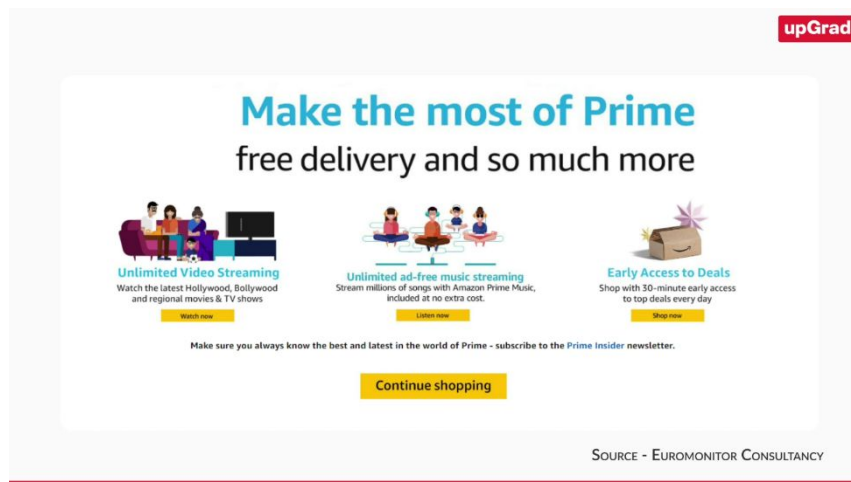
After gaining huge success in the US, the company decided to enter a completely different China. China is a market traditionally driven by a very prominent tea culture. So, how could a coffee brand like Starbucks sustain and succeed in the largest tea market in the world, China. The answer to this question lies in the GTM strategy used by Starbucks.



Starbucks' strategy to enter China was so successful that by 2017, it had over 80% control of the market share in a country like China, which is known to be a difficult region for international brands to compete in and also has a lot of regulatory and operational challenges.



Another situation where a product or company requires a GTM strategy is when it is looking to launch a new feature or offering for an existing product. To understand this better, let's consider the example of Amazon Prime.



It was a product that was introduced to improve the stickiness to the parent company, Amazon. What started off as a promise for faster delivery has over the years morphed into one of the most successful loyalty programs with over a hundred million plus paid subscribers and includes things like videos, audio, and access to early sales. All this was part of a carefully orchestrated GTM strategy, which has significantly improved the stickiness of customers with Amazon as a brand for delivering almost anything.



I am sure you have understood that developing an effective GTM or go to marketplace strategy is an important aspect of the product development life cycle. It in fact plays a vital role in determining the success of a product. As a product manager, how can you develop that effective GTM strategy? Let's find out in the next segment.

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