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Planning and Segmentation Primer for 2019

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Analyst(s): Molly Beams

Understanding the market dynamics that drive buyers to purchase your products and services is critical for go-to-market success. Technology product marketers should use this research to improve their planning, segmentation and targeting strategies.

Scope

This initiative covers insights about the markets, competitive environments, targeting approaches and customer profiles that you should incorporate to improve planning and segmentation efforts.

The topics covered within this initiative include:

- Market and competitive landscape

- Targeting and segmentation

- Technology buying cycle

Analysis

Planning and Segmentation

- Market and Competitive Landscape
- Targeting and Segmentation
- Technology Buying Cycle

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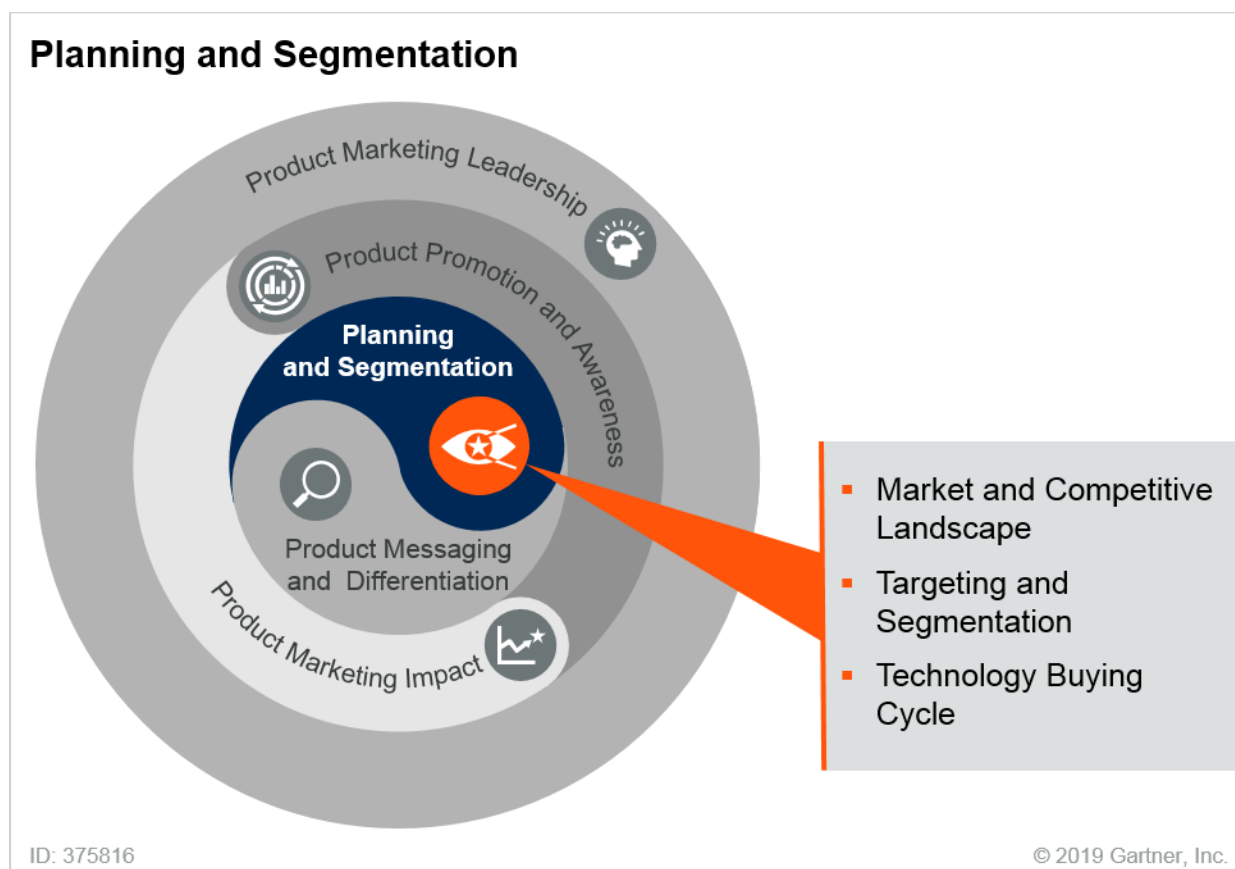
Source: Gartner (January 2019)

Demand generation, account-based marketing (ABM) and sales enablement programs all have a direct impact on key marketing and sales metrics. But the success of those efforts is predicated on understanding the market and competitive landscape and how to target the right buyers. Before developing positioning or creating stories that drive internal enablement and external demand, a technology product marketer must be armed with a wide range of information about the factors that drive buying behavior. This information must be both internal to the buyer's organization and from the market itself.

Decisions about where to focus are driven by evaluating market-specific data (including technology, industry, submarket, geography and company size), competitive strengths and weaknesses, gaps in the market, and unmet needs. Determining which buyers have the greatest propensity to purchase and what impacts them as they move through their buying journey increases the likelihood of success of your marketing and sales efforts. Understanding the personas of different decision makers and influencers who are involved in purchase decisions can drive messaging and content decisions, impact deal velocity, and reduce the likelihood of losing deals because projects are

canceled. Effective technology product marketers evaluate all this information as they create go-to-market plans and orchestrate marketing efforts.

Top Challenges and How Gartner Can Help

Many factors typically determine the success rate for a technology marketing campaign, both strategic and tactical ones. But the likelihood of success goes up significantly when technology marketers are focusing their efforts on markets that have the highest opportunity, companies that are most likely to buy and driving consensus among the individuals involved in the buying team. Gartner can help technology product marketers help find solutions to the following questions:

- How can we better understand market and competitive dynamics to improve our marketing strategy?

- How do we determine ideal customer profiles for organizations we target to drive targeting and segmentation decisions?

- What drives technology purchases, and who are the decision makers and influencers involved in the process?

The topics covered within this initiative include:

- **Market and competitive landscape:** Identify the addressable market, highlight growth opportunities, compare/contrast solutions and prioritize areas to target.

- **Targeting and segmentation:** Define the ideal customer profile (ICP), including firmographic, technographic and psychographic attributes.

- **Technology buying cycle:** Identify influencers and decision makers, and better understand selection criteria and procurement processes.

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Our research addresses the following common client questions:

How can we better understand market and competitive dynamics to improve our marketing strategy?

Technology markets are rarely static and orderly. Growth rates vary across geographies, industries and size of company. Emerging technologies, such as increased use of artificial intelligence, change market dynamics. Competitors may have stronger footholds in certain markets due to product fit or go-to-market focus. Regulatory or legislative changes may impact other markets. And disruption may radically reshape markets if it addresses unmet needs or integrates solutions across multiple markets. Technology product marketers need to make decisions on where to invest their time and money. They need to focus their organization's efforts on the markets that have both a high degree of opportunity (growth rates, white space) and a high degree of accessibility (product fit, competitive presence).

Planned Research

- Improved Geographic Expansion Choices Accelerate Scale

- Using Gartner Hype Cycles to Improve Product Marketing Planning

- What Product Marketers Need to Know About Market Share Analysis

- What Product Marketers Need to Know About Cloud Market Dynamics

- Product Marketer Insights Into Gartner's IT Spending Forecasts for Software, IT Services, Hardware, Communications and Semiconductors

How do we determine ideal customer profiles for organizations we target to drive targeting and segmentation decisions?

While the addressable market for a given technology solution may be very large, not every potential buyer is equally attractive for a particular technology provider. Even large providers need to be focused on the customers they *should* win, rather than those they simply *can* win. Technology product marketers must create the ICP for solutions based on firmographic, technographic and psychographic criteria, and then target marketing effort and spend on those organizations that meet the ICP. As more data about individual accounts is available, including previous purchases and technology adoption trends (referred to as "enterprise technology adoption"), ICPs will become more sophisticated than in the past and will more closely correlate to propensity to purchase.

Planned Research

- Market-Based Segmentation — Industry, Geography and Digital Maturity

- How to Build Your Ideal Customer Profile

- Enterprise Technology Adoption Profile Insights Into Buyer Behaviors in Key Market Segments

- Activating Segmentation Strategies — Qualification

What drives technology purchases, and who are the decision makers and influencers involved in the process?

Gartner research has found that, on average, more than a dozen individuals are involved in the typical technology purchase (see "3 Ways to Reimagine Sales Enablement Strategies to Win More Deals and Shorten Sales Cycles"), and each individual may be influenced by different factors than their colleagues. The buying journey for a purchase may be significantly different if it's a planned versus ad hoc purchase, and it will likely vary from company to company. Finally, the journey will likely vary if a company has already purchased from a vendor as opposed to when it is making the first purchase. Technology product marketers must learn all they can about what creates demand and drives buying decisions. Understanding the buying participants, influences and processes will have significant impact on downstream product marketing activities, including messaging, storytelling, content, demand generation, ABM and sales enablement.

Planned Research

- Today's Buying Behavior Requires a New Approach to Qualification

- Create B2B Personas in the Context of the Extended Buying Team

- How to Drive Growth by Creating Ad Hoc Buying Cycles

- The Key Influencers in Technology Buying, and How to Address Them

- How to Use "Whole Product Implementations" to Accelerate Buying Cycles

Related Priorities

Table 1. Related Priorities

Priority	Focus
Product Promotion and Awareness	This initiative covers approaches to creating awareness, generating demand and accelerating high-quality leads through the funnel that marketing should apply to improve promotion efforts.
Product Marketing Leadership	This initiative provides best practices for optimizing the budget, resources, technology, intra- and intercompany collaboration, and KPIs to drive an agile and impactful product marketing function.
Product Marketing Impact	This initiative covers product marketing contribution into critical functions and programs that drive customer interest and engagement throughout both the buying and owning cycles.
Product Messaging and Differentiation	This initiative provides guidance and best practices for creating differentiated positioning, messaging and storylines for both individual products and entire portfolios.

Source: Gartner

Suggested First Steps

- Read "A Practical Guide to Segmentation," and learn how to more effectively define target segments that drive sales and marketing efforts.

- Read "The B2B Customer Life Cycle for Technology Products and Services" to better understand the nontraditional paths that B2B technology customers take to make purchase, expansion and renewal decisions.

- Read "The Enterprise Persona: Defining Your Ideal Customer Profile," and learn why individual personas are not sufficient to guide B2B strategies.

- Attend Gartner Tech Growth & Innovation Conference 2019 to gain firsthand insight and pragmatic advice to help you develop and execute your go-to-market strategies.

Essential Reading

- "Trust Drives the B2B Technology Customer Life Cycle." Establish a go-to-market approach that includes engaging with the trusted sources that prospects rely on throughout their buying process.

- "The Quest for Enterprise Agility Creates Opportunities, and Challenges, for TSPs." Enable your team to navigate and influence the constantly shifting priorities that drive spontaneous technology purchases.

- "Tech Go-to-Market: Using Gartner ETA Profiles to Optimize ABM Strategies." Use enterprise technology adoption (ETA) profiles to improve the odds of success in complex selling environments.

- "Toolkit: How to Structure Competitive Data Into Competitive Insights." Use this Toolkit and methodology to objectively identify competitors' messaging and product weaknesses, and exploit those weaknesses by crafting effective differentiation.

- "Gartner's Vertical Strategy Framework: Your Roadmap for Successful Industry Go-to-Market Strategies." Use this framework to assess how much verticalization is right for you to inform your vertical strategy and align cross-functional execution.

GARTNER HEADQUARTERS

Corporate Headquarters
56 Top Gallant Road
Stamford, CT 06902-7700
USA
+1 203 964 0096

Regional Headquarters
AUSTRALIA
BRAZIL
JAPAN
UNITED KINGDOM

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> # Gartner helps technology providers make the right product, marketing and sales decisions by providing insight into markets, customers, competitors and technologies.

Product and Service Innovation

- Drive innovation through your business model, products and services
- Inform your decision life cycle, prioritize investments and identify new opportunities (product, geography or market)
- Anticipate and manage economic boom/bust cycles, and identify and leverage disruptive technology trends

Go-to-Market Strategy

- Identify how to meet your business goals
- Position marketing operations and campaigns by properly positioning solutions competitively for the right target segment
- Drive increased sales effectiveness by better positioning your solutions

Positioning and Messaging

- Differentiate your messaging and enhance your unique story for your customers
- Get visibility into what your customers care about and where they are struggling
- Get visibility into where your competitors are succeeding and where they are falling behind through Gartner Magic Quadrants®
- Access Vendor Ratings for profiles of key competitors

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