Benefits of Selling to the Entire Market

Traditionally, B2B sellers have been taught to enter the mass market using a segmentation strategy.

First, the seller would work within a small segment, and once dominance was achieved in that segment, the company would move on to a related segment. This pathway was known as puddle jumping, and eventually, when this was done enough times, the puddles would merge together and the seller would find itself to be the market leader. This was the premise of "Crossing the Chasm", the seminal book on technology marketing. While this might have been the right approach 20 years ago, today it can increase the odds that scaling will be unsuccessful. The biggest risk with using a segmentation strategy is that you pick the wrong segment and the companies within this group don't embrace your offering. There is nothing wrong with the offering it simply doesn't work for these type of companies. Depending on how well funded your company is, this can be a disastrous choice that is hard to recover from. Instead, it is a much better approach to look at the market as a whole and then discover organically which companies seem to embrace you solution.

Of course, there are other benefits to eschewing segments including:

Benefit One: Identifying Early Adopters

It is likely that once product market fit is found, you are still going to be selling to early adopters for quite some time. Early adopters are buyers purchase new products in spite of the flaws that are inherent in a new offering. To initially scale, it is critical to identify and close these companies ass they provide the foundation for future growth. Unfortunately, if a traditional segmentation strategy is employed it makes it hard to identify and sell to a large portion of these buyers. For example, if a selected segment comprises only 100 companies and you assume that early adopters make up 10% of any given market, then there would be only ten companies that would fall into this classification. Even if the company achieved an unrealistic 20 percent close rate, the seller would likely be able to close ONLY two of these companies.

When segments are ignored, the problem of identifying and closing Early Adopters is minimized. Since the sales assembly line approach is such a high-volume sales operation, this should allow the seller to identify and reach these golden nuggets in a more effective manner.

For example, if the entire market being attacked consisted of 20,000 targets, a relatively small team of SDRs should be able to reach a significant percentage of the market and then identify the companies that are willing to consider an immature product from an unestablished vendor.

Benefit Two: Market Feedback

When employing a tight segmentation strategy, it is possible that the seller will become overly dependent on the opinions of the prospects located in the first few segments. As a practical matter, in many cases, this initial feedback will determine the direction that the new offering will take. However, there is an overwhelming possibility that the guideposts established by this small sample of data points are not going to be indicative of what the whole rest of the mass market wants or needs. Often, the end result of this situation is that the seller will suddenly find that it developed a solution that is not acceptable to a majority of the companies in the mass market.

If this occurs, the forward momentum of the seller operating in the Early Majority segment can stall, and other companies with a more suitable product offering can leap ahead in the race for market dominance. Selling to the entire market almost completely eliminated this market dislocation issue. Due to the volume of appointments and therefore the sheer number of one-to-one customer touches that the sales assembly line platform can generate your company can obtain a tremendous amount of market feedback in a relatively short amount of time.

In this way, the sales platform can serve as a giant market research mechanism that helped the operation fine-tune its offerings (e.g., features and marketing messages) so that it closely matched what the overall market was looking for in a solution.

Benefit Three: Opaqueness

By definition, a segment is a small group of companies that can communicate with one another. As such, when working within a tightly defined segment, everything that the seller does is exposed to a great deal of scrutiny from the rest of the segment participants. It is extremely hard, if not impossible, to hide anything from these interested observers who are waiting to see the results of the "trial" before making their own decision on how to proceed with the new product or service.

By focusing on the entire market rather than a single segment, the xSellerate sales approach helps wrap the seller in an invisibility cloak that reduces the transparency of its operations to the marketplace as a whole.

This ability to "hide" is helpful in a number of ways:

It is inevitable that when trying to conquer a new market with a new product, mistakes—some serious—are going to be made. In a traditional environment, these "issues" would become known to the other segment participants, and depending on the seriousness of the problems, a typical company could find itself irreparably harmed within the segment. Since it was unlikely that most of the companies contained in the mass market know one another, adherence to the whole market approach made it less likely that any initial problems would become widely known.

References are the lifeblood of any young concern. When working within a tightly defined segment, companies serving as references are generally reluctant to say anything to other segment participants other than the complete and unvarnished truth. This is often because they are uncomfortable lying to peers that they interact with regularly. However, this compunction to be brutally honest does not exist when references are speaking with people they don't know and will not likely speak with again. As such, when selling to the whole market, references are more apt to bend the truth or at least gloss over problems and issues.

info@prospectiq.ai