

# **1973 WESCON Technical Papers**

**Volume 17**

**Western Electronic Show and Convention**

# **1973 WESCON Technical Papers**

**Volume 17**

**Western Electronic Show and Convention**

Papers presented at the  
Western Electronic Show and Convention in  
San Francisco, California, September 11-14, 1973

Copyright © 1972 by Western Electronic Show and Convention  
3600 Wilshire Boulevard,  
Los Angeles, California 90010

---

# 1973 Wescon Professional Program

---

Technical Papers presented at the Western Electronic  
Show and Convention, San Francisco, September 11-14, 1973

**3**

---

## Successful Marketing and New Product Introduction

---

## SUCCESSFUL MARKETING AND NEW PRODUCT INTRODUCTION

## SESSION ORGANIZER AND CHAIRMAN:

Donald M. Dible  
Entrepreneur Press  
Santa Clara, Ca.

3/1 Evaluating the Marketplace.

Donald M. Dible, The Entrepreneur Press, Santa Clara, Ca.

3/2 How to Plan Marketing Strategy.

Richard A. Drossler, Drossler Research Corp., San Francisco, Ca.

3/3 Successful Marketing and New Product Introduction.

Frederick M. Hoar, Fairchild Camera & Instrument Corp. Mountain View, Ca.

3/4 Building and Motivating a Manufacturer's Rep Organization.

Frank Lebell, Electronic Representatives Association, San Carlos, Ca.



# Wescon Technical Papers

Address orders directly to:  
Western Periodicals Company  
13000 Raymer Street  
North Hollywood, California 91605

## 1972 Wescon Volume 16

Published as a single, casebound volume of 736 pages, including Sessions 1 through 28.

Full Volume Price \$60.00

## 1971 Wescon Volume 15

Published as a single, casebound volume of 828 pages, and including Sessions 1, 2, 3, 4, 6, 8, 9, 10, 12, 13, 14, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32.

Full Volume Price \$65.00

## 1970 Wescon Volume 14

Published as a single, casebound volume, consisting of 720 pages plus 1970 permuted index, and including Sessions 3, 4, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, A, B, C, D, E, and F.

Full volume price \$65.00

Full sets of 1970 Wescon Technical papers, including permuted index, are also available in microfiche.

Price per full set only \$65.00

## 1969 Wescon Volume 13

PART SUBJECT AND SESSION	PRICE
1 Manufacturing Technology Sessions 2, 8, 16, 21	\$10.00
2 Communications and Displays Sessions 6, 9, 12, 18	\$10.00
3 Computers and Computer-Aids Sessions 7, 11, 23	\$10.00
4 Instruments and Systems Sessions 13, 19, 22	\$10.00
5 Components and Microelectronics Sessions 1, 3, 4, 15, 17, 20	\$15.00
6 Management and Education Sessions 5, 10, 14 and 1969 Permuted Index	\$10.00
7 1969 IEC Packaging Symposium and 1966-1969 IEC Permuted Index	15.00
SET Complete set of 131 Papers and Index	\$80.00

(Limited number of sets in case binding — \$85).

Wescon Volumes 5 through 10 are also available in hard cover, in full sets only: 1961 — \$85; 1962 — \$45; 1963 — \$55; 1964 — \$45; 1965 — \$55; 1966 — \$56. Wescon Volumes 1-10, plus 10-year Permuted Index, are now available as a full set in microfiche, priced at \$380.

Volumes 1-4 (1957-60) are also available. Please inquire individually about availability in hard cover to Western Periodicals, at the address shown in this folder.

## 1968 Wescon Volume 12

PART SUBJECT AND SESSION	PRICE
1 Microwave and Electro- Optic Technology Sessions 2, 5, 16, 22	\$10.00
2 Components, Circuits and Systems Sessions 1, 9, 11, 15, 17	\$10.00
3 Computers, Communications and Display Devices Sessions 8, 10, 12, 13, 14, 21, 25	\$15.00
4 Power Sources and Systems: Electronic Design Theory Sessions 6, 19, 20, 26	\$12.50
5 Electronic Management, Public Programs and Education Sessions 3, B, C, 18 and 23, and 1968 Permuted Index Supplement	\$12.50
SET Complete Set of 100 Papers and Index	\$60.00

(Limited number of sets in case binding — \$65).

## 1967 Wescon Volume 11

PART SUBJECT AND SESSION	PRICE
1 Communications, Radar, Solid-State Imaging Sessions 3, 9, 13, 14	\$12.25
2 Circuit and System Components Sessions 1, 4, 8, 16	\$8.75
3 Computers and Data Systems Sessions 6, 10, 12	\$8.75
4 Electronic Management, Fluidics, Static Power Systems Sessions 2, 11, 15, and 1967 Permuted Index Supplement	\$8.75
SET Complete Set of 58 Papers and 1967 Permuted Index	\$38.50

(Limited number of sets in case binding — \$40).

1969 IEC Packaging Symposium Record and 1966-1969 Permuted Index	\$15.00
1968 IEC Packaging Symposium Record	\$10.00
1967 IEC Packaging-Symposium Record	\$10.00
1966 IEC Packaging Symposium Record	\$10.00
1965 IEC Packaging Symposium Record	\$10.00

# 1973 WESCON TECHNICAL SESSIONS

## Session

- 3 Successful Marketing and New Product Introduction
- 6 Recent Developments in Point-Of-Sale Terminals, Systems, and Markets
- 7 The Electronic Engineers' Contribution in Bio-Medical Research
- 10 Computer Aided Test Design for Automatic Test Equipment
- 11 Microprocessors (Computer on a Chip) and Their Applications
- 12 International Markets — Their Rising Importance and How to Tackle Them
- 13 Needs and Trends in Medical Electronics — 1973
- 14 Bipolar Device Modeling
- 15 Solid State Microwave Sources for Telecommunications
- 16 The Impact of New Semiconductor Memories on Systems Design
- 17 The Medical Instrument Industry — Fact or Fantasy?
- 18 Multi-Capability Instruments/Low Test Equipment Expense
- 20 Microwave Transistors and TEA Devices
- 22 Intelligence in Instrumentation
- 24 Commercial Applications for Microwave Technology
- 25 Power Technology for Electronic Systems
- 27 Calculator-Based Systems
- 29 Data Distribution Networks, as the User Will See Them
- 30 New Developments in Ferroelectric Ceramic Electrooptic Devices
- 31 LEDs and Liquid Crystal Displays — Facts and Fancies
- 32 Circuits for Consumer Electronics
- 33 IEEE Region 6 Student Papers Competition

3

6

7

10

11

12

13

14

15

16

17

18

20

22

24

25

27

29

30

31

32

33

<u>Author</u>	<u>Session &amp; Paper No.</u>	<u>Author</u>	<u>Session Paper No.</u>
Austin, Norman A.	13/4	Kakihana, Sanehiko	20/1
Barker, William E.	18/4	Kaufman, Phillip A.	11/3
Bekey, George A.	17/3	Khalafalla, A. S.	30/1
Berman, Donald F.	12/1	Kimp, Harry D.	10/1
Besser, Les	15/4	Klingler, D. E.	30/3
Bowers, H. C.	15/1	Kusko, Alexander	25/2
Broeker, Bud	16/2	Kvamme, E. Floyd	12/2
Bryant, John H.	24/4	Laguna, G. R.	30/2
Burbank, D.	30/1	Laws, David A.	31/1
Byerly, Joe E.	32/4	Lebell, Frank	3/4
Caldwell, James F.	20/4	Lee, Keh-Lon	7/4
Chamberlain, Leo J.	22/4	Lewis, Edwin R.	7/4
Claxton, Brian H.	6/2	Lewis, Robert E.	31/2
Collier, Thomas P.	12/4	Lindgren, G. E.	15/2
Collins, Ernest J.	10/3	Lockyear, W. H.	15/1
Connell, Grant	33/3	Lu, Sun	31/3
Cuccia, C. Louis	24/2	McCalla, W. J.	14/2
Cutchen, J. Thomas	30/2	Markkula, A. C.	16/1
Dible, Donald M.	3/1	Marston, Alan D.	16/4
Dimeff, John	13/3	Meindl, James D.	7/2
Di Pietro, David M.	7/2	Melen, Roger D.	7/3
DiSabato, J. A.	30/5	Mette, Howard W.	18/3
Dork, R. A.	24/3	Mrazek, Dale	16/3
Dorren, Lou	32/2	Navarro, Luis	22/3
Drake, M. D.	30/3	Olker, Donald F.	25/3
Drossler, Richard A.	3/2	Parasuraman, Bala	11/2
Edwards, Jack W.	24/1	Parente, Robert B.	25/1
Eisenberg, John	20/2	Pezzolo, Donald E.	32/5
Fisher, Charles R.	29/4	Purchase, Alan	6/1
Fossum, J. G.	14/1	Regueiro, W. R.	24/3
Fraser, D. B.	30/5	Ridgway, Malcolm G.	13/2
Froehlich, Anthony J., Jr.	25/2	Rode, France	22/1
Gahr, Taylor	33/4	Rose, Harold B.	17/1
Geier, John J.	29/2	Rytter, L. J.	10/4
Goldwasser, R. E.	20/3	Santos, Robert	31/1
Greenspan, A. M.	10/4	Schilling, Ronald B.	14/3
Greyell, Robert A.	33/1	Schueler, D. G.	30/4
Grimes, D. M.	24/3	Schwartz, Morton D.	13/1
Grimes, Jack D.	27/2	Shannon, Jerry L.	18/1
Grow, Robert J.	33/2	Singer, J. R.	7/1
Hamilton, Bruce	22/3	Smith, H.	11/1
Harris, J. O., Jr.	30/2	Smith, W. D.	30/4
Hiett, R. A.	29/3	Solt, Irvin H., Jr.	15/3
Hill, Ronald V.	27/2	Stone, Peter S.	27/3
Hirschberg, Walter J.	25/4	Talbert, Lee R.	29/1
Hoar, Frederick M.	3/3	Thomas, J. J.	10/2
Horner, James F.	18/2	Timm, Frederick N., III	6/3
Horwath, Joseph S.	31/5	Vahle, Ronald W.	32/1
Jennings, Roger	27/1	Valiquette, Donley J.	17/4
Jones, T. O.	24/3	Weibell, Fred J.	17/2
Jurisson, J.	30/1	Wyland, Jim	32/3
		Zimmer, Carl R.	14/4

WESCON  
SEMINAR ON  
SUCCESSFUL MARKETING AND NEW PRODUCT INTRODUCTION

Fall, 1973

EVALUATING THE MARKETPLACE

By Donald M. Dible

The Entrepreneur Press  
Mission Station  
Drawer 2759  
Santa Clara, California 95051  
(408) 248-7770

SUMMARY

Evaluating the marketplace on a modest budget need not be as difficult as it may seem. This paper seeks to explore many of the options available to the marketer for securing marketing information from sources other than the records of his own corporation.

TEXT

Introduction:

The subject of my talk today is "Evaluating the Marketplace." In the interest of saving time, however, I'd like to narrow my topic down to just one aspect of market evaluation--that is, "Marketing Information Available From Sources External To The Company." Furthermore, I would like to apply the boundary condition that the cost of this marketing information should be low to moderate. Therefore, we will exclude from consideration the commission of custom surveys conducted by market research firms. Now, let's look at a few of the key, moderate-cost information sources available to us.

Trade Associations:

Whenever I have the opportunity to address the subject of market research, I invariably start out with a discussion of trade associations. I am absolutely certain that the importance of trade associations is obvious to all of you. What may not be so obvious is the fact that there are literally thousands of them. In these days when high-technology companies are expanding into many new markets, I strongly recommend that the trade associations serving these target markets should be the first place a marketer should contact. Most trade associations are listed in either or both of the following publications:

- 1) The Encyclopedia of Associations, published annually by The Gale Research Company; or
- 2) The National Trade and Professional Associations of the United States and Buyers' Guide, published annually by Columbia Books.

In the most recent edition of The Encyclopedia of Associations, you will find listed almost 2,500 trade, business, and commercial organizations. In addition to that, there are listed almost 800 scientific, engineering, and technical organizations. With few exceptions, these organizations regularly produce one or more periodicals offering in-depth coverage of market opportunities in their industries. Furthermore, most business and trade associations produce comprehensive annual surveys of their markets.

An example of particular importance to this audience is the fact that the Electronic Industries Association (EIA) publishes an Annual Marketing Data Book. I would venture to say that a surprisingly-high percentage of those in the electronics industry are not members of this association. This is undoubtedly true in spades for the smaller companies. Clearly, these "outsiders" are passing up the opportunity to share in some of the most important (and least expensive) marketing information available to companies in this industry.

Trade Shows:

Another trade association service that should be of great help to the marketer in evaluating his market is trade shows. Trade shows give you an excellent opportunity to evaluate first-hand what the competition is offering. Trade shows also serve as an excellent setting for gathering market intelligence (also known as scuttlebutt).



There are several directories of trade association meetings and conventions with which you should all be familiar:

- 1) Exhibits Schedule, published by Sales Meetings Magazine, a directory of trade and industrial shows, revised annually;
- 2) Directory of Conventions, published by Sales Meetings Magazine, revised annually;
- 3) World Convention Dates: Conventions, Conferences, Banquets, Expositions, Trade Shows, A. M. Beddis, Editor, Hendrickson Publishing Company, monthly;
- 4) World List of Future International Meetings, International Organizations Section, Library of Congress, quarterly with monthly supplements;
- 5) World Meetings: United States and Canada, CCM Information Group, a subsidiary of Crowell-Collier & Macmillan;
- 6) World Meetings: Outside United States and Canada, (Same Source as Above).

#### Business and Trade Publications:

The next port-of-call in our quest for marketing information is business and trade publications. Business and trade publications are among the most authoritative sources available of timely, specialized industrial information. Announcements of the latest commercial products, analyses of major innovations in marketing, and discussions on manufacturing, research, and development activities are regular editorial subjects. Invaluable market survey and market forecast information is frequently printed in these publications before it is promulgated by any other news medium. Meeting and convention calendars are also commonly included as a convenience to the readers.

So far, most of what I have told you about business and trade publications is obvious; and you may be wondering why I have taken the time even to bring it up. Here's why: At least once a year, business and trade publications serving particular industries bring out an issue in which a detailed market analysis is offered. What you might not think of in studying such an issue is the fact that many, many months of work were involved in gathering this information. Furthermore, because the magazine is of a necessarily limited size, much of the information that was gathered had to be discarded simply because of space considerations.

Now, here is something worth making note of: If, in studying a business or trade publication, you come upon an article, a series of articles, or a full edition that is of particular interest to you, write a letter to, or get on the telephone and call, the editor or editors responsible for the preparation of these articles. Invariably, you will find that they have gathered far more information than is reflected in the printed article. Furthermore, editors are very much like radio announcers; they find themselves wondering, "Is anybody out there reading what I have to say?" Call them on the telephone or write them; you will find them to be most responsive to your inquiries. You are letting them know that, indeed, they do have an audience.

It has been my experience in conversing with business and trade publication editors that they are delighted to talk with their readers. Thus, you will be afforded a unique opportunity to have the undivided attention of a man who has spent months researching a subject of primary interest to you. Furthermore, the editor will often be delighted to give you the full benefits of the information that he has so carefully assembled.

As a specific example of a marketing information source material published by one of our leading trade journals, I would like to call to your attention the Electronic News Fact Book. The 1973 edition lists more than 750 corporations in our industry and provides such information as company names, address, telephone number, the officers, directors, areas of work, product mix, divisions and subsidiaries, stock exchanges on which their securities are traded, the ticker symbol, plus a chronological listing of such things as number of employees, plant footage, sales and earnings, common shares outstanding, earnings per share, dividends, stock splits, common stock equity, income accounts, assets, liabilities, plus a statistical summary.

#### Government Publications:

Of all the government agencies preparing information of interest to marketers, none is more prolific than the Department of Commerce. An important agency of the Department of Commerce is the Bureau of Census. Periodically, the Department puts out a Census of Business. The latest edition is a nine-volume set loaded with exhaustively-detailed information on markets in the retail trade, wholesale trade, and selected services. If, in your marketing survey, you require any demographic information, I suggest that you start with one of these nine volumes of the Census of Business--available in any well-equipped library.

Another important publication of the Department of Commerce is Commerce Business Daily.

This newspaper provides a daily summary of government sales and contract awards as well as a run-down of proposed Federal procurement. This should be of particular value to companies seeking bidding opportunities on government contracts and purchases, surplus government property for sale, or in locating sub-contract opportunities from prime contractors.

Still another government publication of interest to this group should be Facts For Marketers. This publication includes nine reports, one for each major geographic region in the country, and contains selected data from Federal sources for the 100 largest SMSA's. Included are population and housing characteristics, employment, income, industry sales by retail, wholesale, and selected-service trades, and consumer expenditures, where available.

#### Industry Surveys Available From Marketing-Research Firms:

A great many private agencies, such as Arthur D. Little; Quantum Sciences; Predicasts; Batelle Memorial Institute; Stanford Research Institute; McKinsey; Booz, Allen, Hamilton; Cresap, McCormick, Paget; F. W. Dodge; Creative Strategies; and Drossler Research Corporation, are just a sampling of the many organizations in the market research industry. As an example of the kinds of studies that are available from some of the companies in this field, consider these market surveys produced by Predicasts: Private Security Systems; Biomedical Electronics --Patient-Care Systems; On-Site Computation Equipment; Appliance Industry; Computer Peripheral Equipment; Industrial Markets For Air-Pollution Equipment; Community-Antenna TV; Process-Control Equipment; Copiers, Duplicators, and Facsimile Markets; Residential-Security Systems; Analytical Instruments; Lasers; Biomedical Electronics Laboratory Equipment; Leisure-Time Electronics; and Test and Measuring Equipment. The price of each of these special reports is \$300. Multiple studies are available at a slightly-reduced price.

#### Marketing Research Bibliography:

1. Anderson, I. E., ed. Marketing and Management. Detroit: The Gale Research Corporation, 1973, \$16.00
2. Carpenter, Robert N. Guidelist For Marketing Research and Economic Forecasting. American Management Association, 1973
3. Coman, Edwin T., Jr. Sources of Business Information. Berkeley and Los Angeles: University of California Press, 1965
4. Electronics Industry of Japan, 1972. Park Ridge, New Jersey: Noyes Data Corporation, 1972, (Data on 859 Companies), \$24.00
5. Encyclopedia of Business Information Sources. 2nd ed. Detroit: The Gale Research Corporation, 1973, 2 vols., \$47.50
6. Frank, Nathalie D. Data Sources For Business and Market Analysis. 2nd ed. Metuchen, New Jersey: Scarecrow Press, Inc., 1969
7. Jones, Gwendolyn, ed. Packaging Information Sources. Detroit: The Gale Research Corporation, 1973, (MIG #10), \$14.50
8. Norton, Alice, ed. Public Relations Information Sources. Detroit: The Gale Research Corporation, 1973, (MIG #22), \$14.50
9. Randle, Gretchen R., ed. Electronic Industries Information Sources. Detroit: The Gale Research Corporation, 1968, (MIG #13), \$14.50
10. Sandeau, Georges, ed. International Bibliography of Marketing and Distribution. 4th ed. Fontainebleau: Institut Europeen D'Administration des Affaires and R. R. Bowker Company, 1972, \$36.50
11. Wasserman, Paul, ed. Consultants and Consulting Organizations Directory. 2nd ed. Detroit: The Gale Research Corporation, 1973, \$45.00
12. ———. Who's Who in Consulting. 2nd ed. Detroit: The Gale Research Corporation, Dec., 1973, \$45.00

WESCON  
SEMINAR ON  
SUCCESSFUL MARKETING AND NEW PRODUCT INTRODUCTION

Fall, 1973

HOW TO PLAN MARKETING STRATEGY

By Richard A. Drossler

President, Drossler Research Corp.  
570 Pacific Avenue  
San Francisco, California 94133  
(415) 434-3030

SUMMARY

An integrated marketing strategy can be a strong competitive advantage by guiding tactical decisions toward a common goal. This paper suggests five analytical steps to help develop a powerful competitive marketing strategy. The talk will cover a case history utilizing this approach.

TEXT

Introduction

Key marketing decisions are often made in response to tactical pressures rather than from a truly integrated marketing strategy. Daily decisions must be made about advertising, selling, pricing, etc. -- which are made -- even in the absence of an underlying strategy. The result can be conflicts among various marketing programs and disappointing performance.

A coordinated, simply understood overall marketing strategy can guide the daily decisions of the marketing team along a common path. Often marketing power is magnified.

Such a strategic approach may not be difficult to accomplish. A powerful competitive strategy can be formulated by understanding the marketplace and the forces that influence it.

While there are many considerations in developing a strategy, we will concentrate on five key steps you can take to analyze your marketplace and develop a highly competitive strategy. These are:

1. Formulate a simple Buying Process Model that describes how purchase/use decisions are made in your industry.

2. Identify market segments that might warrant different strategies because of their differing needs or decision processes.

For each market segment:

3. Determine, for each stage in the Buying

Process, who are the customers and what are their needs.

4. Analyze how these needs are now being filled for these customers by competition, both direct and indirect.

5. Formulate your own strategy for meeting customer needs at key stages in the Buying Process.

Now let's look how this might be accomplished.

Buying Process Model

A Buying Process Model sounds like something largely academic, and expensive besides. But, in fact, it can and should be a simple statement of how a typical buyer in your industry gets from his deprived state of ignorance that he even needs your widget to the enlightened one of a satisfied user. Your own judgment and some guided insight into the customer will produce a simple description, or model, which is all that is needed. The simpler the better.

One which we have used that describes the buying/use habits of both consumer and industrial customers looks like this:



First, the prospective customer must recognize a basic need or desire for that category of product at all. Once the need is recognized, the customer searches, actively or passively, for product alternatives that might fill his desire. He then selects the one, at least in

his mind, that best fills the bill. But we have not made the sale yet -- he must now find out where and how to buy it (and hope it is in stock).

Finally, having bought the product, he uses it -- which is often the most crucial time of all. He must feel satisfied with it or we have lost him for future sales. Repurchase is absolutely crucial in most consumer goods and in supply items. But even for one-shot industrial sales, the satisfied customer is many times the best salesman to other prospects.

This all may seem obvious, but that's my point. It is not difficult to construct a Buying Process Model, but I hope to show you that it is a powerful tool in forming a unique competitive strategy.

The key is to look at each step in the process separately, understand the customer and his needs at each step, see how well the competition is meeting those needs and then see how you can do better. It may not be necessary to expend efforts at every stage of the buying process. In fact, it is usually better to concentrate on one or two stages, to concentrate your marketing resources.

#### Market Segments

For most industries, the buying process is fairly clear. But there may be quite different needs and states of mind among different types of customers at each stage of the process. It is very productive to understand your market as being made up of various buying segments, rather than as one whole that thinks or behaves cohesively.

Often geographic areas should be treated differently. A marketer of industrial products usually sees great differences in buying and use behavior and attitudes among different industries served. And do not overlook more subtle differences: large vs. small buyers, sophisticated vs. unsophisticated users, etc.

Having identified meaningful market segments for our industry, let's say amateurs vs. professionals, for example, these can be arrayed in a simple matrix to analyze the buying process influences for each segment. This is illustrated in Figure 1.

Figure 1 shows which stages of the buying process are of primary and secondary importance to that type of buyer in influencing his ultimate use of the product. Just by way of example, we have indicated stages which might be of primary (1) or secondary (2) importance to the amateur and the professional. Unmarked cells are less important.

FIGURE 1  
BUYING PROCESS  
OF MARKET SEGMENTS

	PRO	AMATEUR
Desire		1
Search	1	
Select	2	
Buy		2
Use	2	

In our example, the professional buyer probably already knows he needs the product (DE-SIRE), whereas the amateur does not. The amateur may not even know the product exists. But knowing he has the need, finding a product to fill it is all-important to the professional (SEARCH). Also important, once he knows which products will fill the need, is choosing the best one (SELECTION). Finally, for us to keep his repeat business, he should be a satisfied customer (USE).

On the other hand, the amateur would have a quite different pattern. Once we have demonstrated to him that he needs the product (stimulated DESIRE), the most important thing to tell him is where to buy ours and to stimulate him to do it (BUY). He probably will not shop around, and my example assumes he will only buy once.

So you can see already how a simple Buying Process Model, applied to your various market segments, is beginning to signal strategic action. This process can be easily applied to almost any industry, with a little work. The key is to use this method to organize your understanding of the customer and how he is influenced at different times.

Now, let's focus on one of the market segments and see how to understand it in more depth.

#### Customers and Their Needs

Within each market segment, we next take a look more carefully at the buying process and determine, for each stage, three things:

1. The "customer" -- that is, the people who are directly involved at that stage of the process; the prime decision maker.

2. "Influencers" -- other people who influence the decisions at that point in the process.

3. "Needs" -- what is it that the customer needs at that point in the buying process; what is he seeking; what will motivate him.

Figure 2 shows how this might be laid out in developing your strategy. Note in that



example that the "customer" may change at different stages in the buying process. This example shows that the actual purchaser is not the user -- which would be the case with a purchasing agent. The purchasing agent is the customer at stage 4 and an influencer at stages 2 & 3. Other influencers might be peers, boss, wife, etc., who may also have to be reckoned with in stimulating desire or closing the sale.

FIGURE 2  
CUSTOMER & NEEDS

	CUSTOMERS	INFLUENCERS	NEEDS
Desire	A	B/X	-----
Search	A/B	X	-----
Select	B/A	Y	-----
Buy	B	-	-----
Use	A	Z	-----

Once the customers and influencers at each stage have been determined, the next step is to spell out what needs the customer has at that stage. Needs vary from stage to stage, even for the same customer. At the DESIRE stage, needs might be very general, and could be filled by many competitors, even indirect competition. In the SEARCH stage, the customer needs awareness -- that you even exist. In the SELECTION process, product features often make the difference, including price level. When BUYING, the customer needs to know where to buy and needs stimulus just to go do it. Actual price, discounts, relationships with the salesman, etc., are all key at the BUY stage. Finally, to a USER, both actual product performance and psychological benefits are important. He shouldn't have "buyer's remorse", but should be comfortable with the purchase.

In sum, it is the need that is filled rather than actual physical characteristics that define the product as seen by the customer. This is true at each stage of the process, although the need may change from one stage to the next.

Formulation of strategy consists of seeing how you can fill those needs. Note, of course, that it is not necessary for every competitor in an industry to fill every need. This is how unique strategies are formulated to give a competitive edge.

#### Competition

The next step is to spell out how each major competitor is meeting the needs of the customers at each stage of the buying process. Invariably, some will be addressing one part of the buying process and some another, depending on their own strengths and market position. The idea here is to spot opportunity gaps where your unique strategy will have the greatest leverage.

Figure 3 illustrates how to analyze competitive activities on an organized basis. Note that we have included indirect as well as direct competition. Direct competition is, of course, other brands of the same product. Indirect competition is other products that can fulfill the same basic needs of the customer, at least in part.

FIGURE 3  
COMPETITORS' STRATEGIES

	Direct			Indirect		
	1	2	3	1	2	3
Desire		X	X			
Search	X				X	
Select	X	X	X	X	X	X
Buy						X
Use			X			

The information that is analyzed in each cell of this matrix spells out what the competition is actually doing now in the marketplace -- not what they might be doing if they decided to, given their resources. This information comes from sales force intelligence, customer awareness and attitude research, analyses of competitive advertising, etc.

Note in the example in Figure 3 that every competitor, both direct and indirect, is addressing the customer at the SELECT stage. This is often true, because this is where brand choice is made. Strategy concentration may be productive at this stage, especially if there is a great deal of true product differentiation in the industry. But often this is not the case, with the result being that the customer does not have a clear basis for brand selection. Everybody is saying the same thing. Brand switching and disloyalty result. Perhaps it would be better to seek another strategy.

In our example, a possible alternative strategy can be seen. Note that no direct competitor is strongly appealing to the customer at the BUY stage. (Recall in our example that the buyer is not the user.) So it may be highly effective and unique to focus on this stage of the process. Beef up direct selling, expand distribution, sharpen up prices and discounts, stress standardization of purchasing (to our specs, of course) -- or do whatever it would take to be there when the buyer makes his decision.

Note that both competitors 2 & 3 are trying to build DESIRE. This is sometimes called the creation of primary demand for the product category (as opposed to selective choice of a particular brand in the category). This is usually a good strategy only for someone who is dominant in the industry, because the major benefits of creating new demand will accrue to him. Probably

one of the two competitors in our example is playing a wrong strategy. He is actually helping the other guy.

In actual practice, it is productive to write out on your analysis matrix the actual tactics each competitor is employing at each stage of the buying process, rather than just to indicate which ones are being addressed, as I have done.

You now have a fairly well organized and depthful picture of what is happening strategically in your industry. Probably you now know more than any competitor. So you are ready to precipitate your own strategy.

#### Formulating a Unique Strategy

Now the fun begins. So far we have only been collecting and organizing facts. But forming a new strategy is a creative process. It depends on intuition, foresight and new thinking. These cannot be deduced from surveys or analysis, and I will not attempt to do so.

We can, however, aid the creative process of strategy-building by using the same tools we have used for analysis. Figure 4 suggests an analytical matrix that can be used to guide creative decision-making, by focusing on the key elements of the buying process and asking what might be done at each stage.

FIGURE 4  
OUR STRATEGY

	FOCUS ON	WHOM TO REACH	NEEDS ADDRESSED	PRIME COMPETITION	MAJOR TACTICS
Desire					
Search	X	A/B	-----	D-1	-----
Select					
Buy	X	B	-----	I-3	-----
Use					

First, a decision can be made as to which stages our strategy will focus on. (SELECTION and BUYING, in our example.) Whom to reach is obvious from our customer analysis.

What needs we will address is the next thing to decide upon. This is a little trickier, but should be fairly well known in the real world, if we have done a good job of analysis. Let's say that at SEARCH time, we want to improve customer awareness that we exist and be sure we are included on "approved vendor" lists. At the BUY stage it is pretty clear -- we want to be there when the purchase is made, in body or in spirit.

By looking at our competitor analysis matrix

we can see what competition we will face under this strategy. Thus, we can decide if we can afford to face this competition and, if so, what tactics we might deploy. (Notice that we have chosen our basic strategy as a "path of least competitive resistance", by addressing those stages least covered by competitors. If we were stronger, we might have chosen some other strategy.)

Finally, our major tactics can be shaped and deployed through advertising, the sales force, pricing, etc. In our example, this might mean heavier advertising to stimulate awareness among purchasing agents and increasing the sales force. Both tactics would have the intent of convincing the purchasing agent to put us on the "approved" list among other objectives.

You can see how this type of approach to strategy formation almost automatically integrates the various marketing functions into a common purpose.

In a short paper such as this, it is not possible to lay out all of the uses of such an analytical approach to strategy development. But before finishing I would like to point out one additional use.

Specific performance goals for the marketing function can be set and monitored using this approach. Using the Buying Process Model, the

number of prospects who are currently at each stage of the buying process can be determined. Then, goals can be set for the number to be converted to various higher stages in the process during the planning period. (For example, this might be stated: "Our goal is to increase awareness of our product by 20% and to increase the number of new buyers by 5% by year-end.") This, then, forms both the goal to be achieved by the marketing programs and the criterion for success. Indeed, this is almost a standard procedure for new product introduction among large consumer package goods firms.

## Conclusion

A simple Buying Process Model which describes your marketplace is an extremely useful tool to coordinate your marketing planning. It can be used to guide your understanding of your customers and their needs, your competitors and their strengths and weaknesses. The result might be a clear competitive advantage in your favor.

## REFERENCES

1. Bursk, E. & Chapman, J., ed. Modern Marketing Strategy. New York: Mentor, 1964.
2. Buzzell, R. Mathematical Models and Marketing Management. Boston: Harvard, 1964.
3. Campbell, Roy. Measuring the Sales and Profit Results of Advertising. Assoc. of National Advertisers. 1969.
4. Clark, L. (IBM). "Can New Business Opportunities Really Be Planned?" June Conference Proceedings, American Marketing Association, 1968.
5. Colley, R. Defining Advertising Goals. Assoc. of National Advertisers, 1961.
6. Cox, R., Alderson, W. & Shapiro, S., ed. Theory in Marketing. Homewood, Ill.: Irwin, Inc., 1964.
7. Crane, Edgar. Marketing Communications. New York: Wiley, 1965.
8. Dible, Donald M. Up Your Own Organization! Santa Clara, Cal.: Entrepreneur Press, 1972.
9. Donnelly, J. & Ivancevich, J. Analysis for Marketing Decisions. Homewood, Ill.: Irwin, 1970.
10. Ferber, R. & Wales, H.G., ed. Motivation and Market Behavior. Homewood, Ill.: Irwin, 1958.
11. Figler, L. Industrial Marketing. Princeton: Brandon, 1970.
12. Lavidge, R.J. & Steiner, G.A. "A Mode for Predictive Measurements of Advertising Effectiveness", Journal of Marketing, Vol. 25, No.6, October, 1961.
13. Leonhard, D. The Human Equation in Marketing Research. New York: American Management Assoc., 1961.
14. Pessemier, E. New Product Decisions. New York: McGraw-Hill, 1966.
15. Robertson, G. "Motives in Industrial Buying", Empirical Foundations in Marketing, Alexis, M. ed. Chicago: Markham, 1969.
16. Simon, S. Managing Marketing Profitability. New York: American Management Assoc., 1969.
17. Zaltman, G. Marketing: Contributions from the Behavioral Sciences. New York: Harcourt, Brace, 1965.

## SUCCESSFUL MARKETING AND NEW PRODUCT INTRODUCTION

Frederick M. Hoar  
Vice President - Communications  
Fairchild Camera & Instrument Corp.  
Mountain View, California

I have been asked to discuss with you today the proper techniques for announcing a new product in the electronics industry.

Let me start off by stating the obvious -- that there is no such thing as a formula for product introductions. Every product in our industry -- no matter how mundane or exciting -- must be treated individually. You first analyze the characteristics and features of the product, and then determine their significance to your audience or, more accurately, to your prospective customers.

So instead of providing you with a checklist of announcement procedures today, I will suggest a basic set of guidelines. Primarily, I hope to demonstrate that the announcement of an electronics product is something you cannot take for granted. At the same time, there are a number of do's and don'ts which I'll cover.

Before moving into the methodology of a product announcement, let's consider some groundrules.

First, your major consideration and orientation must be that of a marketer -- since your company's goal is to sell the product. You must carefully identify market and potential customers . . . you must know the media which these customers read and respond to . . . and you most certainly must know which characteristics of your product are most attractive to these users.

Let me emphasize here that both the strengths and weaknesses of the marketer must be considered. For instance, everybody thinks his product is the greatest -- or at least he's ready to tell the customer this is so. But in announcing a product, you are responsible for understanding not only how great your product is, but where it falls short in respect to competition. You don't highlight the negatives, but you know them . . . and you formulate your strategies

accordingly. All of this falls into the realm of credibility, and it is an area that I find crucial if you expect to have a successful product announcement.

This brings me to the second hat you must wear . . . that of editor, reporter or whomever you will be dealing with in bringing the news of your product to the outside world.

Please remember a key but often overlooked point: the trade press and other news media are not peddlers of your product. Their job is to look at your product and report, if it is newsworthy, its availability and features. The credibility of a news medium in the eyes of its readers strictly depends on how well it imparts information -- and most important, if the information is valid.

I contend that if you meet the editor on his own terms, with a realistic approach to what you are announcing, you're going to get a lot farther than if you attempt to puff a product which has negligible impact or importance. I'll discuss this area in detail later on.

A third hat you must wear is that of the businessman. How much time, resources and dollars do you want to spend in announcing your product? Is the product worth it? These factors must be weighed to avoid spending all kinds of money and time on products which could have been effectively introduced with no fanfare whatsoever. The key question you always must ask is -- just how important is this product to my business?

Therefore, with the perspectives of the marketer, editor, and businessman in mind, you are ready to plant the announcement itself.

I'm not going to name specific products today because we all come from various electronic disciplines. But the procedures



are generic enough for anyone here to relate to his own organization's products and needs.

The various methods for announcing a product from press conferences . . . to special placements . . . to general news release mailings . . . to individual calls on the media . . . to product demonstrations for special customers. Often the approach includes a combination of these.

The first procedure I'll discuss is the press conference. This is for the major announcements -- and I would like to emphasize that the press conference should only be used for your highest priority products.

For one thing, you are asking the news media to take time out from a busy schedule to hear your story. If they do this, and then find out there is no real significance to the announcement, you have destroyed your credibility and possibly your chances when a truly important announcement is warranted.

Because of this, you should use press conferences sparingly. When in doubt, a good rule is not to hold a conference.

Once you decide to hold a press conference, use your time sparingly as well. Some companies erroneously take these occasions to parade all of their top executives. Windy and self-serving speeches do not impress anyone, and they turn off the press in particular.

Arrange a tight format. A company spokesman or spokesmen -- three at the very most -- should make short, to-the-point presentations. Ample time for questions and answers should be allotted and press kits, which I'll discuss in one moment, and other materials for handouts should be available.

The content of your press conference, the time you consume, and the quality of your press materials are actually the most important factors.

I realize that some people who hold press conferences also put a premium on wining and dining the media. My response is that you may choose to do this or not -- but don't expect it to oil the presses. The

critical thing is to give editors a legitimate story so that there is not a waste of their time and your money. A lunch or a cocktail party is fine, but it's strictly peripheral.

Another important factor in setting up a press conference is establishing a site that reporters and editors can get to easily and conveniently. Also choose a time which does not interfere with deadline pressures and when you are most likely to get a good turnout. This knowledge can only be gained by interfacing with editors in your regions or areas, and knowing what their editorial needs are. A typical hour for a press conference in our business is 10:30 or 11:00 a.m., followed by lunch.

Needless to say, invitations and announcements should be extended in adequate time for these editors to make their arrangements accordingly. These can be wires or letters -- followed by telephone calls a day or two before the event.

For monthly or semi-monthly publications -- and even for important weeklies -- it may also make sense to provide advance information on the announcement, to appear in print right after the press conference. This is particularly true if the scheduling of the conference puts these publications at a significant timing disadvantage.

News materials is the next topic I'd like to cover. The press kit you prepare for an announcement should not be littered with biographical sketches of company officers and other information which is extraneous to the story. The average press kit should contain a fundamental story giving the facts in straight-forward news language. Forget the superlatives. Since there is a variety of media interested in electronics, you may write a basic trade press story with technical detail, plus a lay version for the general press.

Secondly, any photos which are included should be in the format used by these publications. And they should be of high quality.

Whenever possible, arrange a photograph that is somewhat unusual. Cheesecake