Chapter 4

Who Can Access Your Product or Service?

What could be worse than an enthusiastic prospect, fully aware of your product’s benefits and eager to buy, who does not have access to what you are selling? The focus of Step Three of the Customer Learning Curve is to make sure customers are not denied opportunities to buy your product or service. From the customer’s point of view, the access issue is straightforward: Can I buy what I want, when I want, where I want? But from the marketer’s perspective, access problems come in four different forms, any one of which can stymie an informed, interested prospect.

First, a company may have a traditional channel problem. Your prospect learns about what you are selling and its value proposition, decides to try it, and goes looking for your product but cannot find it. If the product is not a necessity, it may never be bought at all. But if the prospect’s need is pressing, he or she will probably buy a competitor’s product, which gives another company the benefit of your investment in building awareness. In this case, your prospect has been “switched in the channel.”

Second, a company may have a capital deployment problem. This occurs primarily in service delivery situations and is even more basic than the problem of joining seller and buyer in one place. The infrastructure that must deliver the service is not in place. Consider digital subscriber line (DSL) access for high-speed Internet transmission. Without the expensive electronic equipment in the provider’s central office, the service is not physically available. Usually the reason is capital investment shortfalls. In the case of DSL, for example, the dollar investment required for the infrastructure is so high that it strains the resources of even cash-rich telephone companies.
Third, and a bit more subtle, is the know-how problem. You are selling software, but your prospects are afraid their company will never learn how to use it correctly. Knowledge barriers can prevent access just as effectively as a lack of physical availability.

Fourth, a competitive relationship problem does not concern the buyer but is strictly an issue from the selling company’s point of view. The buyer has access to your product or service, but the need is already being met by a competitor. In effect, your company does not have access to the buyer because of this prior relationship.

Any access problem is serious and must be addressed. The growth of the Internet has led many companies to focus on e-commerce as the first solution, but the Internet is not a cure-all. You need to identify which kind of access problem you have and then consider whether e-commerce or a more traditional approach will solve it.

In the following sections, we explore the challenges of each type of access problem and provide varied solutions to these challenges. Then we examine e-commerce in terms of access issues, a perspective every company needs to keep in mind.

**Traditional Channel Problems and Solutions**

As products, services, and industries go through stages in their life cycle, the optimal marketing strategy, especially the channel strategy, changes. In the introduction phase, an unfamiliar product or service needs help—extra services, complementary products, customer education. Companies often rely on a “missionary” sales force that can answer questions, customize products or services, provide feedback, and get customers over the hump of trying the new and different. Sometimes this is the only choice because others in the chain of distribution are not willing or able to support the new product or service.

In the growth stage, when demand is exploding, companies often expand access. Outsiders—sales representatives, agents, resellers, and wholesalers—give increasingly self-sufficient customers access where they want it.

In the maturity stage, competition intensifies, channels proliferate, and conflicts among channels ensue. As margins shrink, the direct sales force and the more expensive intermediaries are
pared back. The lower cost and measurable results of direct marketing favor this option.

In the decline stage, creative marketers look for ways to reinvigorate their product or service: product or line extensions, new and improved versions, new applications, or repositioning. As at the beginning of the product life cycle, no one may be willing to sell the offering, so by default the direct sales force is the answer. Market niches become narrower and more specialized, and the sales force is asked to customize the offering on the spot to keep sales coming. Alternatively, declining products or services may become temporary cash cows because high-cost competitors pull out of the shrinking marketplace and loyal customers persist. In this case, if access is easy and comfortable, the decline may be “golden years” of profitability.

Here is how one company faced these life cycle challenges over a long period and how the changes influenced its ability to respond to challenges in Step Three—access to customers. In the 1950s, Miller Fluid Power created a new type of tie rod hydraulic cylinder that was easy to take apart, repair, and adjust; previously, cylinders needed to be discarded if faulty. Anticipating customer resistance to something so new, Miller handled its own distribution and customer education during the introductory phase. The company president, Frank Flick, took the show on the road in a large Cadillac with an Airstream trailer in tow, emblazoned with “College of Cylinder Knowledge.” Flick visited potential users and provided both product information and demonstrations of how the cylinders could be used in their own businesses.

As the market grew, Miller replaced the direct sales force with distributors but continued its educational approach. When a new factory was built, for example, it included a training facility and living quarters for customers who came to learn how to use the redesigned cylinders.

Competition increased during the mature phase. Flick’s first response was to cut back on direct education but return to a direct sales force that could still educate customers. Then a major competitor reduced its cylinder prices and began cutting into Miller’s share of the market. The competitor did this by eliminating the education function and selling through industrial distributors, passing the distribution savings on to customers.

Unfortunately, Flick was reluctant to cut back his sales force and dispense with the educational component, though it was no
longer needed by most customers. Miller’s prices stayed high, and share continued to decline. Eventually, the business was acquired by a company that reduced the internal sales force, broadened the channels of distribution to include those used by the competition, and added telemarketing for accounts that required little service other than reorders. By realigning the business with its place in the product life cycle, the new owners improved performance in Step Three of the CLC and put the business back in the black.

A new stage in the product life cycle can clearly signal the need to think through current channel options and their suitability for the future. There are two approaches for handling the transition effectively: becoming customer driven and adding e-commerce to the arsenal.

**Channel Solution 1: Be Customer Driven**

In the late 1980s, two distribution experts, Louis Stern and Frederick Sturdivant (1987), proposed a model for updating access systems. Although the end result may look different from what would have emerged in 1987, the approach still makes a lot of sense.

1. Use market research to determine exactly what customers want in terms of access to your product or service. Research should be open-ended enough to allow customers to think about options that may not be currently used in your industry. Today, access options change quickly.
2. In an internal ideation session, brainstorm how an ideal system would look, one that takes into account both customer desires and the company’s wishes. It may not be realistic to replace the entire sales force with people who have a doctorate in physics and an MBA, but realism is not the goal here. Open up thinking.
3. Take a hard look at the current situation. What are your strengths and weaknesses relative to where you would like to be? Are there obvious steps to take, such as replacing underperforming sales personnel, or steps your company has been postponing?
4. Assess what is feasible and possible to do in the current corporate environment, given time, money, and legal constraints. Within these limits, identify ways to incorporate the ideal.
5. Implement the new system as quickly as possible.

That is how Stern and Sturdivant approached the issue more than a decade ago, and the approach still works well, with one important caveat. Given the pressures of e-commerce, global com-
petition, and shareholder demands for high performance in the competition for capital funding, companies must expand their thinking about what is feasible and possible. There can be no sacred cows in the competitive twenty-first century. Legacy assets—including those in channels of distribution—may simply be too expensive from the competitive point of view. The pressure to stand pat may be intense, but if change is required to keep pace with the market, you cannot afford to ignore your vision.

**Channel Solution 2: Add E-Commerce to Your Access Arsenal**

There is a place at each stage of the product life cycle for the addition of e-commerce components. Although it is especially important to consider these additions during transitions in the life cycle, even within each stage they can improve access and, consequently, sales and profits.

1. During introduction, your missionary sales force can be supported by rich information that is available electronically: through the company’s Web site, online help desks, chat groups in which users exchange information, and e-mailed newsletters. This approach can establish a user community for early adopters, support educational activities of the sales force, and even provide invaluable feedback for debugging a product or service.

2. During growth, in-house electronic support for established customers may speed access at a lower cost, and savings can be passed on to customers. Online ordering, for example, may be attractive to some customers, especially those who place routine orders, are highly price sensitive, or want control.

3. During maturity, your company can support its margins without compromising customer service by using established (and paid for) e-commerce techniques, such as online ordering, or by pulling in new intermediaries who use e-commerce. Also, widen and deepen your focus by appealing to new narrow applications and niches through enhanced electronic support—rich information, help desk specialists, applications-specific chat groups, niche-focused e-mailed newsletters. Good support for these segments of customers can be an important differentiator in the highly competitive mature environment.

4. During decline, e-commerce can be added to or even replace traditional selling as it becomes uneconomical to employ a large sales force. E-commerce is a cost-efficient way to serve small and scattered user groups and even help them find new ways to use your product or service.
CAPITAL DEPLOYMENT PROBLEMS AND SOLUTIONS

As technology changes more and more rapidly, the magnitude of capital required to create access to a product or service can prove daunting even for a company with deep pockets. Capital deployment problems come in three forms, usually interrelated.

1. Financing: A large amount of capital is required to build a network such as DSL or start an airline.
2. Installation: It takes time to build or expand the physical infrastructure once the money is available.
3. System interdependence: A complete interactive system may be needed before any one component can be offered to customers. For example, even if a provider has DSL equipment in place, the modems in customers’ homes must be fully operational before the lines can be used.

There are two tasks to undertake in dealing with these problems. The first is an internal marketing task: Justify capital expenditures to the organization by demonstrating that they will generate enough customer interest to yield an attractive rate of return. How can you make the case for this kind of investment?

For a start-up product or service, the situation is relatively straightforward and requires traditional financial analysis. In the case of expansion, the situation is different. Begin by implementing noncapital programs—marketing communications, public relations, sales force efforts, and Web initiatives customized to individual targets—to increase penetration in territories where access already exists. These areas are a kind of test market for the effect of marketing investments. If you can demonstrate that marketing support will achieve higher volume and profits in these areas, you can make the case for similar investment in new areas. Exhibit 4-1 presents a hypothetical case.

The second task is to build demand so that when the infrastructure is in place, customers are ready and willing to take advantage of the new access opportunities. Timing is critical: Presell to preempt a market, followed by rapid and intense awareness-building the moment the service goes live. Building awareness of a new business-to-business auction site, for example, should be timed so that interest peaks at the moment the site is accessible. As a precaution, make sure that marketers receive
Currently, capital deployment in only 40% of the market leads to penetration of 1%.

Raise capital deployment to 100%, and the new CLC looks like this (changes are in boldface). Penetration increases to 2.4%, but this is not large enough to justify the investment by this company.

Instead, the company works to improve noncapital marketing effectiveness. With marketing communications programs, media programs, and promotions that improve the numbers (in boldface) but do not change access, this is how the CLC looks.

When these improvements are supplemented by also increasing access to 100%, the new CLC indicates such a large increase in penetration (to 18.5%) that the investment can clearly be justified.
accurate information about timing, and build in plenty of leeway for deployment delays.

**Know-how Problems and Solutions**

Business-to-business customers may be reluctant to try something new because they fear their company will never learn how to use it—that it will never pay off. Although the CLC addresses learning in Step Six, the issue in Step Three is not so much learning to use something new as it is the perception of possible difficulties.

One way around this frustrating situation is to think about customers’ willingness to try new things and then develop targeted marketing programs that address different groups. Companies usually fall into the “adoption categories” that Everett Rogers (1983) describes in his marketing classic, *Diffusion of Innovation*.

- **Innovators**: The 2%-3% of buyers who are almost obsessed with anything new.
- **Early adopters**: Opinion leaders to whom most of us look to make true tests of new ideas and products.
- **Early majority**: People who deliberate, look at early adopters, and then decide whether to embrace the change.
- **Late majority**: Skeptics who are often driven to adopt simply to be able to participate with the world around them.
- **Laggards**: This is the “if it ain’t broke, don’t fix it” crowd.

Geoffrey Moore (1995; see also Moore and McKenna 1999) refers to the rapid diffusion of Silicon Valley products through the early majority stage as a “tornado of demand.” Whether adoption is rapid or slow, a change agent can play a key role in the diffusion process. This is the person or company that does whatever is necessary to enable potential customers to use the innovation, regardless of their adoption profile. In many companies that are interested in introducing new technology, the role of change agent is played by the strategic marketer. Here are some approaches to use in bridging the know-how access gap.

**Know-how Solution 1: Target Innovators and Early Adopters First**

Innovators love to participate in beta tests, or even alpha tests, and delight in providing feedback on a new product or ser-
vice. This feedback provides insights into all aspects of the CLC for a new offering and can give you a good idea about how the product or service may be used and who needs it. The information helps define benefits, an attractive price, a sales force approach, and even how to teach customers to use and obtain benefit from the offering.

For early adopters, Moore suggests that the marketer wrap the innovation in complementary products and services and position this package as the solution to an industry-specific problem. Unlike the innovators, who tend to make excuses for any shortcomings, early adopters will not tolerate finicky technology. They want a business problem solved, and they expect a turn-key product. By targeting these groups first, you can not only generate ideas for serving other categories of adopters but also begin building word of mouth that will pull in more conservative targets.

**Know-how Solution 2: Educate or Do It for Them**

As the target group widens, you must find ways to build know-how. Rogers (1983) points out that the more complex the innovation, the more knowledge is needed before it will be adopted. If marketers ignore this step, unhappy customers are likely to abandon the product. You can avoid this kind of rejection both by educating potential users and by creating virtually fail-safe methods for them to access and use a new product or service, which sets the stage for continued outreach into the more conservative purchase groups.

One Internet company offered its clients customer-satisfaction surveys (“digital dialogues”), with a revolutionary value proposition for market research. For less than 5% of the cost of traditional telephone or paper surveys, clients could obtain immediate feedback on customer satisfaction, complete with mail alerts to responsible managers when ratings were low and complete reports to management within 24 hours. Clients not only received fast feedback but also could afford to survey customers much more frequently, even after every transaction.

One of the first clients for this service was a leading human resources outsourcing company. From the technological point of view, the client could have used the new approach within three months of signing up, but the company was not filled with innovators or even early adopters. Management focused on the problems that might arise. Which of the four or five departments should receive the e-mail alerts? How could the organization meet
higher customer expectations that an alert would be resolved quickly? Most significantly, would executive bonuses—based in part on the old paper surveys—be unpredictably affected by the change in method?

It took more than a year for the Internet company to educate the client about the benefits of the new approach. Marketing strategists used a combination of business process expertise, customer satisfaction technology, and thorough knowledge of the client’s products and services to overcome the steep know-how barriers. Issues needed to be addressed one at a time, with patience and respect for corporate structure. The solution involved both “doing it for them” and educating the company about how to use the new service effectively.

From this experience, the Internet company found that overcoming such barriers was an important differentiating core competency as it competed against others in this field. The lesson? Solving the know-how problem not only is important to obtain product adoption but also can result in a significant advantage that is not easy for competitors to duplicate. A company that can overcome these barriers can move past limits to maximize its performance in Step Three of the CLC.

Know-how Solution 3: Use Electronic Communication to Educate and Support

Compaq University provides more than 30,000 online training courses each month for its employees. Most of the courses are video-illustrated guides for service technicians and technology primers on feature benefits for salespeople, complete with PowerPoint sales presentation shells. In another company, product managers include Web-based product briefings in their product and program launch packages. The information is available around the clock, and salespeople often access the briefings at 10 P.M. the night before they visit a customer. They take their laptop on sales calls and share sections of the internal material with customers.

Today, a heavy dose of electronic-based training is common for both employees and customers, ranging from detailed user instructions to education on concepts and business practices that complement the product or service packages. This training is one of the most effective and efficient tools for business-to-business marketers, but it is not automatically successful. As in every
other field of marketing, there are keys to success in Web-based training.

- Electronic-based training must be easy, inviting, and even fun. Participants have the power to click off a boring presentation the moment it stops holding their interest. Instructional screens must have frequent interactions—a drag-and-drop exercise, a puzzle, a formula expressed as an analog slide bar—and there cannot be enough appropriate animation.
- The technology must be foolproof. If your target is not likely to have a great deal of bandwidth, put enabling technology on a CD-ROM and have just the interactivity portion on the Web.

People want to interact with other people. Pat LeFor, of the online learning group at Empire State University, says that participants in Internet courses report that they value what they learn from other participants, through threaded discussions and comparing posted homework assignments, even more than interaction with their instructors by e-mail.¹

**COMPETITIVE RELATIONSHIP PROBLEMS AND SOLUTIONS**

When the competition has such a strong relationship with a potential customer that your access is effectively blocked, the first question to ask is: “How important is this customer or group of customers to me?” The second is: “How much time and energy are worth investing to win this customer over?” If the investment is greater than the payoff, the wisest strategy is to avoid direct confrontation and find opportunities elsewhere. Here are some effective strategies for dealing with competitive relationships.

**Competitive Solution 1: Sidestep the Relationship by Finding Receptive Niches**

Many successful, regional public accounting firms started as small, individual practices. As start-ups, they found it difficult to crack the carefully protected relationships that other accounting firms had with the most prominent corporations in their regions. A strategy that has proved successful time and again is to con-

¹Personal communication to first author, May 2000.
centrate on small and mid-size companies—the less well-defended relationships—and serve them effectively, often with industry specialists. Some of these clients turn out to be baby whales, and when the whales grow up, the start-up firm has its own set of relationships among the largest and most prominent corporations, along with industry expertise, a reputation for professionalism and client service, and the stature to pursue new business in any corporation in its region.

The main lesson from this example is that going around the relationship is one way to compete successfully against firms that rely on strong relationships. By constantly succeeding among receptive clients, start-ups can overcome barriers to reaching potential customers.

**Competitive Solution 2: Buy the Relationship**

Early in the formation of a start-up venture, the company’s chief operating officer (COO) identified a key client he wanted. Winning this client would provide not only needed revenue but also instant credibility in a highly competitive field. The prospect was already working with a provider that had recently added new capabilities to its product offerings, but this did not stop the COO. He found a salesperson who had a strong personal relationship with the president of the target company and hired him. Within a few months, he landed the client. For the price of a hire, the COO “bought” the relationship that was so important to his company’s success.

In buying relationships, keep two things in mind. First, make sure the investment will deliver what you want. The start-up venture COO did some tactful investigation to make sure the salesperson had the kind of relationship with the target that he claimed to have. Second, make sure you do not pay more for the relationship than it is worth. Our start-up COO also looked at the track record of the salesperson to determine whether he would be an asset to the company in the long run.

**Competitive Solution 3: Borrow the Relationship**

A small California training and communications company had years of expertise in developing high-quality, effective training programs for large companies. Recently, it perfected the ability to create interesting and successful interactive online training programs. How could it expand its customer base to take advantage of this skill set while commanding top dollar for its offerings?
Rather than approach potential customers directly, the company formed a strategic alliance with a strong regional advertising agency. The trainers and the advertisers shared a communications philosophy, an organizational climate, and a set of values that made them natural allies. When the advertising agency found that clients needed training expertise, it introduced the partner, who did the same. Over several years, both companies flourished because they were able to borrow and build on the other’s relationships with customers.

There are three considerations in forming these kinds of alliances. First, the potential partner must share a target customer base. Second, there must be enough commonalities between the two to ensure that clients who are comfortable with one company will be likely customers for the other. Third, any financial arrangements for referral fees, profit sharing, and so on must be clarified in advance, preferably by legal contract. If not, the alliance may work to the detriment of both parties.

**Competitive Solution 4: Flank the Relationships**

Rapid technological and market changes provide opportunities as well as challenges to strategic marketers. Look at the offerings of competitors to key customers you would like to win for yourself and identify some set of features or benefits that the competition does not provide. Through a technological improvement or a product twist, you may be able to offer an advantage. Perhaps you can ship product faster than competitors, or at lower cost, or in quantities or forms that are more attractive to the customer. Sometimes established suppliers are invested in older technology that puts them at a disadvantage. A flank attack works only if you can identify something new that customers need.

**Competitive Solution 5: Exit the Segment**

If you cannot win, leave the field. Redefine your target audience and reposition your product. Walk away from a losing battle and save resources for other contests you can win.

**E-Commerce: Low-Cost Access to Customers**

Electronic commerce has radically changed access to business markets in many industries. It requires serious consideration
as you look at your company’s performance in Step Three of the CLC. Several trends are noteworthy.

**Trend 1: Pruning for Value-Added Focus**

The simplest use of e-commerce to gain access involves routine purchases. These require relatively little “selling,” or minimal explanation of the product and its benefits, particularly if the buyer and seller have a standing relationship. A heavy equipment manufacturer that uses thousands of the same screws and bolts every month can easily see the advantage of ordering them electronically. If the manufacturer has flat production plans and the computer capability to create a standing order, so much the better. Intermediaries, such as a direct sales force or distributors, are not needed.

The key factor is whether the intermediary adds value. A sales visit may strengthen personal bonds, and these need to be assessed from an economic point of view. Unless there is a real benefit to the buyer, the intermediary may not be cost effective.

**Trend 2: Auctions**

E-commerce has made significant access inroads for highly specialized products (and sometimes services) with relatively few buyers and sellers. DoveBid, for example, may auction off the assets of a bankrupt pharmaceutical firm whose equipment is of interest to a small number of companies. By bringing together worldwide buyers through the Internet, DoveBid can create a market that would not be profitable to serve otherwise.

There is also an opportunity for price- and volume-oriented Internet auctioneers. For example, FairMarket and FreeMarkets bring together large numbers of buyers and sellers and primarily conduct “downward” auctions; they offer used assets, excess inventories, and all kinds of direct and indirect materials to the highest bidder. At times, they also conduct “upward” auctions: Buyers specify what they want, at what price, and wait for a seller to come forward. For companies that want to unload branded merchandise as cost-efficiently as possible, these Internet marketplaces eliminate the need for salespeople or other intermediaries.

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In these three electronic access cases—routine ordering, specialized markets, and mass markets—sellers are not unwilling “victims” of e-commerce. Rather, e-commerce gives them wider access to buyers, reduces sales calls, and radically reduces the cost of customer access. In these situations, access is enhanced from the perspective of both buyers and sellers.

**Trend 3: Buying Alliances**

Recently, three large real estate services (CB Richard Ellis Services, Jones Lang LaSalle Inc., and Trammell Crow Co.) that manage 1.2 billion square feet of office space joined in an online buying alliance. This not only will increase their purchasing power but also will streamline ordering, reduce purchasing expenses, and facilitate inventory management (Rich 2000).

**What Next?**

Channels and consultative sales forces that add considerable value—through information, services, scale economies, and even social value—will continue to serve large business-to-business customers in complex transactions, but relationships with these customers will be enhanced electronically. For small and perhaps even middle-sized customers, e-commerce may provide better service and stronger relationships than overloaded call centers (Evans and Wurster 2000).

The potential for e-commerce highlights certain themes that all business-to-business marketers should consider for improving performance in Step Three of the CLC. First, intermediaries are increasingly vulnerable to elimination. The key is whether they add value. Second, no company can assume that its current distribution system is adequate, regardless of how much is invested in it or its success in the past. Indeed, maintaining this “legacy asset” may place a company in competitive danger. Every company should challenge itself to exploit e-commerce as a business asset. Third, providing customers with lots of information they have not been able to obtain easily in other ways may no longer be enough to keep them loyal. Internet search engines grow more sophisticated by the month, and new approaches make it much easier for surfers to find what they want and need to know.

Be alert to changes in business-to-business access that the Internet provides. This can help you anticipate what may happen next in your business and industry so you can avoid disasters.
Such vigilance also enables you to create ways to use e-commerce to enhance your position in the marketplace.

**MEASURING ACCESS**

In Step Three of the CLC, you must determine the percentage of the potential market with access to your product or service. Different measurements apply to different access situations.

**In Traditional Channel Situations**

In the case of traditional channel problems, you need to know where your target customers want and expect to access your product or service. Secondary sources, such as industry studies, may be sufficient, but sometimes primary research is needed to obtain a clear picture of your targets’ preferred channels and the percentage of your product flowing through each.

Look at the channel arrangements you have in place, and use secondary research to estimate product accessibility among your target audience. Perhaps your company sells cabinetry to two market segments: home builders and home-improvement contractors. Secondary sources indicate that 80% of cabinetry sales to home builders are handled by sales force calls on company headquarters, and 20% are through the Internet. For home-improvement contractors, 90% of sales are through retailers such as Home Depot, and 10% are through the Internet.

It is a simple exercise to determine how your channel relationships match buyer expectations. Do you have a direct sales force for building companies? Does the geographic coverage of the sales force match the distribution of building companies? Is it effective in reaching these customers? Does your company sell through the Internet? If so, is it effective, well run, and widely publicized among building companies? The questions are different for the contractor group. Does your company have shelf space in retail outlets? Some or all? Can individual contractors find and access your Web site to make purchases there?

Primary research is needed when target definitions do not match the standard secondary research categories or when distribution patterns make it unclear where and how customers expect to access products or services. Focus groups, one-on-one interviews, surveys, and observations of purchasing patterns can provide important information on customer behavior, which then
can be matched with the company’s current systems to identify gaps.

**In Capital Deployment Situations**

When capital deployment is the issue, you can obtain internal information about physical deployment, by talking to the engineering or operations teams. After you determine where your services are deployed, you must measure access from the customer’s point of view.

Let us say your service is deployed in 100 of 1000 central office buildings. It is tempting to assume that 10% of customers have service access. Rather than accept this easy answer, dig deeper.

- What percentage of target customers are served by the 100 office buildings? Perhaps these sites account for 50%—or only 2%—of your targets.
- What percentage of your sales are represented by the target customers who have access? Perhaps only 2% of your target customers have access, but they may account for 80% of your sales potential.

The key is to measure service penetration on the basis of whatever standards of success your company uses: number of customers served, percentage of customers served, dollar volume of sales to these customers, or profitability of sales to these customers.

**In Know-how Situations**

When know-how is the issue, first estimates can come from sales force feedback or straw polls in focus groups. If half the participants in a focus group say they would not buy your product because they do not think they could use it, you have a problem. For all its limitations, qualitative research alerts you to this fact, and you need to determine how large the problem is.

Quantitative surveys can probe the issue by asking customers and prospects to assess their own level of knowledge, but this approach has drawbacks. People who are afraid of a new technology are less likely to agree to be surveyed on the topic, or they may agree but are reluctant to admit their fears.

On-site observation can provide insight into what proportion of customers know how to use your product, but the issue is
whether prospects think they know how to use it. Market trials of programs designed to overcome the know-how hurdle are another way to pin down the percentage of target companies in this category.

A combination of measures will be required: qualitative (to alert you to a problem), quantitative (to obtain a rough estimate of its magnitude), observation (to understand the realities), and market trials (to test solutions).

In Competitive Situations

Measurements of the potential market whose access to your product or service is obstructed by a relationship with your competitors will vary according to the strategies you use to handle the situation.

- If you buy access by hiring salespeople, measurement is straightforward: number of sales, dollar value of sales.
- If you borrow access through strategic alliances, you must assess the value created by the alliance. Is the value to each partner about the same? Is the extra value created by being in the alliance sufficiently greater than the value you could create on your own to justify the costs of maintaining the alliance?
- A flanking attack on the obstructing relationship calls for measuring “share of wallet.”
- Marketing to niches requires measurement of niche size and share of the niche’s volume.
- Exiting should be assessed by computing not only the volume of lost sales but also the hidden costs, such as losing profit contribution to overhead.

You must measure Web site access effectiveness by both quantitative and qualitative means. In the quantitative category are number of transactions, dollar volume of transactions, cost per transaction, and customer feedback on satisfaction with the site. Qualitative measures should gauge how well the site establishes and nurtures your relationship with customers.

Access from the CLC Perspective

Every step of the CLC is connected to every other because customer learning is not a neat, linear process. When you focus on helping customers through any one of the steps, you gain insight into their thinking, which enables you to help them through all the
steps and give them what they want and need. Here are some ways to integrate access issues into other steps of the CLC.

**Consider Access an Important Aspect of Segmentation**

In Step One—determining need—we noted that different customers may want the same thing but in different manifestations. For example, Dell serves companies that order thousands of computers a year and individuals who order two computers a decade. How customers want to access a product is an important aspect of market segmentation.

**Build Access Awareness into General Awareness**

Do you have a customer segment that wants to access your product or service through online ordering? If so, promote your Web site in basic awareness-building. Perhaps your primary targets want direct sales calls so that they can discuss the customized features they need. If you have a booth at a trade show to build product awareness, make sure it is staffed with your best salespeople—the kind of experts prospects want to see walk through their door.

**Anticipate Future CLC Steps in Designing Access**

Your product or service may require hands-on setup and instruction if the customer is going to learn to use it successfully and experience value. Online ordering may seem good in terms of access costs and may even meet the needs that customers think they have. But if your research reveals that support will be needed down the line, create an access system that not only delivers your product or service but also moves it through later stages of the CLC.

**Maximize Sales Force Effectiveness Throughout the CLC**

A powerful asset in providing customers with access to your product or service is the direct sales force. It also may have a role to play in building awareness, motivating customers to buy, teaching customers to use the product, or helping them experience satisfaction. The sales force often is invaluable in closing a sale, as well as in the repurchase or continued usage stage.
At each step of the CLC, think about how to use the sales force most effectively. Should a master at closing multimillion-dollar sales be the same person who delivers a product that requires several hours to set up and demonstrate? Could that role be played by someone else? Perhaps the stellar salesperson should arrive with the product and a tech support specialist, introduce the customer, and exit gracefully.

A good sales force is not a homogeneous group. Individuals have different strengths and weaknesses, areas of expertise, and tasks they enjoy. Consider how well the overall sales force job description and the skills of individuals or groups of salespeople match the unique needs of your target markets. A good match can optimize your investment in direct selling, support the entire CLC effectively, and ultimately increase sales and profits substantially. (We address sales force issues in Chapter 6.)

**Summary of Step Three: Access**

First, if your company has a traditional access problem—channels, capital deployment, know-how, or competitive relationship barriers—count yourself lucky. Its solution can yield in a matter of months or quarters the same results that might take years of product development, awareness-building, and/or sales force effort.

Second, electronic commerce is changing things, and the company that ignores this does so at its own peril. Yet, e-commerce is not changing everything, and e-marketing does not solve every problem. Because it can be expensive and time consuming to create electronic access, companies should think it through and plan strategically. A knee-jerk reaction can be costly and ineffective.

Third, customer expectations for access are rising, due not only to e-commerce but also to other changes in the marketing environment. There are many new opportunities for companies to form partnerships with their customers, both to improve access and to gain a competitive advantage that can serve them well in the future.

Fourth, access solutions must be integrated with one another and with other steps in the CLC to enhance the customer’s total learning experience and create a customer base with strong loyalty.