



*Performance Sales and Marketing*

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# Advisor

**New Sales & Marketing Channel Startup**

**“Know Your Target Demographic”**

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## New Sales & Marketing Channel Startup

In today's ever changing competitive landscape, having a diverse sales and marketing channel portfolio is not only advantageous, but also necessary.

There are a few key factors to take into consideration when determining what new channel you should create to help you achieve your desired growth.

1. Knowing your target customer demographic
2. What is your competition doing and not doing
3. What type of skill set will you need to run this new channel
4. What are the estimated costs
5. What is the projected timeframe for productivity to show (part of ROI, but more basic)
6. Making sure you have buy-in and support from any internal stakeholders to support and nurture channel building phase

In this segment, I will cover "**Knowing your target customer demographic**". This is probably the most crucial activity to start with when exploring new channels to implement.

When I was working at an energy company, one of my different roles was to create new sales and marketing channels to broaden our customer reach across the US and Canada.

My very first challenge was part of the launch of a prepaid energy product in Texas. I was appointed to find a new way to get this new energy product out in the market as we deemed that the current channels might not do so well with this product.

So what was my first step? In the beginning, I had no idea. There were so many factors to think through and time was in short supply.

### Knowing Your Target Customer Demographic

I took a step back and began to do research on the prepaid industry to better understand the customers. Sure, we did all of the necessary in-depth research of the prepaid industry, even hired a top-tier strategy consulting firm to help us through this.

But I needed to better understand the prepaid customers' buying behavior and psyche. This is the foundation of sales and marketing.

With this specific example, I took a simple approach to understand our prepaid demographic:

1. Looked at how this particular demographic currently paid for their monthly energy bills (non-prepaid)
2. Looked at where they paid their energy bills
3. What messages do they respond well to

The results were...

1. They paid in cash
2. They paid at check cashing stores or grocery stores
3. They respond well to in-person messaging

Now I had a much better view of how to reach this particular demographic and this helped me with my research on which channels provided the above avenues and essentially, #2 listed above was the answer.

This was my foundation for creating a Retail channel where we would partner with check cashing and grocery stores to sell our prepaid energy product.

I still had to go through the other areas of concern that I mentioned earlier when building out the channel, but now, I have a much better cornerstone to create my channel strategy from inception through implementation.

### **The Bottom Line**

If I hadn't taken the time to fully understand our target demographic, I would have more than likely went with a different channel type and would have missed the mark with getting a new channel up and running effectively. This would be due to the fact that we wouldn't have matched our channel to where our target customers buy.

To-date, this channel is continuing to grow for this energy company and they can now take it to the next level of expand the product offering through this channel.

Know your target customer demographic before anything else!

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### **About the author: Philip J Saweris, Founder & Managing Partner | PSM Advisor**

Philip founded PSM Advisor with the vision to create a new management consulting model that operates lean and takes a swat team approach by leveraging a network of specialized firms and consultants.

Philip has 20 years of experience delivering mission critical projects in various industries such as Retail Energy, Oil & Gas, Financial Services, Telecommunications, Environmental Services, Home Services and Retail Loyalty.

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