

B2B lessons learned from World Youth Day: Part II - distribution

Article by Sam Hunter



This post is part two of a three-part series

- 1. World Youth Day: the Event Marketing Lessons Learned
- 2. World Youth Day: the Distribution Lessons Learned
- 3. World Youth Day: the Business Relationships Lessons Learned

In this three-part series, Sam Hunter, the managing director of Bout Time Solutions explores some of the learnings he took from helping the World Youth Day (WYD) organisers deliver one of the great events Australia has staged. Papal visits are right up there with the Olympics when it comes to numbers of visitors and disturbance to a city. But WYD presents a different challenge - 225,000 pilgrims to bed, feed and water.

When John Moore, former marketing director of the Sydney Olympics, asked Sam in 2006 how he would feed 225,000 pilgrims, Sam's response was to go direct to the manufacturer avoiding the caterers. This simple answer became the strategic thrust of the WYD organising committee, and now Sam discusses what can be learned from the staging of a religious event that can be applied to current business problems.

World Youth Day: the Distribution Lessons Learned - who left a P out of the Four Ps?

Faced with a tough sale to get corporate Australia excited about a religious event, I needed to focus on sales. I recall while marketing director at Coke asking people wanting to sell me a sponsourship, "OK, how will this help me sell Coke? I can see what the money will do for you but where is the bang for me?"

I knew what the questions would be from my target, so before I went and saw one prospect, I built a set of sales benefits. In Part I of this series of posts we spoke of the retail sales opportunity around World Youth Day. Here we will look at a far more difficult, even dirty, approach to sales, expanding the number of opportunities the consumer has to buy the product - the distribution.

I come from a company where 'within arms reach of desire was/is the rule' so to me this is not a dirty topic nor is it uninteresting. Its vital, its real, and its why marketing departments are fired before sales departments.

I knew the following because some time ago I took time to ask the academics

"In many of the leading universities around the world academia ignored distribution as a topic within marketing 101 studies",(source Mark Uncles Head of school of marketing University of NSW) "because it was not seen to be interesting or glamorous, students wanted to talk TV commercials, positioning and strategy."

Many marketing departments fell into the same trap. The fundamentals of selling were ignored for endless unproductive strategy debates.

There are a number of examples where business have walked away from the hard cold reality that the most dynamic tool to greater sales lies in the quantity and quality of our brands' distribution.

In one of my consultancy roles, to try and make the point to the very senior management who had walked away from the route market, I commissioned a statistical analysis of the correlation between new product introductions over a 10-year period and point of distribution.

The major finding of the work we have done on the new product forecasting model is summarised below (source: Dan Liebke Director Residex who did the forecasting analysis).

"Distribution is critical. The single strongest predictive factor for market share was product distribution. Even with a distribution measure as crude as 'full facings' the correlation between this factor and attained market share are extremely high"

With this background I walked proudly into my sales pitch because I was armed not only with a good knowledge of their problem but also with a solution.

Church resources. I hear you say what?

The breakthrough of involving Church Resources in the offer was critical, as Church Resources offered participating partners of WYD the opportunity to expand their distribution into the enormous not-for-profit segment of Australia, which included access for product sales in the retirement and education systems around Australia.

The Church Resources involvement meant that the benefit package for the partner extended way beyond the event itself into long term distribution benefits. Some companies got this without prompting.

Church Resources is a charitable trust, that helps church groups and the not-for-profit community work collectively for the common good. In other words it is a buying group for not-for-profit organisations across Australia. A very, very big buying group with 18,386 individual organisations being sold to.

I suggested to CR that I would bring CR to the attention of a number of big food companies and that this could be the beginning of a new service.

OK, so we had companies like GWF, Safcol, SPC, and Mrs Macs interested now.

In April 2008 Church Resources made the following press announcement:

"In conjunction with Australasia's largest Foodservice distributor, more than 25 leading food manufacturers, Church Resources offer our aged care members a Foodservices consulting program"

So distribution for most companies is a problem, and I had a solution they liked, this allowed me to shift the discussion to how much food I needed and how little I wanted to pay.

The learning?

Find a problem and see if you can solve it, building a saleable package in the process.

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