

POSITIONING

How to talk so the market will listen





INTRODUCTION

Everyone loves a good story. In fact, we love stories so much that we allow them to mold every aspect of our lives, including the way we buy B2B technology products, solutions and services. Commercial stories and messages play their own unique role in shaping our beliefs. We are bombarded with them; between 3,000 and 5,000 commercial messages every day of the year. Of the million or more messages you encountered in the last year, how many can you remember? How many were meaningful enough to shape your buying decision or to change your behavior?

Changing market behavior in B2B marketing requires changing awareness. And nothing changes awareness like a story that contains important user benefits. We call these stories positioning statements or message strategies.



MESSAGE STRATEGIES AND POSITIONING

Message strategies reside at the core of every marketing program because a compelling message has the unique ability to move prospects through the process of awareness, consideration, trial and purchase. Of course, marketing programs have multiple audiences – prospects, customers, partners, analysts, media and company employees – and each audience will respond in measurable ways to powerful, appropriate messages. For this reason, a complete message strategy will include the following:

- ✓ Vision statement. A vision statement creates belief. It tells company employees why they go to work every day. It also gives investors and partners a reason to commit resources to the company's future.
- ✓ Mission statement. A mission statement creates action. It describes what company employees can expect to accomplish from their efforts. Objective standards can measure this accomplishment.
- ✓ Positioning statements. Positioning statements create revenue. They describe the benefits of the company's accomplishments, as represented by the offering it makes to its target audiences. A positioning strategy consists of a positioning statement and three supporting points.

Positioning is one of the more misunderstood concepts in business-to-business (B2B) technology marketing. Confusing matters further, there are two proper usages of "positioning:"

- 1.) How your company is situated relative to its competitors;
- 2.) How your offerings are situated in the minds of customers and target audiences.

This eBook focuses exclusively on No. 2. We define positioning as a mental space that you can "own" with an idea that has compelling meaning to the recipient. It's in this mental space where your most important benefit and the customer's most important need meet, and hopefully stick.

An effective positioning statement helps your target buyers associate a benefit with your offering that makes them want to buy. The power of this idea, as captured in the concrete language of a positioning statement, resides in its abstraction, a conceptual quality that enables advertising copywriters, public relations specialists, and other communicators to capture the idea in specific, compelling language.

The primary reason companies fail to position effectively is they don't know how to do it. They don't have a process. Follow the one outlined in this eBook and you'll be way out ahead of your competition.



A NOTE ON PROCESS

The formal process outlined in this paper results in creation of several potential positioning statements. While an individual can sometimes develop interesting positioning strategies, brainstorming groups have demonstrated a remarkable ability to generate fresh, innovative message ideas. Group members can include your own marketing team as well as creative people who may have only a general understanding of the market situation. Include sales and someone from management. The goal is to foster buy-in to your work. The best way to do this is to involve as many people as is practical throughout the process.

Brainstorming provides a way to look beyond our preconceptions. However, this process alone rarely stimulates the inspiration needed to develop truly powerful messages. Inspiration arises from the deeply held belief in the value of a product, solution or service. When we bring this inspiration into a group (along with good food and drink), we create a spirit of playfulness and fun that stimulates fresh thinking. This excitement will infect the final message strategy and transfer to the ultimate audience.



THE THREE KEY ASSUMPTIONS

You start the process with Three Key Assumptions. Marketing can be viewed as a special kind of behavioral science. To succeed in this science we must thoroughly understand the attitudes and behaviors of our customers and target audience. The following three assumptions provide a basis for developing this understanding.

The smartest people in the world are in this room.

When it comes to our offering, we are the smartest because we know more about it. As marketers we frequently believe that prospects think as we do and already understand our offerings. Since prospects rarely share our thought processes or understanding, we must make it extraordinarily simple for them to become acquainted with our offering.

The only people who care about our offering are sitting in this room.

As marketers, we sometimes believe that the market has waited years for an offering just like ours. Unfortunately, this is rarely the case – if it were true, all of us could retire. Therefore, we must identify our most important benefit and describe it to the market. Then, maybe, the market will care.

Everyone outside of this room is remarkably cynical.

It's hard to believe, but the technology buyers have learned to doubt nearly every claim made by technology marketers. Effective positioning allows us to cut through cynicism by making our case in believable, compelling language.



THE THREE CS

It goes without saying that marketers must do their research to thoroughly understand their customers, competition and channel – the three Cs. Effective positioning depends upon this. The following overview summarizes the importance of the three Cs in the development of message strategies.

Customers

We define prospects and customers in terms of market and their audiences. Companies with similar characteristics create a market; audiences are individuals within companies who participate in the purchase process. Markets and audiences have both demographic (structural) and psychographic (behavioral) characteristics.

A matrix like the one outlined in Figure 1 provides a way to include both demographic and psychographic information in a customer profile. In positioning, psychographic data provides critical insight into what it will take to build awareness and demand; without this knowledge, we will struggle to develop effective messages.

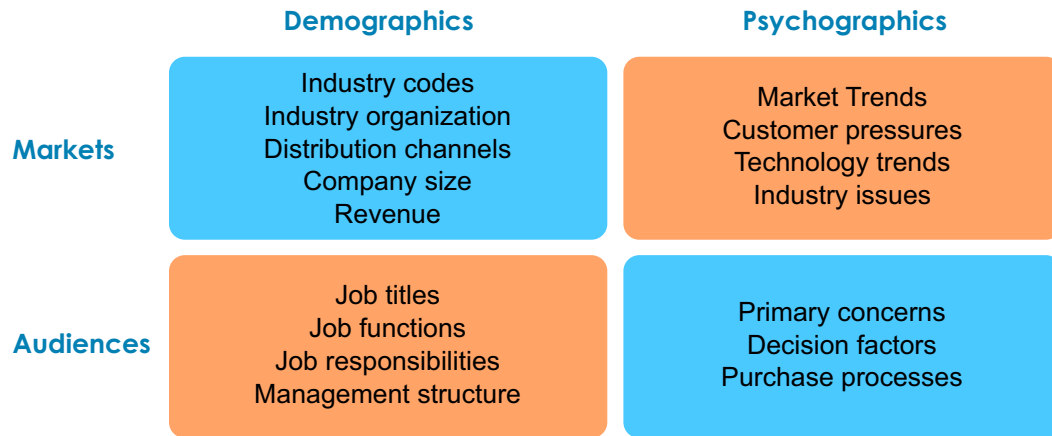


Figure 1: Market and Audience Profile

Competition

Most marketers do a great job of evaluating competitors' features and functions but neglect an important aspect of competitive analysis – an assessment of their marketing programs, message strategies, media plans and distribution strategies.

Your knowledge of competitors' message strategies can be displayed using a technique known as perceptual mapping. Figure 2 provides a perceptual map based on an assessment of enterprise marketing automation vendors – Marketo, Eloqua, Silverpop and Aprimo.

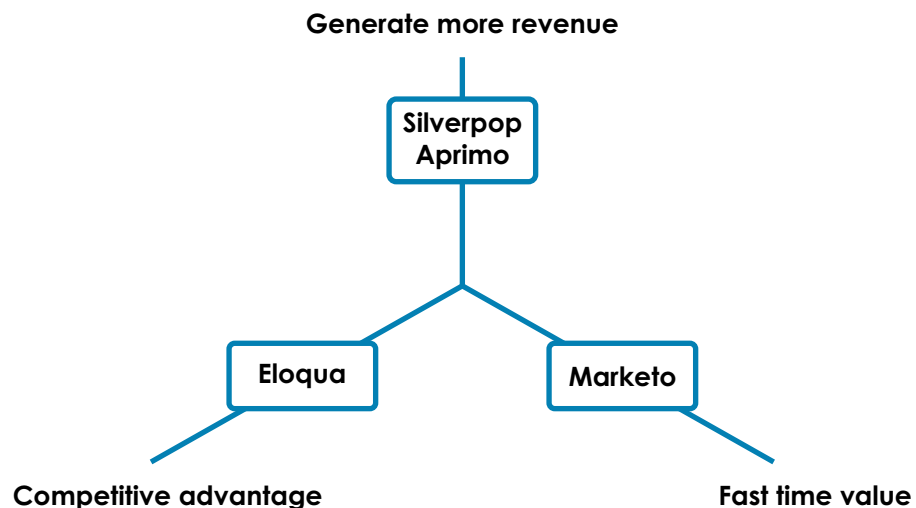


Figure 2: Perceptual map example

In this example, we see that two competitors – Silverpop and Aprimo – are positioned similarly; i.e., generate more revenue. Marketo isn't far from this position – fast time to value – and Eloqua claims competitive advantage. The perceptual map tells us this market suffers from a case of “me too” messaging; there's not much differentiation.

You can often discover a competitor's positioning strategy by analyzing their web sites, which is how we reached our conclusions for figure 2. After all, your web site is your most important marketing tool. It should be a showcase for your positioning strategy. To determine a competitor's positioning strategy, check the home page for product, solution and company specific messaging. Then go to the products overview page, the solutions overview page and the about page and look for benefit statements. This will typically be found in the headline or in the first sentence or two of the main copy.

Channel

Every product, solution or service has a distribution channel that can provide valuable information for message development, including details of purchase processes and cycles, demographics, sales strategies, and customer concerns. In addition, the channel can provide feedback on the viability of your messages. Ongoing communication with your channel will improve your positioning strategy.



THE THREE QUESTIONS

The Three Key Assumptions and the Three Cs described above establish a basis for initiating message development. The development process begins by analyzing how prospects might respond to your offering. The answers to three fundamental questions provide this analysis.

What problem does our offering solve?

You can't successfully position your offering unless you know the answer to this basic question: "What is my target customer's most pressing problem?" Notice that this question asks about THE problem, not problems. Although it may be tempting to think of your offering as a Swiss Army Knife, don't, because it's doomed to fail. Technology buyers rarely want a multi-dimensional solution. They want a solution for their specific problem.

Your prospects are overwhelmed by communication in today's fast-paced, high-tech world. They get so many marketing messages that they have become experts at filtering them out.

You can get through the filter, but only with a benefit statement that addresses the primary concern that keeps your prospect awake at 2 am. Your target buyers will listen to your message when you demonstrate an understanding of their problem, and clearly communicate the benefit you offer to solve the problem.

How do prospects solve that problem today?

If your offering solves a bona fide problem, then customers already have a solution. You need to know how they currently solve the problem. Of course sometimes companies, particularly consumer goods firms, create a problem where none has existed and then offer their products as a solution. Unfortunately, this option requires a scope of investment that few vendors can afford.

Why is our offering a better solution to that problem?

If your budget doesn't permit problem creation, you'll need to position your offering as a better solution to an existing problem. Remember that cutting edge technology often fails to provide a better solution for more than a small fraction of a target market. In fact, it may take years for a technology to mature to the point where it provides a solution to a large percentage of the potential market. Answering this question requires honesty.

By answering these fundamental questions, you will develop a conceptual model that can forecast prospect response to potential positioning strategies.



THE THREE "WHATS"

Using our knowledge of the prospect's key problem and our product's ability to respond to that problem, we can categorize the offering. Categorization enables potential buyers to quickly understand how they might benefit from your offering. Without effective categorization, awareness may not translate into consideration and purchase. The following "what" questions can help you develop an effective categorization strategy.

What is it?

Prospects need to recognize the technology category into which your offering falls. Ideally, you can place it into an existing category or one that represents a natural evolution. If you attempt to define a new category, you run the risk of getting ahead of the market. Here are examples of categories in B2B software:

- ✓ Marketing Automation
- ✓ Business Intelligence (BI)
- ✓ Customer Relationship Management (CRM)
- ✓ Corporate Performance Management (CPM)

What does it do?

A short description of your offering can help prospects imagine how they might use it. For example, a vendor of presentation software might claim that its product creates great looking documents in minutes. Although such a statement might seem to express a benefit of word processing software, it actually describes an advantage over other ways of producing documents.

What does it deliver?

By describing the one important benefit that prospects will obtain from your offering, you describe why they should care enough to consider purchasing it. For example, in the case of word processing software, the benefit of great looking documents is better communication.

A good answer to "what does it deliver?" brings you very close to the right positioning statement. By going through the categorization process several times (using alternative problem statements generated from the Three Questions), you can create multiple benefit statements, each of which may have the potential to serve as a positioning statement.

As you can see from Figure 3, the Three "Whats" align closely with conventional ways of describing product functionality in terms of features, advantages and benefits.

Marketers frequently make a critical error by confusing what a product or solution does with what they deliver. Naturally, prospects need to know the advantages of your offering. But they won't purchase until they can understand how they'll benefit from it. Why allow prospects to figure it out for themselves? Make it short, simple and sweet – tell them.

	Functionality	Offering
What is it?	➤ Feature	➤ Category
What does it do?	➤ Advantage	➤ Description
What does it deliver?	➤ Benefit	➤ Position

Figure 3: Feature, Advantage, Benefit



THE FOUR CRITERIA

After your brainstorming group has worked through the process described above, you will have developed several potential positioning statements. At this stage, four criteria can help you assess the viability of the various statements. For each statement, ask if it is:

- ✓ Important
- ✓ Believable
- ✓ Unique
- ✓ Usable

This assessment will help you identify the message that will best stimulate market awareness and demand. Let's consider these criteria in more detail.

Important

A positioning statement must respond to a prospect's primary problem. By doing so, the statement will create confidence in your ability to offer a desirable solution, and it will create a sense of urgency in the prospect's mind.

You can test the importance of a potential positioning statement by asking a simple question "So what?" If the answer produces a higher level benefit statement, then you haven't yet found the most important benefit.

If you continue asking "so what?" you will ultimately arrive at one of three benefits. For business-to-business offerings, these are volume, share and profit. Similarly, consumer products ultimately claim to make the consumer wealthier, healthier or sexier.

However, we sometimes avoid claiming that a product will make a company more profitable or a consumer sexier because these types of statements may lack credibility. Depending on marketing conditions, the most believable and important benefit often will be found one step down from these ultimate assertions.

Believable

Effective positioning statements recognize prospects inherent skepticism by avoiding exaggerated or meaningless claims. Effective communications "ring true" by referencing existing market conditions; they leverage your company's brand identity and they signal that you understand the prospect's concerns.

Unique

Positioning always occurs in a competitive environment. Therefore, a positioning statement must state a benefit that no other company is making. When you make a unique claim, two things happen. First, you raise a significant barrier to competition. Second, you increase the desirability of your offering. These two outcomes can significantly impact sales volume, market share, and profitability.

Usable

A positioning statement provides a foundation for changing market behavior through marketing communications (e.g., advertising, web site, public relations, direct marketing). While it sometimes happens that a positioning statement itself may serve as copy in these communications, it need only function as a basis for copy development. To accomplish this, the positioning statement must be short (twelve words or less not counting the product name) and contain no commas, conjunctions or subordinate clauses. It also must work across various communications media.

Successful evaluation against these four criteria depends, once again, on your rich understanding of the customer, the competition and the channel. A statement that satisfies these criteria has a good opportunity to occupy a space in the prospect's mind.



SUPPORTING CLAIMS

Once you've developed a positioning statement, you'll need to bolster it with three supporting claims. These benefits statements – which must satisfy the same criteria as the positioning statement itself – reinforce the importance, uniqueness and believability of the positioning statement.

Supporting points also provide a structure for demonstrations. While the positioning statement articulates a high-level, abstract benefit, the claims made in supporting statements should be readily demonstrable; that is, in just a few steps, you should be able to show how the offering delivers concrete benefits.

Once you have developed benefited-oriented supporting statements, you can drill down into as much detail as needed to provide a platform for communications. Use of outline format will make it easy for writers and other communicators to take full advantage of your work.

The positioning statement, along with the supporting points and related detail, completes your positioning strategy.



VALIDATION

By following the process described above, you can feel reasonably confident that you've produced an effective message strategy. Both informal and formal testing of the message can provide the final assurance needed to commit resources.

Informal Testing

Low-cost options for validating the message strategy include:

- ✓ Reviews with senior management
- ✓ Reviews within your sales organization and/or reseller channel
- ✓ Reviews with key customer accounts

Formal Testing

If your budget permits, a research firm can test alternative message strategies with your target audience and decision makers. Research firms typically use focus groups for this assessment, although other qualitative techniques may also be employed. In addition to validating your message strategy, focus groups can provide useful information about emerging concerns and trends within your target markets.



MANAGING YOUR MESSAGE

Without careful management, the best message strategy in the world will fail. Successful management requires consistency and repetition. Successful management requires consistency and repetition. Successful management requires consistency and repetition.

Consistency means accurate delivery of your message in all media, in all channels around the world. The synchronistic advantages of consistency will improve the effectiveness of your overall marketing program in the short term and create a leadership position for your offering in the long term.

Repetition means saying the same thing over and over and over and over. Keep in mind the first two assumptions - your prospects know nothing about your offering, and they really don't care. Marketing is like teaching a puppy to sit – over and over you have to repeat. "Sit. Sit. Sit." Eventually, the puppy will get the message.



THE POWER OF POSITIONING

When you create and successfully manage a powerful message strategy, your product, solution or service will gain several benefits. Some will appear quickly, others will emerge over time as your offering gains market share. These benefits include:

- ✓ Increased sales volume, market share, and profitability
- ✓ Stronger brand preference for your company's offerings
- ✓ Higher competitive barriers
- ✓ Inspired company employees
- ✓ Committed, lifetime customers

And, most importantly, a powerful message strategy creates awareness and demand, resulting in greater shareholder reward.

NEXT STEPS

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ABOUT FUTURESIGHT INC

We launched FutureSight in 2000 in the heat of the dotcom bust because we saw the need for a more actively engaged form of business-to-business marketing – one that goes beyond offering detached insights to helping our clients boost revenues and the return on their sales and marketing investments. Our objective is to take our clients beyond insight...to impact that produces profitable growth.

As a group, FutureSight's management, practitioners and trainers draw on decades of real-world experience in starting, managing and growing successful marketing, sales and professional service practices for Fortune 500 companies. Today, we combine that real-world experience with our focus on ROI to bring B2B clients of all sizes new perspectives, actionable insights, sound strategies and winning executions that achieve maximum business impact for their market investments.

ABOUT THIS POSITIONING METHODOLOGY

The positioning methodology described in this eBook was developed by Barry Briggs while at Microsoft in the late 1980s. He and colleagues have evolved the process while teaching it to hundreds of marketing professionals.

Positioning Process Schema

This document summarizes the complete positioning methodology.

