



# Messages that Matter

## Positioning Experts in B2B Software Marketing

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### 3Cs of Positioning - Part II: The Channel

*To speed up the positioning process. Start with your channel*

**By Lawson Abinanti, Messages that Matter**

There are obvious benefits of maintaining good relations with your channel, whether you sell direct or through a reseller. One not-so-obvious benefit is the pivotal role your channel can play in positioning your business-to-business (B2B) software for success. In this article, the first in a series on the 3Cs of Positioning - Channel, Customer and Competition - we'll explore how the channel can enhance your positioning process. (The articles are adapted from our monthly workshops offered in Seattle, and other parts of the country. See sidebar.)

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In my last column, I introduced the 3Cs and summarized how your positioning effort can benefit from a thorough understanding of them. In this column, I'll explain why you should always start your positioning process with the channel, especially if you have limited time and resources. The next column in the series will explore channel relations and how to improve them.

Since the channel lies between you and prospective customers, you might think of it as a barrier, which it can be. But it also can be your most direct route to much of the information you need to determine the ideal positioning for your product or service. The channel is a conduit for the feedback that's crucial for understanding the intimate details of the sales process, your competitors and how they operate, your target market, and the personality of the target buyer for your marketing messages.

Talk about business intelligence! Learn what's really happening in the channel, and you gain insights to guide your decisions during the positioning process.

#### **Talk - and listen - to the channel first**

The channel is where you start the positioning process, and eventually close the loop by testing your proposed positioning statement and message strategy. It touches all 3Cs, so it has the potential to give you fastest access to a wealth of information. Help the channel understand your needs, and you'll get customer contacts for interviews, great competitive intelligence, and what's needed to make it easier to win deals.

When you have good relations with your channel partners, you can make a few calls, and get some sense of how you might position your product. If you are under tight deadline, it may be the only information you have time to gather, but at least it comes from the source closest to the action.

Interviews with sales reps, VARs, channel managers and prospects (whether they became a customer or selected a competitor) will give you a head start in answering these questions:

- What are our prospects' and customers' most pressing problems?
- What do prospects and customers like and dislike about our product?
- Who is the latest competition? Who is the toughest competition?
- Do prospects and customers share our belief of why our product is better than the competitors'?

The channel also provides fast access to the following vital information:

- Ideal prospect profile
- Why we win and lose
- The sales process

### **What really happens in the sales process**

The channel is your direct link to the battlefield where your product goes up against your competitors'. Pay close attention to the intelligence you get from the "front." How do the customers describe their most pressing problems during the sales cycle? What sales objections come up frequently? Who do they compare you to? (It may not be the competitor you had in mind.) All this impacts how you talk to your market and the materials you create to support the sales process.

By actively engaging with your channel, you'll understand the sales process in detail, and in context, so you'll be able to match your marketing effort to how your prospect actually buys your product. Now you can identify marketing communications requirements and opportunities at each stage of the sales cycle. And you'll be able to select the marketing tools that best support and enhance the sales process - print advertising, direct mail, Web seminars, Web product demos, brochures, product spec sheets, ROI sales tools, to name a few.

### **An aberration in the sales cycle**

You can exploit channel intelligence even when the sales process seems to go sideways. While helping a client position a B2B software application, our research indicated that about 50 percent of all deals went nowhere; those prospects decided to stick with their existing solutions that had been developed in-house with a generic tool. We knew our product was better than that. What we uncovered was a misperception about our product that became a major factor in the positioning of the product. Before prospects made their non-decisions, they had looked at a variety of products, including more expensive ones that had more functionality than they needed. The implementations for these products were long, involved and expensive. They were lumping us in with those solutions. As a result, we emphasized the benefits of implementing a packaged application that could be deployed fast and was easy to learn and use. Now my client has advertising, marketing, and sales tools all focused on overcoming the no-decision.

### **The ideal customer profile**

I like to ask sales reps or VARs to "describe their ideal prospect. What tells you 'this is a deal you can win'?" I almost always get enlightening answers. I started in the B2B software business with a company that developed accounting software for the Digital Equipment Corporation's mini-computers. The company excelled at accommodating very complex financial and management reporting requirements.

I knew I had a good prospect when the decision maker said the organization had sophisticated financial reporting requirements, and the ability to meet them was an important factor in the final decision. When prospects asked me about my company, I'd provide a little company history about our heritage in public accounting, and then say, "Most of our clients select us because they need to do extensive financial and management reporting. In fact, in many cases, we were the only company who could accommodate their large account structure and complex reporting requirements." I wasn't just saying this to clinch a sale. This profile was critical in our success in finding and winning the right kind of deals where our product would do a great job for the customer.

Good sales professionals - whether your own or your VAR's - will be able to quickly describe to you the ideal prospect, often in startlingly plain language. The ideal customer profile addresses demographic and psychographic characteristics. In another article on the 3Cs series, I'll discuss the customer much more extensively. The important point here is that the channel is where you start your search for customers to talk to and discover what message will get their attention. By working closely with your channel, you'll be able to identify a wide range of customers and prospects who will help you home in on the truth about your product, and how it stacks up in the market place.

### **Why you win and lose**

Good sales people will also be able to tell you why they win and lose, thus shedding light on the sales process, and how your message strategy can help it. Not surprisingly, you win deals when the prospect fits your ideal customer profile. And you take the time to let the prospect know it. Same holds true for your message strategy - talk directly to the right kind of prospect, not everyone.

Another important factor that can impact your message strategy is your understanding of the strengths and weakness of your product and your competitors' products. For example, if you always win when the prospect takes a close look at both products, often asking you to do a proof of concept, then you may decide to orient your message strategy in a way that suggests a bake-off. You may want to make a particularly bold statement about the benefit of your product that your competitor can't match. By emphasizing your strength in your message strategy and marketing, you may suck your competition into a battle you know you can win.

The competence of your sales force or channel plays a significant role in understanding why you win and lose. Channel-driven companies have to be particularly sensitive to the competence factor because VAR selling abilities range from excellent to marginal. You won't win many deals if your sales force or channel doesn't know the benefit claims and strategy - and stay on message. Therefore the ability of your sales teams to execute during the sales cycle can affect the way you craft your message strategy and marketing communications. Remember this important audience, too, so your message strategy complements its strengths or overcomes its weaknesses.

The size of your company and standing in the market has a significant impact on winning and losing, and therefore how you position your product or service. This is where reality sets in. Make claims that fit your standing in the market; in other words, claims that are believable relative to your market status. Dominant players have more latitude than small players - just a fact of life.

**Summary:**

In the 3 Cs, your channel plays an important role in helping you gather research about the other two Cs - the Customer and the Competition. It is the battleground where marketing and reality meet, to help you discover the truth about your product. It can offer you a competitive advantage if you are willing to face the truth because many B2B software companies never come to grips with this. A thorough knowledge of your channel can also add insights that impact positioning, and may ultimately identify the deciding factor for your messaging direction. Equally important, the on-going nurturing of your channel will continue to provide timely information and feedback about the effectiveness of your positioning effort, so you can refine and strengthen your efforts.

*Next: Involve your channel in the positioning process and improve your channel relations*

*About the author: Lawson Abinanti is co-founder of Messages that Matter, a consulting firm that helps B2B software companies create compelling message strategies that build awareness and demand. Messages that Matter gives clients the knowledge and tools to develop powerful message strategies that differentiate products and services from those of the competition. Lawson has held strategic marketing positions with several B2B software companies including Navision, Applix, TM1 Software and Timeline. He can be reached at [lawson@messagesthatmatter.com](mailto:lawson@messagesthatmatter.com).*