



# Messages that Matter

## Positioning Experts in B2B Software Marketing

Positioning Workshop March 31st & April 27th →

### 3Cs of Successful Positioning - Part IV: What's keeping your customer up at night? Know thy customers - and their problems.

By Lawson Abinanti, Messages that Matter

#### Introduction

There is no easy, off-the-shelf way to uncover a strong positioning for your B2B software or service. By definition, every positioning must be unique to be effective. But there is a cut-to-the-chase question that will get you right to the heart of it: "What is my target audiences' most pressing problem?" Answer that, and you've got a great start on your position - the unique space your product occupies in the mind of prospects and customers.

#### The customer is king in positioning too

The discipline of identifying, documenting and then ranking customer problems is perhaps the most critical step in the positioning process. It's the second of the three "3C's" of successful positioning we have been examining in this series about the Customer, Channel and Competition. The last two columns explored the pivotal role your Channel can play in the positioning process, whether you sell direct or through partners and value-added-resellers (VARs). In the next column, we'll look at Competition, including how you can determine your competitors' positioning, and what you can do with this valuable information.

Right now, let's keep the Customer center stage to learn the value of being able to answer the key questions about your target audience:

1. What important problem does your product or service solve?
2. How do prospects solve that problem today?
3. Why is your product a better solution to that problem?

#### Understanding customer problems cuts through the clutter

Your prospects are overwhelmed by communication in today's fast-paced, high-tech world. They get so many marketing messages - somewhere between 5,000 and 10,000 per day - that they have become experts at filtering them out. You have to become an expert at cutting through the filter with messages that are relevant, important and unmistakably yours.

A list of product features that are not expressed in terms of benefits just won't cut it. Your passport through the filter is a benefit statement that addresses the primary concern that keeps your prospect awake at 2 am. Your target audience will listen when you demonstrate that you understand their problem, and clearly communicate the benefit your product offers to solve it.

#### Your product is only as important as the problem it solves

That means you can't successfully position your product unless you know the answer to this basic question: "What is my target customer's MOST pressing problem?" And notice that this question asks about THE problem, not problems. Although it may be tempting to think of your product as a Swiss Army Knife, don't, because it's doomed to fail. Today's technology buyers rarely want a multi-dimensional solution that's okay at a lot of things. They want a focused solution to their really important problem. So why dilute the impact of your message. Give them a break and show them you really understand what's keeping them awake at night. Your single-mindedness will be rewarded.

#### The impact of demographics and psychographics

We define products and customers in terms of markets and audiences. Companies with similar characteristics create a market. Audiences are individuals within companies who participate in the purchase process; they are the people you need to reach with your marketing communications. Markets and audiences have demographic (structural) characteristics, such as group size, age, income, age, education, product usage patterns, location, etc.; and psychographic (behavioral) characteristics, perceived problems, competitive spirit, risk tolerance, frustration/pain levels, need to impress others, market trends, ability to manage and respond to change, etc.

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, like key business problems, provide critical insight into what it will take to build awareness and demand. Without this knowledge, we struggle to develop effective messages in the dark.

	<b>Demographics</b>	<b>Psychographics</b>
<b>Market</b>	<ul style="list-style-type: none"> <li>• Industry codes</li> <li>• Industry organization</li> <li>• Distribution channels</li> <li>• Size</li> </ul>	<ul style="list-style-type: none"> <li>• Market trends</li> <li>• Customer pressures</li> <li>• Technology trends</li> <li>• Industry issues</li> </ul>
<b>Audience</b>	<ul style="list-style-type: none"> <li>• Job titles</li> <li>• Job functions</li> <li>• Responsibilities</li> <li>• Management structure</li> </ul>	<ul style="list-style-type: none"> <li>• Key concerns</li> <li>• Decision factors</li> <li>• Purchase processes</li> </ul>
	<b>Structural</b>	<b>Behavioral</b>

**Figure 1. Customer Profiling**

However, this doesn't mean we should downplay the importance of demographic information. It determines your target market - you can't sell to everyone. Even the most dominant B2B software companies can tell you very succinctly their ideal customer profile. Many large, cross-industry software companies develop marketing materials to support vertical sales efforts. Even dominant accounting/ERP companies, including SAP, Oracle (Peoplesoft, JD Edwards, etc.) and Microsoft Business Solutions, may struggle to sell outside their sweet spot for company size and revenue.

Demographics also tell you who is the target for your message within the market. Typically, it will be the decision maker, the person who signs the check or key influencers. That's why you need demographic intelligence, such as job titles, functions and responsibilities, hierarchies and organizational relationships.

### **Positioning Workshop: How to talk so the market will hear you.**

Attend Lawson Abinanti's Positioning Workshop in Seattle for B2B software companies. You'll learn:

- how to use a proven methodology to own a position in your prospects' minds
- how to develop a compelling marketing message strategy that creates awareness and demand.
- 3 C's of successful positioning.
- the difference between positioning and branding
- criteria for evaluating your message strategy
- how to cost-effectively test your message strategy

Dates: March 31st & April 27th  
Place: Bellevue, WA.  
Cost: \$250 per person.  
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### **The process of finding key problems**

Here's how to go about gathering the information you need to develop a comprehensive understanding of your customer. If you're lucky, your product marketing manager already has an intimate understanding of your target customer. After all, it's the product marketing managers' job to help evolve the product based on customer and competitive needs. However, many B2B software companies are understaffed. Often the same person does product marketing and product management. So there's not much time to get out in the field and interact with customers. And the manager's mindset may be skewed toward product features and attributes rather than benefits.

Whether you already have the customer information, or not, a good place to start gathering and documenting this information is not with the customer. Instead, involve key people in your company, and your channel, whether it is your in-house sales department, partners, or VARs. Everyone in your company will have an opinion about customer problems so while it is important to listen, it is vital to evaluate what you hear.

With their initial list of problems, find out if the problems they perceive aligns with reality; i.e., what your customers tell you are their reason to buy. As we said in earlier 3Cs columns, the channel is your direct access to your customers, so you should be working with your channel to identify customers willing to share their opinions and give you the honest feedback you need to truly understand what's keeping your customer awake at nights.

Once you've developed a list of key problems that aligns input from your customer, with that from within your company, you need to rank them. If you asked people to rank problems when you surveyed them, this can go pretty quickly, but look be alert for repetition (the same problem described in different words) and broad generalizations.

Now, you are ready to start to develop a draft positioning statement and message strategy.

The act of ranking the list of customers' problems may have already revealed patterns and stimulated valuable insights for positioning. Instead of being paralyzed by countless possibilities for your positioning claim, you can go right for the bulls eye of your target audiences' most pressing problem. You have a great starting point for brainstorming about how you solve that problem, a good idea of what benefit claim to make, and you're on the way to finding the right message to express it.

So let's assume you've developed some good options for your positioning statement. The best way to test them is to ask the basic question - does statement address the target audience's most pressing problem. If it doesn't, go back to the drawing board. If it does, that does not necessarily mean you've found the answer to marketing and sales success.

Your positioning statement still needs to pass other tests. Is it important, believable and unique? Based on your thorough understanding of the customer, you'll be able to objectively assess whether your positioning statement:

- Is relevant to the target audience
- Responds to your customer's biggest problem
- Builds trust that you understand customer needs
- Creates a sense of urgency

Believability is somewhat subjective, but if you can put yourself in your customers' shoes, you should be able to make an intelligent judgment. Uniqueness is much more easily judged, and will be covered in the next column.

**Summary: Know your customer...at least as well as you know your own products**

I've urged you to know your customer -- at least as well as you know your own products. As we've seen, it's essential to effective positioning. When you understand your customer, you can cut through the clutter and deliver a message to your target audience that sticks. But that's only if you address the most pressing problem of the target market. Express your positioning claim in terms of benefit - how your product solves that problem - not in terms of product features, and your target audience is more likely to listen to your message.

**What about the competition?**

Does that mean you've found the right position? Not if someone got there first. How is your competition positioned? How are they communicating with the market? The perfect position is one that passes the test of uniqueness - either you are the only company who can make the claim, or you are the only one making it. That's why the third C of the 3Cs - the competition also plays an important role in your positioning process. We'll cover it in the next column.

*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).*