

Messages that Matter

Positioning Experts in B2B Software Marketing

Positioning Workshop June 1st →

3Cs of Successful Positioning - Part V: The Competition

Your competitors may be telling you more than they realize.

By Lawson Abinanti, Messages that Matter

Introduction

Long before marketers discovered positioning, early baseball great Wee Willie Keeler (lifetime batting average .345) summed up how to score on the competition: "Hit 'em where they ain't," advised the game's greatest place hitter. In positioning your B2B software, that means make a unique claim that sets you apart from the competition. Of course, like a well-placed hit, it's even better if it makes the other guys look like they are playing out of position.

How do you do it? Intuitively, the answer is obvious - pay attention to your competitors. Many B2B software companies have a competitive intelligence group, and they typically do a great job of assessing and comparing features, functions and capabilities. It's hard work, time consuming, and requires a stealth mentality. But, these groups almost always focus on product issues, and that's not where *your positioning* battle is fought.

Avoiding the "me-too" trap

Competitive analysis isn't complete until you evaluate competitors' advertisements and marketing materials to uncover intelligence about how they are positioned. This is actually easy work, doesn't take a lot of time and the results are strategic. It's how you can easily determine whether your proposed product positioning is unique, and avoid creating me-too marketing materials that fail to set you apart from the competition.

Testing your positioning statement for uniqueness is a critical step in the positioning process, but one that many B2B software marketers overlook. It gives you confidence that you've discovered the right position, assuming you've done all the research I've identified in this five-part series on the 3Cs of Successful Positioning — you need a thorough knowledge of your channel, customer and competition. In this final part of the series, you'll learn how to avoid the most deadly sin of all — using the same or similar position as your competitor, and not knowing it.

Give the prospect a break - differentiate!

It's been more than 20 years since Al Reis and Jack Trout, said, in their marketing classic, *Positioning. The battle for your mind*: "too many companies embark on marketing and advertising as if the competitor's position did not exist. They advertise their products in a vacuum and are disappointed when their messages fail to get through."

The goal in positioning is to help the target market associate a significant benefit with *your* product or company. You can stake your claim to a position by consistently communicating an idea that has meaning and importance to the target audience.

Don't expect the prospect to work hard to understand that your software delivers benefits your competitors' product does not. (Or that your competitor has failed to communicate.) With one eye on the competition, seek a unique positioning strategy that provides a clear point of differentiation. By definition, differentiating your product will make it stand out, resulting in increased awareness and possible consideration of your product.

Failure to differentiate creates market confusion and that inevitably leads to longer sales cycles, a familiar problem for many B2B software companies. You probably know the symptoms, and most likely blame the buyer for the long sales cycle. But what about "me-too" marketing? Differentiation is what B2B software companies covet the most. Yet few companies successfully differentiate, generally because they either don't know how to evaluate and determine competitors' product positioning, or simply don't think it's important.

Clear is better than clever

One common mistake is believing that clever writing can make your position unique. This approach will miss the mark when there's no expression of a benefit, and only a clever description of what the product does. You don't have a position if you are not making a benefit claim. And ideally, your benefit claim directly addresses your prospect's most pressing problem. Of course, even then your positioning may not be unique, if someone else has claimed already it.

Scouting the competition

It's pretty easy to learn how competitors are positioning themselves, because they do it in public. So start reading and analyzing print advertisements, marketing collateral and Web sites with an eye to deducing the positioning behind them. You'll probably find that a lot of the marketing communications put out by B2B software companies aren't backed by real position. Often, they're just a brain dump of product features or vague platitudes like "be more productive" or "cut costs." They lack the heart and soul of good positioning: a meaningful benefit statement; i.e., a reason the audience should care about their product.

A positioning statement frequently appears in the first or last paragraph (or both) of an advertisement, or in a prominent place on the home page of the Web site. A good one should be a focused benefit idea or concept underpinning the executional theme of the advertisement, home page, brochure, etc. For each competitor, analyze as much of their marketing material as possible including direct and e-mail marketing pieces, brochures, and press announcements.

Once you have determined the competitors' positioning, organize the ideas or themes in a table according to the conveyed benefit statement. Some competitors are likely to have similar or identical positioning statements. Other competitors may publish many claims, making it harder to determine how they are positioned, if at all. It is common — and a mistake — for companies to make two or more benefit claims of equal importance. Check those too. Figure 1 is a real world example of how the following mid-market and enterprise accounting and ERP software companies are positioned:

<u>Benefit</u>	<u>Lawson</u>	<u>MBS</u>	<u>Best</u>	<u>SAP</u>	<u>Oracle</u>	<u>SSA</u>
Understand needs of small & medium businesses			X			
Understand business fundamentals				X		
Flexible, adaptable		X	X	X		
Affordable		X			X	
Value	X				X	
Rapid Implementation & ROI						X

Figure 1

In my next column, I will look at these vendors in more detail, and explain why I reached the assessments above.

Perception maps let you see where they ain't:

OK. You've analyzed your competitors, and created an informative table. Now, how do you decide if there is an unclaimed gap you can claim for your own? Follow Wee Willie Keeler's example, and "hit 'em where they ain't."

A table won't show where, but a map will — a perceptual map of the competitive landscape. See Figure 2 below, which maps the positioning landscape for the software companies listed in the table.

The axis labels represent abstractions based on the positioning statements found in the following vendors' recent advertising:

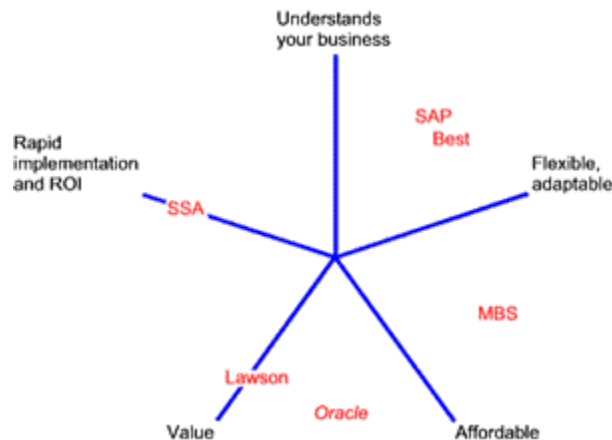


Figure 2 - ERP accounting vendor perceptual map

The axes indicate the ranges of benefits. There is no set way to designate them, and depending on what you find in your research, you may also have more than four axes. You may also create multiple maps to look at different kinds of competitors, such as best-of-bred or vertical specific vendors. Having multiple axes helps reveal where multiple benefit claims are being made by one or more competitors and potential areas of opportunity.

Monitor the competition - a change could signal more than new positioning

Are you finished? Actually, you're never finished. You need to pay close attention to your competitors on a regularly basis — to how they position themselves relative to each other. If you detect a change, it signals the need to thoroughly re-evaluate the competitor making the change. It could indicate a management change, a new company strategy, a change in target market, pressure from other competitors, or other factors.

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: June 1st

Place: Bellevue, WA.

Cost: \$250 per person.

Register today at

www.messageshatmatter.com

Spotting opportunities

Throughout your research and mapping, keep a mental checklist of possible opportunities for you. Is the competitor's communication clearly conveying the position? Or is it too complicated or muddled to grasp quickly? Does it promise a solution for the prospects' most pressing problem? Is the message consistent? Is it drifting off target? Is there continuity over time and across communications media?

Consistency can indicate that your competitor is disciplined, and leadership is confident of its vision and direction. Inconsistency can mean your competitor is much more vulnerable. Most important, expect that, with a blink of eye, your competitor will change its position.

Where competitive analysis comes together

Other important factors that can impact your message strategy are your understanding of the strengths and weakness of your product vis a vis your competitors', and feedback you've gotten through your sales channel. For example, if you always win deals when the prospect takes a close look at several products, often asking for a proof of concept, you may decide to craft your message strategy to suggest a bake-off. You may want to make a particularly bold benefit statement that your competitor can't match in order to suck your competition into a sales battle you know you can win. Can't you just picture Keeler faking a bunt, then punching a base hit over their head?

What if a competitor claims the same space?

What can you do if you and a competitor are making similar claims? Or if after all the research, brain storming and soul searching, you conclude that you need to position similarly to a competitor's? It's happened to me in the past. My best advice — dig deeper in that same position. You may discover something your competitor missed. And tell a better story about your product, one that is focused, compelling and talks to the prospect in his or her terms.

Most of all, don't worry. You may find yourself the sole owner of that position, since few companies show the discipline to stick with an idea long enough to own it. It's not unusual to see a B2B software company abandon a position in less than a year to start a new campaign with a completely different position. Your patience and persistence can reward you with exclusive ownership of what is now an even more valuable position.

Reality draws the playing field

Let's be realistic. The size of your company and its standing in the market have a significant impact on winning and losing, and therefore how you position your product or service. Make claims that fit your standing in the market and ability to deliver. Dominant players have more latitude than small players — a sad fact in many markets, especially B2B software.

On the other hand, remember that Wee Willie Keeler was only 5'4" tall.

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@messageshatmatter.com.