



Messages that Matter

Positioning Experts in B2B Software Marketing

Branding and positioning: What's the difference? And can you afford it? By Lawson Abinanti, Messages that Matter

A few years ago, I had just finished an all day meeting with our company's new ad agency when I got an uneasy feeling that, despite the agreeable head nodding and diligent note-taking, we were not really synched up. My product marketing team had presented positioning statements for our product offerings in several broad categories (financials, e-business, supply chain management, etc.), plus the product suite. The agency's mission was to use the positioning to create our "brand".

But at the conclusion of the meeting, the agency team looked a little dazed and confused. It wasn't just because it had been a long day. They talked with quiet seriousness among themselves, then the agency account manager said to me, "You've already done the branding." I looked at our outside consultant, who had been helping us with our positioning, and tried to keep a straight face. Obviously, we and the agency didn't have a common understanding of "positioning" and "branding." Understanding the difference is especially important if you're involved in marketing B2B software, and I'll explain why. I'll also explain why the difference can mean a huge difference in the cost of marketing your software.

Positioning: the "mental space" to build a brand.

At my firm, Messages that Matter, we define positioning as a mental space that you can "own" with an idea that has compelling meaning to the recipient. It's in that mental space where the product's benefits and the customer's most important needs meet, and hopefully stick. Later in this column, I'll provide several experts' definitions of branding.

First let's look at what we did to get accused of doing the branding for our agency, a well-know international firm. I tell my clients that ultimately, a rigorous positioning exercise helps them discover the truth about their products. It starts with a to-do list designed to get to the Truth – the relevant, essential and verifiable facts, as they exist in the product and the marketplace. To uncover the truth, here's what my product marketing team did:

- Interviewed our executive management
- Assessed our company's old marketing materials and campaigns
- Mapped and assessed key competitors' positioning, and their marketing materials
- Identified unclaimed competitive positions
- Interviewed customers concerning key problems and why they bought from us
- Identified and ranked our target market's most pressing problems. (This is critical to effectively position your products.)
- Interviewed channel managers
- Interviewed our key managers and personnel in overseas markets
- Wrote and refined message strategies, and tested them with customers, VARs, and company personnel worldwide
- Engaged a naming consultant to help develop a new naming framework based on the new positioning

Whenever we sought input from, or interviewed someone, we also sought their feedback to help us evolve and refine our positioning statements and message strategies. The goal was to discover the right position and validate it. Meanwhile, we were gaining consensus and buy-in, which would improve the chances of wide acceptance internally and externally for whatever marketing efforts we eventually based on the positioning.

I think our positioning work, especially for the product suite, also captured the company culture and the general personality of our product offerings. I'll grant that this was a slight step beyond positioning, but certainly not full-blown branding. Or at least not in my view of what branding is.

You can't always get what you want.

One thing is certain about branding – it's THE thing everyone in B2B software wants to achieve. Yet I think most B2B software companies have little or no chance of establishing a brand. A strong position, yes. Strong brand recognition? I don't think so.

That's because establishing a brand is so much more than good marketing, as borne out by my reading of many experts' opinions about branding. Here's what some of them say:

Chuck Pettis, author of "Techno Brand:" "Brand is the proprietary visual, emotional, rational, and cultural image that you associate with a company or product. When you think Volvo, you might think safety... The fact that you remember the brand name and have a positive associations with that brand makes your product selection easier and enhances the value and satisfaction you get from the product..."

Acumen Marketing, a Bay Area B2B software-marketing firm: "A brand is a reason to care. It's always from the customer's point of view. Brand is often confused with the logo and "look and feel", but the look and feel is in reality a representation of a brand..."

Steve Johnson, Pragmatic Marketing: "Branding is the activity of promoting your company identity; your brand is the identity that exists in the minds of the buyer. Nowadays, branding is often what you do when you cannot differentiate. So much of current marketing communications is shouting but with nothing special to say."

Kristin Zhivago, columnist, author and founder of Zhivago Marketing Partners, Inc., "Branding is the promise you make; your brand comes from the promises you keep."

And finally, my favorite, from brand consulting firm Prophet's web site: "A brand is built through deeds more than words – it is how your customers experience what you do."

Succeed without branding? Is that heresy?

If Prophet has it right, as well as all the rest, then good positioning is only one aspect – although an important one – of establishing a brand. As stated earlier, a position is a mental space that can be occupied with an idea – a compelling and unique benefit – that really matters to the target audience. With some effort, time and money, you can claim a position by **consistently** communicating an idea that has meaning to the target audience.

Well, you say, isn't that branding?

I'd argue that when I hear an advertising agency or a PR firm talk so freely about branding in the B2B software market, they are really talking about positioning. What's missing? A brand personality, a character and, if I'm not going too far, a soul that is inextricably linked to the products and company that transcends the operative benefits. In fact, the brand becomes one of the benefits, because it embodies trust, an anticipation of predictable quality and performance, and most of all, a feeling that this is an identity you want to be associated with as a customer.

Claiming a strong product or company position in the B2B software market space is an achievable – generally affordable – goal. You can probably think of any number of companies that have done it. But, few B2B software companies can truly establish a brand identity – especially small startup companies.

Can you afford a brand?

That's because branding takes time – years and years. It takes consistency (read patience) when everything is changing around you. It takes money – lots of it. And it takes magic, that creative leap you expect from your ad agency. When our agency accused us of doing their branding work, they were in effect abdicating their creative role.

To be brutally realistic about it, most B2B software companies don't have enough money to fund a real branding effort. Marketing dollars need to be devoted to lead generation,

consultative selling costs, as well as support of both customers and the channel partners. Branding? Don't bother me; I can't afford it – and I'm too busy. There's simply no way most software products or companies generate enough revenue to do everything necessary to establish a brand.

If you need further proof, just sit through a branding presentation by a high tech advertising or PR firm. They don't use B2B software companies as examples of strong brand awareness. They use consumer products like Coke, Mercedes-Benz or Crest toothpaste. I've never heard an agency representative use companies like Cognos, Business Objects, Oracle or even Microsoft as examples of established brands. At best, they confuse brand recognition with sheer, brute-force name recognition.

No brand? You're in good company.

There are many big software companies that have significant name recognition and awareness. But what comes to mind when I say BEA Systems? Best Software? Peoplesoft? These are all large companies who spend significantly on marketing. Their products are positioned in a consistent way. But they don't have strong brand recognition, and maybe never will.

Is this reason to worry? The good news is that even without strong branding these companies will likely make money and be successful, because they do a reasonably good job of positioning. Brand may come some day, but I wouldn't be worried whether it does or doesn't. Just make sure your agency understands the difference. If not, you'll start with unrealistic expectations. You'll probably spend more than you expected, but still less than needed. And the results of your marketing efforts will surely be disappointing.

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@messagethatmatter.com.