



Messages that Matter

Positioning Experts in B2B Software Marketing

Stand out in the crowd

By Lawson Abinanti, Messages that Matter

Bellevue, WA – I was down at the Seattle waterfront the other day, and it occurred to me that even though I couldn't tell one seagull from another, the gulls didn't seem to have the same problem. In particular, they saw a difference in one bird whose mere presence prompted others to drop their scraps of food, so he could swoop down and enjoy a meal. He didn't even act aggressively but somehow this gull stood out – and that enabled him to make a terrific living.

The lesson for business-to-business (B2B) software marketers is (no, not intimidation!): it pays to clearly and compellingly differentiate your products from those of your competitors'. In fact, it's one of the fundamental factors in effectively positioning your software or service in the market.

A market position is a "mental space" in the mind of your prospect. A software vendor can occupy that space with a statement of benefit that matters greatly to the target audience.

Failure to differentiate by claiming a benefit that matters to the target audience creates market confusion and longer sales cycles, symptoms far too familiar to many B2B software companies. If you've ever been involved in a B2B software company, you know the problem.

But, apparently long sales cycles must not be a problem for the folks at Microsoft Business Solutions. The MBS business unit within Microsoft has acquired over the last few years many of the leading mid-market back-office brands, including Great Plains, Solomon, Navision and FRx Software.

Several months ago, MBS launched a substantial print advertising campaign. One- and two-page ads promote the following benefit: "MBS products gives you the insight you need to make smarter decisions." This statement defines a clear, succinct market position.

Well done, MBS -- except for one thing. The position is almost identical to MBS' leading competitor, Best Software, which has occupied the "insight" position for nearly two years and has developed substantial equity in this position. Best, the American subsidiary of UK-based Sage Software, is one of the largest software companies in the world and owns a number of well-known and established business applications for small and medium-sized businesses, including Peachtree, ACT, Saleslogix, MAS 90, MAS 200 and MAS 500. Advertising for each product is supported by the "insight" market position, but delivered in ways appropriate to their respective markets. It's a reasonable position, and Best has applied it consistently over time.

Now Microsoft is attempting to occupy an identical market position. What are prospective customers to think? How will they differentiate MBS and Best?

Competitors need to pay close attention to how they position themselves relative to each other. If there is a change, it signals a potential change in strategy. I'd argue that's what was happening at Best when it started to position itself around "insight" about two years ago, first using customer testimonials with powerful benefit claims, such as: sales doubled, productivity went up and efficiency improved... marching to the conclusion "Which is what happens when someone gets a key insight into their business." For the last 18 months, Best Software has done a good job of executing the positioning statement: "Best products give you the insight you need to succeed."

What's my take on the situation?

The goal in positioning is to help the target market associate a benefit with your product or company. With some effort, time and money, you can claim a position by consistently communicating an idea that has meaning to the target audience. With MBS and Best both claiming to deliver "insight," buyers are sure to be confused. Something will have to give with both companies competing for the same mental space instead of finding their own unique position. One company might be wise to give up on "insight." The question is, who wins the battle for that position? And does the winner, like the distinctive gull, make a decent living, or a terrific one?

What do you think about "insight" as a position for B2B software companies offering accounting, ERP, CRM and other related applications? Currently several B2B software companies besides Best and MBS use it in one form or another. Does it address the target market's most pressing problem? Send your comments to the author at **lawson@messagethatmatter.com**. He will incorporate reader feedback into a future column about "insight" as a good, bad or indifferent position for BI, financial analytics, ERP, accounting and other B2B software companies.

*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**.*