



Messages that Matter

Positioning Experts in B2B Software Marketing

To generate qualified leads, start during the positioning process
By Lawson Abinanti, Messages that Matter

Introduction

A good positioning strategy can do more than create awareness and demand for your B2B product or service. Through thoughtful execution of your strategy in marketing campaigns, you can also make your selling more productive by beginning the sales qualification process during the positioning process. But it works only if you are willing to face reality, and recognize that your product or service is best suited for a specific set within a target audience, not every buyer. That's why there are usually many products in markets like CRM, Business Intelligence, Corporate Performance Management, ERP, etc.

You really can't sell to everyone. And you shouldn't try.

Very few companies in B2B software sell products designed for every company known to man. There are good fits and less optimum ones. Companies are often reluctant to exclude "anyone with a wallet" from their marketing effort. But trying to be all-inclusive leads to fuzzy positioning and weak marketing messages. You'll be more successful by making it clear in your marketing communications who should be considering your product, and, perhaps, who should not. Rigorous qualification from the start has another benefit - you don't waste precious marketing dollars on the wrong target market.

There may be exceptions to this "you can't sell to everyone" rule. -. Companies that offer multiple products - usually through acquisition (possibly Oracle and SAP in the ERP space) - might be able to say with some justification that any company is our target market. But even these giants can't sell to mom and pop operations. Single product companies almost always waste money by making grandiose statements like the one made by Brad Wilson, general manager of Microsoft's CRM unit, in an interview with *ComputerWorld*.

Even Microsoft may not be an exception to the rule

When asked by *ComputerWorld's* Marc L. Songini, "What type of company is Microsoft targeting with CRM 3.0?", Wilson blew an opportunity to appeal to Microsoft's most profitable buyers by replying:

"We are selling from the smallest to the largest, bar none. For small businesses, we're releasing a small-business edition prepackaged for Small Business Server. Our professional edition can fit with small businesses that have more complexity, as well as midsize and enterprise-size companies."

Anyone familiar with the CRM market might question Wilson's grasp on reality. At best, his "bar none" statement sounds like an incredible overstatement. Even worse, he's blown an opportunity to send a clear message to the sweet spot of Microsoft's business applications target market; i.e., small and medium sized businesses. Remember free publicity - especially in a respected publication like *ComputerWorld* - is the best form of marketing.

Why am I beating up on Wilson? So you don't make the same mistake. It's a classic example of casting a net that's way too wide. Here's what's likely to happen once the phone starts ringing at Microsoft.

The problem begins when the sale begins.

Let's assume a number of large companies believe Wilson, and show interest in CRM 3.0. Microsoft sells through a channel, and many of its VARs have some knowledge of CRM, but aren't expert at selling it. On the other hand, established enterprise CRM vendors sell direct, and their sales reps are CRM pros. It becomes a battle of the men and the boys. Moreover, no matter how much functionality Microsoft has added to its CRM product, it still almost certainly does not match the time-tested functionality and refinement of products from enterprise vendors like Siebel/Oracle, Onyx and RightNow Technologies, to name a few. Who do you think will win most of the deals? And who has wasted a lot of time, money and effort chasing the wrong deals? Not even Microsoft can afford that.

A better approach is to concentrate your efforts. First, identify the demographics (company size, SIC codes, etc.) and psychographics (key buyer problems, market and industry trends, etc.) of your target market during your positioning process. Build a very detailed profile of your ideal target buyer. Then as you work through the positioning

process by developing a unique benefit claim, you'll find your marketing message focused like a laser beam on companies most likely to buy from you. You may still pick up a few one-offs, which is why many companies believe they can sell to everyone, but the bulk of your prospects will be ideal fits. You have the product they need to solve their most pressing problem. Instead of hoping the law of averages brings you some business, you can expect to close more good deals.; What's more, since you and your prospects are made for each other, these deals will have the highest chance of success during implementation and beyond. Congratulations! You now have a loyal customer base that will sing your praises and encourage others to check out your product.

Use your ad copy to qualify prospects.

In addition to your core message to the market, here are some other ways to communicate in a way that qualifies prospects in and out:

- Only communicate key benefits of your product, not everything it can possibly do. Avoid the temptation to include marginal uses for your product or to tell the world your product can do anything, which may be true... with a lot of hard work.
- Powerful, functionally rich products usually are the best fit for large, complex environments. Make it clear to the target market which environment you serve - simple, average or complex - so you fight battles you have a higher chance of winning.
- New vendors and new products should appeal to early adopters, those willing to take a chance for a competitive advantage. Tell your story through execution of your message strategy, so you attract the right buyer - a risk taker - not everyone.
- As you communicate your product's key benefits, also be sensitive to other relevant needs of your prospects. For example, if your target is small and medium size companies, you may need to talk in terms of low cost, fast implementation and low maintenance. However, almost every company makes this claim, so you'll need to be clever in the way you communicate without overshadowing your main positioning message.
- Describe the problem you solve in your marketing communication. An excellent example is the Cognos print advertisement introducing Cognos 8 Business Intelligence. Cognos needed just two sentences to define the problem: "...But, given your complex, IT infrastructure, the reality of getting a single BI standard in place across the company has been anything but simple. Until now." In 26 words, Cognos is telling most companies with less complex IT demands (and probably smaller budgets) to buy from someone else. Don't contact us.
- In addition to communicating a key benefit, make 100 percent certain your target audience knows what you are offering. Avoid buzzwords and industry jargon because your average buyer just doesn't get them. And don't be coy, expecting people to join the game. One of the biggest mistakes marketers make is allowing readers to think you have a solution for them, and only discover otherwise -- after you have invested time and money talking to them.
- Describe your ideal buyer in a way that will get them nodding their head, and thinking, "that's me," or "that's not me."
- Clearly state the market your serve. Infor's advertising campaigns leaves no doubt about it's target markets with the headline, "I love my enterprise software," and a sentence in the ad copy, "We focus exclusively on the manufacturing and distribution industries." Others need not call!

Summary - at no cost you get a great ROI

Companies often measure effectiveness of campaigns by number of leads per money invested, and not quality. That's because most companies struggle to get feedback about the outcome of a lead from the channel, whether it's from the company sales department or a VAR. Was the lead a good fit? Did it turn into a sale? This and other information is rarely communicated back to marketing, so don't depend on back-end analysis of leads. Do a good job of building lead qualification into your positioning and marketing, and your sales team will waste less time and money pursuing leads you can't win. It's an investment worth making, and ROI is infinite, since it really doesn't cost you anything.

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.

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