



Introduction to positioning for competitive advantage

## INTRODUCTION

Everyone loves a good story. In fact, we love stories so much that we allow them to mold every aspect of our lives, including the way we buy B2B technology products, solutions and services.

Commercial stories and messages play their own unique role in shaping our beliefs. We are bombarded with them; between 5,000 and 10,000 commercial messages every day of the year. Of the million or more messages you encountered in the last year, how many can you remember? How many were meaningful enough to shape your buying decision or to change your behavior?

Changing market behavior in B2B marketing requires changing awareness. And nothing changes awareness like stories that contain important user benefits. We call them “message strategies,” and here, we’ll explain how to create them.

Message strategies contain a positioning statement and three to four support points that become the central theme for all your marketing communications.

## WHAT IS POSITIONING?

There is often a debate about what positioning is, and what it is not. Confusing matters further, there are two proper usages of “positioning:”

1. How your product is situated relative to its competitors;
2. How your products and services are situated in the minds of customers and target audiences.

Here, we focus exclusively on No. 2. We define positioning as a mental space in your target audience’s mind that you can own with an idea that has compelling meaning to the recipient. It’s in this mental space where your product’s most important benefit meets with the customer’s most important need and forms a meaningful relationship

## WHY IS POSITIONING IMPORTANT?

Positioning is the foundation for all your marketing communications. An effective positioning strategy makes it possible to deliver the same message across all marketing media including web sites, brochures, advertisements and presentations to investors, industry analysts and prospects.

With some effort, time and money, you can claim a position by consistently executing your message strategy in all your marketing communications.

Repetition is one of the most important factors in claiming a position and giving it staying power. Repeat it often. Remember, you’ll get tired of your message strategy long before your target audience does – sometimes even before all of your audience has heard it for the first time. Give it a chance to work. You’ll be rewarded with your own unique position in the market, one that creates awareness and demand.

## THE 3Cs OF SUCCESSFUL POSITIONING

To effectively position your B2B technology product, you need a thorough understanding of the 3Cs — your channel, your customer and your competition. We call these the “3Cs of successful positioning,” and this research lays the foundation for a positioning strategy that sets you apart from your competition.

Expect to spend up to a week gathering the information that helps you converge on the ideal position for your B2B product. You can speed up the process by doing your channel research first.

The channel – how you sell whether direct or indirect – provides quick access to initial information about the customer and the competition. It’s where you start gathering data to support your ultimate positioning strategy.

The channel helps you identify challenges in the sales cycle that may impact your message strategy. Channel intelligence also helps you zero in on competitive strengths and weaknesses, insuring that you focus your message strategy solely on what you do well.

### How to avoid “me too” positioning

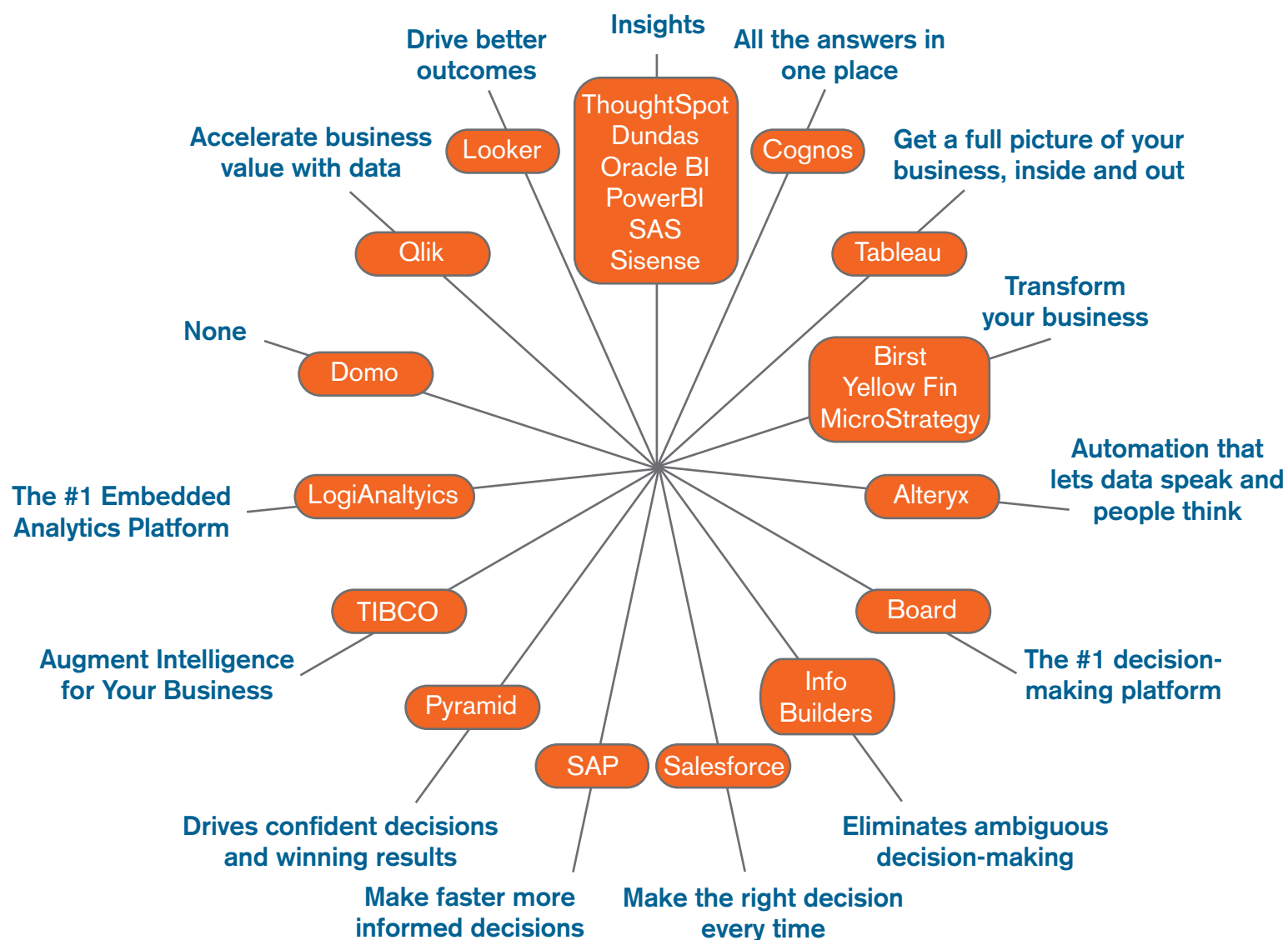
While this information is invaluable, your understanding of key customer problems and how your competitors are positioned has the greatest impact on your ultimate positioning statement. That's because your positioning statement needs to be unique – no other competitor is making your claim — and addresses the target buyer's No. 1 problem.

When interviewing customers and prospects, your primary objective is to identify what problems forced them to seek a new solution. Get them to tell you why they became a buyer. The more you understand about buyer motivations, the better your chance of selling to them.

Differentiation is the holy grail of marketing. Yet most B2B technology markets are filled with companies who embrace “me too” marketing: they say exactly what their competitors are saying.

It's really not that challenging to set yourself apart from your competitors. Pay attention to what they are saying on their web sites, and in marketing communications, and then avoid those claims like the plague.

We have developed a perceptual mapping application in Excel that makes it easy to see the competitive landscape. You get the mapping application when you purchase the advanced version of this eBook. It was used to create the map below that shows how the major players in the Business Intelligence (BI) market are positioned; note that “me too” marketing was alive and well when this map was created in April 2020:



Perceptual map of the BI market

Once you have completed the 3Cs research during the initial phase of the positioning process, you'll be able to answer these critical questions:

1. What is your prospects' most pressing problem?
2. How are your prospects solving that problem today?
3. Why is your product better than their current solution and competitive alternatives?
4. How are your competitors positioned?
5. What makes your product unique in a way that is relevant to your prospect?
6. Do you have any challenges in the channel that may affect your message strategy?

When you can confidently answer these questions, you're on your way to successfully positioning your B2B product. Let's get started.

### A NOTE ABOUT THE POSITIONING FRAMEWORK

The framework outlined here results in creation of several potential positioning statements. While an individual can sometimes develop interesting positioning statements, brainstorming groups have demonstrated a remarkable ability to generate fresh, innovative message ideas. Group members can include your own marketing and product marketing team as well as creative people who may have only a general understanding of the market situation. Include sales and someone from management. The goal is to foster buy-in to your work. The best way to do this is to involve as many people as is practical throughout the process. Read this [blog](#) about the importance of involving your sales team or channel in positioning.

### WHAT IS A POSITIONING STATEMENT?

Your positioning statement is a short, declarative sentence that addresses the target audience's most pressing problem by expressing a benefit. In 15 words or less, not counting your company or product name, a positioning statement makes it clear what you do and why target buyers should care about your claim and take action. Your positioning statement should be unique; only you are making the claim. Your positioning statement becomes the theme for all your marketing communications. Execute your positioning statement consistently in all marketing communications and repeat it often. No matter how compelling your positioning statement is, it won't resonate with buyers unless it is repeated often over an extended period of time.

### The general structure of a positioning statement is:

**> Product name delivers a benefit that solves target buyer's most pressing problem.**

While creating options for your positioning statement, always keep in mind the results of your 3C's research particularly customer problems and competitors' positions. They help keep suggested positioning statements focused on viable options. Here are examples of effective positioning statements:

- Deterministics Labor Intelligence helps you use the right amount of labor to run your restaurant chain more profitably.
- Kit Software helps maximize the value of your commodity trading operations.
- Pragmatic Marketing courses teach you how to build and market products people actually want to buy.
- McKinsey & Company helps clients reinvent themselves.

### THE THREE KEY ASSUMPTIONS

You start brainstorming with Three Key Assumptions. Marketing can be viewed as a special kind of behavioral science. To succeed in this science we must thoroughly understand the attitudes and behaviors of our customers and target audience. The following three assumptions provide a basis for developing this understanding.

#### 1. The smartest people in the world are in this room.

When it comes to our offering, we are the smartest because we know the most about it. As marketers we frequently believe that prospects think as we do and already understand our offerings. Since prospects rarely share our thought processes, we must make it extraordinarily simple to acquaint them with our product.

#### 2. The only people who care about our offering are sitting in this room.

As marketers, we sometimes believe that the market has waited years for an offering just like ours. Unfortunately, this is rarely the case – if it were true, we could all retire. Therefore, we must identify our most important benefit and describe it to the market. Then, maybe, the market will care.

#### 3. Everyone outside of this room is remarkably cynical.

It's hard to believe, but, technology buyers have learned to doubt nearly every claim made by technology marketers. Effective positioning allows us to cut through cynicism by making our case in believable, compelling language.

### THE FOUR QUESTIONS

The Three Key Assumptions and the 3Cs described above establish a basis for initiating message development. The development process begins by analyzing how prospects might respond to your offering. The answers to four fundamental questions provide this analysis.

#### 1. Who is the target buyer?

Your channel has provided the input you needed early in the 3Cs research to create a short list of potential target buyers or to select one. If there was a debate, you may have received additional feedback from customers and internal stakeholders. By now there should be no doubt about who's the target for your positioning statement such the IT director, CFO, VP of sales, HR director, etc. You'll answer the rest of the questions from the perspective of the No. 1 target buyer you've selected. Remember a tie for the No. 1 spot will muddle the rest of your positioning effort.

#### 2. What problem does our offering solve?

You can't successfully position your offering unless you know the answer to this basic question: "What is my target customer's most pressing problem?" Notice that this question asks about THE problem, not problems. Although it may be tempting to think of your offering as a Swiss Army Knife, don't, because it's doomed to fail.

#### 3. How do prospects solve that problem today?

If your offering solves a bona fide problem, then customers already have a solution. You need to know how they currently solve the problem. Of course sometimes companies, particularly consumer goods firms, create a problem where none has existed and then offer their products as a solution. Unfortunately, this option requires a scope of investment that few B2B companies can afford.

#### 4. Why is our offering a better solution to that problem?

If your budget doesn't permit problem creation, you'll need to position your offering as a better solution to an existing problem. Remember that cutting edge technology often fails to provide a better solution for more than a small fraction of a target market. Admitting to this requires honesty.



## THE THREE “WHATS”

Using our knowledge of the prospect’s key problem and your product’s ability to respond to that problem, we can categorize the offering. Categorization enables potential buyers to quickly understand how they might benefit from your offering. The following “what” questions help you converge on a potential positioning statement:

	Functionality	Offering
What is it?	> Feature	> Category
What does it do?	> Advantage	> Description
What does it deliver?	> Benefit	> Position

**Figure 2: Feature, Advantage, Benefit**

Marketers frequently make a critical error by confusing what a product or solution does with what it delivers. Naturally, prospects need to know the advantages of your offering. But they won’t purchase until they can understand the benefits. Why make prospects figure it out for themselves? Make it short, simple and sweet — by telling them in your positioning statement.

## THE FOUR CRITERIA

After working through the process described above, you will have developed several potential positioning statements. At this stage, four criteria can help you assess the viability of the various statements. For each statement, ask if it is:

1. Important
2. Believable
3. Unique
4. Usable

This assessment helps you identify the positioning statement that will best stimulate market awareness and demand. Let’s consider these criteria in more detail.

### Important

A positioning statement must respond to a prospect’s primary problem. By doing so, the statement creates confidence in your ability to offer a desirable solution, as well as a sense of urgency in the prospect’s mind.

You can test the importance of a potential positioning statement by asking a simple question “So what?” If the answer produces a higher-level benefit statement, you haven’t yet found the most important benefit.

If you continue asking “so what?” you will ultimately arrive at one of three benefits. For business-to-business offerings, these are volume, share and profit. Similarly, consumer products ultimately claim to make the consumer wealthier, healthier or sexier.

### Believable

Effective positioning statements recognize prospects inherent skepticism by avoiding exaggerated or meaningless claims. Effective communications “ring true” by referencing existing market conditions; they leverage your company’s brand identity and signal that you understand the prospect’s concerns.

### Unique

Positioning always occurs in a competitive environment. Therefore, a positioning statement must state a benefit made by no other company. When you make a unique claim, two results occur. First, you raise a significant barrier to competition. Second, you increase the desirability of your offering. These two outcomes can significantly impact sales volume, market share, and profitability.

### Usable

A positioning statement provides a foundation for changing market behavior through marketing communications (e.g., advertising, web site, public relations, direct marketing). While the statement itself may sometimes serve as copy in these communications, it need only function as a basis for copy development. As such, the positioning statement should be short (12 words or less, not counting the product name) and contain no commas, conjunctions or subordinate clauses. It also must work across various communications media.

## SUPPORT POINTS

Once you've developed a positioning statement, you'll need to bolster it with support points that reinforce the importance, uniqueness and believability of the positioning statement. They provide the reason to believe the positioning statement. Most importantly, support points must support, not compete with the positioning statement.

The reaction you want to your positioning statement is "That's interesting: Tell me more! How do you do it?" Support points – three to four of them – explain how you deliver on the promise you make in your positioning statement.

Support points unfold your story in more detail, but they need to complement rather than compete with the positioning statement. If your support points are too benefit-oriented, they may overpower the positioning statement. If they are too strong, your target audience may not know which position you are trying to claim among several you are making. As a result, you end up with no position.

Support points also provide a structure for product, solution or technology demonstrations. While the positioning statement articulates a high-level benefit, the claims made in the support points should be readily demonstrable. That is, in just a few steps, you should be able to show how the offering delivers relevant capabilities.

## HOW TO CREATE SUPPORT POINTS:

1. Identify portions of the positioning statement that need an explanation. If "fast" and "affordable" are in the positioning statement, for example, one support point explains "fast" and another explains "affordable."
2. Write several sentences that finish the story started in the positioning statement. The sentences unfold the story in more detail.
3. Write several sentences that will make the reader believe the claim made in the positioning statement.
4. Select top picks for further consideration.
5. To test potential support points, use them and your positioning statement to write a short product overview. If the overview tells the story in a logical way, with no gaps or omissions, then you have found viable support points that you can socialize internally and externally.
6. Just remember that your support points explain how you do what you've claimed in your positioning statement.

What you need to know about support points:

- They create a framework for you to include product detail in your message strategy.
- They provide a structure for product demonstrations. In a few steps, you should be able to show how the offering delivers relevant capabilities.
- Ultimately, each support point should drill down to a portion of the demonstration that proves a particular claim or set of claims.
- Often support points naturally address your need to market to secondary buyers.

### **SUPPORTING YOUR SUPPORT POINTS**

Each of your three or four support points can have as many bullet points below them as necessary to accommodate any marketing situation. The goal is to cover every imaginable marketing communications requirement so that a writer or marketer doesn't encounter a situation in which they have to wing it and make something up. Your support points can be extremely detailed and ultimately drill down to a demonstration that proves your claim. This is accomplished in outline format with sub-support points, sub-sub support points, sub-sub-sub support points, etc.

### **THE POWER OF POSITIONING**

When you create and successfully manage a powerful message strategy, your product, solution or service will gain several benefits. Some will appear quickly, others will emerge over time as your offering gains market share. These benefits include:

- ✓ Increased sales volume, market share, and profitability
- ✓ Stronger brand preference for your company's offerings
- ✓ Higher competitive barriers
- ✓ Inspired company employees
- ✓ Committed, lifetime customers

Most important, a powerful message strategy creates awareness and demand, resulting in greater shareholder reward.

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### **NEXT STEPS**

1. Purchase the full version of this e-book: Learn step-by-step the positioning framework summarized in this e-book and how to apply it to your product, solution, or service.
  2. Schedule an audit: We'll assess the effectiveness of your positioning strategy and how you are positioned in relation to your competitors.
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### **ABOUT THIS POSITIONING FRAMEWORK**

The positioning process described in this publication was developed by Barry Briggs while at Microsoft in the late 1980s. He and Lawson Abinanti have evolved the process while teaching it to hundreds of marketing professionals. Barry retired several years ago.

### **ABOUT LAWSON ABINANTI**

Lawson Abinanti is a positioning and message strategy development expert with extensive hands-on experience in B2B software and technology markets. He started his career as a journalist. Since the mid-80s, Lawson has worked in B2B software in a variety of markets from accounting to business intelligence to data security. He started in marketing, and has also managed or done product marketing, sales and business development. He has been responsible for positioning or helped position the following product categories: CRM, customer service software, CPM (corporate performance management), ERP, all forms of business analytics (business intelligence), payroll, banking, sales enablement, data security, location intelligence and OLAP or multi-dimensional database.

Lawson was on the management team of TM1 Software before it was sold to Applix in 1996. During his two-year employment contract with Applix he was responsible for marketing, business development and analyst relations for TM1. He was on the management team of Timeline, responsible for marketing and business development, before joining Navision in Denmark as director of product marketing in 1999. When Navision merged with another Danish ERP company, Lawson co-founded Messages that Matter with Barry Briggs.

### **ABOUT MESSAGES THAT MATTER**

Messages that Matter helps B2B software and technology companies develop positioning strategies that deliver a competitive advantage through differentiation. My goal is to transfer knowledge and expertise, allowing your team members to take responsibility for managing and evolving their positioning strategies. I teach you how to set your company, product or service apart from the competition. You'll discover the truth about your offering and be able to tell a compelling story — one that matters to your market.

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