



Published in DM Direct in December 2006.
Printed from DMReview.com

Your Marketing Must Have an Edge

by Mike Cucka

Summary: *If a buyer is led to believe he can get the same benefits from any of a number of vendors, why shouldn't he?*

Services firms have long known that in order to stand out in the marketplace they have to make the unique benefits of their offerings clear to customers. As supply chain and data management companies large and small have implemented this simple insight, brands and marketing messages have tended to cluster around a nearly identical set of attributes (people, processes, innovative technology or service) and benefits (everything from reduced costs, greater efficiency and lowest total cost of ownership).

That's trouble.

If a buyer is led to believe he or she can get the same benefits from any of a number of vendors, why shouldn't he or she just make the buying decision by focusing on the overall cost of the product or service? He will and she should, unless you can convince him that the value of your offering is better in some meaningful way from competitors. A key to doing so is to go to market with a point of view.

A point of view is an urgent or active vision of how the world is, can or will be. It provides a sense of direction to help customers get to their particular promised land. Articulating a point of view signals that you have something compelling and decisive to say about your business and how it benefits customers.

Your firm's point of view may be a worldview about where the market is heading and what customers should do to prepare for and capitalize on opportunities (such as UPS's "synchronized commerce"). It could reflect your firm's heritage (like Capgemini's "collaborative business") and how this contributes to superior results. Or it may have to do with the philosophy with which you approach product and service development and delivery (such as BP's "beyond petroleum"). Whatever the angle, the view must reflect not only the unique way you deliver benefits for customers but also how, in doing so, you help a customer fulfill a particular view of success you are best positioned to deliver.

IBM does this well with its point of view that we are living in an on-demand world enabled by technology. In this world of dynamic markets and competition, companies have to be able to gather, process and use information instantaneously. IBM adds to its formidable reputation for reliability and excellence in computing innovation by putting these in the service of a larger vision. This vision creates a sense of urgency on the part of prospective customers who are encouraged to ask, "Are we ready for on-demand?"

The on-demand world provides the context for an array of IBM benefits. But when IBM says "make you more efficient," you can begin to get a bigger picture of what efficiency means and why it matters in the first place. It also helps the buyer see the end game of what all that investment in IT will do. It will not just save you money and make you more efficient, but it will also enable you to compete—exist even—in that world of instant gratification. And that's a vision a company can buy into and to which it can aspire.

You need not be a company with the resources of IBM to take advantage of the differentiating power of a point of view. In fact, doing so is the opportunity in markets cluttered with messaging as usual especially in niches uncontested by larger players. You are spending money to communicate on-line and off anyway; you might as well make certain that your messaging has an edge to it.

With a point of view, the answer to the question, "Why should we do business with you?" becomes more potent. Let's say you're a data management software provider marketing "easy-to-use software offering greater efficiency in data analysis." We might say ease and efficiency are end-benefits of a point of view that says that technology is too hard to use, or we could go a step further. A point of view might be that the future will be owned by companies who can quickly cluster ever-larger pieces of information to drive new insights to markets and opportunities. This ability to cluster information quickly and effectively is what provides greater efficiency when analyzing data. (Ideally, you use this if your offerings are *uniquely capable* of delivering on this vision.)

You are now in a position to talk about the transformation of the business and offer some hard evidence to support the position. It's the difference between saying, "Our collaborative software will help you harness information so you can work more efficiently and effectively" and adding that benefit to a point of view along the lines of, "It's a world of collaboration. Companies that know how to bring information together and see the connections among clusters of data will be the market leaders of tomorrow." The first is a statement others can easily duplicate. The second is a philosophy and story that provides a context in which benefits sought by customers can be clearly expressed and made more credible. Ideally, it drives everything from product innovation, to marketing, to the way the firm interacts with customers and other stakeholders.

In case this example seems too visionary, a point of view can also be about tactical details of your offering. For example, a BI consultancy was struggling to define how it was different in a market with both large and small firms. These talked about their extensive networks (i.e., people and technologies) or innovative processes (i.e., processes and technologies) or ability to get the information fast (i.e., service). To set itself apart, the firm developed a point of view around quality of information. Quality was defined by five dimensions, against which the firm was particularly well positioned to deliver:

- Source of the information,
- How fresh it was (age),
- Accuracy,
- The means by which it was obtained (code of ethics), and
- How usable it was.

The firm and its business developers now have a simple and powerful point of attack. Potential customers see their particular challenges reflected in one or more of the dimensions of information quality. This makes it easier for salespeople to engage prospects in discussions. The framework also signals potential buyers how they should evaluate business intelligence offerings overall: Can any of the competitive vendors deliver against all five dimensions? If not, the best provider is immediately clear.

By its very nature, a strong point of view will be irresistible to some and repellent to others. A well-managed business knows the customers with whom it wants to do business and uses this to its advantage. The point of view is developed to attract highly profitable customers and give them a call to action or a reason to purchase. It lends distinctive credibility and urgency to marketing and carries with it the promise of a unique approach for which a target client should be willing to pay a premium.

Strong points of view invite dissent. They will inevitably threaten some part of the business that might see its power marginalized. When it comes to developing a focused marketing position, however, dissent is a good thing. It is how you know you have struck on a point of view that could help create the needed differentiation. If everyone agrees, there is a good chance you are settling on a vague statement of differentiation or generic attributes such as "our technology." To see the difference, try

asking what it is "our technology" is actually good at that others in the data management industry cannot match.

To guard against the inoffensive and vague, developing a strong point of view must be done with the involvement of key leaders of the firm, not "by committee." There are a number of tactics to use to set the process in motion:

Engage key clients in discussions on how your services translate into benefits for their businesses. Ask them how they are using your services and technologies to build for the future and what that future is.

Talk to your engineers who deal with customers (and your salespeople, if applicable) to hear about the unique approaches they've used to meet market challenges. Listen for how they describe the philosophy with which they attacked the problem.

Plan the future world in which your clients thrive. Consider the trends shaping your customers' worlds and the worlds of their customers. Ask how your offerings fit in to the larger picture of what will be needed to compete in this future world.

Define and visualize competitive dynamics. Assess your relative competitive strengths and identify the resources, skills, technologies and other advantages that truly drive your business. See how these can be built into your point of view on where the market is going and what it will take to get there.

Define a few key hypotheses a few alternative points of view. Think about how your offerings, customers, competitors and so on might change under each. Ask which points of view might spur customers to purchase (and drive your competitors crazy).

A strong point of view demands that the services firm take a stand on an issue affecting its customers. The point of view expresses how the benefits are produced in a unique and effective way. It contains the proof of a differentiated position in the market. And it works because it signals that the buyer is dealing with a specialist who understands how to solve the particular type of challenge he or she faces.

Mike Cucka is managing partner at Group 1066. Cucka revitalizes marketing strategies and brands for services companies. He has worked with Microsoft, Gartner, Banta, Merrill Lynch and others to build clear mental models of their offerings, making it easier for customers to buy. Prior to Group 1066, Cucka was at branding firm Siegel & Gale where he helped revitalize the brands of MFS Mutual Funds, U.S. Air Force, Tellabs, TD Bank Financial Group and Lehman Brothers. He may be reached at cucka@group1066.com.

Copyright 2006, SourceMedia and DM Review.