Positioning Revisited

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Initiatives: Technology Marketing Effectiveness

Most positioning efforts lack impact due to broad sweeping statements, bad timing, inconsistent application or lack of stakeholder buy-in. Technology and service providers should use a tried-and-true positioning model to effectively frame go-to-market decisions, activities and messaging.

Overview

Key Findings

- Many technology and service providers treat positioning as a market messaging exercise, done late in the go-to-market cycle, instead of recognizing that positioning is an effort that captures and communicates the essence of the go-to-market strategy.

- Although increasing competition makes it critical to differentiate based on the business outcomes their solutions enable, many providers struggle to articulate positioning beyond features or capabilities.

- Once defined, positioning needs to be shared broadly and embraced by the whole company to have maximum impact.

Recommendations

To improve technology marketing effectiveness, technology and service providers should take these steps:

- Use positioning to frame or confirm product decisions and other tactics by defining it early in your go-to-market life cycle. Revisit your positioning upon undertaking acquisitions, new product introductions or operational changes to improve performance.

- Use market segmentation to improve your ability to differentiate by focusing on the needs and wants of a highly targeted market.

- Give all employees more context for their daily work activities and decisions by collaborating with key stakeholders to develop the positioning and then communicate it broadly across the company.
Introduction

It has long been recognized that positioning is a key aspect of go-to-market activities. The term “positioning” was originally coined by Al Ries and Jack Trout in their classic book, “Positioning: The Battle for Your Mind.” They focused on the creation of a unique microcategory for products to make them memorable for buyers. Their model is often associated with some of the most memorable tag lines for consumer products.

For technology companies, Geoffrey Moore established a new bar for positioning in his classic book, “Crossing the Chasm: Marketing and Selling Disruptive Products to Mainstream Customers.” Moore recognized that technology products required more than categorization in his expanded definition.

This research is for technology and service providers that need to position their company or products (in this document, the term “product” will be used to represent a tangible product, service or solution delivered as a service). It provides a framework for differentiated positioning that should be used to provide context for all go-to-market activities to drive growth.

Analysis

Positioning Challenges

On the surface, it may seem that there is no need to revisit positioning. Technology marketers and corporate-level executives constantly talk about how their products or services are positioned. Unfortunately, when taking a closer look, Gartner frequently finds that an easy to understand, detailed and differentiated story often does not exist (see Note 1). The key factors that lead to this situation include:

- **Interchanging positioning and messaging**: Positioning and messaging are not the same things. Positioning captures the strategic intent of the business and how it will compete in a market segment. Messaging (and messaging architecture) is developed using the information captured in positioning statements (see Tech Go-to-Market: 4 Steps to a Differentiated Messaging Foundation).

- **Incorrect assumptions**: Positioning is sometimes formed based on a limited view of the market. As a result, the needs of customers that you have not engaged with can be ignored. Conversely, a belief that the product is for “everyone” also misses the mark. Another problematic assumption is a belief that your product is better and different than everyone else’s, when that may not always be the case (and if it is, the scenario usually does not last for a long time).

- **Timing**: Positioning done later in the go-to-market cycle, particularly when linked tightly with messaging, is more of an effort to capture what has been done versus framing what should be
To get past this, take another look at your positioning and how you use it across your organization. The first step to build momentum for the effort is to evaluate where you stand today.

The Positioning Model

A proven, effective approach to capturing technology positioning continues to be the approach defined by Moore in “Crossing the Chasm: Marketing and Selling Disruptive Products to Mainstream Customers,” with one addition.  

To capture the element of customer experience, Gartner recommends expanding the customer definition portion of Moore’s framework to capture what your target customers want from their suppliers and how they want it. By adding this element around customer expectations, providers have the opportunity to frame the use of customer experience as a differentiator in their go-to-market approaches, and to capture those ideas as part of the positioning effort (see Figure 1).

Several aspects of this positioning model have helped it stand the test of time. The statement starts with a focus on the buying organization (rather than anyone or everyone, you, or your
products), which is even more important today because of the increased customer power. Putting your target customers — and their needs — at the forefront of positioning is an approach that Gartner highly recommends (see Improve Messaging and Communications Through Storytelling).

With this positioning model, you not only identify target customers, but also can get specific details about the need that they want to address and the experience they want from a supplier. By linking your tangible capabilities with your intangible, the customer experience approach is a winning strategy when also mapped tightly to target segments.

Moore also recognized that one of the biggest causes of technology opportunity losses is the dreaded “no decision.” Identifying a business need may not always be sufficient; it may require uncovering buying triggers that prod the customer to allocate funds and resources to address that need. Therefore, it is critical to identify the compelling reason to buy your product right now as part of technology positioning. This compelling reason to buy should be very outcome-focused — what value will the customer get from a successful implementation?

Buying Triggers

*Enterprises need a reason to buy. Reasons to buy will vary widely, but most are related to some type of buying trigger. For example, a security breach is a buying trigger for some. For others, a security breach of their competitors is the trigger. New management with a new business strategy could be a buying trigger. An application in an adjacent space hitting the end of its support cycle often triggers buying.*

*Beyond identification of the business need you are addressing, think about the list of the events or situations that trigger customers to buy your products or services. Then expand that list with ideas for how you can determine if the trigger will occur (or is likely to occur), and explore if there are ways you can use stories to create the trigger. If possible, incorporate buying triggers into the business need you are addressing.*

Additionally, the framework looks at reasons to buy your product versus that of your primary competition. This is another area where providers like to say, “We don’t have any competition.” The reality is that if you don’t have competition, then you don’t have a market. As you consider the competitive alternatives, recognize that they may not be specific companies or products. In many cases, alternatives might be the status quo, manual approaches, in-house development (“build”) or a combination of solutions. Your primary competitive alternative is the way the bulk of the customers that you are targeting will solve — or try to solve — the business need today.

The complete positioning framework forces technology companies to identify many of the key elements that must be understood for successful go-to-market efforts.
Finding Differentiation

Differentiation is one of the biggest challenges for technology providers today. Products are easily copied and many markets are very mature, leading to feature parity. Attributes you promote to build your company culture (such as the value of your employees — also known as “the best people work here”) rarely lend themselves to differentiation. Simply saying you have the best employees, or you care about your customers, does not differentiate you — unless you can back that up with facts that prove these claims to potential customers.

Since achieving product differentiation is so difficult, forward-thinking companies are looking to other areas to set themselves apart. Although there are a number of paths beyond product features to explore for differentiation, the best starting point is usually market segmentation. Take the time to focus on the customers that are best-suited to you because of their needs, desires and fit (see Figure 2). This will help you refine your positioning to differentiate yourself within that segment (see A Practical Guide to Market Segmentation and Tech Go-to-Market: The Enterprise Persona — Defining Your Ideal Customer Profile).

![Figure 2. Dimensions for B2B Market Segmentation](image)

Once you have refined your segmentation, you can explore differentiation options by considering a number of dimensions, including:

- Clarifying the competition (including status quo)
- Customer experience (like customer service, onboarding process or other emotional factors)
- Market stage (newer markets versus more mature, commoditized segments)

As you work to define differentiation, remember what the term means. Differentiation is how you are different from something else (see 10 Steps for Improved Differentiation). Long lists of “differentiators” without context don’t work. Buyers ignore them or refute them one by one by...
finding something or someone that does the same thing. For example, many service providers claim, “Our people are what make us different.” When everyone says that, it is largely meaningless. Be very clear on the comparison point for any statement of differentiation.

As you build differentiation, create statements focused on business outcomes that customers can achieve as a result — the more quantifiable, the better (for example, 20% reduction in operating costs). Today’s buyers care deeply about the business outcomes — the value they can achieve via your product — so focus on value realization rather than around features. The Case Study section for ideaPoint illustrates the power of developing quantified outcome statements.

The Competitor Swap Test

When “Crossing the Chasm” was written, the most common form of competitive differentiation came from technology innovation. Innovative products that offered better ways to capture value were common and new vendors were constantly “one-upping” existing players.

Today, the cases where product differentiation offers real competitive advantage are rare and short-lived — agile development approaches make it easier to rapidly copy or add new capabilities, and the market is too crowded with aggressive competitors to sustain technology differentiation for very long. For example, The Gartner Digital Commerce Vendor Guide, 2020 lists hundreds of companies in various categories. This degree of competition is common across most technology categories. If you are able to innovate to create product differentiation, exploit it aggressively, but you should be prepared to be copied.

There is a simple competitor swap test for your ideas about differentiation. Replace your product name with that of your competitors’ in your key messages and positioning statements. If you believe that customers would still find the statements credible, then they are not differentiating; they are “me too” statements. This is a key indicator that it is time to review your positioning (see Figure 3).

Figure 3. Competitor Swap Test

Revisit Positioning
Although positioning should be undertaken early, rather than as an after-the-fact exercise, it is never too late to revisit and refine. Bringing clarity to your positioning helps with ongoing go-to-market strategy and tactical decisions. It can also help to streamline messaging, drive toward consistent written and oral communications, and improve storytelling.

Due to the dynamic nature of the technology markets, consolidation, competitive shifts and innovations also dictate periodic reviews of your positioning. Your own actions, such as acquisitions, new product launches and operational changes, should prompt a positioning review at the company level — if not also of individual product lines.

**One Positioning Statement or Multiple?**

When deciding to work on positioning, a common question is “How many do we need?” In general, Gartner recommends that you avoid creating a proliferation of positioning statements. Instead, create positioning for:

- The company as whole
- Each product line (where the business needs and/or alternative options are decidedly different) — if needed
- A truly different target market/need combinations for a product such as industry-specific requirements — if needed

The company-level positioning, unless the company is the product, may be high-level and will ultimately look and feel a lot like a brand promise. At the product level, separate positioning statements are needed for each product line. Individual products within a group, typically combined to address a comprehensive business need, may not need their own positioning. Also, if you target different markets with decidedly different needs or compelling reasons to buy the same product, then separate positioning should be developed. However, the same products sold to different vertical industries addressing a similar business need typically do not need their own positioning. Instead, storylines can communicate use-case differences using terminology and language specific to those industries.

You do not need to develop complete positioning statements for each competitor. Instead, positioning against different competitors should be addressed as part of sales enablement. Focus your positioning on the primary competitive alternative only.

As you develop multiple statements, don't treat them entirely independently. Think of them as nested value stories that build up to strengthen the company-level positioning and that of each product in your portfolio.

**Positioning Development Requires Collaboration**
Work with a cross-functional team to develop your positioning framework. The overall team should include representation from any group whose activities impact customers at any stage of their relationship with the company (from buying to owning). Marketers should make sure that the effort remains focused and use the differentiation swap test whenever needed. This will ensure that “groupthink” does not create a me-too story.

This broad collaboration does three things:

1. Encourages a focus that goes beyond product features and functions, presenting opportunities for finding new forms of differentiation
2. Lays the foundation for broad company understanding of the positioning
3. Provides a litmus test for strategic and tactical decisions, enabling participants to assess its impact to the company’s and product’s positions in the market

The representatives from each group should be enlisted as champions for positioning, communicating and sharing the ideas broadly throughout the company. Once you have refined your positioning, then test it with a select group of stakeholders to make sure it resonates and is not omitting things that matter or focusing on things that don’t.

**Not Just for Marketing**

Companies that take the time to craft detailed positioning models using this framework now have the context to guide all their go-to-market activities. The positioning framework provides the context that everyone in the company needs to be able to apply and tell the story of the business in a consistent manner.

Positioning should also inform business and product strategies, including pursuit of an adjacent market. It should serve as a vital instrument for a range of constituents across the organization.

When sharing positioning, help each function understand how to apply the pertinent statements to its activities and work. As an example, marketing and sales should use the “For” statement to help define ideal customer profiles that drive qualification questions. Table 1 shows aspects of go-to-market activities that each element of the positioning framework impacts.

<table>
<thead>
<tr>
<th>Statement Fragment</th>
<th>Impact</th>
<th>Functions Potentially Impacted</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>For (Target Organization)</strong></td>
<td>Defines the target customer segment for lead generation efforts by marketing and sales and the intended audience for communications and promotions.</td>
<td>■ Marketing  ■ Sales</td>
</tr>
</tbody>
</table>

Table 1: Impact of Positioning Elements on Go-to-Market Activities
<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Who (Statement of Need or Opportunity)</strong></td>
<td>Provides the next level of targeting by identifying specific business challenges that the customer is trying to address.</td>
</tr>
<tr>
<td><strong>And Want (Statement of Experience Expectations)</strong></td>
<td>Define how the company wants to make the customer feel. Depending on where you focus, different aspects of the business could be impacted (e.g., finance/contracts may want an easy licensing approach).</td>
</tr>
<tr>
<td><strong>The (Product/Service Name) Is (Product/Service Category)</strong></td>
<td>Guides the categorization of the solution in the customer’s mind.</td>
</tr>
<tr>
<td><strong>That (Statement of Key Benefit/Compelling Reason to Buy)</strong></td>
<td>Sets the path for most messaging efforts by being the one thing that you want the customers to always remember about the product. Customer service can use this information to help reinforce that value for existing customers during support interactions.</td>
</tr>
</tbody>
</table>

Marketing
Product marketing
Product management
Sales
Customer service
Conclusion

Although “positioning” is a frequently used term, Gartner finds that it is rarely given the proper and detailed focus advocated in this research. To increase the success of go-to-market efforts, all providers should revisit the positioning of their company, products and services using the framework outlined. Once complete, share that positioning throughout the company and use it as a tool to communicate strategy and as context for reviewing and prioritizing go-to-market activities. Review the Case Study section for a before and after look at positioning.

Case Study

ideaPoint is a U.S., Massachusetts-based software company that works with companies in science-based industries to help them manage their innovation efforts (see Tech Go-to-Market: Positioning Revisited). As part of their research and advisory service agreement, ideaPoint leaders asked Gartner to help them improve their positioning.

Their early positioning efforts looked like this:

- For global companies
- Who need to identify and capture all opportunities that come into the organization
- And want a collaborative evaluation and decision process
- ideaPoint (which is also the name of its software)
On initial review, there were some useful starting points, but overall the company felt it was not conveying the essence of its solutions’ value. Through interactions with Gartner and exploring some of its customer stories in depth, ideaPoint developed a refined positioning statement:

- **For** global life science companies
- **Who** need to make go/no-go decisions about innovation opportunities that have a material impact on the business — fast enough to seize the window of value for the business, but without sacrificing the quality of the evaluation process
- **And want** transparency of information across the relevant business divisions and regions, performance insight into internal processes and cycle times, and a solution that people will actually use because it adds value to their work, versus being a burden
- ideaPoint (which is also the name of its software)
- **Is** innovation management software
- **That** enables as much as 15 times as many opportunities or projects to be securely tracked and effectively evaluated, in one-third of the time, while increasing the success rate of opportunities pursued and delivering high ROI
- **Unlike** manual, ad hoc processes augmented by email and spreadsheets, or homegrown systems
- **Our product** enables complete transparency and historic views into evaluations, while automating key workflows that accelerate screenings by 50% and require one-tenth of the time of ad hoc approaches for record keeping and reporting

This new positioning is much clearer in all dimensions, with strong quantification of business outcomes and value, with clarity of focus on the needs that the company addresses. The positioning is now being used not only to guide messaging efforts, but also to help ideaPoint leadership develop deeper understanding across the organization about its focus and the value it provides to customers. This is improving discussions around product enhancements and driving more productive sales engagements.
To further demonstrate a positioning example with a services business, we have created a fictitious company (MobileCo) that is in this sector:

- **For** media and entertainment companies based in North America
- **Who** need mobile app development services for immersive gaming experiences
- **And want** on-time delivery of projects, superior customer support and U.S.-based development resources
- **MobileCo**
- **Is a** mobile app development consultancy
- **That provides** rapid development services for mobile gaming apps that integrate with immersive technologies including augmented reality, virtual reality and multiplayer ecosystems
- **Unlike** off-shore development companies that support multiple industries
- **Our services** are focused on the gaming sector, providing a depth of experience and a project management framework that has resulted in 98% of customers continuing to work with us for enhancements or new products

### Evidence


2. G. Moore, “Crossing the Chasm: Marketing and Selling Disruptive Products to Mainstream Customers,” HarperCollins Publishers, 1991. (Page 161.) This book has sold more than 300,000 copies. The model discussed in this research has been used effectively in thousands of inquiries to help providers improve their positioning.

3. Subsequent to publishing this case study, ideaPoint was acquired by Anaqua.

### Note 1: Top Five Common Mistakes in Positioning

<table>
<thead>
<tr>
<th>Positioning Mistake</th>
<th>What You Need to Know</th>
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<tr>
<th>Failure to link the buyer’s need with the key benefit, or most compelling reason to buy.</th>
<th>The “Who” is the buying entity that is in need of your solution which should connect to the “That” statement in a way that demonstrates resolution. Often technology providers will craft a “That” statement that includes benefits that are not directly related to the customer’s business challenge or needs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Failure to identify the target customer at the enterprise level or as a buying organization.</td>
<td>B2B technology products and services are purchased by organizations, often through a buying committee composed of various roles from within IT, security, legal, finance and line of business owners. When positioning products, technology providers must think about fulfilling the business need at the organizational level. This is not about the roles of the people who are being sold to.</td>
</tr>
<tr>
<td>Failure to understand the competitive landscape and differentiation is lacking.</td>
<td>The “Unlike” statement is a way to highlight how a technology product or service is different to others in the market. Implicit in developing such a statement is the provider’s deep knowledge of the competitive offerings within the market segment.</td>
</tr>
<tr>
<td>Failure to position for different target markets and/or vertical industries.</td>
<td>If a technology provider is serving disparate target markets and/or verticals, then they usually need to position for each target market served and not have one catch-all statement for multiple markets.</td>
</tr>
<tr>
<td>Failure to provide a relatable product/service category and/or the belief that a new category is being created.</td>
<td>Category is a key anchor for positioning. It shapes how your ideal buyer will relate to and perceive your offer and differentiation. Gartner recommends anchoring from a known category, something your buyer knows.</td>
</tr>
</tbody>
</table>

B2B = business-to-business

Source: Gartner (September 2020)

**Recommended by the Authors**

*Tech Go-to-Market: 4 Steps to a Differentiated Messaging Foundation*

*Improve Messaging and Communications Through Storytelling*

*A Practical Guide to Market Segmentation*

*10 Steps for Improved Differentiation*
Recommended For You

Summary Translation: Case Study: Employee Development Framework for Digital Transformation (VDOT)

Summary Translation + Localization: ‘New Infrastructure’ — China’s Technology Innovation Initiative to Boost Sustainable Growth

非常事態下の顧客応対業務を再点検することで得られる多大な利点

Forecast Analysis: Analytics and Business Intelligence Software, Worldwide

Integration Teams for the Digital Era Must Support New Delivery Models