



Using Market Intelligence to Steer Product Direction from the Abyss

By Laura Patterson, President, VisionEdge Marketing, Inc.

Today's marketing environment necessitates we rely more and more on market intelligence and not on just our own intuition and experience. Good decisions require fact-based analysis. As companies try to rapidly react to market dynamics and changing customer needs in order to stay competitive more fact-based analysis is often required. Below are two examples of how market intelligence played a key role in enabling two companies to make better strategic decisions.

The Power of Re-Positioning When Based on Market Intelligence

Transitioning from a services firm to a product firm is never an easy transformation. Yet that's exactly the outcome Amicus, an Austin-based software company, wanted to achieve. The company provides all of the incorporated functionality for a full featured intra/extranet including security, database integration, work forums for collaboration, usage tracking/reporting, publishing and content management. It built a strong base of customers among independent broker-dealers and provides comprehensive broker-dealer applications that enable advisors and planners to spend less time on administrative tasks and more time engaging with customers. Amicus products are available via a hosted application service provider (ASP) model.

The management team at Amicus realized that while its roots were in custom intranet/extranet development, trying to win the features battle on several different fronts against best-of-breed point solutions was an unsustainable strategy. This challenge was compounded when continuous launches of individual components detracted from the company's ability to position itself in a consistent and compelling manner.

The company wanted to conduct market and customer research and competitive analysis quickly to modify their positioning and facilitate the company's transformation. By combining two of VisionEdge Marketing's proprietary methodologies, a strategic positioning platform was created based on a thorough and objective market analysis.

The engagement included six distinct phases:

1. Internal Discovery Session in which VEM obtained an "inside-out" view of Amicus' value, competitive strengths, weaknesses, etc.
2. Competitive analysis that studied key vendors in the content management, enterprise information portal and vertical business process management markets. Each competitor was ranked, scored, and mapped using VEM's segmentation model.

3. Primary research that surveyed the attitudes and preferences of broker-dealers.
4. Development of a strategic positioning platform including value proposition, promise, meaningful point of difference, and concept of singularity.
5. Testing of the new positioning with broker-dealers known to Amicus.
6. Creation of a Message Map to serve as a blue print and set of building blocks for sales presentations, collateral and web site.

Using this fact-based approach enabled Amicus to see clearly for the first time the business problem customers wanted solved. The process led VEM to recommend that Amicus consider itself a vendor of business process automation solutions for the financial broker-dealer market rather than a provider of intranet/extranet components.

The research VEM conducted clearly showed that broker-dealers wanted automation solutions that fit the way they did business. This matched well with Amicus' core competencies and Amicus was quickly able to position itself as a company that integrates web-based solutions for automating business processes of broker-dealer organizations. Rick Johnson, the CEO at the time said, "The entire process fundamentally shifted our thinking and changed our approach to the market. We were able to get to a value proposition sales model instead of a feature-sell. We closed two very large deals far more quickly than we had in the past because of the work we did around the product and the messaging platform."

This example illustrates the value of integrating customer, market, and competitive intelligence. Not only was the company able to successfully reposition itself, it was also able to accelerate the close of two important new deals.

Aligning a Product Family to Market Requirements

Market intelligence serves companies in a variety of ways. This second example explains how research was used to help Pervasive Software, a data management infrastructure company that provides embedded and Web database solutions for small and medium-sized enterprises, expand their market opportunities and find other products that would be viable in their existing market, as well as seek out new customer segments for their existing products. As a part of this undertaking, the company realized research was needed to better understand the needs, pains, products and services of their middle-market targets. This research was designed to help the company align its existing products and new products with their markets' requirements.

The company used VisionEdge Marketing's expertise to provide them with deeper insight into their customers' buying behaviors, other players in the market, and product requirements. The Pervasive Software team had already gleaned everything they could from secondary research, that is, they had reviewed the relevant information already available from other sources. It became apparent that the scope of the project necessitated conducting primary research.

The vice president of marketing at the time, Bruce Flory, felt they needed the information to make some immediate decisions, but their internal resources were committed to day-to-day

operations. Pervasive wanted a third party that possessed a well-defined process, flexibility, and experience who could complete the work in the required time frame.

Three methodologies were evaluated: focus groups, in-depth telephone interviews and written mailed surveys. The in-depth telephone methodology was chosen because it was important that the targets provide input as individuals and avoid the tendency toward group-think or having any particular participant's opinions dominate. The calls were also preferred over written questionnaires because of the time issues, plus the telephone conversations would allow for additional probing and provide more contextual and tonal input.

After scoping out the research requirements with the Pervasive Software team, VisionEdge Marketing put together the discussion guide for the telephone interviews. The survey covered the target companies' information management strategies, their purchasing behaviors, and future needs. The research yielded qualitative, directional data points - the Pervasive Software team received feedback on their products, found out the top factors that go into a purchase decision, and learned some valuable insight about their targets' needs and concerns. VisionEdge Marketing also provided some competitive information to help the team position themselves against the other market players.

As a result of the primary research, Pervasive Software was able to validate some of their assertions about the available market opportunities and make appropriate business decisions towards accomplishing their goals.

These two case studies illustrate the value marketing intelligence can play in enabling a company to make key business decisions. They also illustrate the value of an objective professional resource that is able to supply the project management, the analysis, and a consulting role to help the management team gain maximum insight from the information provided.

Laura Patterson is the author of Measure What Matters: Reconnecting Marketing to Business Goals and Gone Fishin': A Guide to Finding, Keeping, and Growing Profitable customers and is president and co-founder of VisionEdge Marketing, Inc, a leading metrics-based strategic and product marketing firm located in Austin, Texas. The company specializes in consulting and learning services associated with measuring marketing performance, customer acquisition and retention initiatives, market, customer and competitive intelligence, market and product validation, market and customer segmentation, positioning, pricing, and channel strategies.

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