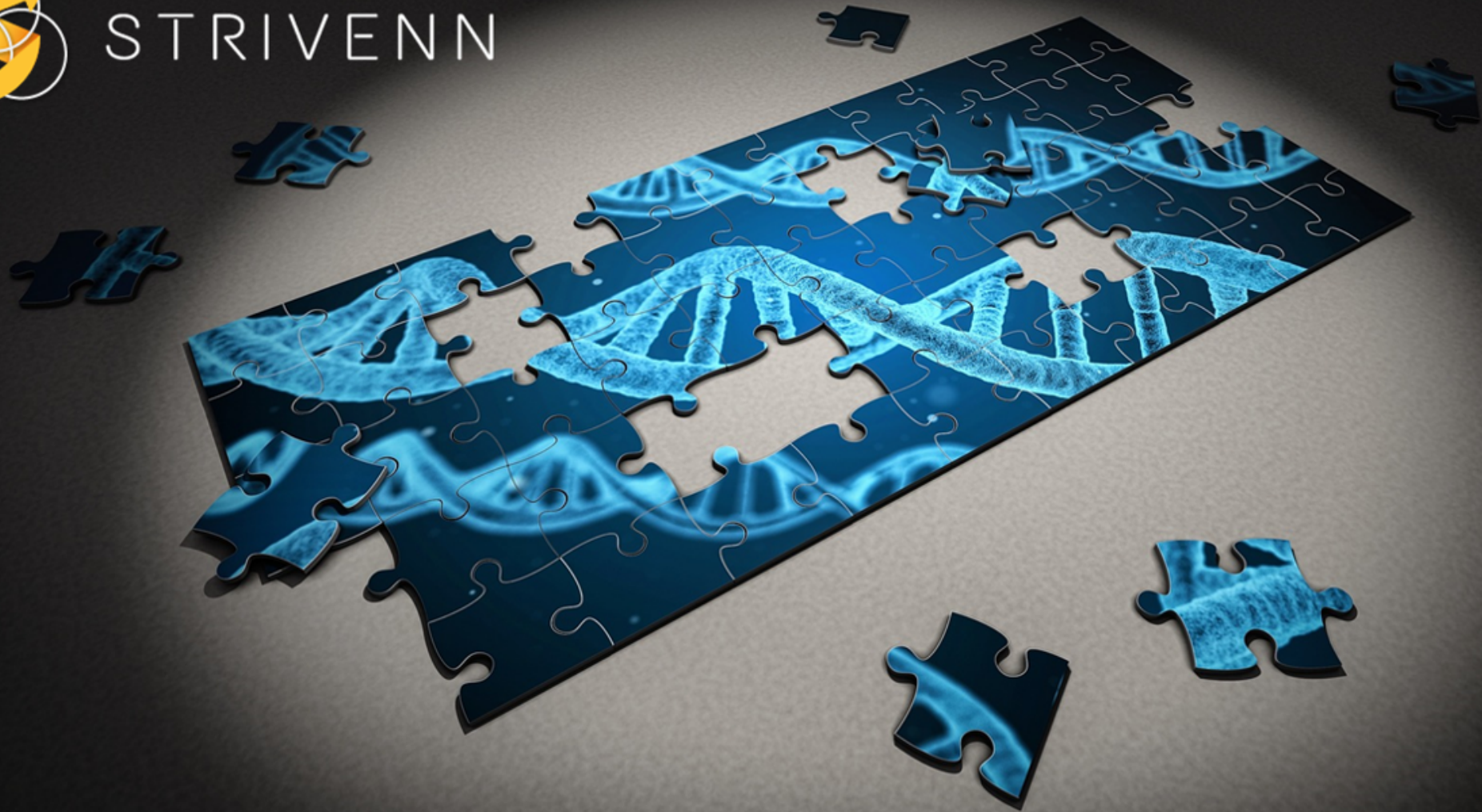




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The Life Science Marketers' Guide to Positioning and Value Propositions

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For consumer brands product positioning is a fundamental element of product branding and promotion.

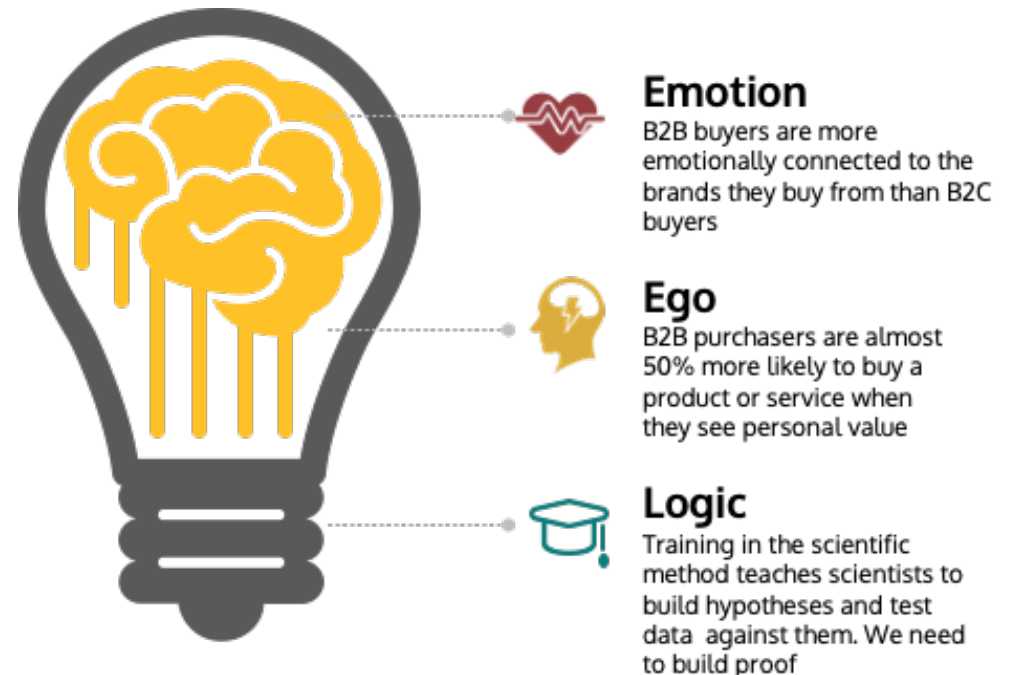
However, for many life science and technology companies the default is to use product features and specifications to try to get "one up" on the competition. This approach often stems from a belief that the buying decision made by scientists and engineers in a business context are completely rational.

The reality is wildly different – emotion, brand loyalty and brand trust all play a significant part. In fact, in a paper published in Harvard Business Review, Magids et al.^[1] showed that B2B buyers are often more emotionally connected to the brands they buy from than B2C buyers and that customers that are emotionally connected to an organisation are 52% more valuable than those that were "merely satisfied".

This means that effective branding and positioning is even more vital to effective B2B communications with scientists and technical customers as it is for consumer brands.

It is important to note that no amount of optimistic positioning and grandstanding can overcome the deficits of a poor product, but sound positioning can help good products become bestsellers.

People buy emotionally, they justify rationally.



The Roadmap to Product Positioning Success

Much has been written about formal positioning statements, what they are for, what they should contain and how to write them. Yet despite this, I am consistently amazed at the number of products that are launched and marketed without a positioning statement ever being thought through.

Now in many respects, the wording of the statement itself is of little consequence – it is merely a tool used to help with branding and guide marketing communications efforts and should never be made public. However, such statements are an invaluable tool to align the sales, marketing, support and product development teams and can save hours of discussion during messaging and content review processes.

A good positioning statement makes it clear whom the customer is and what the problem is they need to solve.

A great positioning statement also captures information about the product or service offering, the key benefit(s), competitive forces and products and the key differentiator(s) in a clear, concise and useable manner.

Positioning statements should be purely factual and devoid of emotion, superlatives, and aspiration. And they should never be grandiose.

While capturing all this information is great to help inform those creating content about the product / service, perhaps the most powerful aspect of creating a positioning statement is bringing together a cross-functional team to develop the statement.

The most successful discussions I have been involved with pulled all those together that would be in charge of creating / reviewing content – with representatives from product management, product development, sales and marketing all present and contributing.

To create truly insightful marketing programmes, all basic assumptions about the customer and their needs should be challenged during this process.

In the book "Crossing the Chasm", Geoffrey Moore^[2] recommends using the following format:

**For (here we define the customer)
who need (need, should be independent of the product)
the (product name and description)
provides (the key benefit).
Unlike (competitive products and solutions)
the 'product' (description of the key differentiator).**

1. The Customer

All customer segments should be listed with as much specific detail as possible. Customers are not markets, although they may work within specific markets. For example, engineers within the aerospace industry may use a product, but the aerospace industry is not 'the customer'.

Once the customer segments have been described, customer personae can be developed and any differences highlighted.

Clear definition of who your customers are is critical, as it will enable you to determine who your customers are not, and therefore highlight exactly which needs you need to serve.

2. The Need

Customer needs are by definition inherent to the customer, not the product. A need cannot be fabricated to justify a product. Even luxury items satisfy a need, even if that need is 'merely' to enhance one's appearance or self-confidence.

In mature markets, the needs are often unexpressed and can be identified using market research techniques such as Hidden Needs Analysis.^[3]

3. Product Name and Description

The challenge here is to write a factual and honest description of the product without using hyperbole. It should be devoid of superlatives, emotion and aspiration.

While this may seem simple, novel offerings provide the opportunity to define new product categories and assume leadership in a 'blue ocean'.^[4] This can demand as much creativity as designing the product in the first place.

4. Benefit

The benefit is the product's answer to the need and should be written through the eyes of the customer. This does not mean technical specifications or product attributes, although benefits may contain a technical component.

Benefits that resonate with audiences eclipse product specifications and focus on how a customer's work / life will be improved.

You may believe there are many potential benefits to using a product, but it is advised you either stick to a single benefit, or else combine the multiple benefits into a single meaningful benefits statement.

5. Competitive Products and Solutions

While it may be tempting to simply list direct competitors within a category, a wider view of competition is needed here. A detailed examination of all the ways that your customers fulfil the needs expressed by The Need. is required for this part of the positioning statement if it is to provide true value (even if some of those solutions only partially fulfil those needs).

From that list, the true competitors will be easily identifiable based upon the customer defined earlier.

6. Differentiator

Every product needs to exhibit some element of 'uniqueness' to justify its existence. If product teams want to avoid using price as a differentiator, then either the product needs to be different, or it needs to be delivered differently. Such differences may range from product packaging and delivery mechanisms to service and support – or even the fundamental business model.

Example:

For life science marketing managers, who need assistance creating alignment between product development, marketing and sales teams, Strivenn's product positioning workshops provide a fun, engaging and educational framework through which disparate teams are heard and consensus made.

Unlike workshops run by most marketing agencies, Strivenn workshops create a safe forum for open discussion with a facilitator that has deep domain expertise in both life sciences and sales and marketing best practice.

Core Claims to Value

We earlier discussed how important emotion is to the buying decision, but here we are going to look at how we bring in the factual data that are so important to our logical justification of any purchase decision.

The core claims to value are necessary proof points that substantiate the product position and can later be used as part of the value proposition and can also be included in marketing materials.

Core claims appeal to our logical should be:

- Factual
- Explanatory
- Persuasive
- Educational

For example, these could include statistics, customers worked with, examples of publications and key performance indicators.



The Value Proposition

As can be seen from the explanation above, the approach outlined in this guide aims to move an organisation from a product-based orientation towards a customer-centred value-based orientation.

When writing positioning statements and value propositions, organisations should eschew the simplicity of trying to make something easy to sell, and rather **make it easy to buy**.

We can do this by focussing on what the customer really wants.

A good positioning statement should therefore support the creation of value propositions and these should contain a distillation of the product or service benefit and key differentiators.

While such simplified value propositions help to inform top level marketing messaging, in a sales context more information is often needed.

In the book Infinite Value^[4], Key Account Management expert Mark Davies suggests that a value proposition should contain the following elements:

- 1. The future state of the customer business - which customer needs are we aiming to meet?**
- 2. What offering do we have that will deliver the future state?**
- 3. What evidence do we have? What are our core claims to value?**
- 4. What metrics will be used to capture value?**

Much of the content needed to complete such a value proposition will have already been captured through the creation of the positioning statement and identifying the core claims, but we do need to consider what a customer's future business state will and this speaks to a larger vision beyond the immediate needs.

Example:

Strivenn will enable DNA2GENE Co. to capture market share and accelerate growth through the creation of a truly differentiated position and messaging that speaks to the needs of their customers in their own language.

By bringing together disparate cross-functional teams in a safe forum, the fun, engaging and educational workshops will ensure even the quietest voices are heard and that consensus about customer needs and that messaging is elevated from the technical to the emotional.

When combined with campaign and messaging deployment advisory, you can sleep comfortably knowing that your marketing plans and messaging will enable you to exceed target.

Top Tips

Most technical needs arise from human motivations and tapping into these motivations is critical if a customer is to be motivated enough to delve into the technical complexities of any offering.

In order to create messaging that provides customers with this motivation, positioning statements should avoid product features and specifications. Use the customer's language, not yours!

As marketers, we must be mindful of the fact that our customers are people, and that they will only buy our products if our message resonates with them. Those messages must avoid the grandiose and, ultimately, must represent the truth. For, just as a poor positioning statements can negatively impact effective promotion, branding and, ultimately sales, no amount of optimistic positioning and grandstanding can overcome the deficits of a poor product.

REMEMBER:

People buy emotionally, they justify rationally

Summary

Product positioning is a fundamental element of product branding and promotion and the value proposition is a distillation of the value a customer would gain through a purchase.

However, the default for many life science and technology companies is to use product features and specifications to try to

gain a march on the competition, which neglects all the other elements of service and development that constitute a value-based customer offer.

If you'd like to learn more, why not subscribe to the newsletter or book a meeting by clicking on the buttons below.

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