

B2B Market Research:

**How to become the most valued
member of the Product Team**



How to become the most valued member of the Product Team

1. Think like a product strategist: think differentiation
2. Understand the 3 Cs – strategic insight
3. Bring differentiation ideas to the table

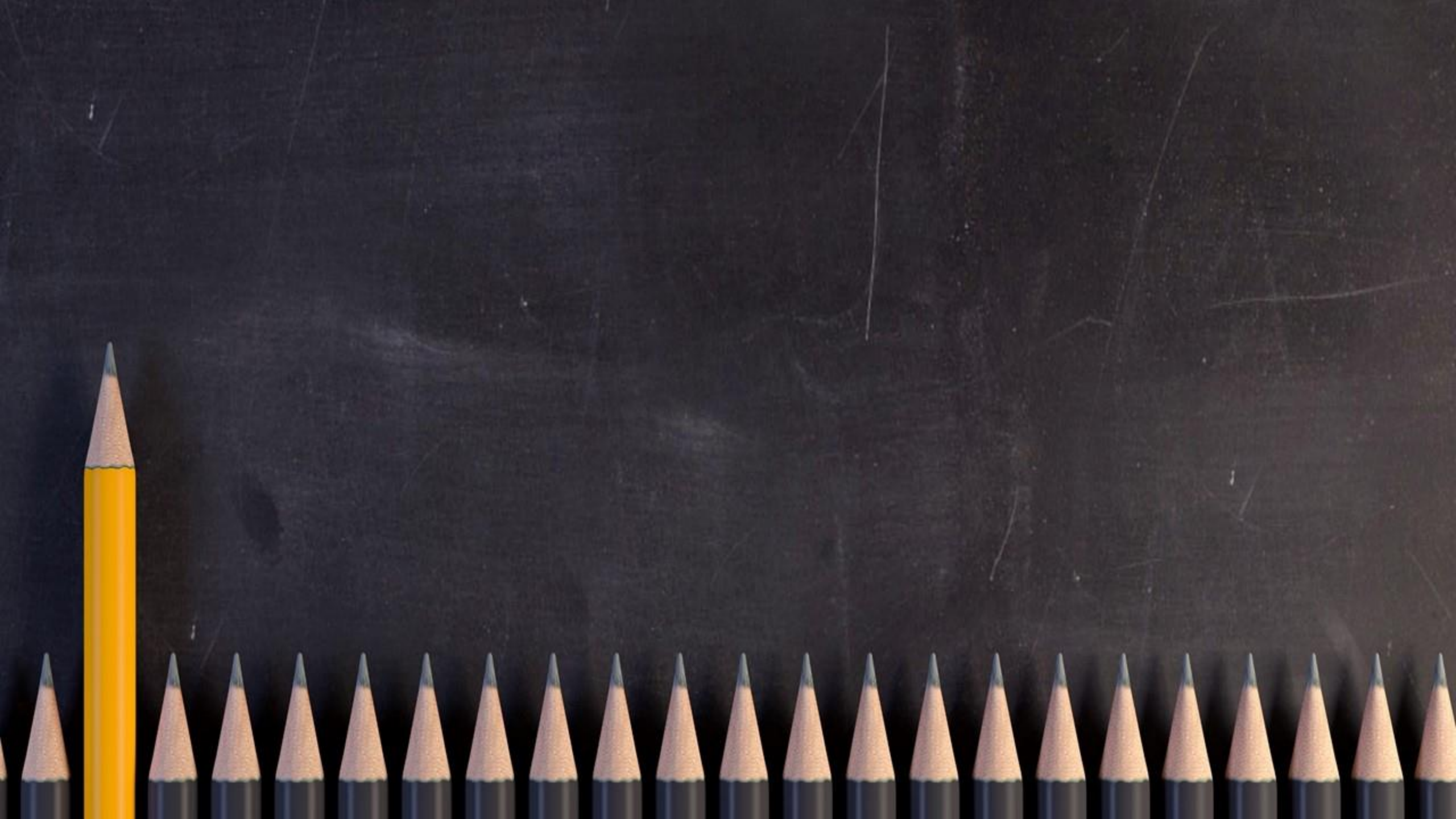




Your presenter...

Chris Wirthwein, Sr. Director, 5MetaCom

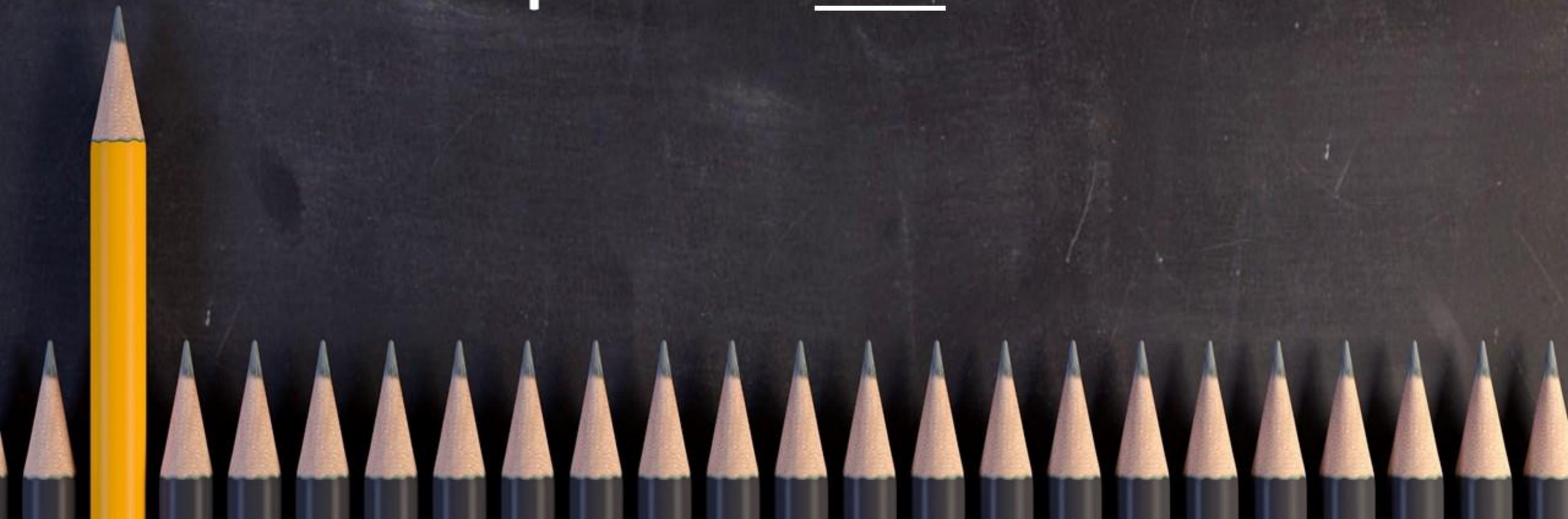




Two questions



1. Which pencil is “best”?



2. Which one is....*different*?



How to become the most valued member of the Product Team

1. Think like a product strategist:
think *differentiation*



How to become the most valued member of the Product Team

1. Think like a product strategist:
think differentiation

Here's why...



Marketing Technology Landscape

The Martech 5000

Total Solutions 8,000

Advertising & Promotion 922

Content & Experience 1936

Social & Relationships 1969

Commerce & Sales 1314

Data 1,258

Management 601

Access all the data of this landscape & more at martech5000.com

2019

7,040 solutions

2018

6,829 solutions

2017

5,381 solutions

2016

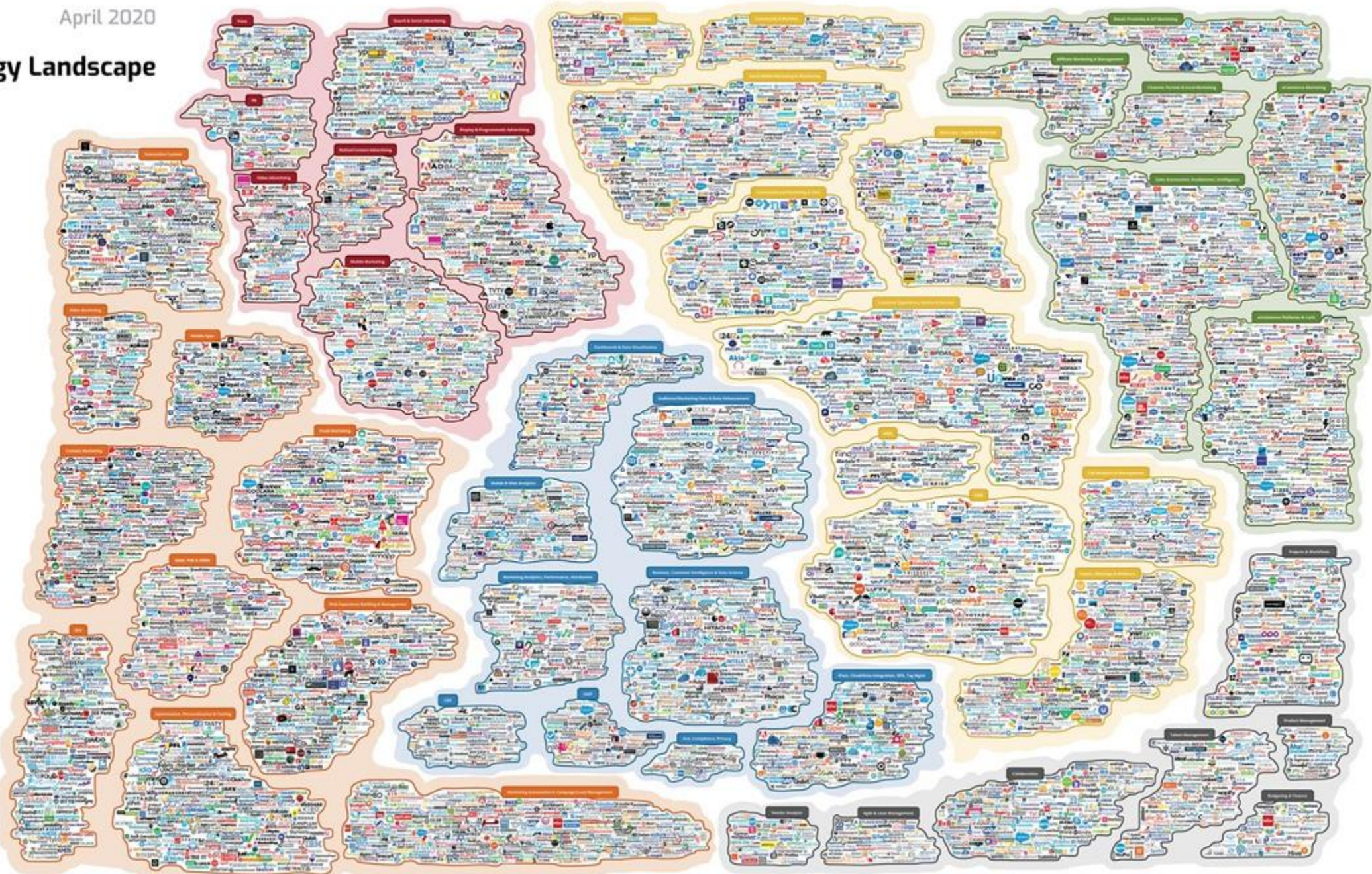
3,874 solutions

2015

1,876 solutions

2014

947 solutions



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Q. Which one is best?

A. Who knows?



***“Being different is better
than being better or best”***



“... humans are wired to detect irregular things.”

John Hallward, Sector3Insights, author:
Gimme! The Human Nature of Successful Marketing

“We don’t pay attention to boring things.”

Dr. John Medina, neuroscientist, author: *Brain Rules*

“Compete to be unique.” (Stop competing to be the best.)

Dr. Michael Porter, Harvard, Creator: 5 Forces Model

“... the way to think about differentiation is not as an offspring of competition, but as an escape from competition altogether.”

Youngme Moon, Harvard, author:
Different – Escaping the Competitive Herd



"To cope with this assault on his or her mind, the average consumer has run out of brain power and mental ability."

". . . (the consumer) is less and less interested in making the 'best' choice."

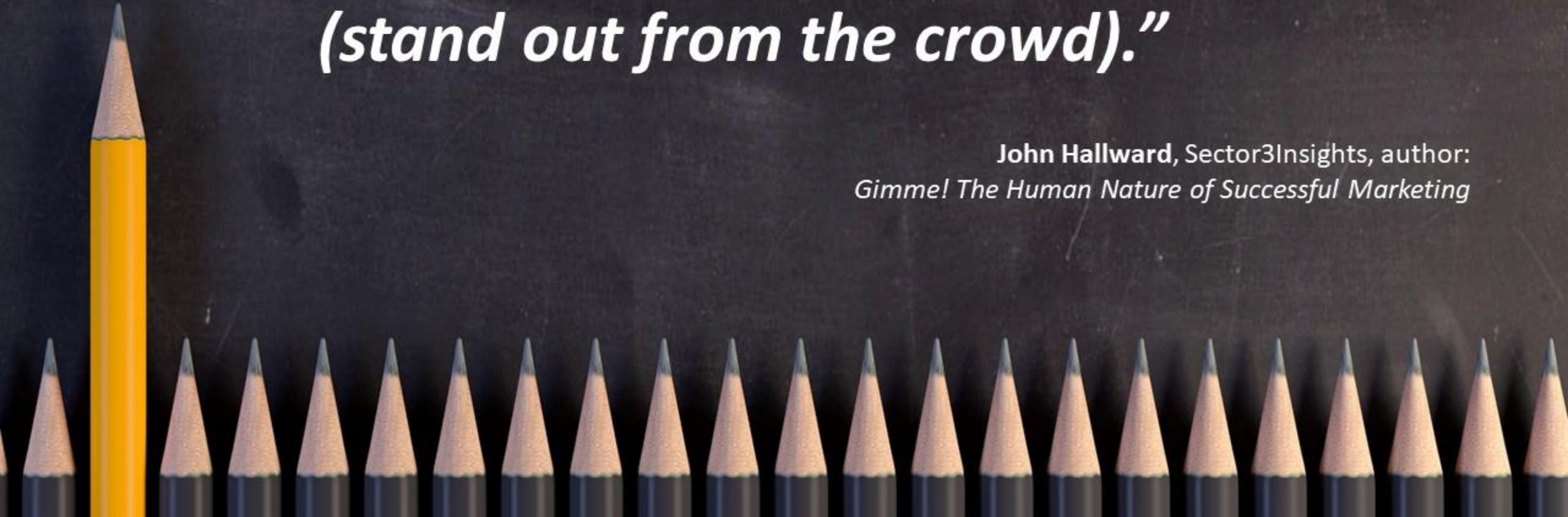
". . . a 'satisfactory' brand is good enough."

Jack Trout and Al Ries,
"Positioning cuts through chaos in the marketplace." Advertising Age,



“... if we want to get attention and be recognized, we have to be irregular (stand out from the crowd).”

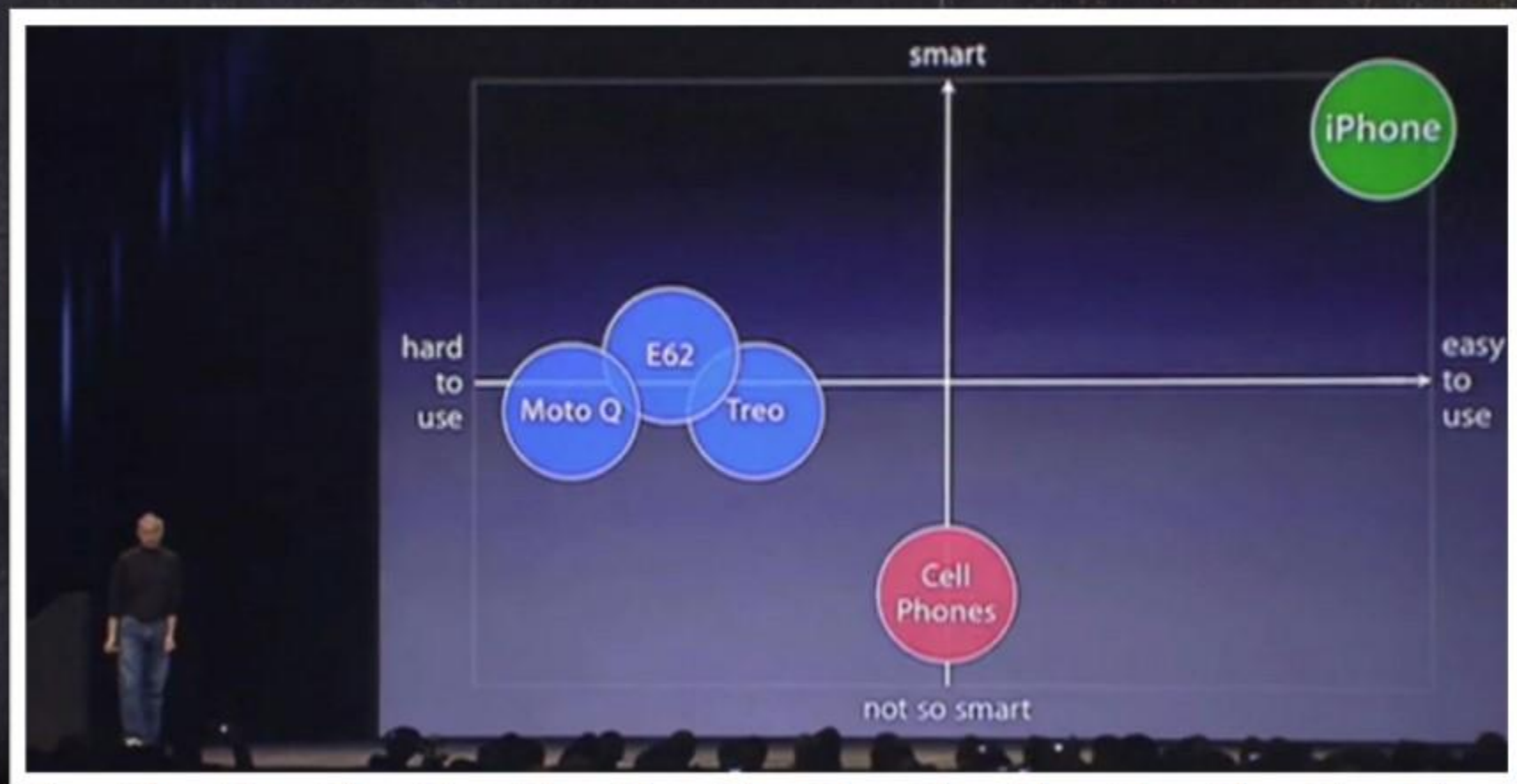
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iPhone Introduction – Jan. 9, 2007

"Three revolutionary products: an iPod, a phone, and an internet communicator."



“We” care about better or best...B2B buyers don’t

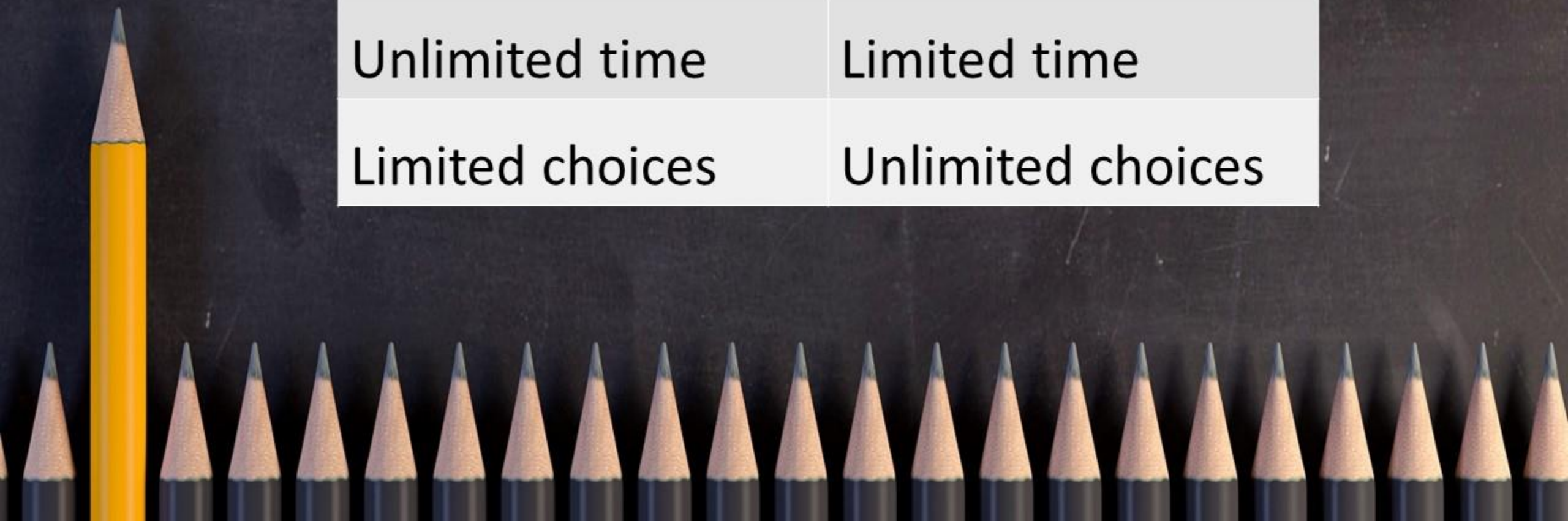
**They buy products and services to...
get a job done**

Why?



Because things have changed...

Yesterday	Today
Unlimited time	Limited time
Limited choices	Unlimited choices



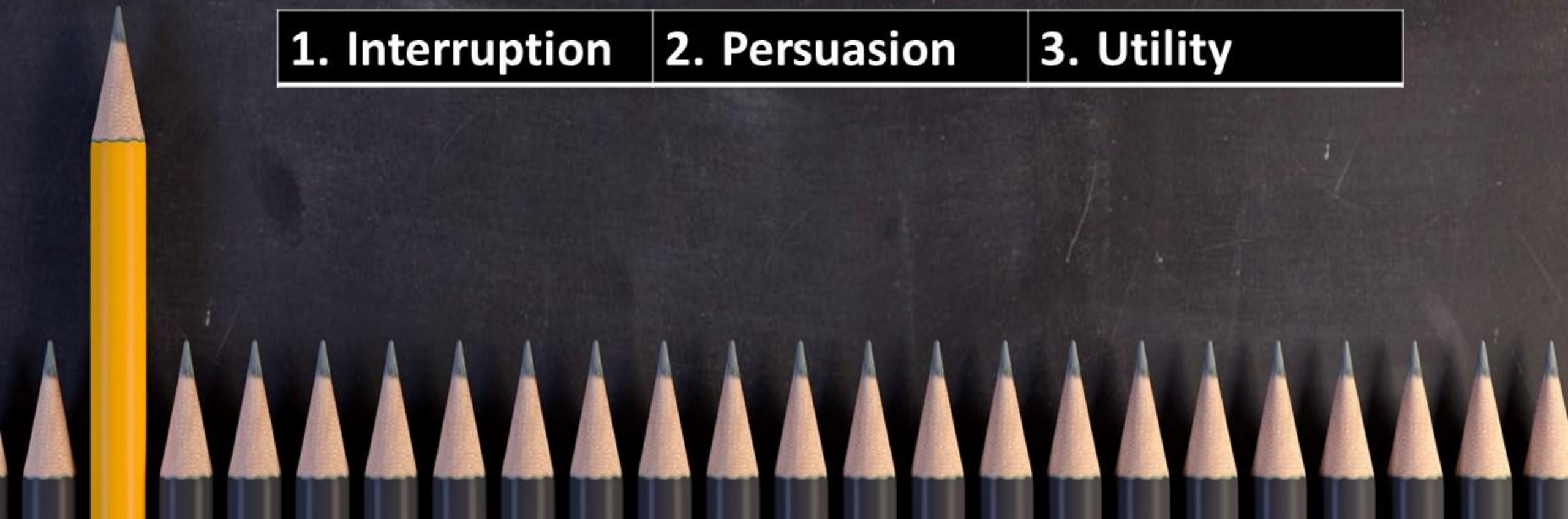
B2B Marketing evolution

Today

1. Interruption

2. Persuasion

3. Utility



To become the most valued member of the Product Team...

1. Think like a product strategist: think differentiation



To become the most valued member of the Product Team...

1. Think like a product strategist: think differentiation

Understand *differentiation* and utility
and why they're so important and
necessary...



To become the most valued member of the Product Team...

1. Think like a product strategist: think differentiation

Understand *differentiation* and utility
and why they're so important and
necessary...

And help your Product Team understand and embrace this



How to become the most valued member of the Product Team

2. Understand the 3 Cs – strategic insight



The 3 Cs

Insights



The 3 Cs

1. Company
2. Customer
3. Competitor

Insights



1. Company

- **The “product” (service)**
 - And how the company discovers, makes, sells and supports it to users and sellers
- **The corporation**
 - Your “brand” – what you’re about; how you do what you do
- **What’s different?**
 - To customers (and sellers)



2. Customer

Figure out...

What they care about: relevance & utility



2. Customer

Figure out...

What they care about: relevance & utility

Their world is not about you or your product



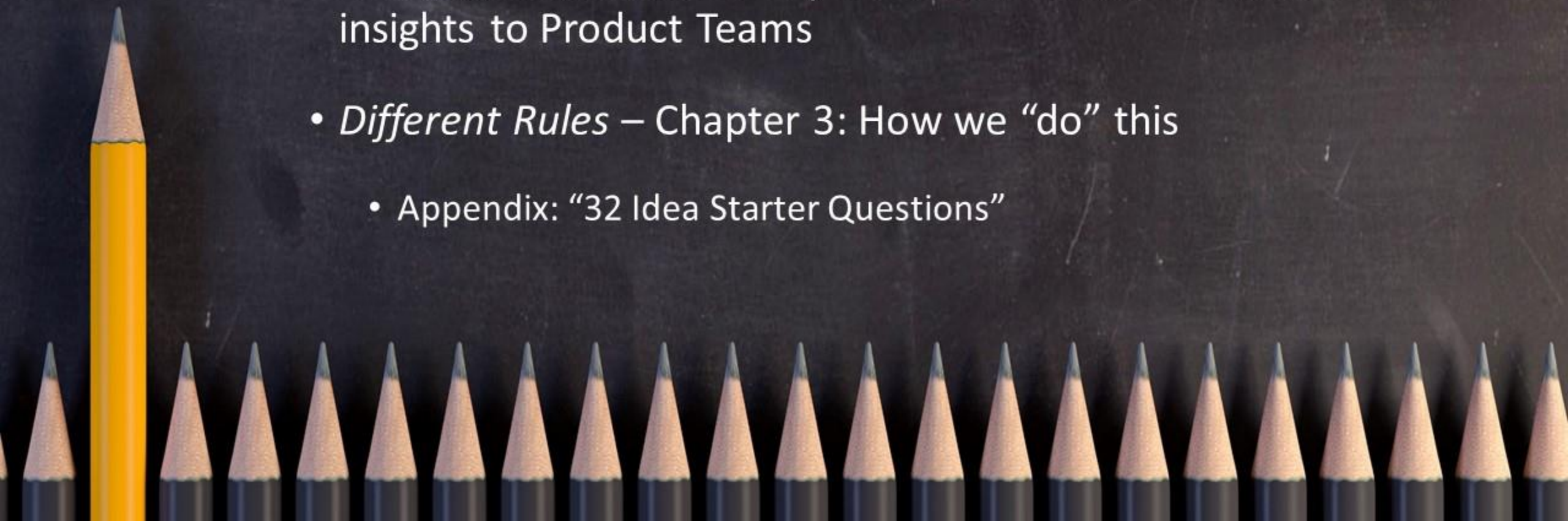
Different? Yes.

Relevance? Utility?



Relevance

- Relevance = appealing to self interest
- Learn the self-interest of your audience and teach these insights to Product Teams
- *Different Rules* – Chapter 3: How we “do” this
 - Appendix: “32 Idea Starter Questions”



Relevance

- Hallward asked users and non-users of various products to rank them for:
familiarity, uniqueness, relevance, popularity and quality.
- Participants ranked goods they used higher on all five factors compared to products they did not use. And...
- ***“Relevance is the biggest difference between users and non-users.”***



3. Competitor(s)

- **What customers and non-customers think of them**
 - Where they're strong (different)
 - Where they're vulnerable to your difference and utility
- **View from the field**
 - How your sales organization views competitors



The 3 Cs

1. Company
2. Customer
3. Competitor

*Talk about valuable...
Insights can/should own this!*



How to become the most valued member of the Product Team

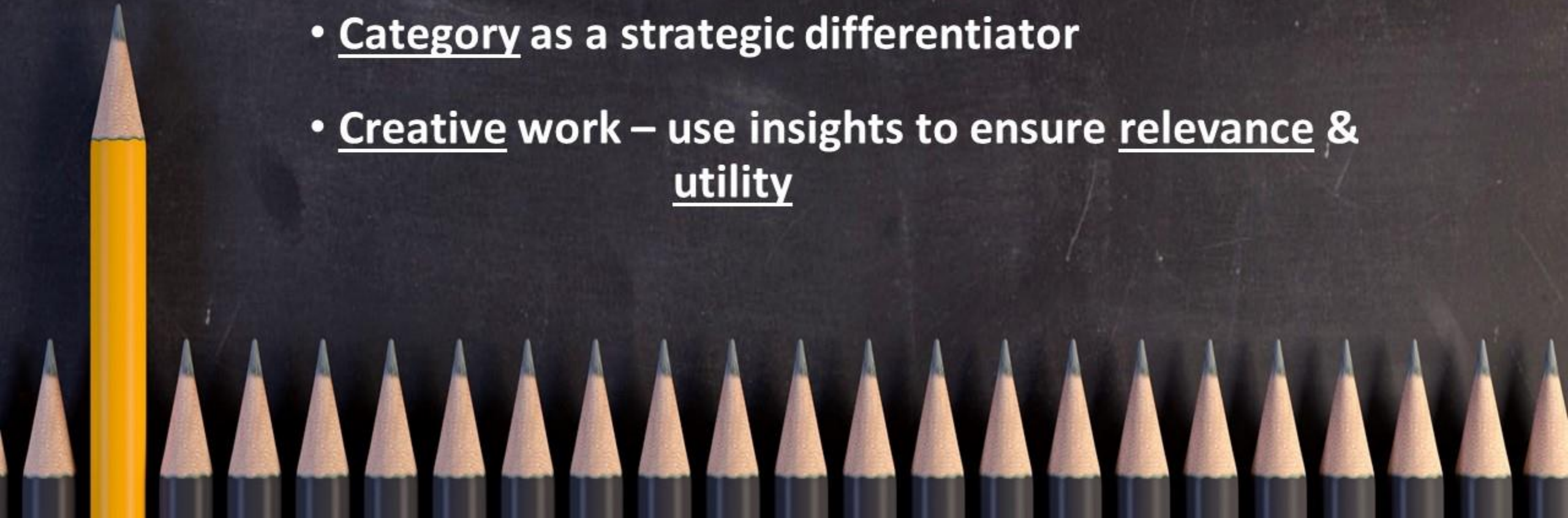
3. Bring differentiation ideas to the table



Differentiation Ideas:

Some (not all) Key B2B Concepts

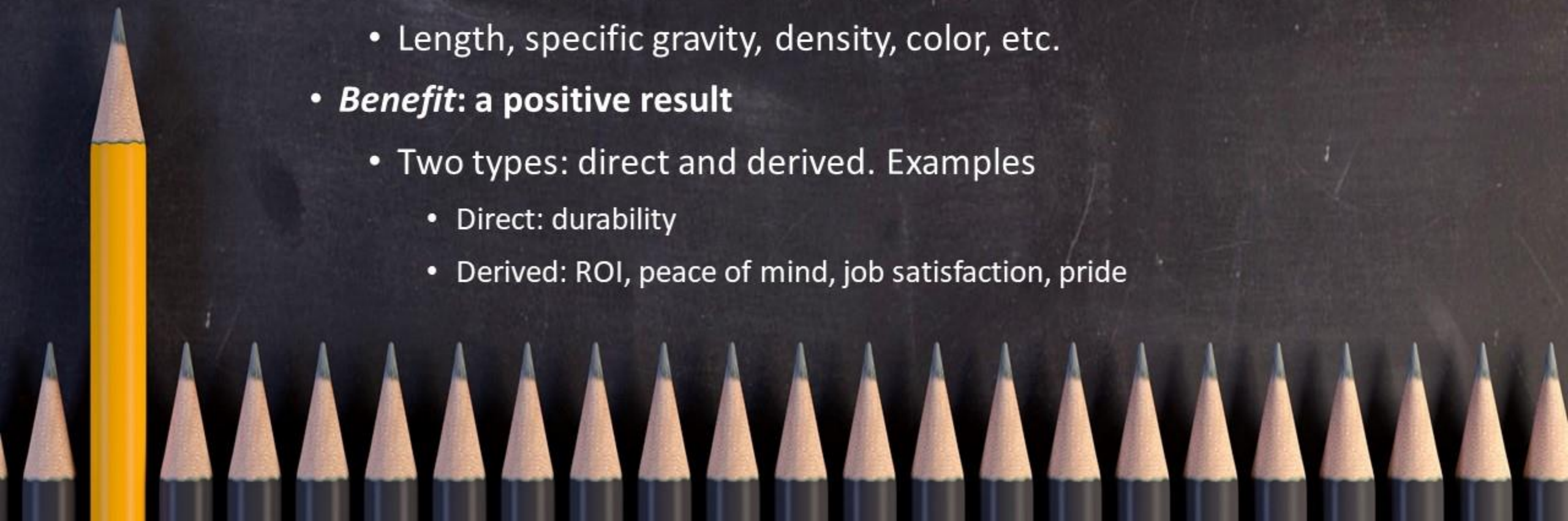
- “Because” – the reason to believe
- Category as a strategic differentiator
- Creative work – use insights to ensure relevance & utility



“Because” – the reason to believe

The problem with benefits and the surprising benefit of features

- **Feature:** tangible, observable, measurable characteristic
 - *Latin* “tangere”—to touch, or, able to be touched or felt
 - Length, specific gravity, density, color, etc.
- **Benefit:** a positive result
 - Two types: direct and derived. Examples
 - Direct: durability
 - Derived: ROI, peace of mind, job satisfaction, pride

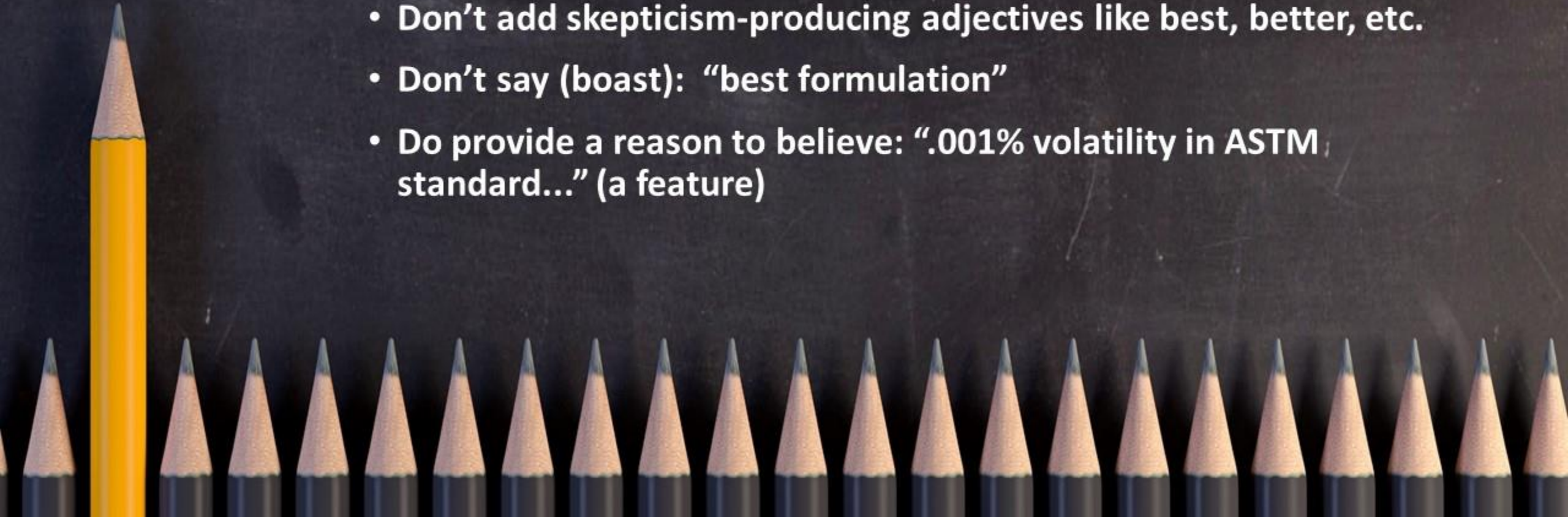


“Because” – the reason to believe

The problem with benefits and the surprising benefit of features

Key points:

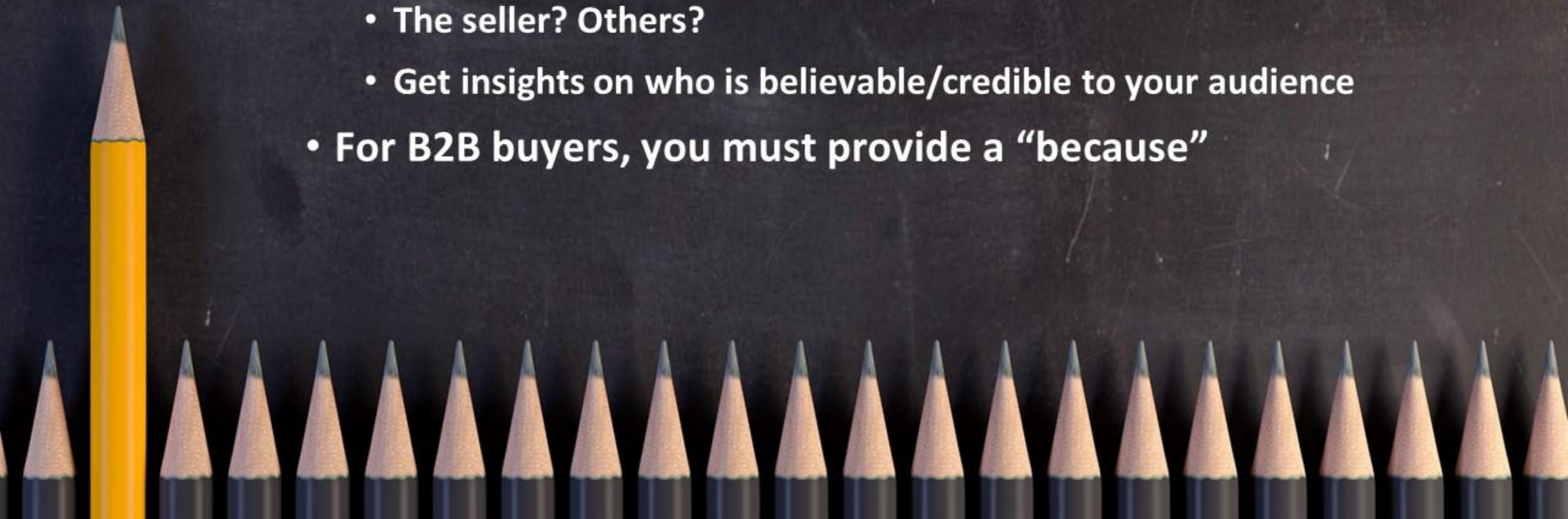
- Derived benefits often don't **differentiate**
 - Don't add skepticism-producing adjectives like best, better, etc.
 - Don't say (boast): “best formulation”
 - Do provide a reason to believe: “.001% volatility in ASTM standard...” (a feature)



“Because” – the reason to believe

The problem with benefits and the surprising benefit of features

- B2B purchases revolve around risk
- Who will buyers more readily believe?
 - The seller? Others?
 - Get insights on who is believable/credible to your audience
- For B2B buyers, you must provide a “because”



“Because” – the reason to believe

The problem with benefits and the surprising benefit of features

- Researchers approached people in line at library copy machine.
Asked one of three very specifically worded questions:



“Because” – the reason to believe

The Copy Machine study: Harvard

- Researchers approached people in line at library copy machine. Asked one of three very specifically worded questions:

1. “Excuse me, I have five pages. May I use the Xerox machine?”

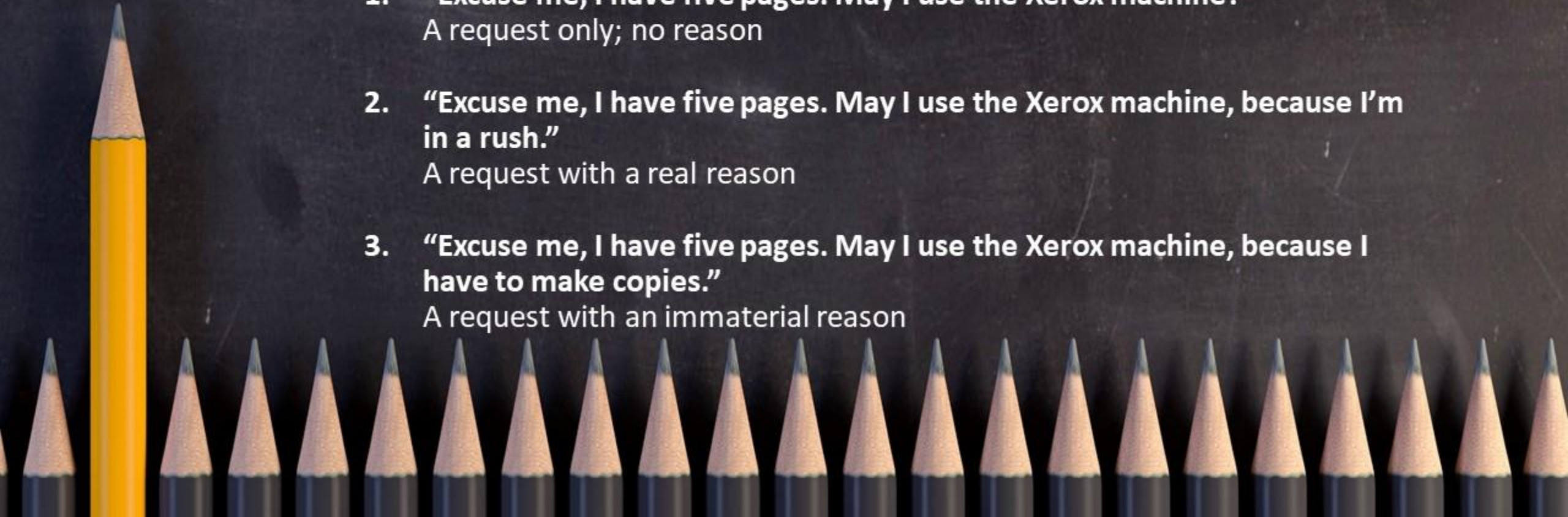
A request only; no reason

2. “Excuse me, I have five pages. May I use the Xerox machine, because I’m in a rush.”

A request with a real reason

3. “Excuse me, I have five pages. May I use the Xerox machine, because I have to make copies.”

A request with an immaterial reason



Copy Machine Study: Results

1. "Excuse me, I have five pages. May I use the Xerox machine?"
A request only; no reason

60% yes



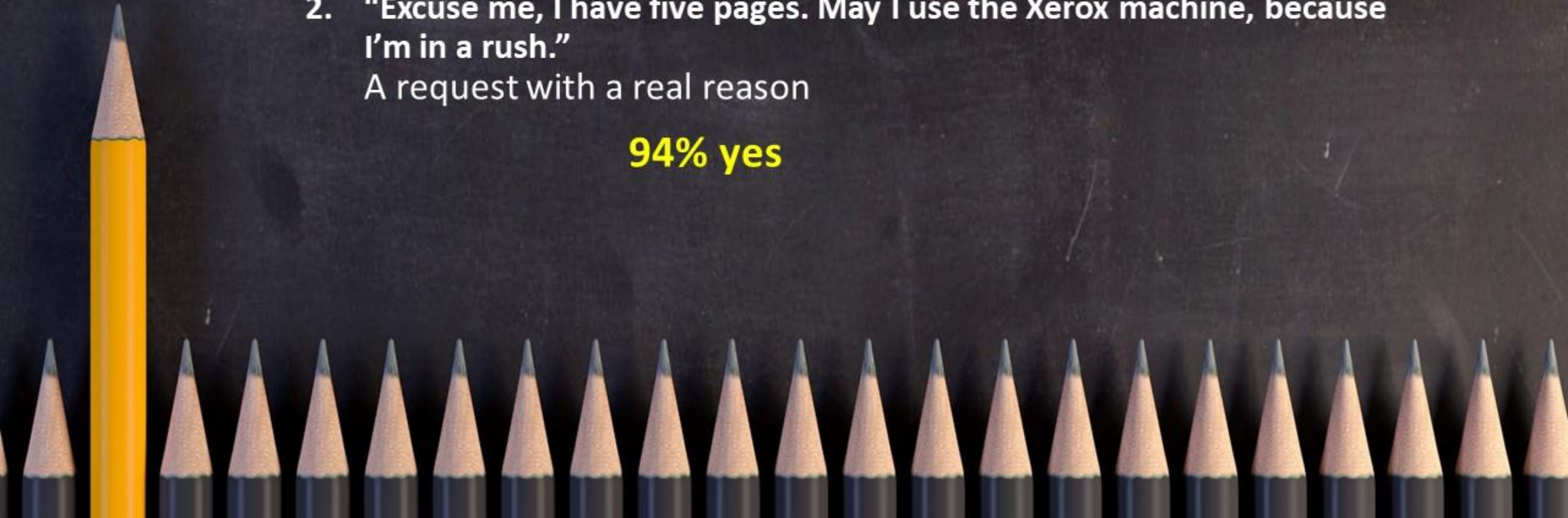
Copy Machine Study: Results

1. "Excuse me, I have five pages. May I use the Xerox machine?"
A request only; no reason

60% yes

2. "Excuse me, I have five pages. May I use the Xerox machine, because I'm in a rush."
A request with a real reason

94% yes



Copy Machine Study: Results

1. "Excuse me, I have five pages. May I use the Xerox machine?"
A request only; no reason

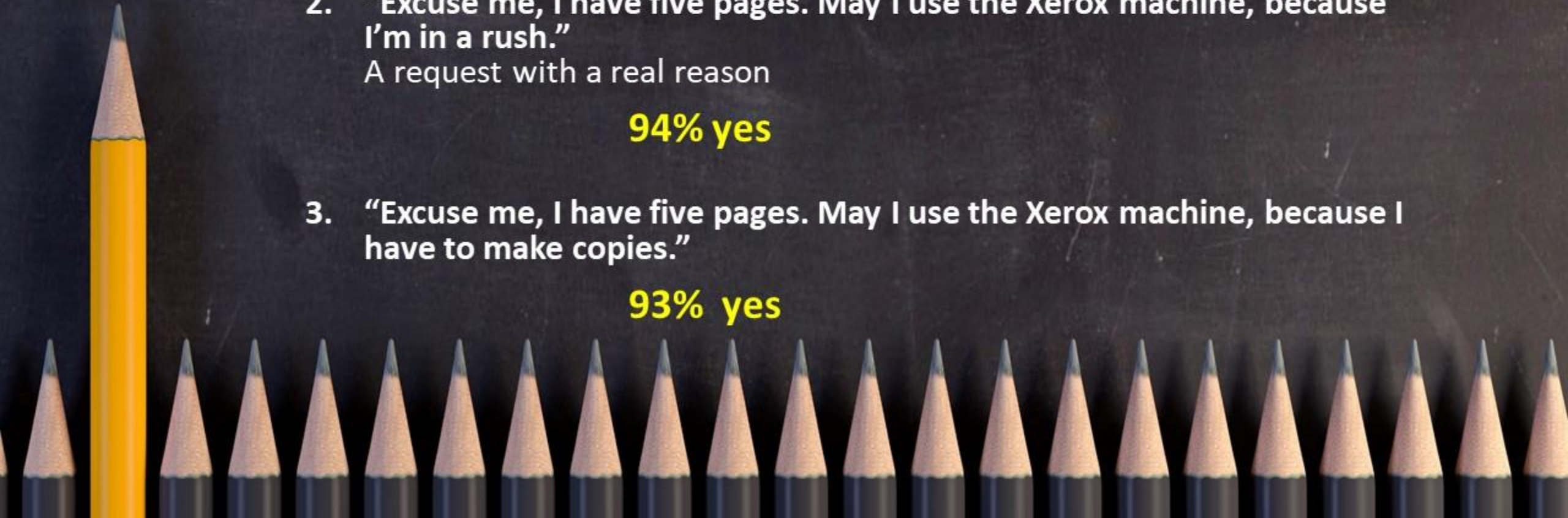
60% yes

2. "Excuse me, I have five pages. May I use the Xerox machine, because I'm in a rush."
A request with a real reason

94% yes

3. "Excuse me, I have five pages. May I use the Xerox machine, because I have to make copies."

93% yes



Copy Machine Study: Results

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A request only; no reason

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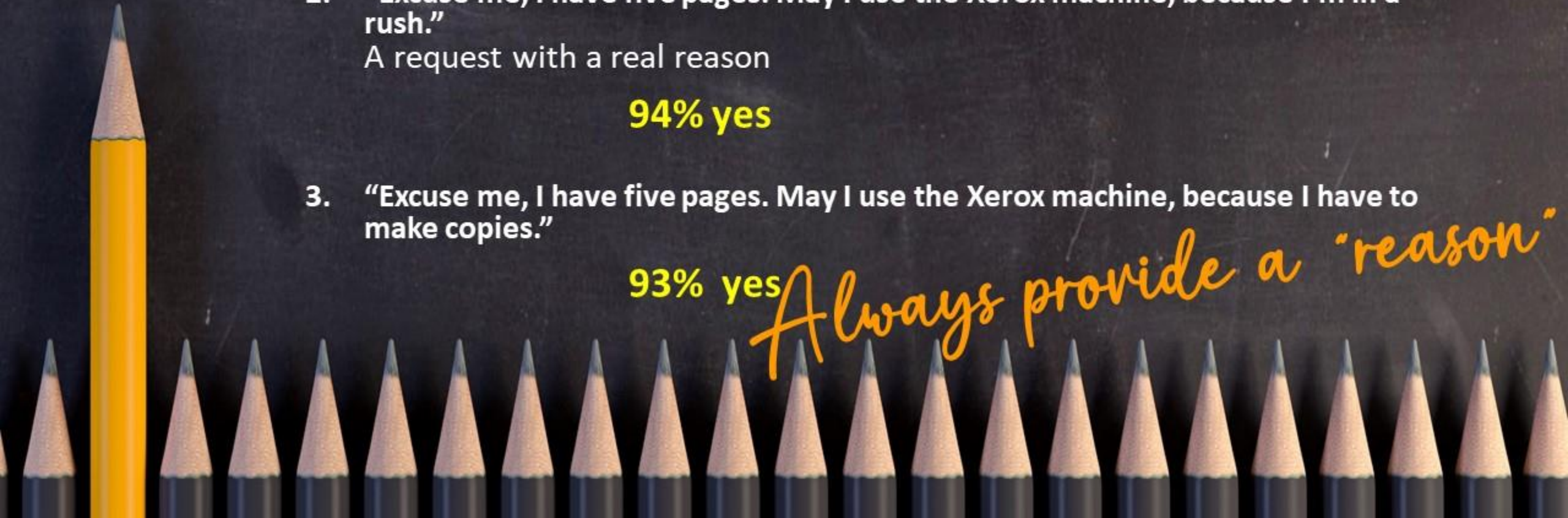
A request with a real reason

94% yes

3. "Excuse me, I have five pages. May I use the Xerox machine, because I have to make copies."

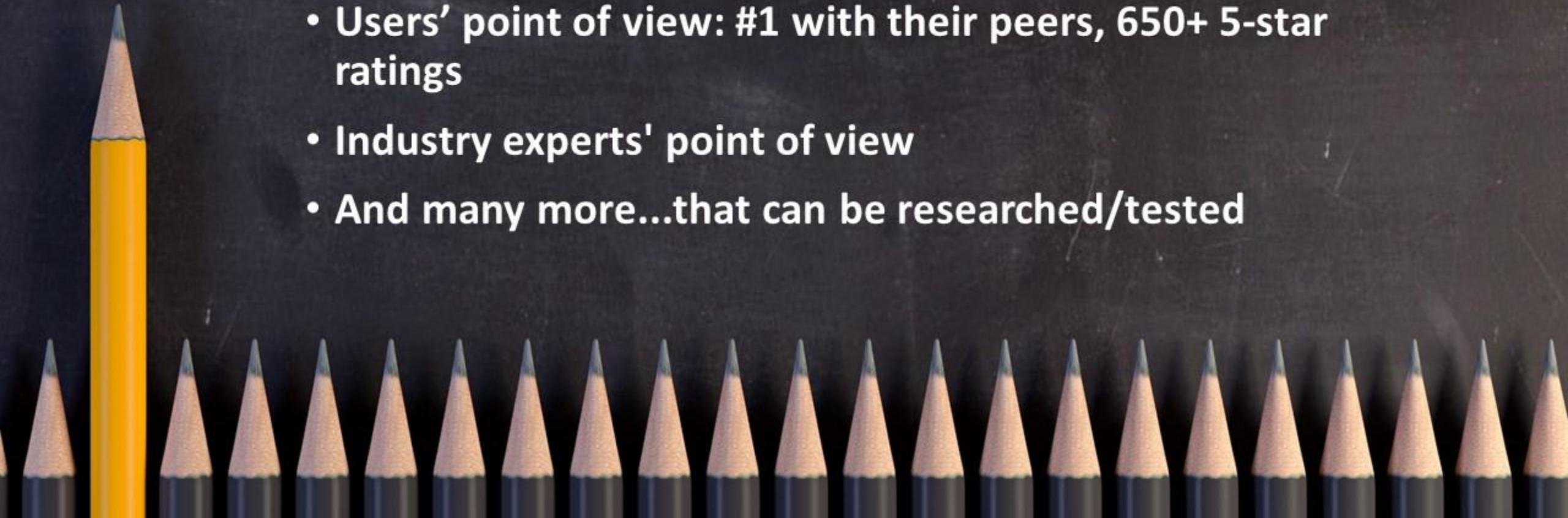
93% yes

Always provide a "reason"



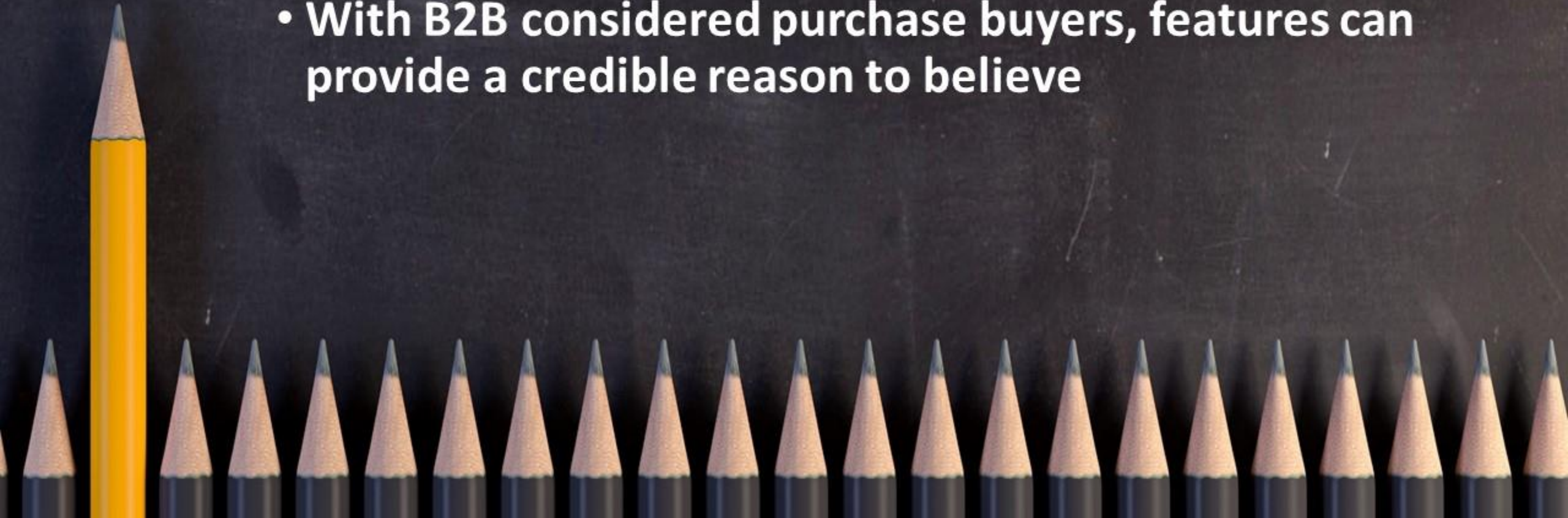
“Because” – the reason to believe can be...

- How it was developed (R&D)
- How it's made
- Users' point of view: #1 with their peers, 650+ 5-star ratings
- Industry experts' point of view
- And many more...that can be researched/tested



“Because” – Key Points

- In mature categories, features – not benefits – usually make the difference
- With B2B considered purchase buyers, features can provide a credible reason to believe



Category as a strategic differentiator

“First...”

“the Only...”

“Leader”



Category as a strategic differentiator

“First...”

“the Only...”

To be the most valued member of the “Leader”
Product team, create one of these positions!



Category as a strategic differentiator

“First...”

“the Only...”

To be the most valued member of the “Leader”
Product team. create one of these positions!

Here's how...

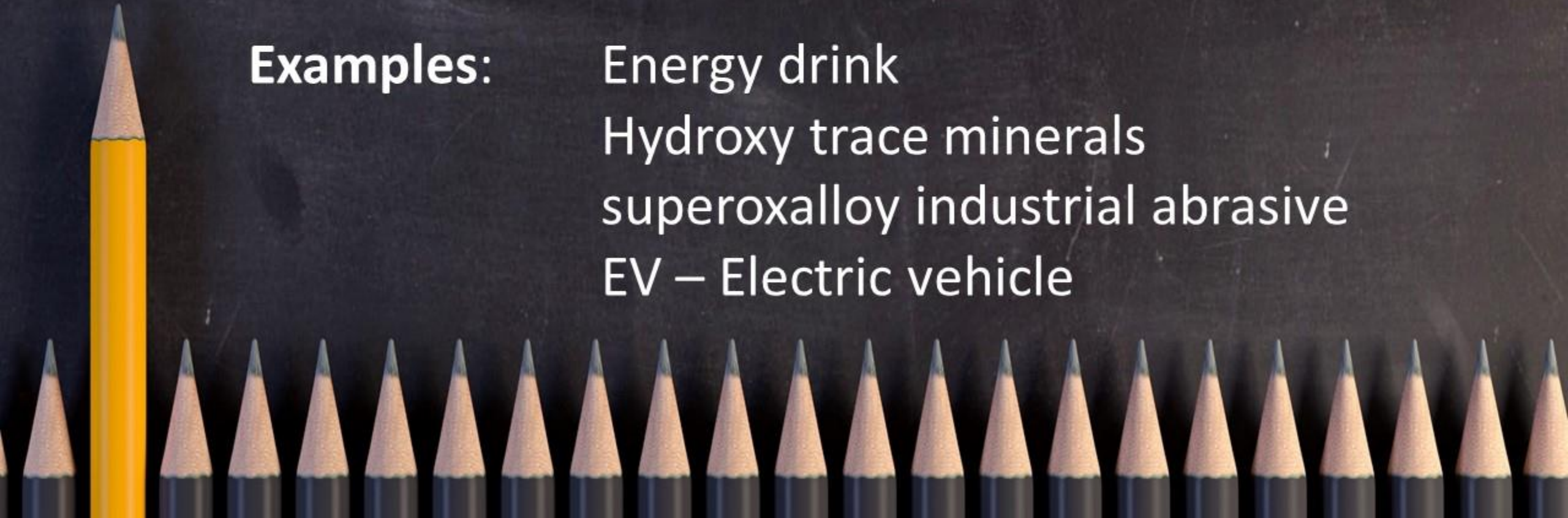


Category – definition

An organizational container in the mind into which we place similar things (*file folder*)

Examples:

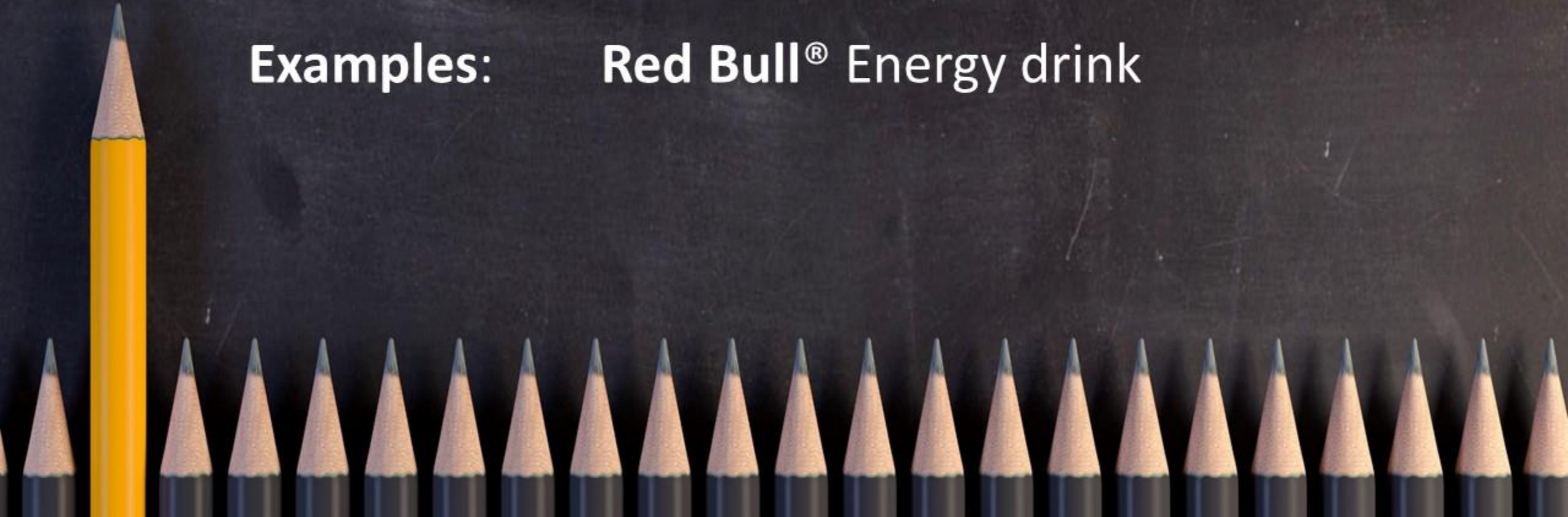
- Energy drink
- Hydroxy trace minerals
- superoxalloy industrial abrasive
- EV – Electric vehicle



Category – definition

An organizational container in the mind into which we place similar things

Examples: Red Bull® Energy drink



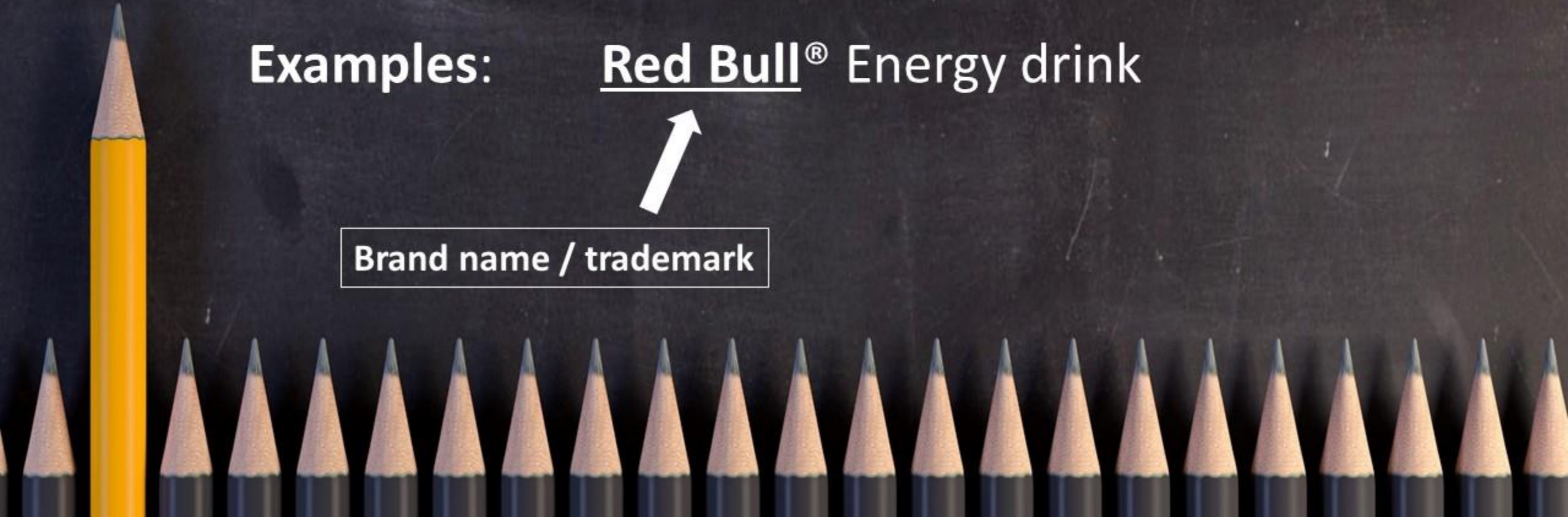
Category – definition

An organizational container in the mind into which we place similar things

Examples: Red Bull[®] Energy drink



Brand name / trademark



Category – definition

An organizational container in the mind into which we place similar things

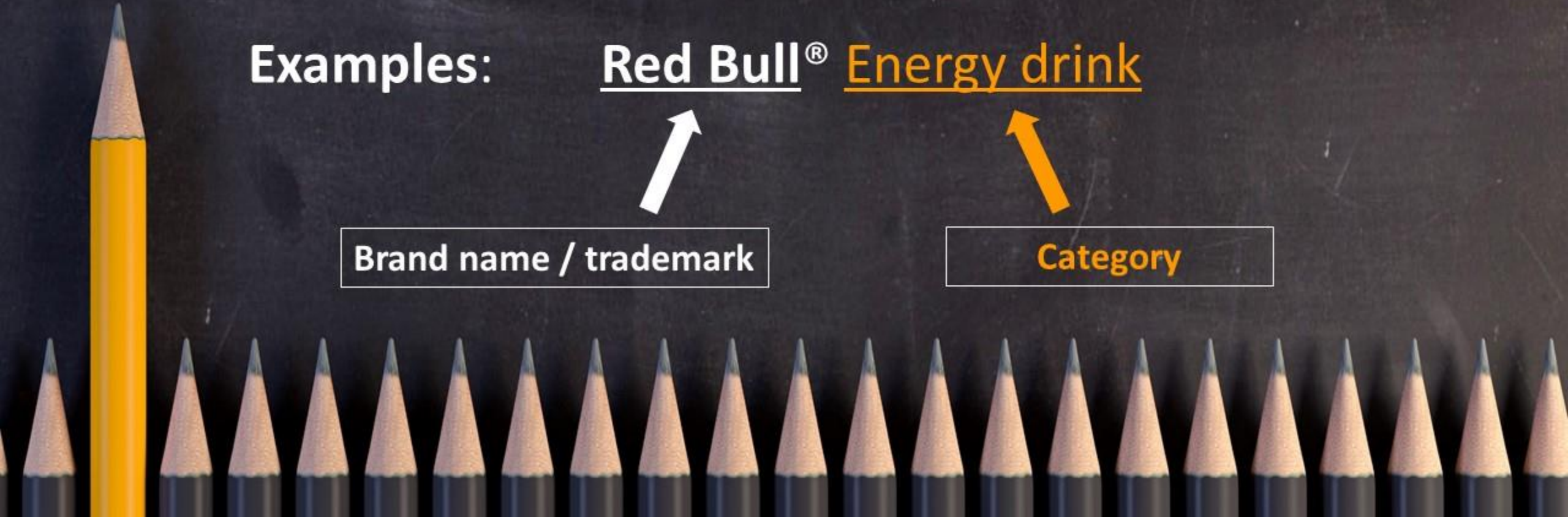
Examples: Red Bull® Energy drink



Brand name / trademark



Category



Category – the differentiation idea

Create a category in which you can be...

“First...”

“the Only...”

“Leader”



Category – the differentiation idea

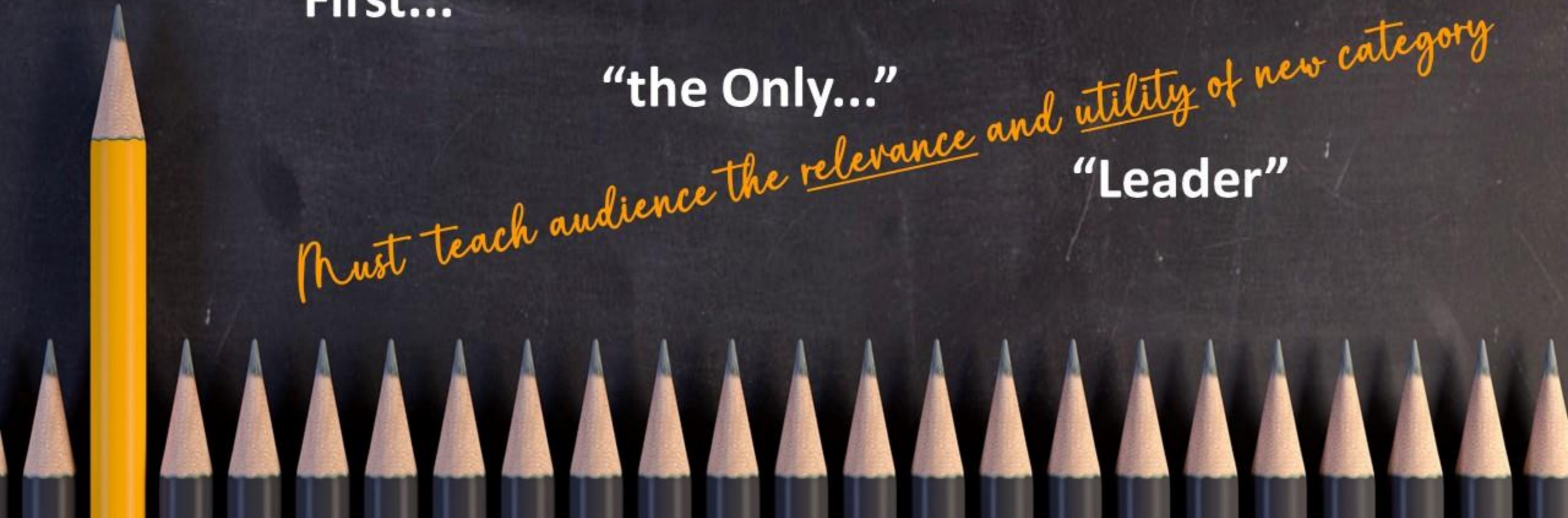
Create a category in which you can be...

“First...”

“the Only...”

Must teach audience the relevance and utility of new category

“Leader”



Category – Example: fire suppression



Category – Example: fire suppression



Category – Example: fire suppression

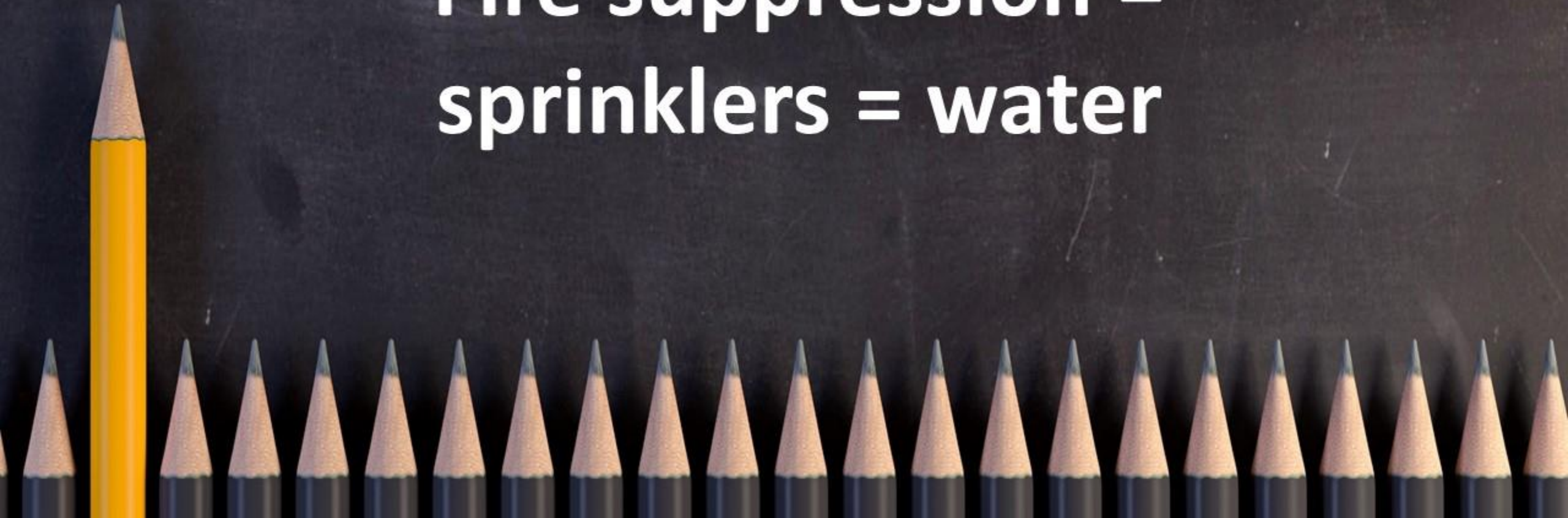


Category – Example: fire suppression



Category – Example: fire suppression

**Fire suppression =
sprinklers = water**



Category – Example: fire suppression



Category – Example: fire suppression



Category – Example: fire suppression



Category – Example: fire suppression

How to differentiate?
What's the **category**?



Category – Example: fire suppression



waterless fire protection

Category – Example: fire suppression



water*less* fire protection

Teaching relevance and utility of new category



FM-200 Waterless Fire Protection



FM-200 Waterless Fire Protection

FM-200 is absolutely safe for people and is approved for use in occupied areas. FM-200 systems deploy quickly and cleanly, without causing collateral damage making FM-200 ideal for:

- IT/electronics
- R&D materials
- Telecommunications
- Libraries
- Electrical equipment
- Art/antiques
- Data centers
- Historical documents

Category as a strategic differentiator

Key Points:

- Not a trademark or brand name: Red Bull® energy drink
- Can define things other than products:
 - Example: a category/field of science: **Endomicrobial Ecology**
- Tell the story: relevance and utility
- Credibility is key: no marketing spin
 - waterless fire protection
 - superoxalloy abrasive
 - hydroxy trace mineral




Creative work –
use insights to ensure relevance & utility



Creative work – use insights to ensure relevance & utility

**WHO'D BE CRAZY ENOUGH
TO GUARANTEE
THIS SOYBEAN STAND?**



CALLAHAN SEEDS

**NO TILL
SUPERKOTE**
WITH 100% GUARANTEED STAND

For complete details about Super Kote™ SuperKote™, call 1-800-444-4444 or visit us online at www.callahanseeds.com

**You're prepared to fight a fire.
But are you prepared to finance the truck?**



Here's a quick, easy way to find out.

How many fire trucks are typically financed in the U.S. each year (5-year average)?
A. 1,275 B. 2,525 C. 3,750 D. 5,000
Answer: C. Financing accounts for about 80% of all fire truck purchases each year. What's more, lenders have come up with dozens of ways to finance trucks—prepayment discounts, walk-away leases, continuous compounding—some of which can be deceptive.

Which option saves more money when borrowing for a \$250,000 truck over 10 years at a 4.5% interest rate?
A. Repaying a 1% percent lower interest rate.
B. Making a down payment of 10% (\$25,000).
C. Reducing your financing term to 7 years instead of 10.
Answer: C. The reason? The longer you take to repay, the more you pay in interest. So, reducing your term to 7 years saves \$24,302. As for the other options, a 1% percent lower rate saves only \$3,872. And the 10% down payment saves \$6,393.

Most fire departments save money on truck purchases by using tax-exempt financing. What does tax-exempt financing really mean?
A. Your organization is exempt from paying sales tax.
B. Your organization is tax-exempt as a 501(c)(3) organization.
C. When you borrow money, the lender does not have to pay income taxes on the interest you pay.
Answer: C. Because the lender pays no income taxes on your interest, you should receive a lower rate. Done correctly, tax-exempt financing saves money. Done incorrectly, it's a hidden fee. Failing to file a correct 803 form 990-B could jeopardize your low rate. Any loan also should not be classified "debt" for state law purposes, doing so raises the possibility of the loan being disallowed.

How much total interest will you pay on a \$250,000 truck for a 10-year lease-purchase at a 4% interest rate?
A. \$120,503 B. \$30,227 C. \$12,307 D. \$4,011
Answer: B. In fact, you'll pay about \$10,000 the first year alone. Interest declines as principal declines—that's why larger down payments reduce the total amount you repay.

On a \$250,000 truck financed at a 4.5% interest rate over 10 years, how much could you save by moving your first payment up by 6 months?
A. \$1,800 B. \$3,800 C. \$5,300 D. \$6,000
Answer: D. Just this small change saves you almost \$7,000. True Appraisers have much interest you repay. A thorough analysis will catch all these hidden money-saving traps.

For additional get-a-guarantee tips, visit www.callahanseeds.com

If you're buying a truck, you might want to get acquainted with the guy who can use this tip. Visit our Apparatus Budgeting Consultants, the world's first Financial and operations in fire truck buying and post-sale financing.

Formerly Apparatus Budgeting Consultants understand the inner workings of the truck finance business. Because that's all they do. "Trade expertise" helps prevent you from being caught off guard by hidden fees, unexpected rate changes or surprise inquiries by the IRS. This guy was just for fun. Your financing agreement? That's the real concern.

Empower yourself. Buy your next truck with confidence. Contact Envizion Financial for a copy of the 13 Essential Fire Lending Questions you should be asking before purchasing a fire truck.
Call toll-free 877-ENVIZION (877-368-4946)
www.envizionfire.com

ENVIZION FINANCIAL
APPARATUS BUDGETING CONSULTANTS

Creative work – use insights to ensure relevance & utility

Insight:

*Farmers want
to plant early*

**WHO'D BE CRAZY ENOUGH
TO GUARANTEE
THIS SOYBEAN STAND?**

100% GUARANTEED STAND
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CALLAHAN SEEDS

**NO TILL
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Interest paid on a \$250,000 loan at a 4.5% interest rate

A shorter financing term saves tens of thousands of dollars.

Which is a better deal for a \$250,000 truck?

A. Pay the full amount one year before delivery and receive a \$1,500 equipment discount, reducing the price to \$248,500.
B. Lease the \$250,000 for a year, earning 4% interest, and then pay the full amount upon delivery.

Answer: B. The 4% interest earned will total \$10,000 after one year. That precludes investment options. In this scenario, you'd end up \$2,500 ahead.

ENVIZION FINANCIAL
APPARATUS BUDGETING CONSULTANTS

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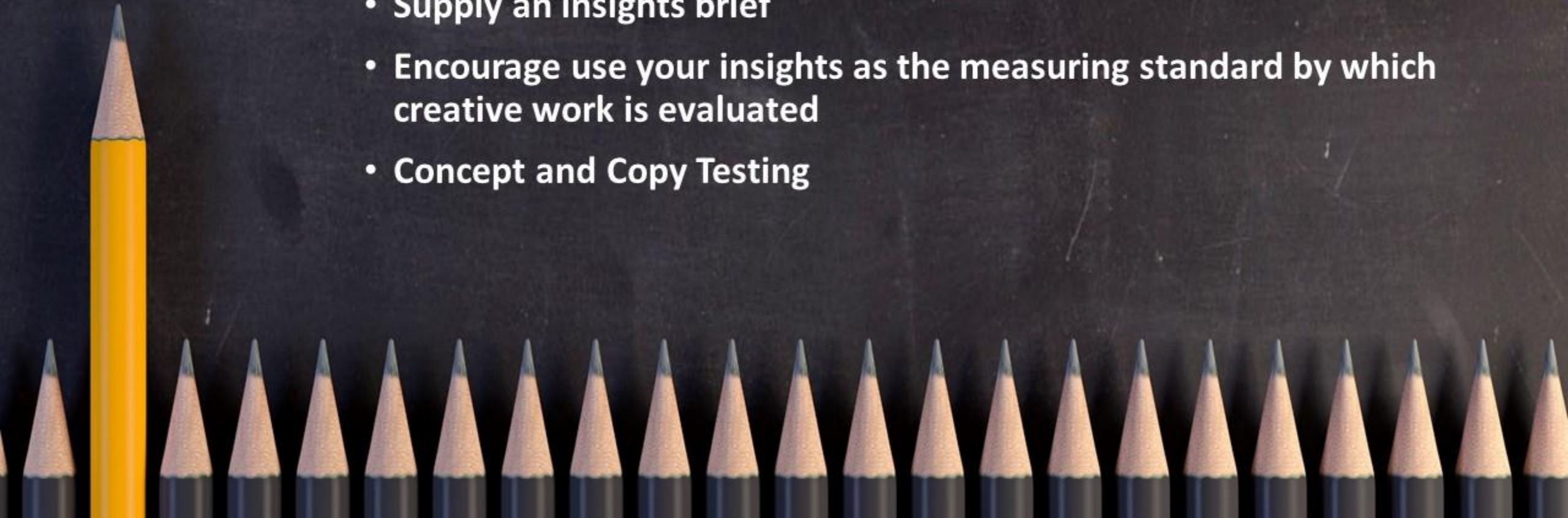
Call toll-free 877-ENVIZION (877-368-4946) www.envizionfire.com

Insight:

*Fire Chiefs
want more
information
than just the
interest rate*

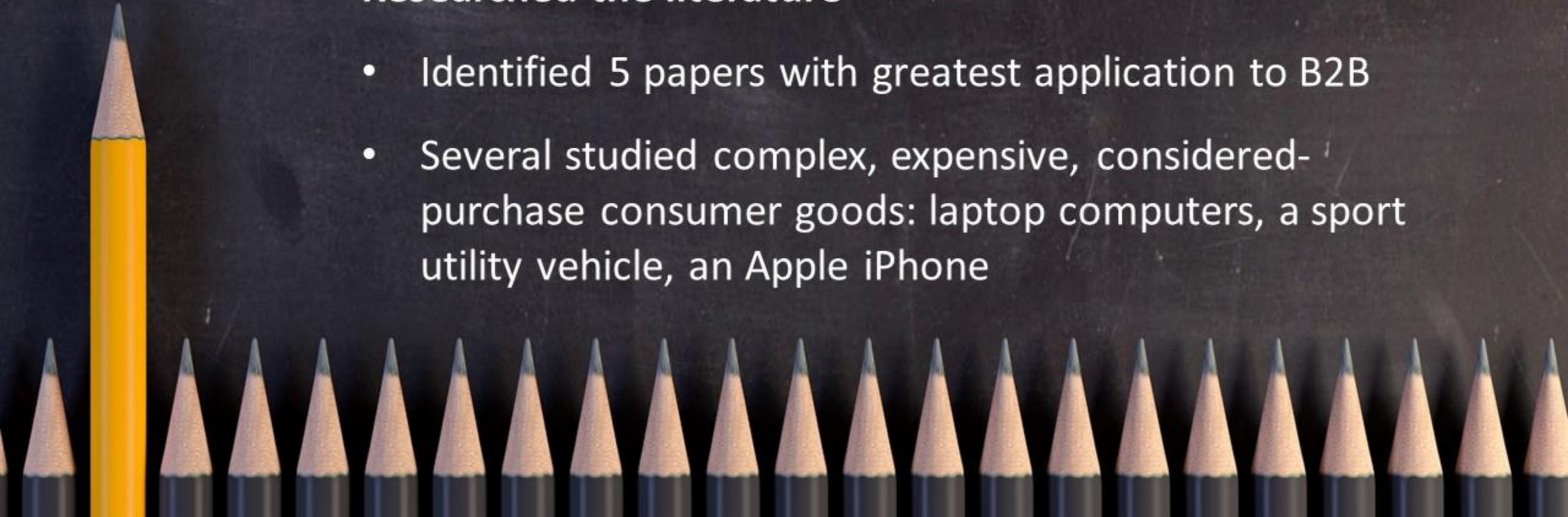
Creative work – use insights to ensure relevance & utility

- Be the customer advocate: get involved directing and evaluating the creative work
 - Supply an insights brief
 - Encourage use your insights as the measuring standard by which creative work is evaluated
 - Concept and Copy Testing



Creative work – use insights to ensure relevance & utility

- Rational vs. emotional: which works best?
- Researched the literature
 - Identified 5 papers with greatest application to B2B
 - Several studied complex, expensive, considered-purchase consumer goods: laptop computers, a sport utility vehicle, an Apple iPhone



Creative work – use insights to ensure relevance & utility

- Rational vs. emotional: which works best?
- It depends...

On the product...

On the marketing objective...

On the audience...



Creative work – use insights to ensure relevance & utility

To maximize results with B2B products, use a combination appeal

1. In specific situations, a **rational or emotional** appeal—one or the other—can be effective.

2. **Emotional appeals** to the senses grab attention, boost awareness and improve recall.

3. **Rational appeals**—especially for “thinking products”—move a prospect closer to a purchase.

Details: pages 69-75 in *Different Rules*

Chapter 7: (pages 102-116)

15 **Differentiation**

Idea Starters...

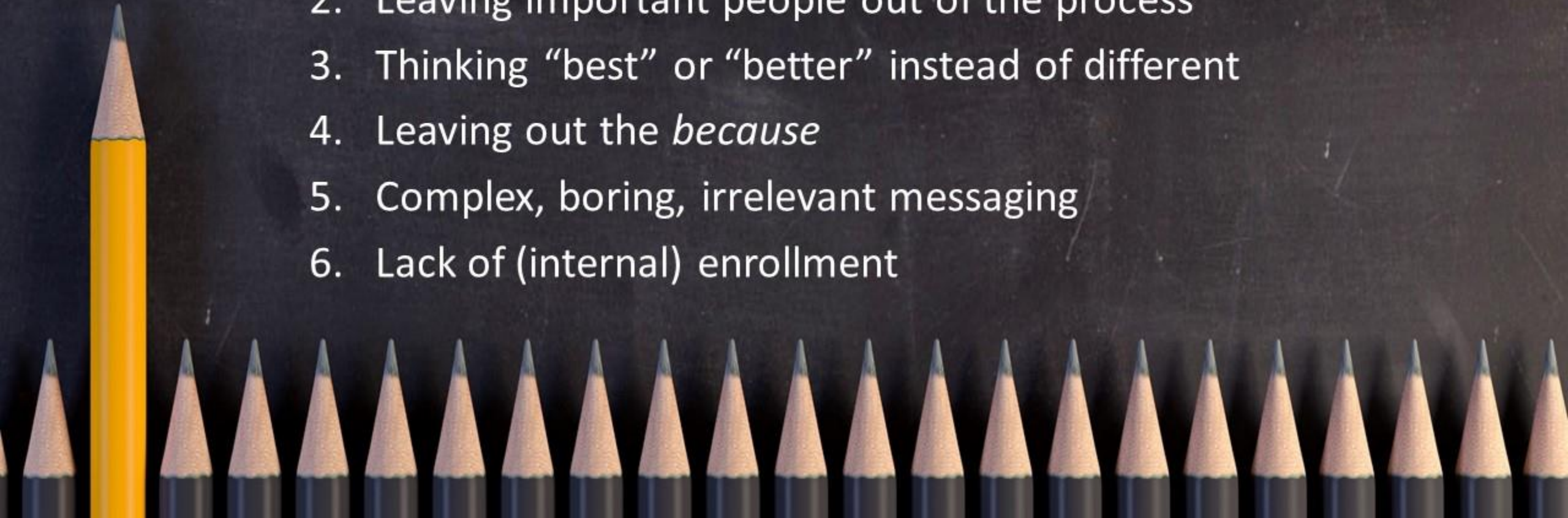
and 6 to avoid



Differentiation:

How do people get off track?

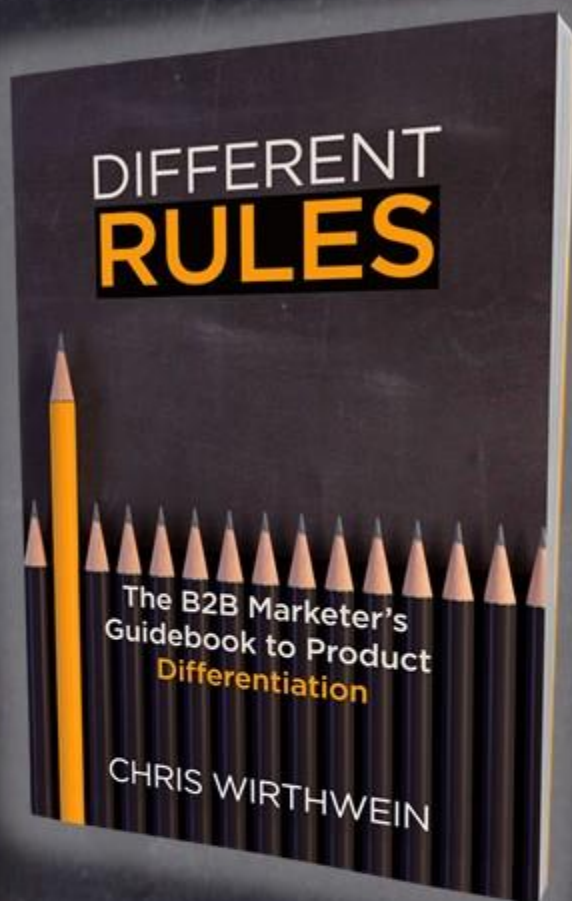
1. Too much internal focus
2. Leaving important people out of the process
3. Thinking “best” or “better” instead of different
4. Leaving out the *because*
5. Complex, boring, irrelevant messaging
6. Lack of (internal) enrollment



How to become the most valued member of the Product Team

1. Think like a product strategist: think differentiation
2. Understand the 3 Cs – strategic insight
3. Bring differentiation ideas to the table





Thank You!

Chris Wirthwein, Sr. Director, 5MetaCom



Author:

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The B2B Marketer's Guidebook to Product Differentiation

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