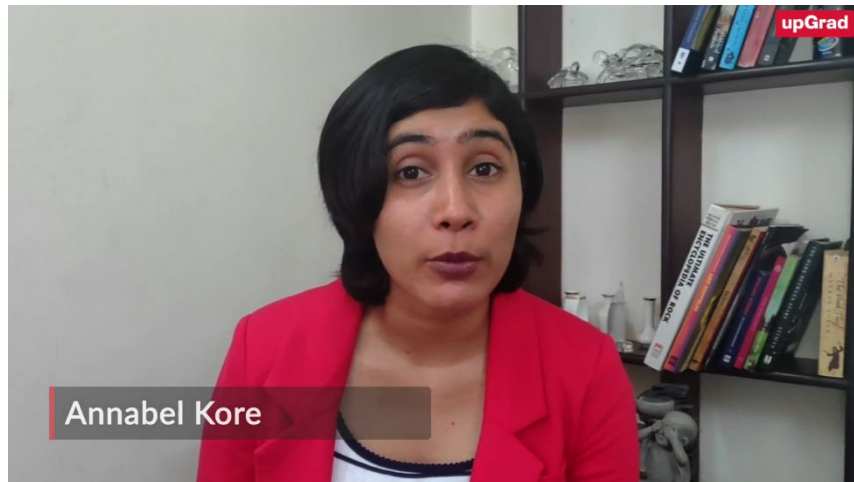
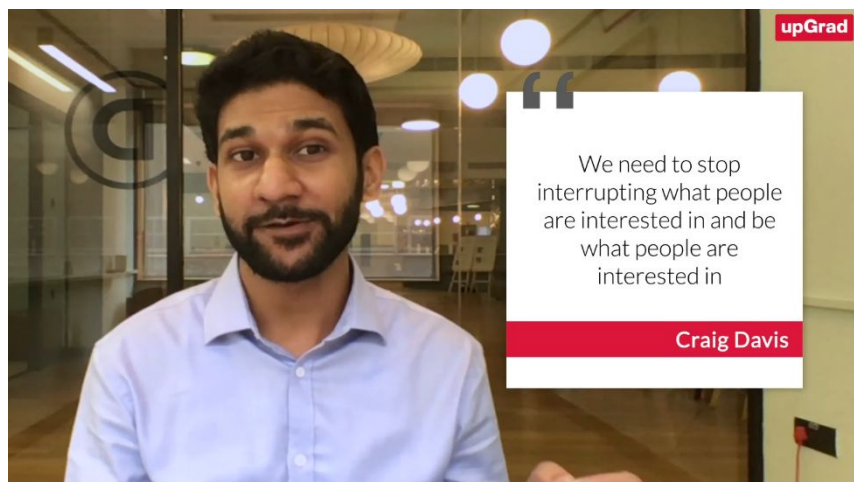


## Transcription

### Understanding Product and Market



What if the most important aspects of building an effective go to market strategy is that you understand your product and the market that you would like to launch it in. In this session, you will understand various aspects of the product and the marketplace and what you should focus on as a product manager. So, let's get started.



In the go to market or GTM strategy, the first and foremost step is to understand what your product actually stands for. There is a saying by start-up entrepreneur, Craig Davis, we need to stop interrupting what people are interested in and actually be what people are interested in.



Take WhatsApp for instance, which has hit this brief just right. It is a simple messaging application that took the lead over all its competitors, such as Facebook messenger, iMessage, WeChat and others.



The founders, Brian Acton and Jan Koum understood precisely what people are interested in. No ads, no games, no gimmicks. It's simple, secure, and fast. And this has led to its ultimate success where even after more than a decade since its launch, WhatsApp has about 2 billion users across the globe and the number is still growing.



So, how did WhatsApp become the choice of billions? The answer is they knew exactly what the product was going to stand for. That is simple, fast and secure instant messaging platform with a clutter free user experience, at a promise of privacy and data security.

For successfully launching a new product or feature in the market, it is important to clearly define what your product stands for. Therefore, in this session, we will try and understand the key factors that are critical in determining what your product stands for.



To start with, you need to identify three major key points, the wow factor, the product promise and the pivot of GTM.

## FACTORS THAT DETERMINE WHAT PRODUCT STANDS FOR

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### Wow Factor

1. Most important value proposition of the product that you want the customers to focus on
2. USP of product
3. Most prominent element of the product

The first step is to identify the wow factor of the product. It is the most important value proposition that you want your customers to focus on. It is the unique selling proposition or USP of the product. It's a prominent element of your product that you would want the customers to experience and be fascinated or wowed with.

## IPHONE 11 PRO WOW FACTOR

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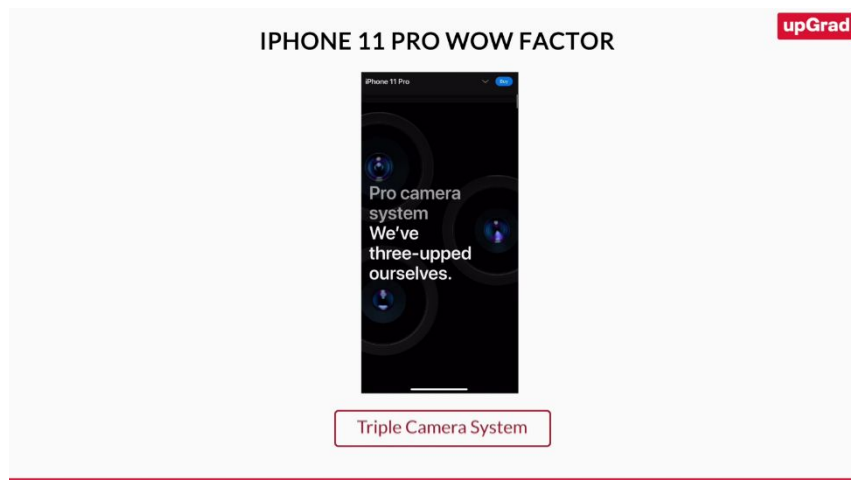


Toughest glass body

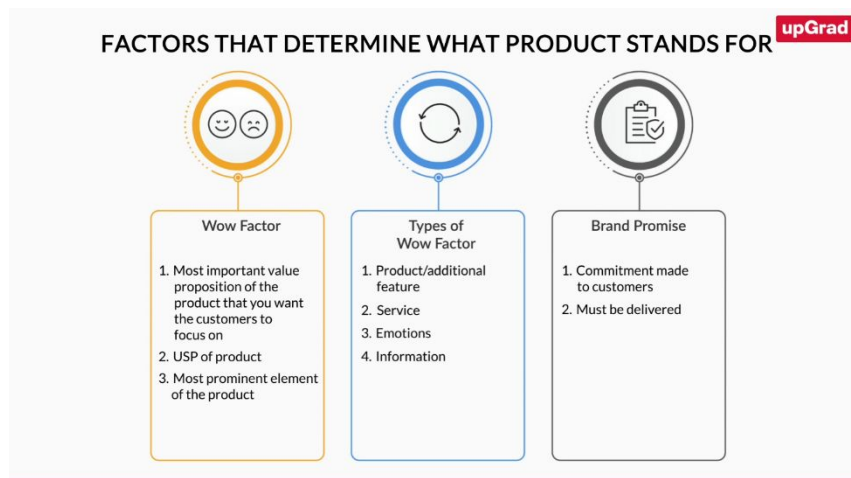


Increased Battery life

One of the greatest examples of this is iPhone 11 Pro. The iPhone that launched in 2019 had so many value propositions, such as superior retina XDR display, fastest smartphone CPU, the toughest glass body, increased battery life and whatnot.



But their wow factor was just the triple camera system. They knew exactly what they wanted the customers to experience the most and delivered it in the best way possible by focusing their campaigns on this wow factor. So, rather than focusing on all features, your goal should be to just hit at one of the wow factors for a successful GTM strategy.



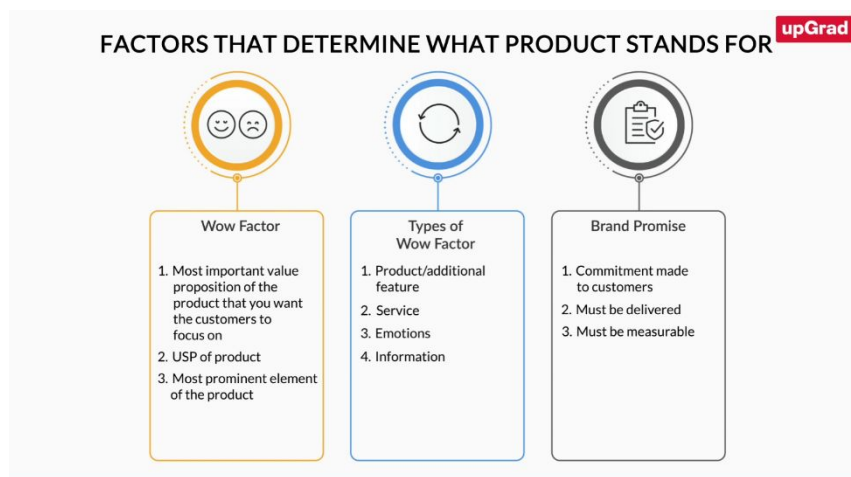
This wow factor can be mainly of four types. It can be a product or its additional feature or specifications as we discussed about the iPhone 11 Pro, which focused on its triple camera system. It can also be a service such as the one offered by Domino's, which is its 30-minute delivery promise, or let's say an online fashion store offering no question returns. Sometimes, emotions can also serve as a wow factor, like the one done by giveindia.org, which focused on its mission of every girl in school to motivate people to sponsor a girl's education.

The last type is the wow factor based on information. These are the products where the most important part that is sold is information or knowledge such as online courses that sell knowledge. This wow factor then serves as a pivot on which your entire GTM plan should be focused. Your pricing strategy, marketing and sales strategy, and the product launch all have to be aligned around this pivot. So, it's very important to decide this pivot carefully.

Now, is it enough to just decide the pivot of the GTM plan? No, you also have to identify a brand promise. A brand promise is a commitment that you make to the customers and then work on ensuring that you deliver it too. Let's understand this better with an example of Nike.



Nike is a sports clothing and equipment brand. It promises to bring inspiration and innovation to every athlete in the world. Another example could be Starbucks. Starbucks promises to inspire and nurture the human spirit. One person, one cup and one neighbourhood at a time. And Starbucks delivers it as well. It does not just function as a coffee brand, but its stores and ambiance are designed for maximum relaxation, where people can get along and share their stories.

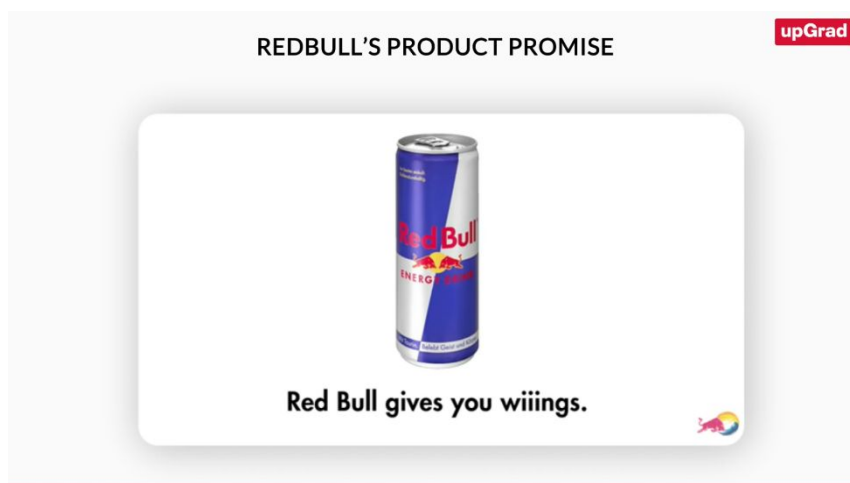


However, you must be very careful while creating your product promise. The product promise has to be measurable so that customers can actually decide on whether your product is able to deliver on the promise or not.





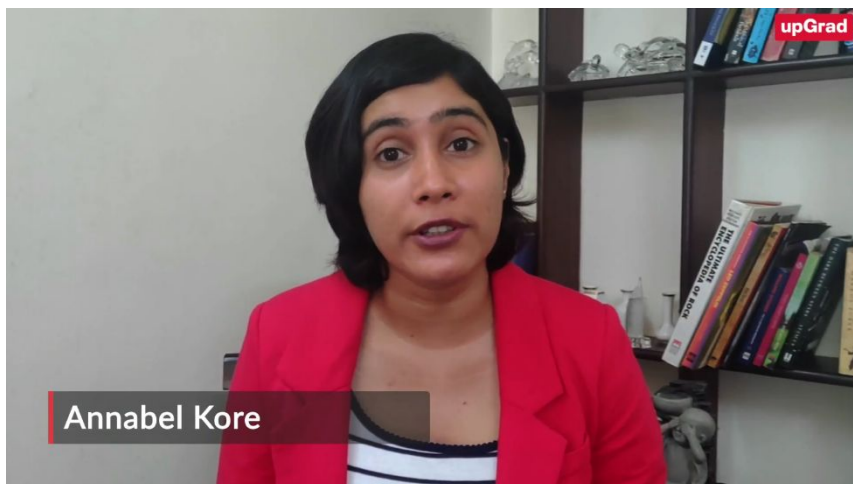
For example, FedEx has promise is we will get your package to you by 10:30 AM the next day. So here, you can see that the customer can easily measure if FedEx is keeping its promise or not.



The second most important factor is being honest. In today's world, you simply cannot fool the customers. One of the greatest examples of this is the brand promise given by the energy drink Red Bull, which says, it gives you wings. Despite attracting so many customers through its ad campaigns, it got into trouble as customers sued them and claimed that this drink gives them the same amount of energy as a cup of coffee does. And this lawsuit finally got settled for \$13 million. Therefore, it is really important that you commit a promise that you know, you can deliver.



By now, you've understood that to successfully launch a product, it is crucial to determine what your product stands for. You've also understood the key factors that play a critical role in determining what your product stands for. An important aspect of designing the strategy is to understand the market where you're launching this product. Let's learn about that in our next segment.



As a product manager, it is important to understand user needs and market forces that impact a successful launch of your product into market. Let us see how our subject matter experts help you understand how to analyze your target market and your target customer segment.



## FORD EDESEL

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Let's go back to 1957. Ford, one of the largest automakers in the world launched the much-awaited Ford Edsel. Anticipating a positive response, the company invested almost \$250 million to manufacture the car. The vehicle was introduced in the American market, but the Americans were not buying the car. And the situation deteriorated for the company.

Ford had planned to sell almost two lakh cars in the first year, but they only managed to sell one lakh cars in the first two years. Unfortunately, Ford had to stop its production and the company lost almost \$350 million in the project.



## THE FORD EDESEL CASE

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- 01 Why did Ford bring Ford Edsel into the market?
- 02 What went wrong with Ford Edsel?
- 03 What did Ford miss out?

So, the question here is, what went wrong for a successful automaker, such as Ford? To answer this question, let's first understand why Ford brought this product to the market. The answer is pretty simple. The researchers at Ford studied the market and concluded that the company needs a car in the medium price range, where its competitors were offering several options to the customers.

The company did not want to lose out on any customer, so it started conceptualizing Ford Edsel with the aim to stay ahead of its competitors. So, this is why Ford introduced Edsel to the market.

Now let's try to understand what went wrong. The primary reason to introduce Edsel to the market was to help retain the customers who upgrade from a low price range car to a medium price range car. They wanted a greater

coverage of Ford products in the medium price category, but there was a glaring mistake in their approach. To understand the market, they just followed their competitors and ended up creating a product with very similar features, but a different appearance.

What they missed out was understanding the customers. The company just considered their own benefits while developing the product and left the most important question unanswered, how will this product benefit the customers. Without understanding its customer's needs, the company introduced a car with all the latest features, but still failed to appeal to the masses.



So, what you can learn from this failed product launch is that while it is important to understand the market from the perspective of competition, it is much more important to understand the needs of the customers. As mentioned before, the core value proposition of your product should be the result of a thorough analysis of both the market and the target customers.

You must be wondering as a product manager; how can you have a clear understanding of the target market and the target customers? You can achieve the desired level of understanding of the target market and target customers by carrying out an effective market and user research. Let's first try and understand the different elements which you should consider while carrying out market research for your product.



1. The first and most important aspect of market research is the environmental analysis. It helps you to understand the environment in which the product operates or will have to operate. Doing this not only enables you to get a complete overview of the market's current situation, but you also get an idea of your product's future performance. It involves the analysis of demographic, technological, socio-cultural, economic, political, and legal factors.



2. Another key aspect of market research is to assess the competitive landscape of your industry. It helps you to understand how your competitors may affect your product or service. You can achieve this by applying Porter's five forces analysis, which was covered in great detail earlier in the program as well.

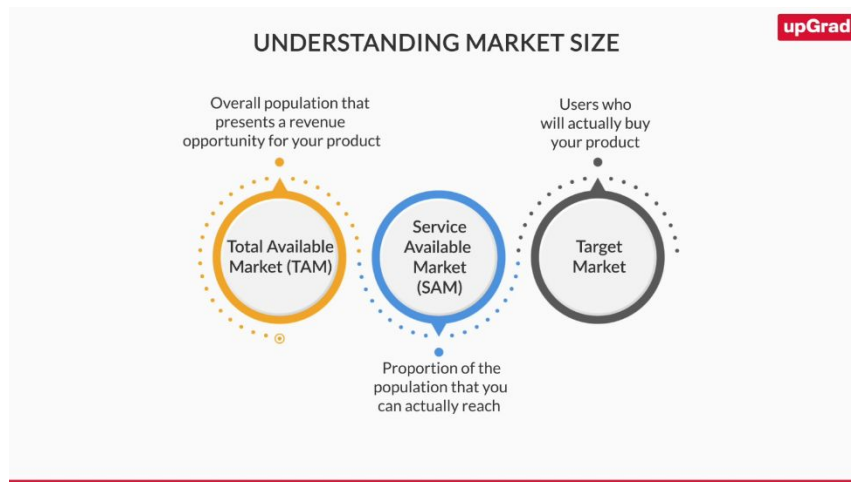
The analysis of these five forces involves understanding the threat of a new entry to the market, analysis of the buyer and supplier power, threats posed by the substitutes of your product, and an understanding of the competitive rivalry in the market.



3. The next most important aspect of market research is to evaluate the different players within your industry who compete against you. You need to know the strengths and weaknesses of each and every one of your competitors and evaluate where your opportunities and threats lie within the competitive landscape. It is

really important because you would not want to launch a product exactly similar to your competitors, because then the customers would have no incentive to choose your product over other similar products.


As a product manager, you should also have a clear idea about your products potential, and you can do this by gauging the market size in which your product operates. Knowing the size and potential of the market you cater to is a crucial part of identifying the factors that need to be addressed in the process of your product development.



In order to understand the market size, you need to know three things.

- First is the total available market or TAM which refers to the overall population that presents a revenue opportunity for your product.
- Second is the serviceable available market or SAM, which refers to the proportion of the population that you can reach realistically.
- And finally, you should have a clear understanding of your target segment, which comprises the users who will actually buy your product.

By now, you must have understood how you can carry out effective market research to understand your target market. Now let's shift our focus to understanding the users.



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## USER RESEARCH

- 01 Primary focus is on understanding how the users feel about your product
- 02 Helps understand benefits that the customers will derive from your product
- 03 Focuses on micro aspects

The primary focus of user research is on understanding what users feel about a particular product and how they would use it. It helps you understand what benefits the customers will derive from your product.

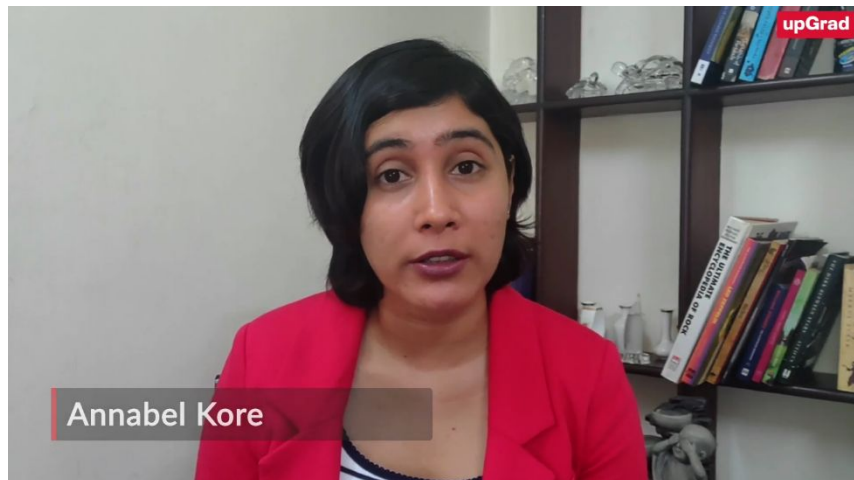
Market research focuses more on macro aspects, such as market trends, segmentation, and what kind of product or service people are interested in, while user research deals with the micro aspects, such as the opinions people have about using a certain product and how they would want it to function. Some of the common user research methods that you can use to know your customers are surveys, interviews, contextual inquiry, user feedback, etc.

Now let's think of the Ford example again. Had the company carried out a detailed user research, they would have understood how their potential customers are perceiving the upcoming Edsel, and hence they could have launched a car that was in line with the needs of their customers.



So, in this segment, you learned why it is important to understand your market, your competitors, and the target audience. But how do companies show off that their product is a good fit for the market or a tailor fit for the market? How do they ensure that consumers continue using their products? Let's find out the answers to all of those questions in our next segment.





So, by now you've understood all of the efforts that go into building a product from scratch or even adding a new feature to that product. Imagine a situation where a product is launched by a company and the customers dislike it. All of the efforts put in by several teams, is it fruitful?

How do companies ensure that their product is the right fit for the market, and also ensure that customers continue to use it? Let's get those questions answered and learn more about the concept of product market fit and its importance to our product managers from our subject matter experts.

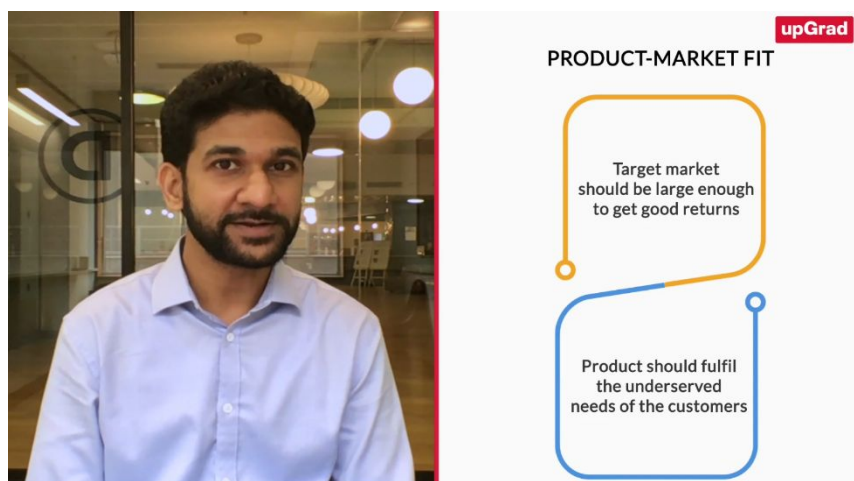


Now that you know why it is important to have an in-depth knowledge about the target market and target audience of your product, the next most important concept that every product manager should know about is product market fit. You must be wondering what product market fit is and why it is an important concept for a product manager. So, let's first try to understand what exactly is product market fit.





American entrepreneur, Mark Andreessen defines product market fit as follows. Product market fit means being in a good market with a product that can satisfy that market. If you analyse the definition, it clearly suggests two things.



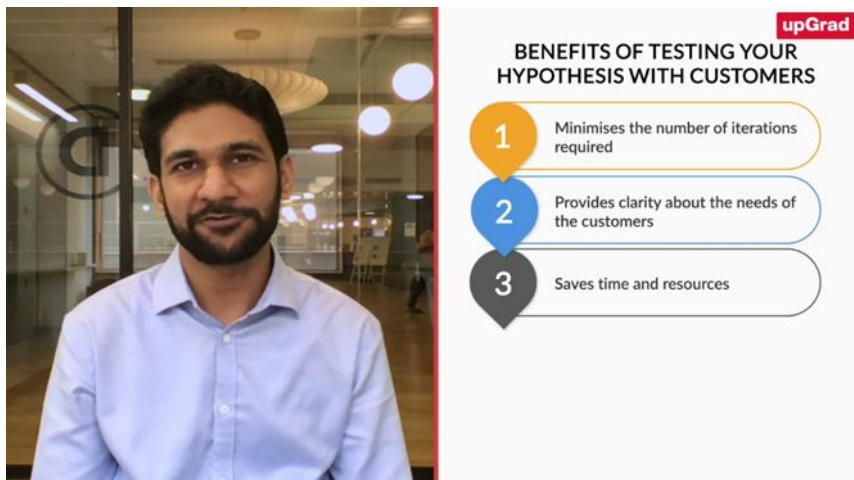
- First, the target market of your product should be large enough to provide you with good returns. That is what Mark Andreessen meant by a good market.
- Second, your product should fulfil an under-served need of the customers, which means that the value proposition of your product should be such that customers can easily derive value from it.

Consumers will be interested in your product only if it offers a unique value proposition. Therefore, differentiating from your competitors is also important. For example, it does not matter how much time and effort you spent on building a great mobile application with an amazing user experience, UX, if your customers do not need it, they will simply not use your app.



So, the primary focus of every product manager should be on identifying the pain points of the target customers and then building a product that can address these points.

The final product design makes sense only when the key hypothesis or assumptions gathered from user research have been validated. The best approach is to talk to your customers from different segments before you actually start building the product. Try to pick some of the key hypothesis and test them by talking to your customers.



They will help you minimize the number of iterations required to build the right product, because you would already know what the customers exactly need. And it will save the time and resources you would have otherwise spent on developing a product that the customers do not find useful. Moreover, achieving product market fit is not a one-time effort. You have to constantly iterate on your product to ensure it satisfies the changing needs of your customers.



Another intriguing question that might be troubling you by now is how would you know if you have achieved product market fit or not? The answer to this question is very simple. You can conclude that your product has achieved product market fit when customers are getting the desired value from your product and the word of mouth is spreading, which basically means that customers are selling the product for you.

Customer retention is another key indicator of your product having a product market fit. Your sales start closing early, press coverage increases which leads to brand building, and multiple collaboration requests start coming in which fuels in-organic growth of your business. If these things are not happening, you can conclude that product market fit is not happening and something is not right.

To help you better understand the concept of product market fit, let's consider two examples. First is a product which has a good product market fit, and hence performed well when it was released in the market. The second is a product that failed to achieve product market fit.



So, a very good example of a product which attained a good product market fit is the business communications platform, Slack.



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**GOOD PRODUCT-MARKET FIT: SLACK**

- Value Proposition**  
A communication tool that connects teams with apps, services and the resources that they need to get their work done
- Pain Point 1**  
Companies need a platform that facilitates workplace communication and remote team collaboration
- Pain Point 2**  
Companies need a platform on which they can share documents, images and assets to work seamlessly
- Solution**  
Slack addressed all these pain points with its value proposition

Slack's core value proposition is very clear. It is a communication tool that connects teams with the apps, services, and resources they need to get work done. You must be wondering how Slack achieved product market fit and what are the user pain points that it solves. Let's find the answers to these questions.

Back in 2014, the team at Slack realized that most companies around the globe faced a similar challenge, which is the challenge associated with team collaboration. Most companies were looking for a platform which will not only facilitate communication in the workplace, but also helps teams collaborate seamlessly across remote distances.

Another major challenge faced by almost every organization was the sharing of documents, images, and other assets across teams. And Slack did extremely well to address all of these pain points. Hence, it emerged as a product with great product market fit.



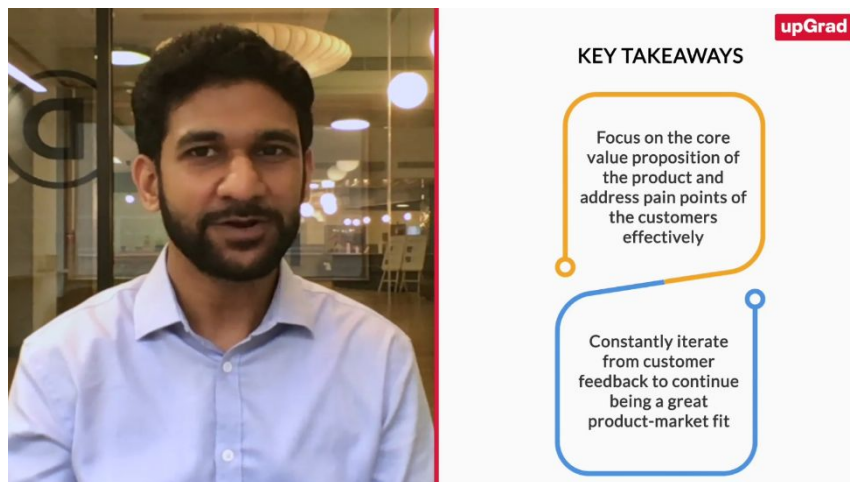
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**GOOD PRODUCT-MARKET FIT: SLACK**

- Pain Point 1**  
Companies need a platform that facilitates workplace communication and remote team collaboration
- Pain Point 2**  
Companies need a platform on which they can share documents, images and assets to work seamlessly
- Solution**  
Slack addressed all these pain points with its value proposition
- Iterate**  
It focused towards customers feedback to iterate and continue being a product-market fit

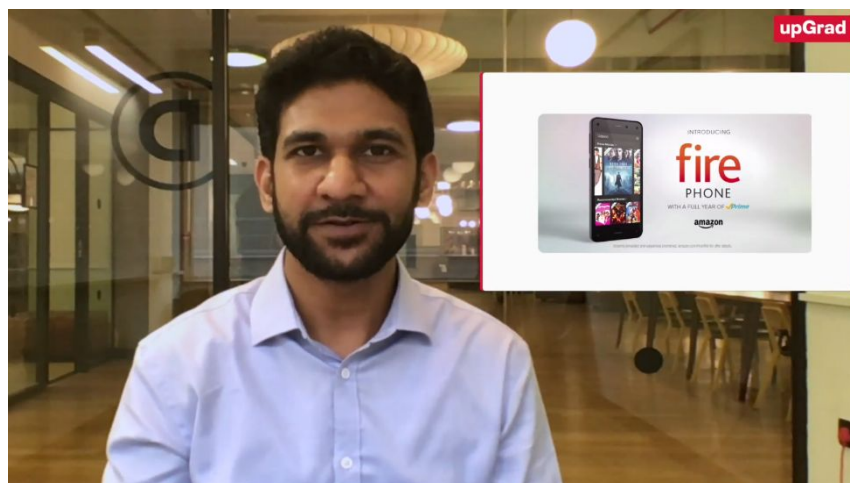
However, the success of Slack cannot be attributed to only its well-developed features. A major reason behind its continued success is the company's customer centric approach. The company is practically obsessed with user feedback, and that is how they constantly ensure that their customers continue to derive the desired value from the product.





So, as a product manager, you can learn two key things from this example.

- A. First, your focus should be on the core value proposition of your product, and you must ensure to effectively address the pain points of your customers.
- B. Second, you should continuously take feedback from your users to ensure that you resolve all their issues that they face while using your product. This will help you retain your customers in the long run, thereby helping your product to constantly achieve product market fit.



Now let's look at the example of Amazon Fire Phone. This is one of the few products by Amazon, which failed to appeal to the customers. Back in 2014, Amazon introduced its first smartphone, which was supposed to compete with other phones in the premium price range. Owing to a successful stint in the tablet market, Amazon was sure the Fire Phone would be well received by the customers. But that did not happen because the device failed to solve the customer's needs.



Amazon just like Kindle added its own app store in the device, which meant that all developers will have to release a separate version of the app for the Fire Phone. Moreover, the number of apps on Amazon's App Store was nowhere near the number of apps on Google play store. Although it was possible to integrate the Google play store, it required some technical competencies and hence was a major drawback when it came to mass adoption of the service.

Another important reason for its failure was its high price. The device was priced similar to premium phones, such as the Apple iPhone and Samsung galaxy, but it failed to incentivize customers to leave their devices and buy the new Fire Phone. Moreover, many key features of the device failed to lure customers, as these features did not address their real pain points.

So, as a product manager, you should understand that your product can be a good product market fit only and only when the customers understand the value proposition you are offering and they are able to derive the desired benefits from it.



Now that you've understood the concept of product market fit and its importance to product managers, let's think how can you achieve the right product market fit for your product. We will learn more about it in our next segment.

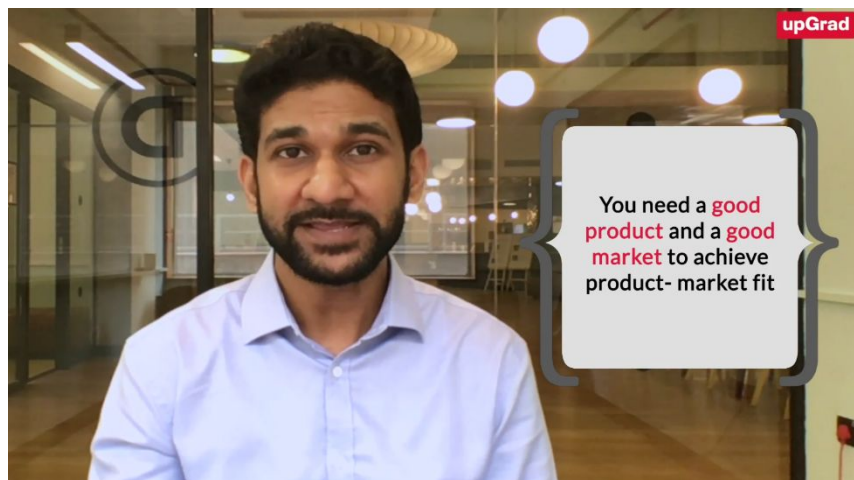




Almost every successful product that you see in the market has a well-defined value proposition. Customers can derive value by using these products, but how do companies ensure that they have a product market fit? Is there a defined formula or is it just hit and trial? Let's learn more about how companies can achieve a product market fit from our subject matter experts.



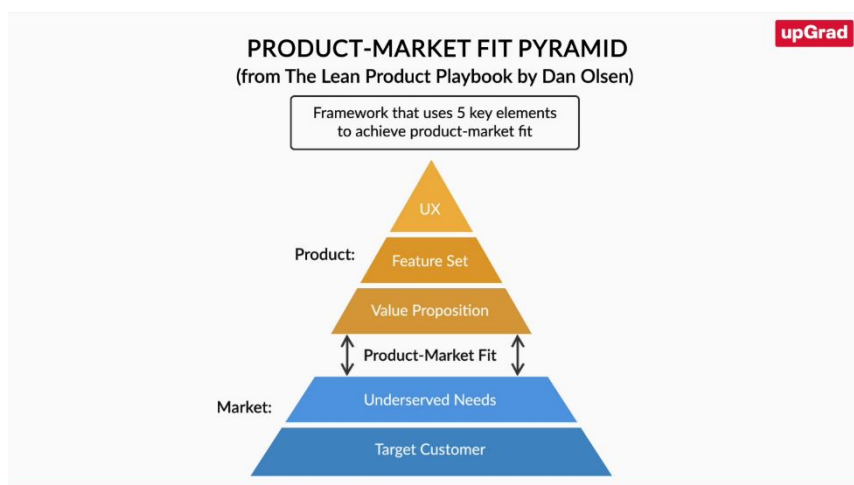
Product market fit is a key ingredient for the success of any product and it forms an essential part of your overall GTM strategy. Dan Olson, product management expert and author of the lean product playbook further defines product market fit as the end game where a start-up has built a product that creates significant customer value. This means that your product meets real customer needs and does so in a way that is better than the alternative, also explains.



It's important to point out that in a bad or terrible market, you can have the best product in the world and a really brilliant team working behind it. But chances are that it will fail. To summarize, you need both a good product and a good market to achieve product market fit. But achieving that is not easy.

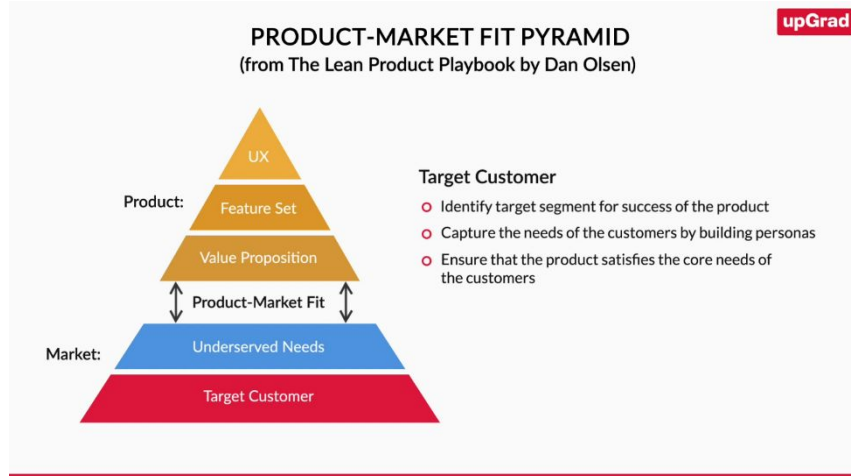
So, the objective of this session is to help you understand how as a product manager you need to achieve product market fit.

Achieving product market fit is one of the most important goals for a company. Let's go back to the example of the Amazon Fire phone we discussed earlier. It was launched in Seattle in the Fremont theatre at a press event held by Amazon CEO, Jeff Bezos. But you know, it failed miserably for not being able to meet the customer's needs, despite Amazon being a company with a mission to be the most customer centric company in the world.



Dan Olson has worked to help teams achieve product market fit. He has come up with a framework called the product market fit pyramid from his book, the lean product playbook. The product market fit pyramid is a framework that uses five key elements to achieve product market fit. In this model, each element is a layer of the pyramid and all elements are related to each other.

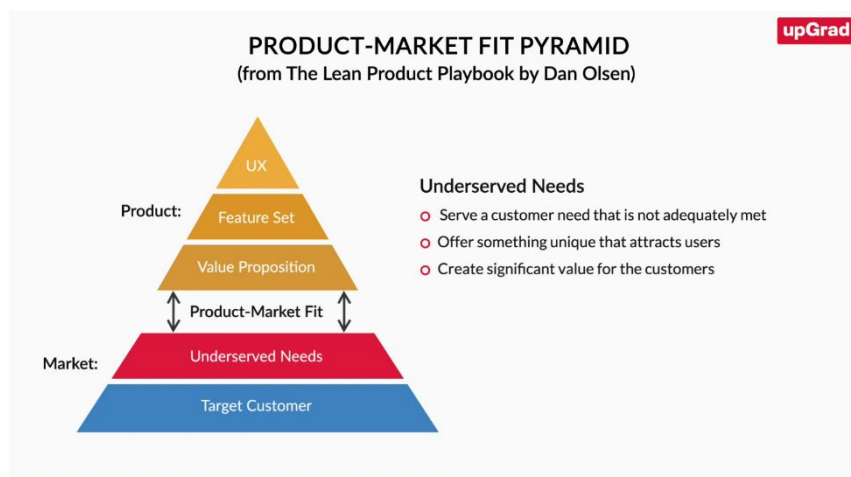
From bottom to top, the five layers of the pyramid are, your target segment, your customers underserved needs, your value proposition, your feature set, and your user experience or UX. Let's discuss all these layers of the pyramid in detail.



The base or foundation of the pyramid is target customers because of a simple reason, if you do not know who your customers are, you simply do not know what product you are building and why you are building it.

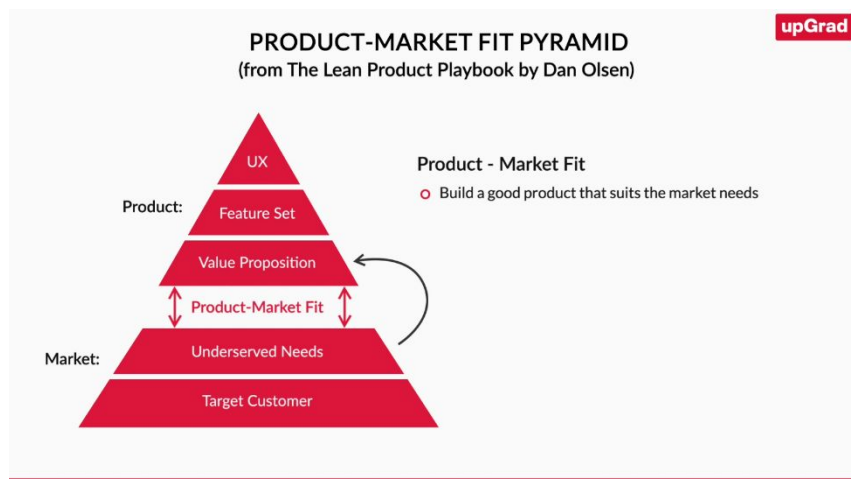
Identifying your target segment is key to the success of your product. You need to get your target market and customer right. Similar to what you saw in course one, building user personas is a great way to segment and capture the needs and aspirations of your target customer. If you can narrow down your target customer and ensure that you're building a product that satisfies their core needs, chances are that you will build a product that is an instant hit and will achieve product market fit pretty soon.

You must understand that the initial version of your product will require several iterations, as you incorporate early user feedback and market considerations to tweak and come out with the best possible version of your product.



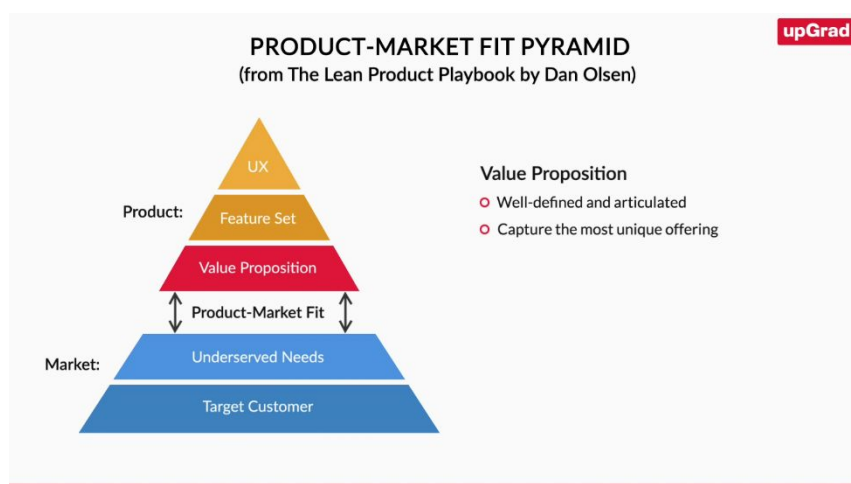
Once your target customer is clear, you need to identify their pain points or their under-served needs. When launching the product, founders usually believe that they are solving the problem in the market that really needs to be solved. But very often, in most cases actually, the problem is not that big.

When building a product that is either new or would try to compete with other products in an existing market, chances are, you are trying to serve a customer need that is either not adequately met or offering something unique that gets user attention. In both cases, you will be creating significant value for customers and that is a key ingredient in achieving product market fit.

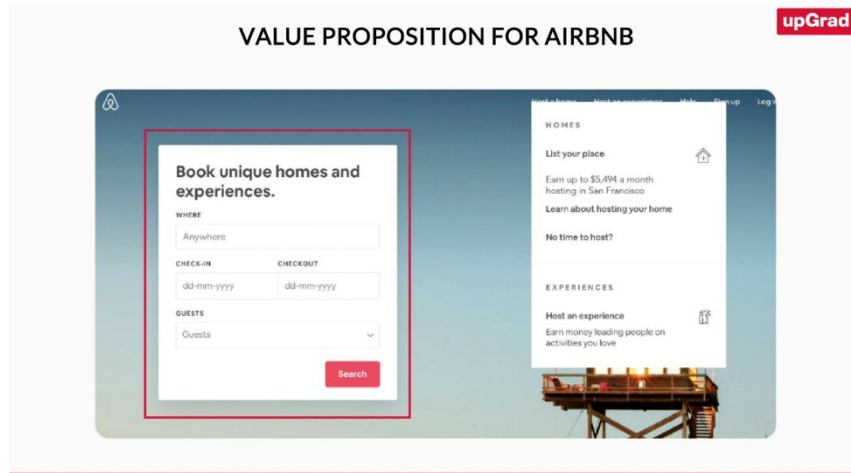


After you have identified the needs of your potential customers, you have to translate this to your value proposition and then try to build a product for the target market. This is where product market fit comes in, trying to build not just a good product, but a product suited to the market needs.

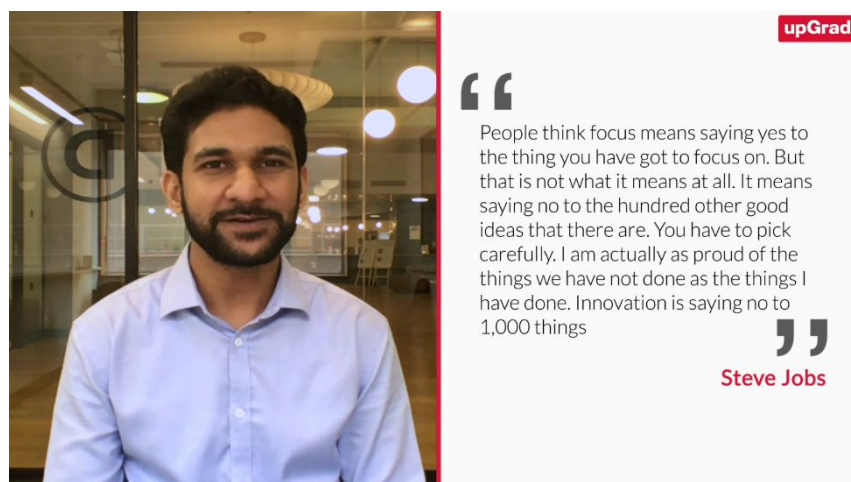
The bottom two elements in the pyramid are closely tied to the top three elements when it comes to achieving a perfect balance to attain product market fit. All five key elements are interconnected and cannot function independent of each other to achieve your goal.



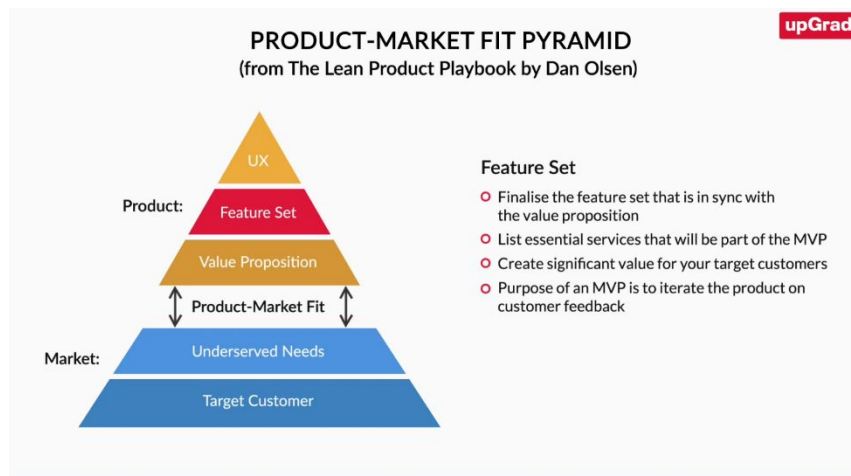
Next, we come to the value proposition. This is an important product strategy and must be well defined and articulated efficiently to your customers. The value proposition of your product needs to capture its most unique offerings, and in doing so, should be able to outperform competition from existing players.



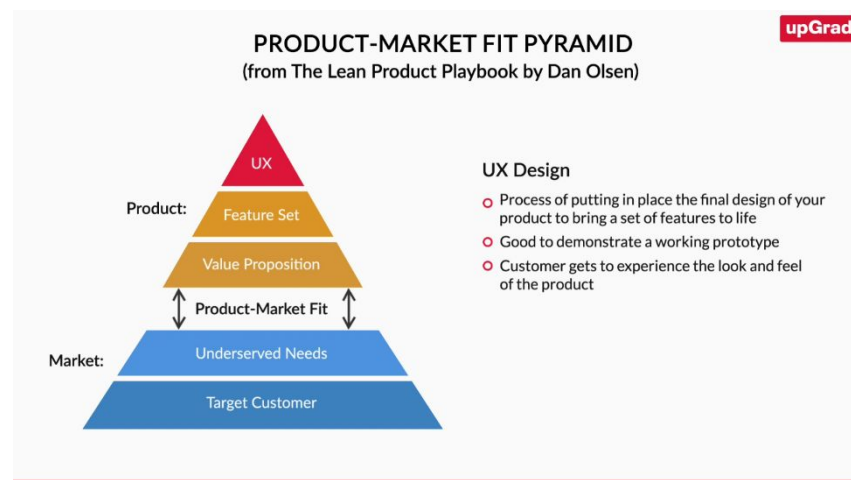
Airbnb is a great example of a good value proposition. It has an explicit value proposition for both guests and hosts. For guests, it includes booking exquisite homes and offering unique experiences. And for hosts, it uses their location to determine the monthly income the average host generates from listing their home for the service.



Steve jobs said, people think focus means saying yes to the thing you have got to focus on, but that is not what it means at all. It means saying no to the hundred other good ideas that there are, you have to pick carefully. I'm actually as proud of the things we have not done as the things I have done. Innovation is saying no to 1000 things.



Now on the basis of your value proposition, you have to finalize the feature set of your product that is clearly in sync with your value proposition. The goal is to have the list of essential features to form your minimum viable product, MVP. The idea here is to create a significant value for your target customer, for them to visualise that the product is heading in the right direction. The essential purpose of an MVP is to have a basic set of initial features to fulfil the requirements of your target customers and iterate on their feedback for refining future versions of the product.

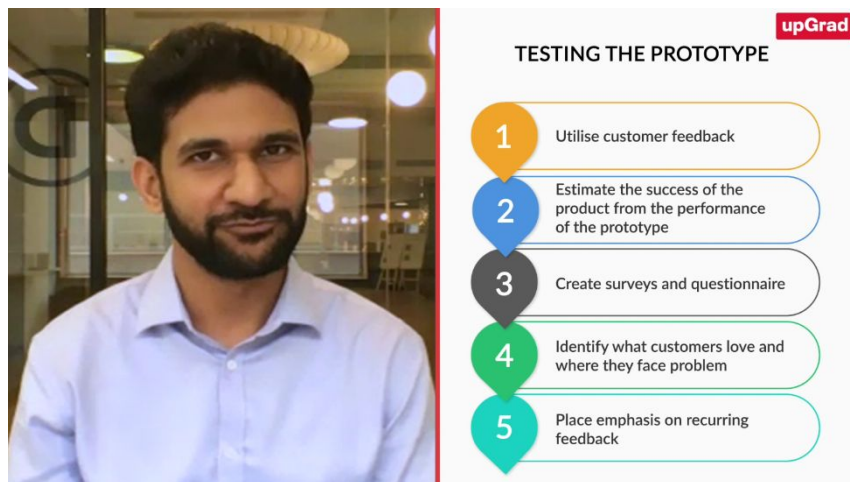


That once the features are final, a UX, a product prototype is developed. The UX design or the process of putting in place the final designs of your product to bring your feature set to life is instrumental in creating a lot of hype around the product.

Before you launch your final product, it is a great idea to demonstrate a working prototype, which is like a replica of your actual product, where a customer gets to experience the look and feel of the final version without you having to actually build the product.

So, you build early prototypes, take feedback from your customers and iterate before building the final product. This will help save a lot of resources, both in terms of time and money.



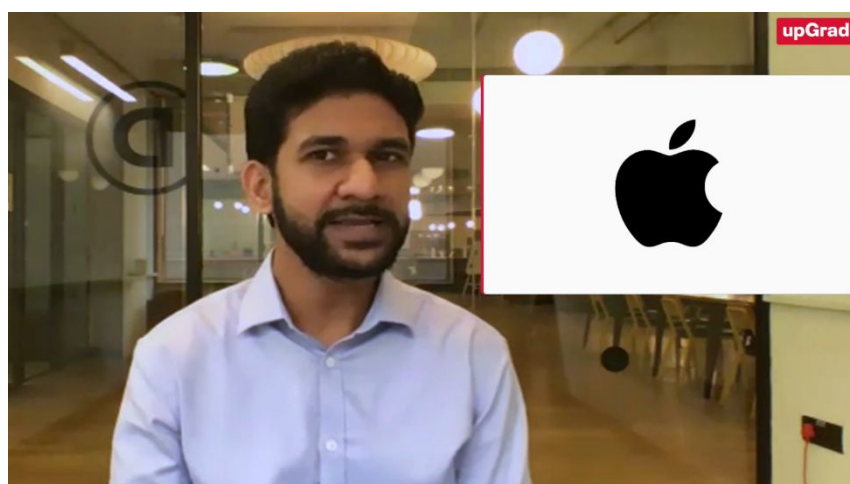


Similar to building any good software, now it is imperative that you test your product prototype with your customers. Here, it is important for you to test your product with users from your target market to venture the feedback you receive does not take you in the wrong direction.

Now, once your prototype is ready, its performance is a good indication of success in terms of product market fit. Next, try to create surveys and questionnaires for your user group and conduct these tests in small focus group sessions to observe user behaviour at every step of your product.

This will give you key insights into the usability and overall ease of use of your product, any obstacles faced by users and features that are most liked. These could help your products to offer maximum value to your customers.

Try to emphasize the most common recurring feedback from the users, in addition to any key suggestions or areas of improvement. You can use all this feedback to refine the initial prototype and build a better version of your product suited to your customer needs.

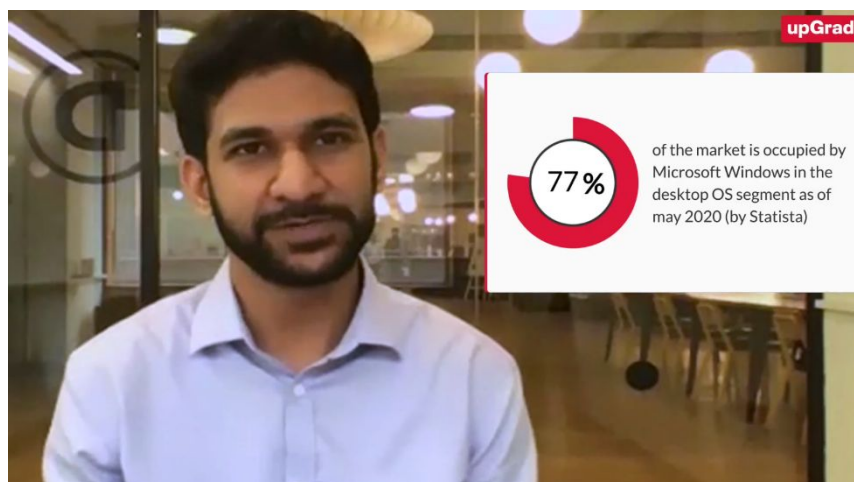


A classic example of achieving product market fit for a new product is Apple's iPad. The iPad has achieved phenomenal success since its launch and has remained the market leader in the tablet segment ever since. The iPad has consistently innovated its features and offerings to stay ahead of market competition and market dynamics,

thereby truly achieving product market fit. As of May, 2020, iPad still holds about 60% of the market share in the tablet segment, 10 years after its launch in 2010.



Another example is the windows operating system, which has surely achieved product market fit in the desktop operating segment.



In the desktop operating system segment, as of May, 2020, the company occupies a staggering 77% of the market share. This means it is the clear market leader for both personal and business computing.

Windows has been number one for several decades now, and its performance clearly indicates that Microsoft has a winning product market fit strategy for the operating system product line. Now it is one thing to achieve product market fit and getting to that point is not easy. But after reaching there, if you take your foot off the pedal, you are bound to fail soon after.

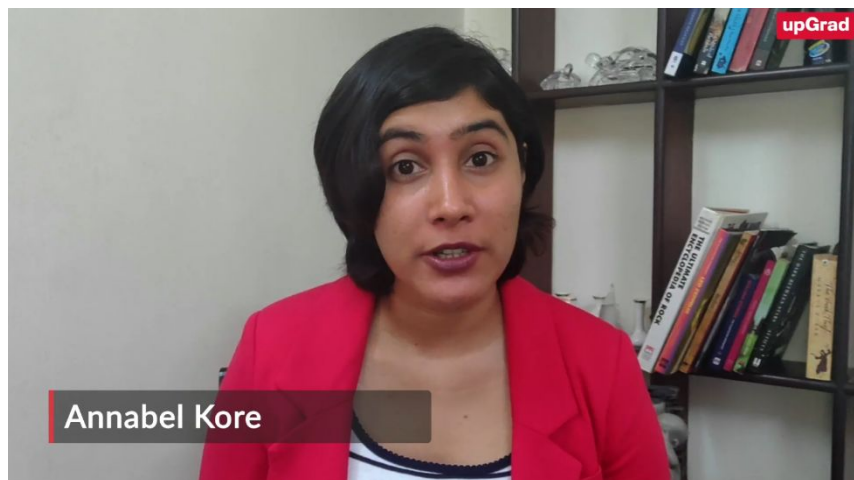
You might have a fancy product that does well during launch, but eventually all the user interest and initial wave of excitement dies down. So, you can safely say that once the euphoria of a product novelty is over, the product is no longer achieving market fit.



To ensure continued success, you need to consistently iterate to achieve product market fit. The most important consideration around product market fit is that the user needs and market dynamics both keep changing. So, all the ingredients of a key product market fit strategy must continue to evolve for a company to achieve long-term success. The company must continue to innovate in parallel to the pace of market changes to ensure its products are always relevant and sought after.



So, in this segment, you learned about Dan Olson's product market fit pyramid, which uses five key elements to achieve the product market fit. You learned about these elements in detail. You also saw how tech giants like Apple and Microsoft have achieved product knowledge.



By now, you've understood the importance of achieving product market fit. As product managers, it's important that you effectively communicate the value proposition of your product. This communication is what decides how customers think of your product. Let's learn more about that from our experts.



Look at this brand logo. What comes to your mind when you see this logo of Apple? For me, it signifies a premium high-quality product.






Let's look at the next one. Decathlon, the brand creates a picture of good quality sports gear at affordable prices.



Now let's look at another logo. McDonald's, this brand has clearly made a Mark in our minds, with its value for money meals and a promise of great hygiene.

All these brands have occupied a unique place in our minds, and this is what product or brand positioning is all about. You cannot control a customer's perceptive thinking process. But what you can control is the message you deliver to them by positioning your product correctly.




**Product Positioning**

Product positioning essentially refers to where your product or service would fit in the marketplace according to customers. It is how the product is perceived and remembered by your target customers

Product positioning essentially refers to where your product or service would fit in the marketplace according to the customers. It is how your product is perceived and remembered by the target customers. It should be at the centre of your larger GTM plan. Here, the value proposition of the product is to be placed in the context of the marketing landscape.

Product positioning also looks at how your customers and the market would potentially see your product and how your product differentiates from those of competitors in the market. Your product should come to the minds of customers, when that segment or product line is discussed. For instance, Apple's iPhone is what instantly comes to mind when wanting to buy a premium segment mobile phone.



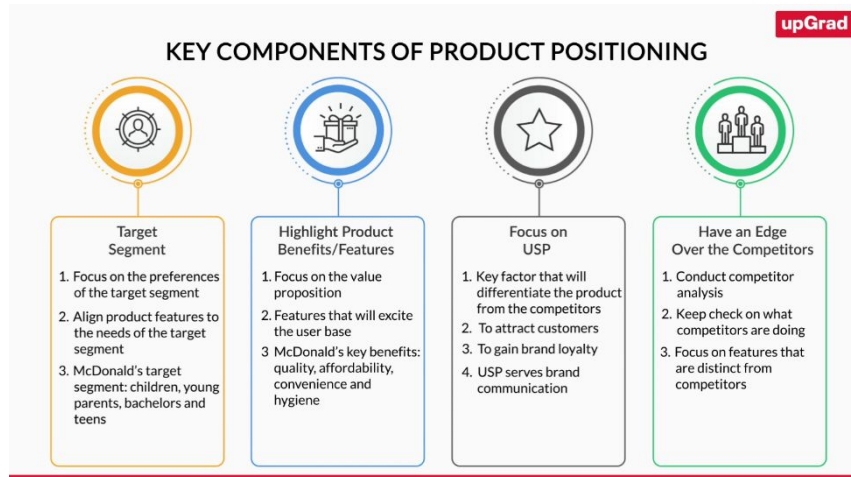
**IMPORTANCE OF POSITIONING YOUR PRODUCT WELL**

- 01 Communicate the value proposition effectively
- 02 Draw attention to your product
- 03 Bring in long-term differentiation from competitors
- 04 Gives direction to other product plans

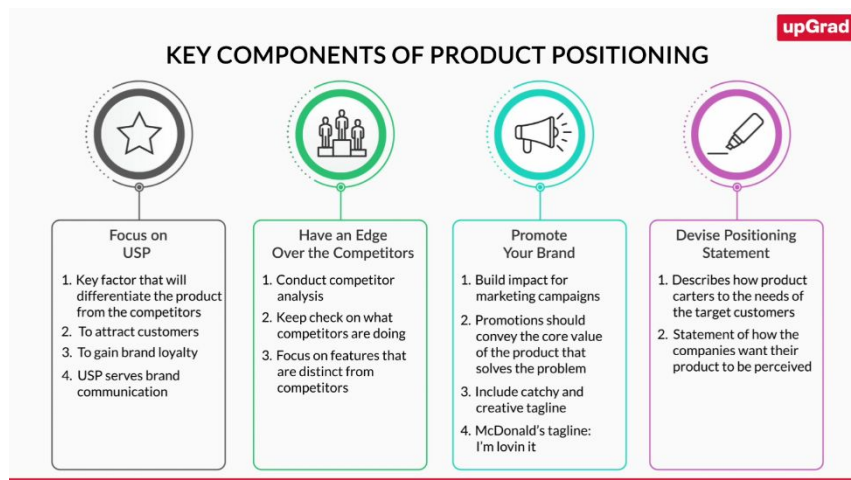
Why is positioning so important? With the right product positioning, you are able to effectively communicate the value proposition of your product to the right set of customers. In an overcrowded market or the market where people have a lot of other choices, it actually helps draw attention to your product. If your product is positioned well, you can bring in a long-term differentiation from the competition. It gives direction to a lot of other plans like marketing, branding, etc.

Now let's understand the key elements on basis of which product positioning is formed. Product positioning largely revolves around the following components.

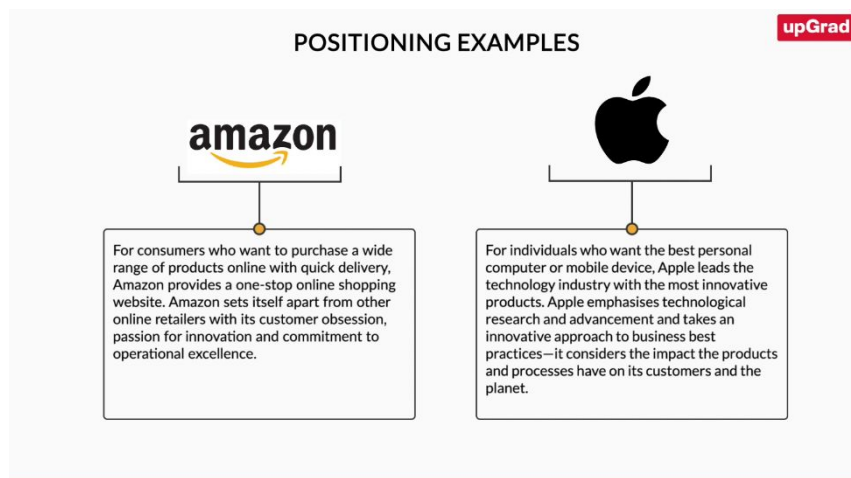




1. First is the target market. You have to narrow down your target market group, and as discussed previously, focus on their key likes and preferences to align product features accordingly. Like in the case of McDonald's, the target segment is young children, young parents, bachelors and teens. It's positioning clearly targets them, and the company's ads and promotions are centred to this segment only.
2. Next, you have to highlight your product benefits and features. Focus on your products value proposition. The key value that you deliver to the customer and the main features of your product to excite your potential user base. For example, McDonald's key product benefits are quality, affordability, convenience, and hygiene. This is something they have highlighted in the right way. As a result of this approach today, McDonald's is the go-to place for their target customers when they want good quality, tasty and affordable food and beverage.
3. Then you have to focus on unique selling proposition. A unique selling proposition or USP is the key factor or characteristic that companies hope would set it apart from its competitors. A strong USP will ensure you attract customers to your brand. The USP is also an essential part of your overall marketing strategy, and it works as brand communication for the target audience. An instantly recognizable USP can have great impact in competitive markets. So, it's important to leverage the USP, to drive the maximum benefit to your brand.
4. You also need to have an edge over competitors. A key aspect, which was covered earlier, conducting competitor research and analysis is key to ensuring you stay ahead of the market competition. While you always thrive to innovate and improve your product, it is imperative that you keep a check on what your competitors are doing. Try to focus on features and offerings that are distinct from those offered by your competitors. For instance, the brand ads of both McDonald's and Burger King try to convey a competitive edge over each other.



- Next, you have to promote your brand to get all these messages in the customer's mind. Build an impactful promotion and marketing campaign to drive home the key benefits to your target customers. Promotions should be simple and able to convey the core features and benefits of the product. As part of the strategy, try to include a catchy and creative tagline or punchline. For McDonald's, the catchy tagline, I'm loving, it clearly conveys the experience of feeling good. All their campaigns and promotions revolve around the happiness, quality and value associated with their products.
- And at last, devise your positioning statement. A positioning statement is used by companies to describe how they would cater to the needs of their target customers. It forms a critical part of the company's overall brand positioning. A position statement is different from the vision and mission of a company as it is not a public facing tagline. It's a statement of how companies want their brand to be perceived.



Let's understand this better by taking two brands, Amazon and Apple. Amazon's positioning statement is as follows.

- For consumers who want to purchase a wide range of products online with quick delivery, Amazon provides a one stop online shopping site. Amazon sets itself apart from other online retailers with its customer obsession, passion for innovation, and commitment to operational excellence.

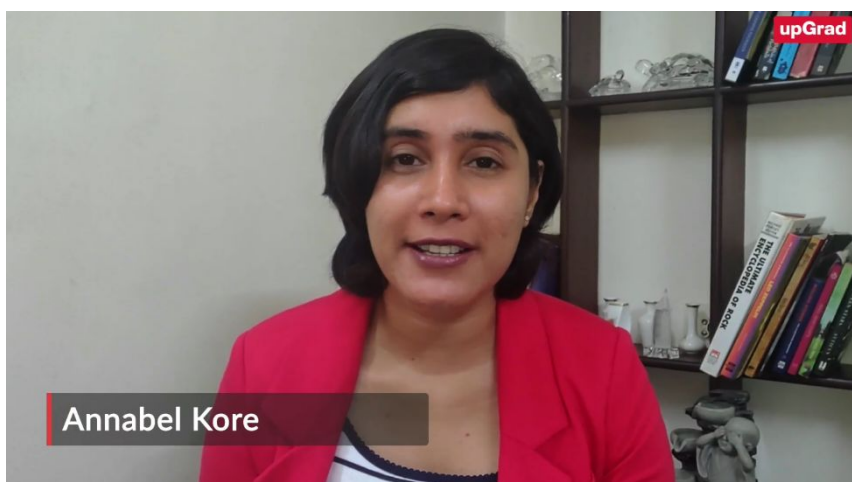
- And now let's look at Apple's positioning statement. For individuals who want the best personal computer or mobile device, Apple leads the technology industry with the most innovative products. Apple emphasizes technological research, and advancement, and takes an innovative approach to business best practices. It considers the impact of products and processes have on its customers and the planet.

You can easily see from the positioning statement that Amazon has positioned itself as a customer centric online retailer, as the focus is on customers and operational excellence, so that customers have a smooth hassle-free experience. Whereas in the case of Apple, it is all about the experience. The brand reflects that core belief of innovation, design and imagination.

So, as you can see, both statements of Amazon and Apple have emphasis on what they are trying to offer to their target market, and this is what a positioning statement should convey.



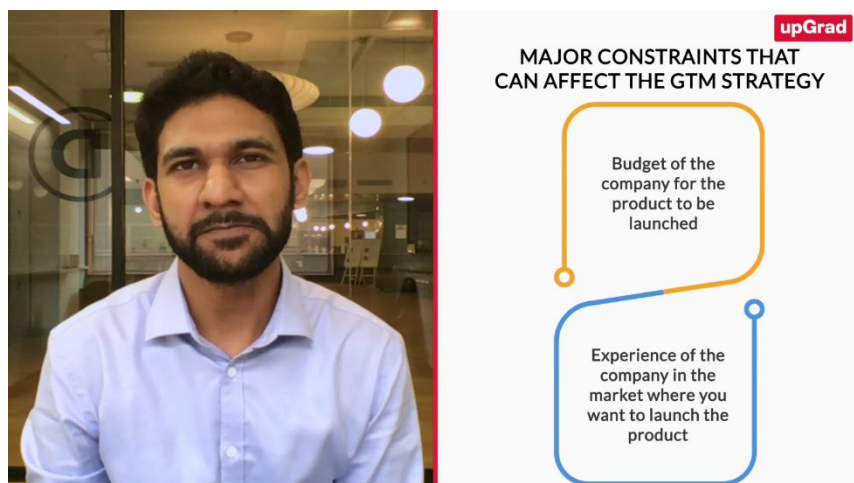
In this segment, you learned about product positioning and the key components that go into devising the right positioning strategy. You saw an example of McDonald's who is an American fast-food giant. Now let's take a look at some of the constraints that affect the go-to market strategy.



Every company wants to launch its product successfully and use a lot of time and resources developing an effective GTM strategy. However, there are constraints that need to be properly evaluated before developing the GTM strategy.




We have tried to explain to you how important it is to focus on your product, understand your market, position your product well, what to achieve product market fit and several other things. But can all these be achieved seamlessly? Unfortunately, resources are not available equally to all. You need to adjust and optimize these resources to deliver your product in the best way possible. So, in this segment, you will be familiarised with some constraints that can affect your GTM strategy.



The two major constraints that should be clearly looked at while creating your GTM strategy are, first, the company's budget. And second, the company's experience in the market. Let's first discuss the budget.

Everyone in the industry would want their product to be launched at a large scale as done by big companies like Apple. But can this always happen? The answer is no. For example, a start-up cannot launch its products the way Google can. And this is obviously because of the monetary constraint. So, you need to keep in mind a few points regarding the monetary aspect while building a GTM strategy.



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**KEY TAKEAWAYS FOR BUDGET CONSTRAINTS**


- 01 Plan the GTM budget beforehand
- 02 Plan for items that can be removed from your budget, if the need arises
- 03 Measure results in terms of revenue to optimise the GTM strategy for the right budget

Always plan your budget for the GTM strategy beforehand. You might need to plan for items that you can remove from your GTM strategy, if somehow the budget is impacted. For example, your CEO might want you to decrease the budget for your GTM strategy by 15%. This could be because he wants to allocate this amount to some other areas such as manufacturing or partnership.

Measure results in terms of revenue so that you know you have optimized your GTM strategy for the right budget. But budget should not be the reason for your product to not be able to achieve success.

In this case, recall the OnePlus example that you saw in the previous session. OnePlus during its launch probably did not have the financial resources, which say a big company like Google or iPhone would have at their disposal when they are launching a product.

OnePlus might not have wanted to hit the media and unnecessarily spent millions of dollars. Instead, it relied heavily on the exclusivity factor through invites. The same purpose could be served by banking on strong emotions, which automobile and luxury good companies do through TV ads. However, OnePlus relied on it exclusively and gave its best.



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**KEY TAKEAWAYS FOR CONSTRAINTS ON EXPERIENCE IN THE MARKET**

If experience is more:

- Hold over the market
- Understand customers' emotions

If experience is less:

- Leverage partnerships to understand customers



Now let's discuss another constraint that a company may have, which is its experience in the market. A company with more experience in the market understands the market better, has a firm hold of the market, and understand people's emotions. But a company with relatively lesser experience might lack in these areas.

For example, let's say an international company wants to enter India. The company can work on its own as well, but can face a lot of challenges, say regarding regulatory frameworks, working up the ground staff, etc. In such a scenario, a partnership with a local firm will work much better because the firm is able to bring in the local knowledge and efficiency into day to day operations.



By now, you have a fair understanding of the constraints that impact the GTM strategy. And as a product manager, you must properly evaluate these constraints. This brings us to the end of the first key component in the GTM strategy. Let's quickly summarise in our next segment, what we've learned so far.

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