SMU
Singapore Management University

School of
Computing and
Information Systems

IS622

Session 6

Product Marketing

Messaging the product's value proposition to the right audience.

IS622

Housekeeping

1. Assignment 2

2. Mid-term survey

3. Case studies – how we are doing it in IS622

IS622

Week 5

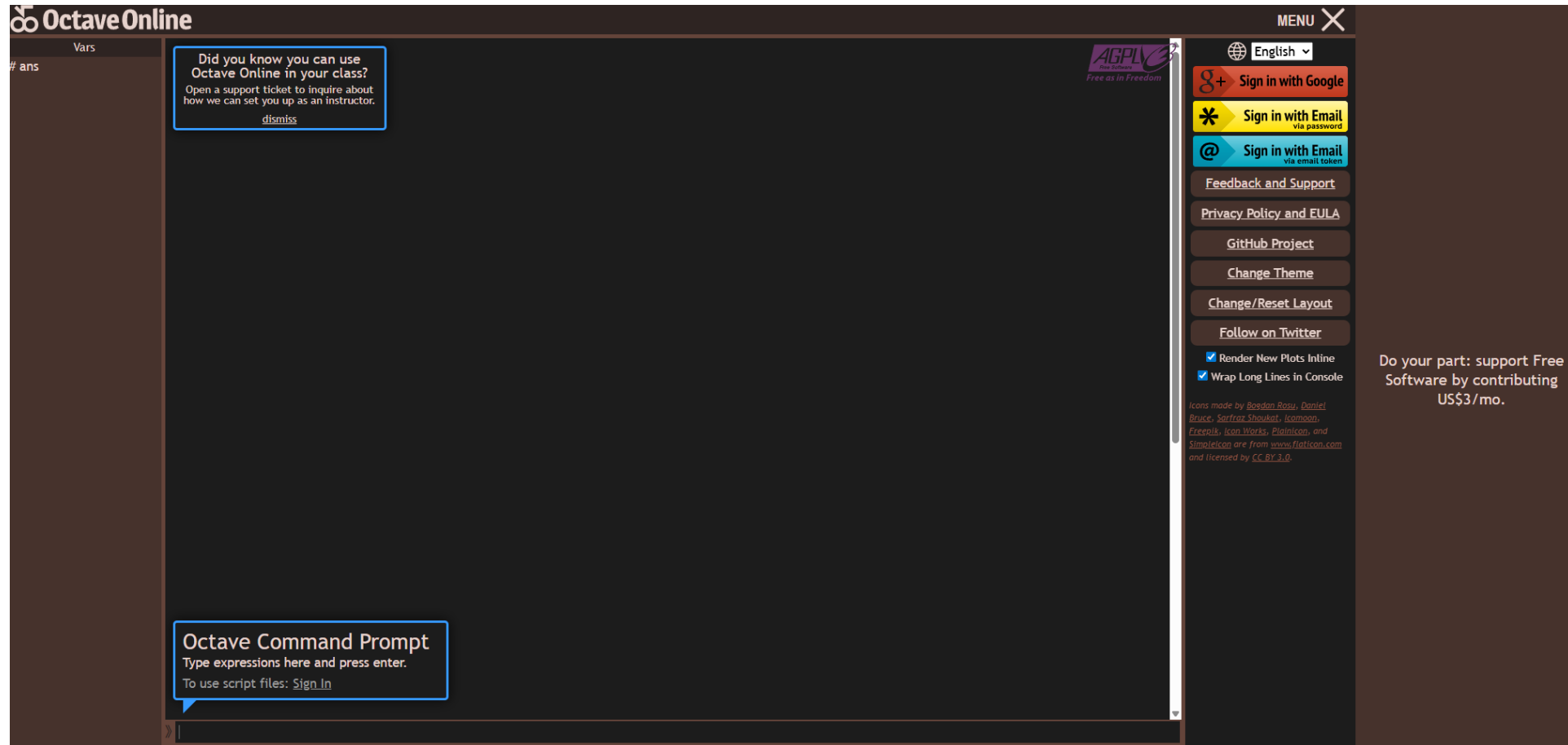# 01 Product Positioning

Filling the market gap where the product fits best.

02 Go-to-market Strategy

The preparation, launch and growing the product's market.

03 Sales Enablement

Converting users to customers through product marketing.

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Recap: Product Deign - What can you make out of this app?

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What can you make out of this marketing video?

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"**Marketing is about values**.

It's a complicated and noisy world...

So we have to be **really clear about what we want them to know about us**."

Steve Jobs

6

Product Marketing

Message the Value

Product marketing is a **branch of marketing that focuses on finding and promoting a market for a particular product**.

It involves understanding the product's target market and customers, **creating messaging and positioning that differentiates the product in the market**, and **enabling the sales** and marketing teams to sell the product and support its customers effectively.

Product Marketing
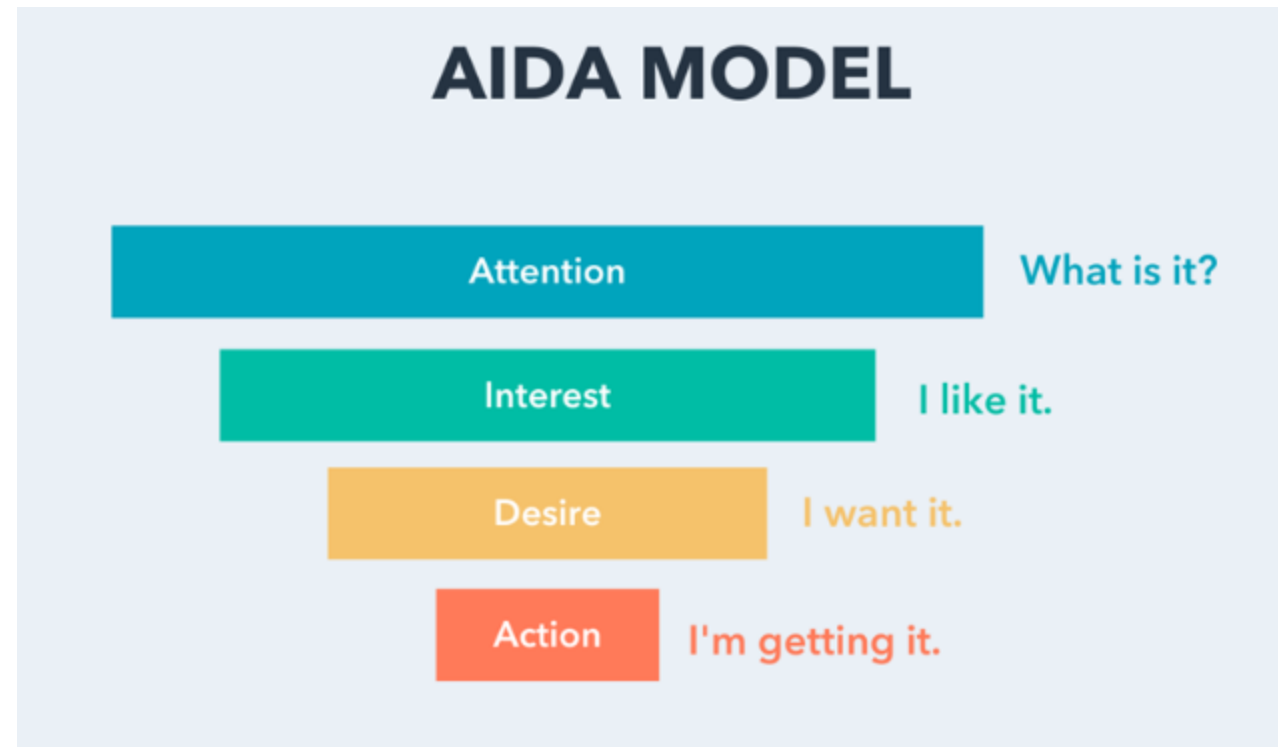
Where does the Lego video stand?

Product Marketing Vs Marketing

Aspect	Marketing	Product Marketing
Primary Goal	Drive awareness and demand **for the brand/company**	Ensure **product success** in the market
Focus Areas	**Branding**, demand gen, content, advertising, SEO	Positioning, messaging, GTM, **sales enablement, adoption**
Audience	**Broad market**, potential customers	Buyers, users, existing customers
Key Activities	Campaigns, content creation, lead generation	Product launches, crafting value prop, supporting sales
Collaboration	Works across brand and acquisition teams	**Works closely with product, sales, and customer success**

Product Marketing

Scope

Understanding Users

This involves **conducting market research** to understand customer needs, pain points, and behaviors. It also involves keeping a keen eye on market trends, competitor activities, and industry advancements.

Positioning

Once the product marketer needs to define **how the product fits into that market** — this is known as **product positioning**.

They also need to craft compelling **messaging that communicates the product's unique value proposition** clearly and persuasively.

Go-to-Market

Product marketers are responsible for developing and executing **go-to-market strategies** when **launching a product** or a new feature.

This includes planning the launch, coordinating with various teams, and creating marketing collateral to support the launch.
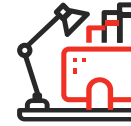
Sales Enablement

A significant part of product marketing is **ensuring the sales team has the tools and understanding to sell the product effectively**.

This often involves creating sales collateral, such as product datasheets, case studies, and demos, and conducting product training sessions for the sales team.

Product Positioning

Product positioning refers to defining **how a product occupies a distinct, differentiated space in the market** relative to competitors. Effective product positioning involves establishing the following -

o **Target customer** - Who is the ideal customer for this product? Which segment(s) is this product designed for?

o **Frame of reference** - What other products or solutions will customers **compare** against this? Which **competitor products** does this seek to replace or provide an alternative to?

o **Point of difference** - What makes the product unique compared to the frame of reference? What **key differences** or advantages set the product apart from its competition?

o **Reasons to believe** - Why should the target customers believe the stated point of difference? What evidence, proof points, or features back up the claims of differentiation?

o **Benefits statement** - What is this product's value proposition and key customer benefits? What problems does it solve for the target customer?

o **Brand association** - What perceptions, emotions and associations does the brand have that the product will inherit or amplify? What does the brand stand for?

Product Positioning

Value proposition design is the process of crafting **a clear, compelling statement** that summarizes the key benefits a product delivers to customers. The goal is to communicate what makes your product valuable in a way that resonates with your target customers. An effective value proposition should be:

- **Customer-centric** - Focused on the jobs, pains, and gains that are most important to target customers rather than leading with product features.

- **Clear** - Easy to grasp quickly. Avoiding overly complex or vague claims.

- **Compelling** - Evoking an emotional response in the customer and convincing them to take action.

- **Credible** - Backed up with evidence for why the product delivers on promised benefits.

- **Differentiated** - Highlights how the product is unique compared to alternatives customers consider.

Product Positioning

The **value proposition** becomes the foundation for all other aspects of the product - features, messaging, pricing, sales, and marketing. It should **guide the positioning and roadmap**.

Ideally, a value proposition should be easily articulated as **a single, crisp statement that can become a rallying cry internally and externally**.

Example

"Fresh groceries delivered to your door in under 2 hours — no markups, no hidden fees."

Benefit: Convenience, speed, and transparency.

Product Positioning

Storytelling

Connection

Storytelling allows marketers to create an emotional connection between the product and the target audience.

Engaging

Stories have a natural ability to captivate and engage people. When information is presented in a storytelling format, it becomes more interesting, entertaining, and memorable.

Differentiated

In a crowded marketplace, storytelling helps products stand out from the competition. Marketers can differentiate their products and create a distinct brand identity by telling a unique and authentic story.
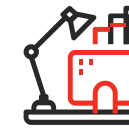
Relevant

Storytelling provides a way to contextualize the product and make it relevant to the lives of consumers. By placing the product within a narrative, marketers can demonstrate how it solves a problem or fulfils a need in a relatable and meaningful way.

Product Positioning
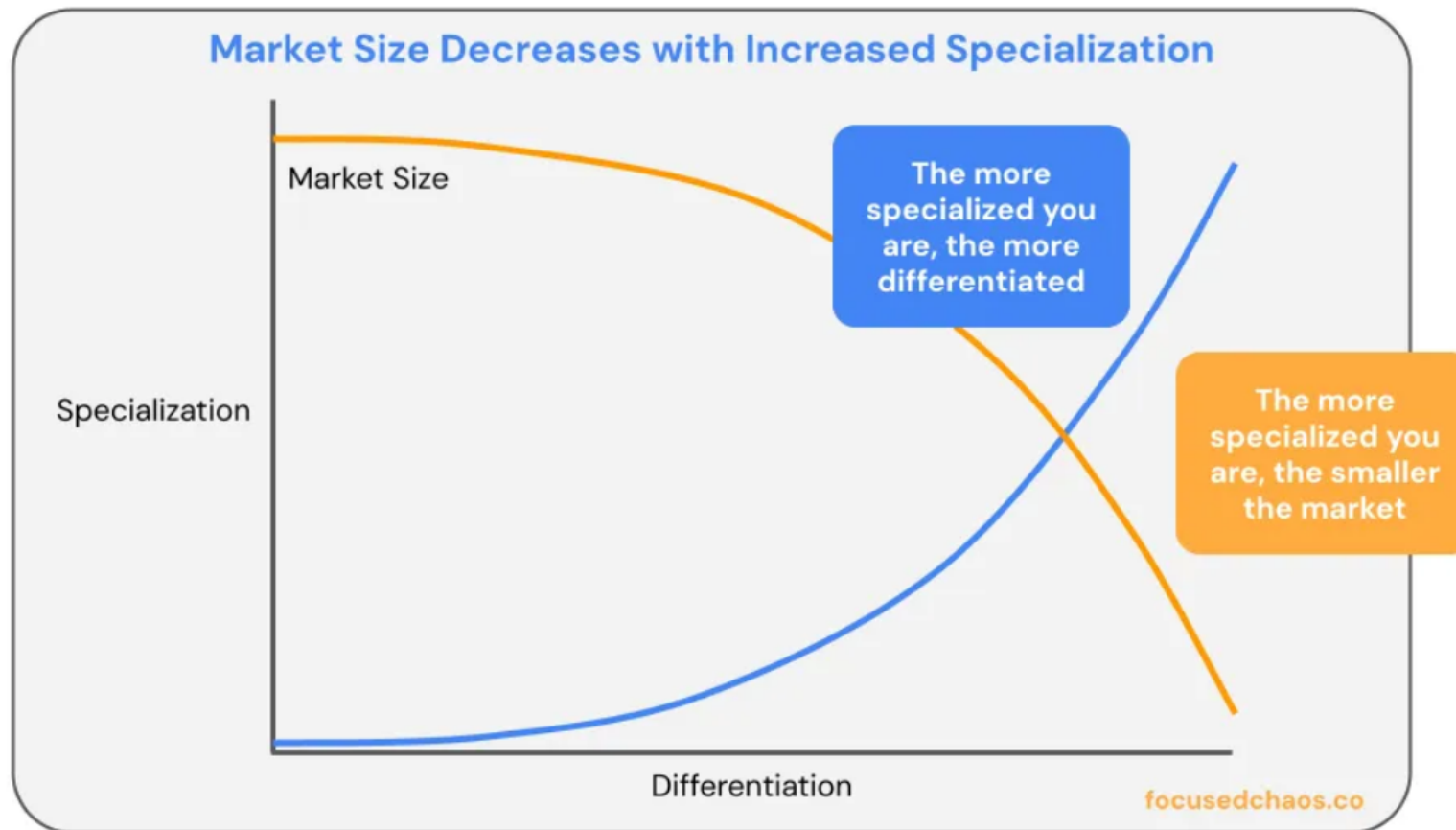
Thinking Time!

Credit

Product Positioning

Thinking Time!

Credit
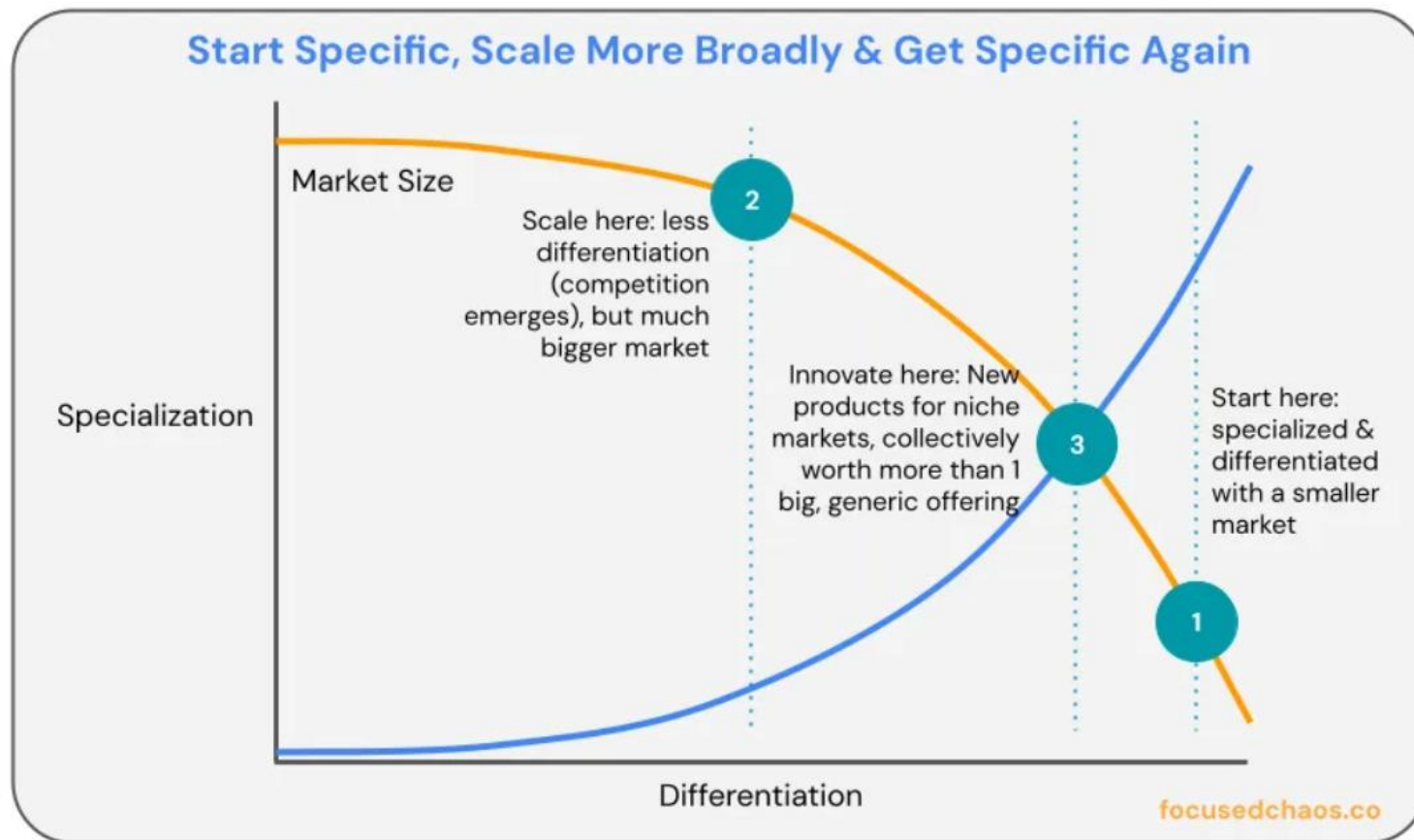
Class Exercise

○ For each video, describe the product's value proposition and how it is boosted through the story in the video.

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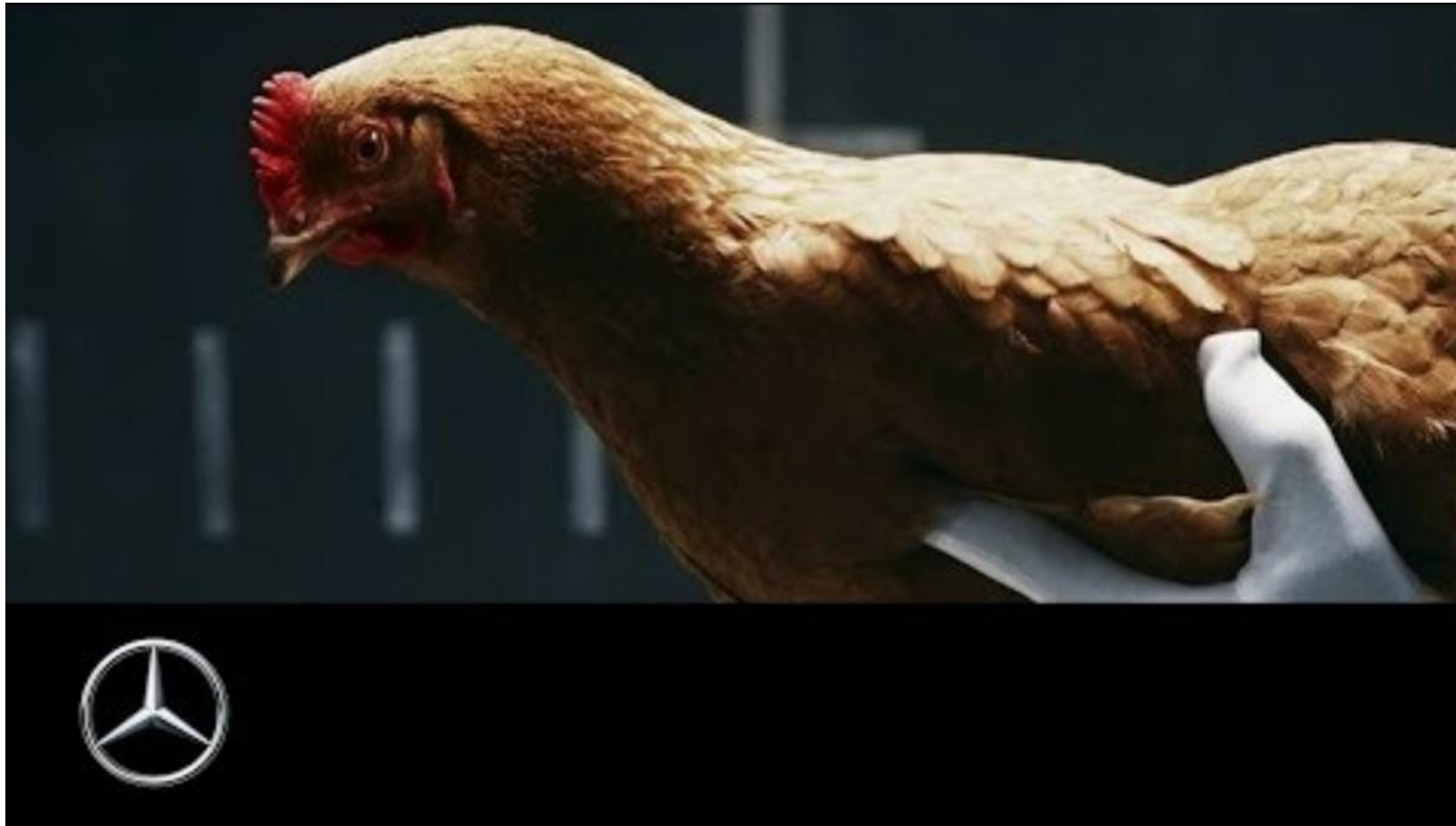
Go-to-Market

Product **go-to-market** (GTM) refers to the **strategy and plan for** **launching a new product to market and driving adoption**. It encompasses the critical period from product development completion to market launch and beyond.

o **Market Entry Strategy** - Describing how the product will be brought to market which includes topics such as phasing, timing, positioning, and market approach.

o **Early Adopters** - Identify target customer segments most likely to adopt early. Plan the engagement.

o **Pricing Strategy** - Set initial pricing and discounts/promotions to drive adoption. Monitor and adjust post-launch.

o **Sales Plan** - Enable the sales channel with messaging, demos, and sales tools/collateral. Define the sales team role.

Go-to-Market

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o **Marketing Plan** - Build product messaging/positioning, website, content, and launch campaign. Define activities to drive awareness.

o **Distribution Strategy** - Determine appropriate sales channels/partnerships for distribution. Onboard and align channels.

o **Customer Success** - Define post-sale onboarding, education, support, and the engagement model to drive adoption.

o **Partnerships** - Identify partnership opportunities to expand reach. Co-marketing, channel, integration, and technology partnerships.

Go-to-Market

Go To Market Strategy Canvas — Example — iPod — three five two

Credit

Go-to-Market

The **product lifecycle** consists of four main stages: **introduction, growth, maturity, and decline**. Each stage necessitates a different product marketing strategy and set of tactics to manage the product's position in the market effectively.

Product life cycle

SALES

Introduction   Growth   Maturity   Decline

TIME

Credit
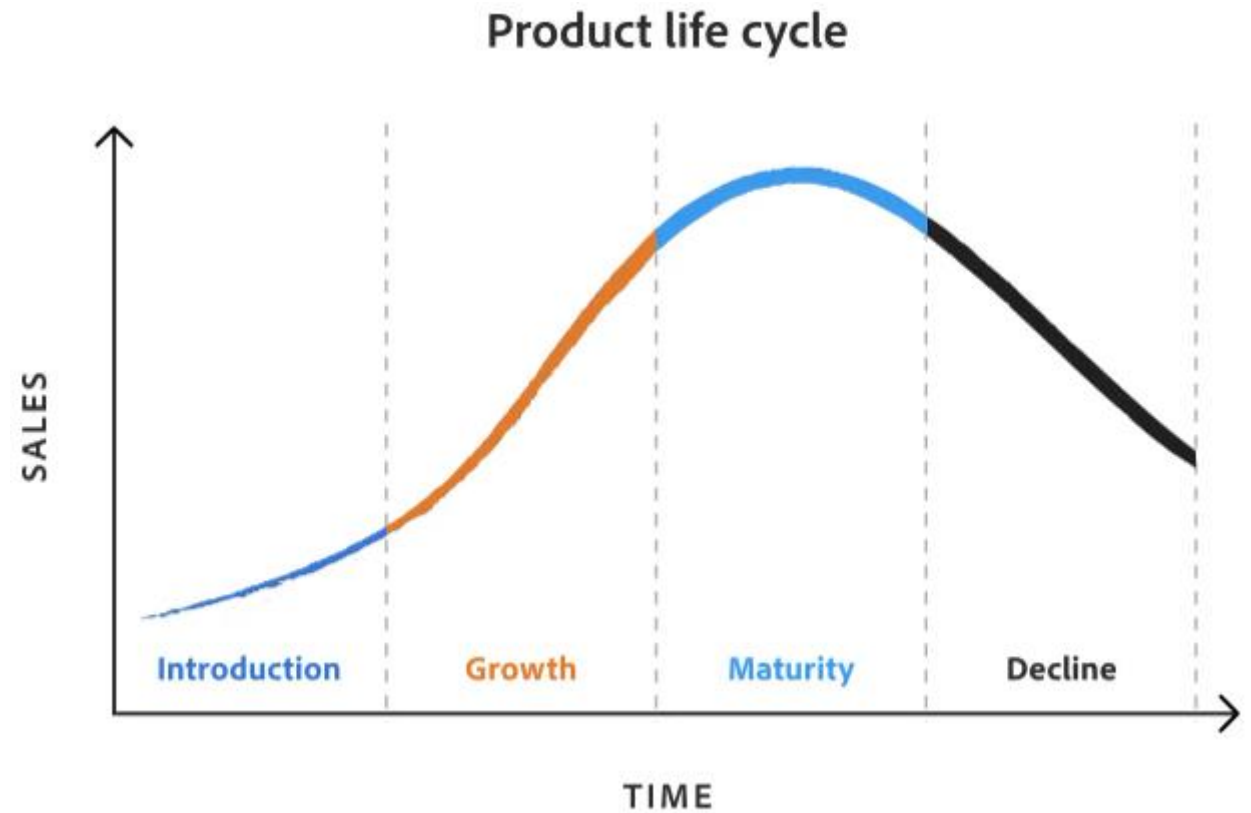
Go-to-Market

Product Marketing over the Product Lifecycle

| Introduction	Growth	Maturity	Decline
Objective: **Create awareness** and educate the market.	**Objective**: **Increase market share** and establish brand loyalty.	**Objective**: Defend market share while **maximizing profit**.	**Objective**: Manage the product decline strategically.
Marketing Activities: Focus on launching the product with an emphasis on its unique value proposition. Advertising, PR campaigns, and possibly loss-leading pricing strategies are common.	**Marketing Activities**: Expand distribution channels, emphasize brand differentiation, and invest in competitive advertising. Customer feedback is crucial for improving the product.	**Marketing Activities**: Focus on differentiation from competitors, emphasize brand loyalty, and possibly introduce product variations or extensions. Marketing efforts may include discounts, promotions, and loyalty programs.	**Marketing Activities**: Reduce marketing spend. Strategies may include harvesting (reducing costs to maintain profitability), divesting (selling off or phasing out the product), or pivoting (reinventing or repurposing the product).

Sales Enablement

Pricing strategy in product marketing involves determining how much to charge for a product or service to maximize profit while also providing value to customers. It's a process that considers various factors such as costs, customer demand, competition, and company objectives.

○ **Cost-Based Pricing**: This approach involves setting the price based on the cost of producing, distributing, and marketing the product, **plus a desired profit margin**. It's simple and ensures profitability, but it doesn't consider customer value or competition.

○ **Value-Based Pricing**: This approach involves setting a price based on the **perceived value of the product** to the customer rather than the cost of production. It requires a deep understanding of customer needs and preferences, often resulting in higher profit margins than cost-based pricing.

○ **Competitive Pricing**: This involves setting a price based on **what competitors are charging** for similar products. Companies may choose to price their product higher to position it as premium or lower to position it as a cost-effective alternative.
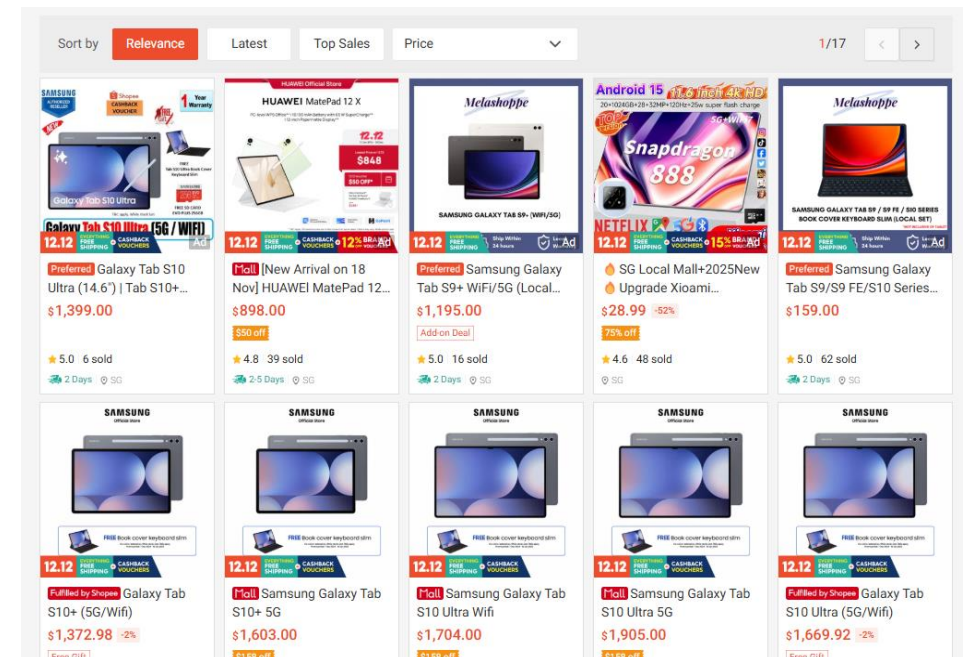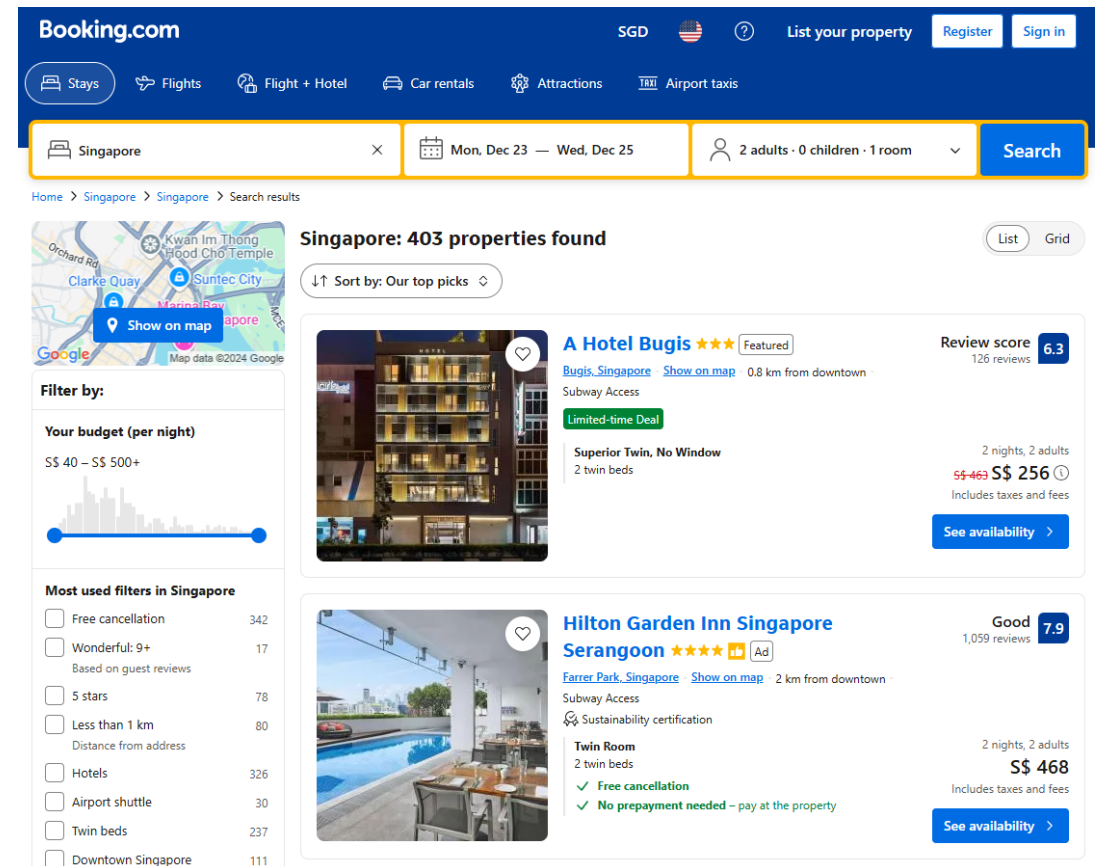
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○ **Dynamic Pricing**: Dynamic pricing involves adjusting prices **based on market demand, customer characteristics**, or other factors. It's often used in industries like airlines or hospitality, where prices can fluctuate based on factors like time of booking or seat availability.

○ **Freemium and Tiered Pricing**: These are common pricing strategies in software or **subscription-based businesses.** Freemium offers a **free basic version of the product**, with a paid version for premium features. Tiered pricing offers different levels or packages of the product at different price points.

Sales Enablement

Product marketing plays a critical role in **enabling sales teams to sell and promote products effectively**. Here are some of the ways product marketing supports sales enablement.

- o **Developing sales tools** - Product marketing creates sales presentations, product one-pagers, battle cards, competitive analyses, objection handlers, demo scripts, ROI calculators, and other tools to arm the sales team.

- o **Messaging and positioning** - Product marketing crafts compelling messaging and positioning that resonates with customers and differentiates from competitors. This provides the foundation for sales pitches.

- o **Market and customer research** - Marketing provides key insights into customer needs, pain points, and success criteria so the sales team can tailor their conversations.

- o **Content creation** - From blog posts and guides to videos and podcasts, content fuels the sales funnel. Product marketing creates educational and promotional content.

- o **Sales training** - Marketing educates sales reps on the product value proposition, key features, competitive differentiation, common objections, and ideal customer profiles.

- o **Event support** - From tradeshows to regional events, product marketing supports sales events to engage prospects.

Product Marketing

Comparing B2B and B2C markets

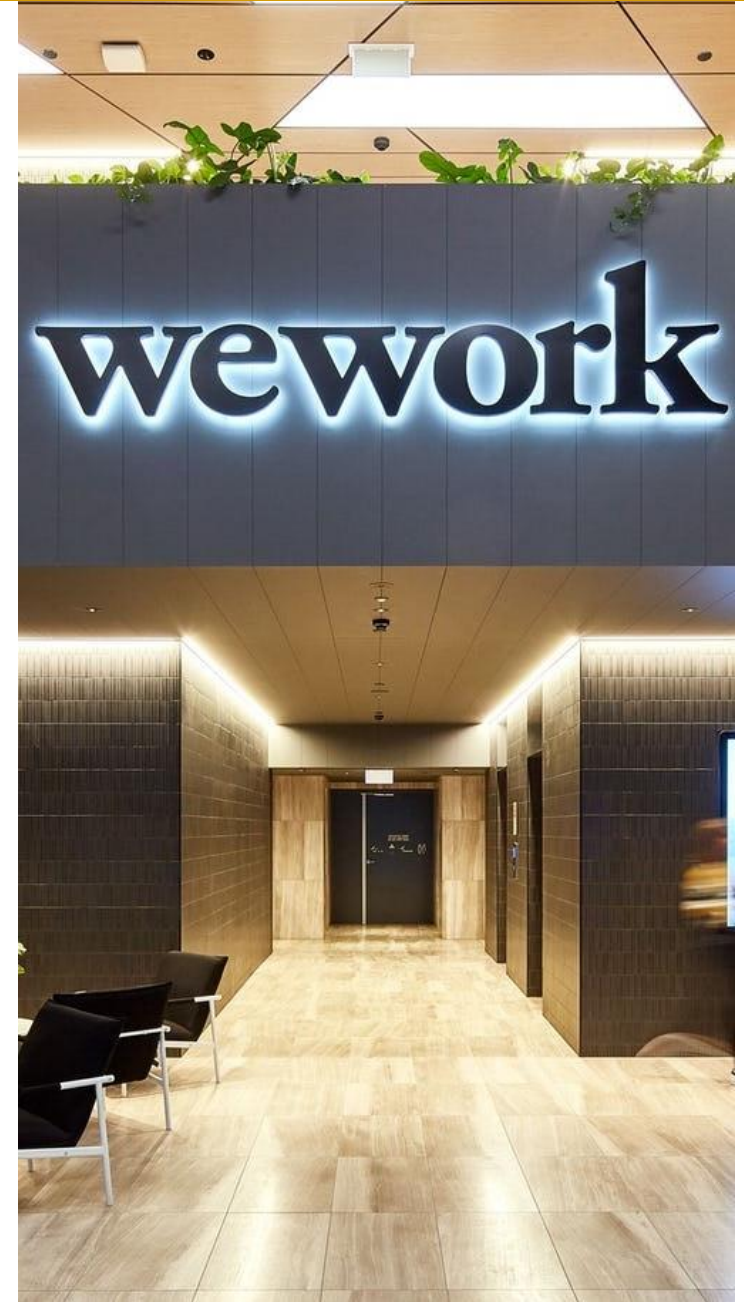|	B2B	B2C
Value Proposition	Focuses on **solving specific business problems**, improving efficiency, and achieving tangible ROI. The emphasis is on rational decision-making and measurable outcomes.	Emphasizes **emotional appeal, enhancing lifestyle**, and fulfilling personal desires. The focus is on creating a positive customer experience and evoking emotional connections.
Marketing Channels	Utilizes **professional networks**, industry events, trade publications, and targeted online advertising to reach the right decision-makers.	Leverages **social media, influencer marketing, email marketing, and content marketing** to engage consumers and drive direct purchases.
Target Audience	Businesses are the target customers, making the audience more complex and diverse. **Multiple stakeholders often make decisions** with varying roles and needs.	**Individuals** are the target customers, making the audience more homogeneous and emotionally driven.
Sales Cycle	**Longer and more complex**, involving multiple touchpoints, detailed product evaluations, and negotiations.	Generally **shorter and more impulsive**, driven by emotional triggers and immediate gratification.

Case Study

WeWork

o How does **WeWork position** itself in the office space rental ecosystem?

o What is **WeWork's mission**?

o What is the **persona** of WeWork's customers and how did WeWork reach them?

References
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* https://www.wework.com/en-GB/ideas/workspace-solutions/three-companies-using-wework-to-enter-new-markets
* https://www.adsoftheworld.com/campaigns/that-s-how-tomorrow-works

Case Study

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End of Class