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True Value

by Guy Smith

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That's no lady . . .

Is your wife or husband valuable to you? If you answered “no,” then put down this white paper, because you have bigger worries than marketing.

We all perceive value in people and things. Corporate executives and low-level techies are no different. They value products designed for enterprises. But reading the average business-to-business website, you would be hard pressed to find any value in the products sold there. This is painfully true for new technologies where marketers hurriedly lean on cliché phrases such as “new paradigm,” “disruptive technology,” and “industry leading.”

If you learn nothing else about marketing, learn that your primary job is to communicate value. It really is that simple. Your products and services have some value to your customer, and it is your job is to make the customer understand, trust, and believe in that value.

The problem is that most companies don't understand the concept of “value,” or the many facets it can have. You likely adore your mate for a multitude of reasons – their beauty, their tenderness, how great they are in bed, or even that they pay their alimony on time. Each facet is a type of value, and most values have no monetary rate.

Apply yourself

The funny thing is that there really is only one form of value, which is applied value. When we distill each alleged value of a product, service, or partner, there is one or more expected outcomes involved. In other words, when the product/service/spouse is applied to its intended purpose, you achieve some outcome, and so receive some value as a result.

This may sound obvious, but look at a few websites and search for a statement of value in the opening paragraph. In many cases you won't find one. Take, for example, this paragraph from a localization firm I encountered:

XYZ is a leading localization specialist advising on and helping global companies to deliver international communications cost-effectively and rapidly through a combination of linguistic excellence, quality-driven project management and the innovative use of automation technology.

There is no value proposition in their opening piece of communication – their elevator pitch, if you will. They make a claim about cost-effectiveness, but it is vague and it is a claim that can (and is) made by everyone in their industry. What value should a buyer of localization services

believe they will receive from XYZ Corp? None, really, because there is no statement of an expected outcome, and it is the outcome that we find valuable. That's why divorce is so expensive . . . because it is worth it.

Now the cynical among you (and you know who you are) might find my interweaving themes of mates, spouses and divorce a bit distasteful in a marketing white paper. But I have madness to my method. I wanted to illustrate that there are two forms of value you can communicate:

Functional value: This is what the average technology marketing person leans upon. Features, functions, MIPS, GHz, etc. These are important applied values, with quantifiable expected outcomes. For years, Oracle showed us that advertising their performance metrics communicated powerful functional value to the techie caste.

Emotive values: Human beings and CIOs have emotions that extend into the workplace. The applied value from an emotional motivator is different – it is internal to the individual, and not quantifiable. Can you quantify the love you have for your mate?

What is important is that you communicate a value for your product early in the engagement (which is why I pick on the first paragraph on various web pages) and try to cover both functional and emotive values. Immediately articulating a specific applied value gives the customer a reason to believe you have meaning in their life. To beat an analogy to death, this is why people of dating age groom themselves so well: physical appeal is a demonstration of future value.

I decided to visit a few technology websites, and see what their first paragraph – their elevator pitch – said. It is not surprising to find that many industry leaders include a straightforward statement of applied value. For example:

- Oracle's database page says, "Your information is always available and secure." Though this is a generalization, they are making two value propositions that relate to the very functionality of an enterprise, and doing it with the concrete promises of "always." This is a rare example of functional and emotive values combined, because the concept of unavailable and insecure data haunts everyone in IT.
- Siebel claims their software "creates superior customer experiences," an applied value that creates (oddly enough) another applied value – for the customers of Siebel's customers.
- Sun, in describing its enterprise class servers, promises "five times greater performance and significantly less power, cooling and space costs with no increase in system price." The functional applied values are clear-cut.

Apply liberally

If you are struggling to communicate the applied value of your products and services, there is only one solution: hire us. We will deliver (through you) market messages that quickly make customers out of prospects, thereby increasing your top-line revenues (did you decipher the applied values in that pitch?)

In the meantime, you can think about your value propositions by applying these fundamental steps:

1. Learn your customers' functional expected outcomes. This means knowing what they expect to gain in things that can be measured (less costs, time-to-market, cheap foreign labor, etc.).
2. Understand their personal motivations for achieving these outcomes (bigger raise, early retirement, trophy wife).
3. Distill the functional and emotive applied values into keywords.
4. Assemble the keywords so that the applied values your customers seek are conveyed in your opening sentence.
5. Test before rolling out to the world.

Naturally, the process is much more involved and detailed than this brief outline. It is the detailed process which is our product, and its applied value is that you will be able to communicate your value to your customers with the clarity necessary to win more business with less cost and effort.

Oh, and it will also whiten your teeth, win you a gorgeous trophy wife, and get you a bigger pay raise.

Guy Smith heads Silicon Strategies Marketing, a marketing consultancy devoted to helping high-technology vendors dominate their markets. He has consulted with technology firms in such diverse fields as high-availability software, interactive television, wireless messaging middleware, pure e-commerce plays, and Collaborative Software Development suites. Smith focuses on guiding his clients through the rigors of developing precise market strategies and educating his clients on both the theory and tactical necessities of their strategic implementations. His marketing expertise is matched by more than 20 years as a technologist specializing in high-availability IT processing.