

ICT companies need to become more marketing savvy, says report from The Fusebox

Submitted by: Western Associates PR

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ICT (Information and Communication Technology) companies need to develop a unique positioning to offset competition in the same market space.

Innovation in IT and communications does not translate to innovation in marketing or automatically lead to improvements in sales and marketing ROI, says a report from The Fusebox.

ICT companies should become more marketing savvy and think through a clear and distinct positioning if they are to look different in the same market space, according to a report from The Fusebox ("Innovative Markets Do Not Equal Innovative Marketing," October 2002).

The Fusebox - which provides sales and marketing solutions to PeopleSoft, Oracle, Dimension Data, and Agresso - analysed the marketing messages and positioning of 25 leading ICT vendors, which provided a mix of technical and market focus.

"We found the vendors are cramped together in the same market space and not differentiating themselves sufficiently to benefit from their investment in sales and marketing," says Fusebox founder Lillian Ayala. "Many vendors would benefit from a closer analysis of what is important to buyers - while clearer positioning would lead to improvements in marketing ROI and sales performance."

The key findings of the report showed -

- The innovation found in the ICT industry as a whole is lacking in marketing value propositions.
- Vendors have failed to achieve distinctive positioning, so they are all competing in the same market space.
- There is an overuse of broad generic terms, which confuses the potential buyer, making the sales effort much more difficult.
- The proliferation of market leadership claims leads to them being devalued in the eyes of the buyer.
- The lack of a credible brand image can prolong the sales cycle, as objections have to be overcome within the buyer's organisation.

The Fusebox analysed vendors' straplines, value proposition, positioning statement and key messages -and explored the similarities and differences in how the ICT vendors communicate with their buyers...and how effective such communications are in differentiating vendors from each other.

"Vendors make it difficult for the buyer to associate them with a chosen attribute or benefit - either by submerging the key 'message' in a welter of sub-messages, or not offering one at all," says Ayala.

Claims of "market leadership" from 20 of the 25 vendors served to further confuse buyers and devalued the term, The Fusebox found.

"Buyers cannot and do not trust such claims any more," the report states. To compound the problem, the wording used when claiming market leadership is "almost identical" - helping to make it almost impossible for companies to differentiate themselves.

"ICT companies need to become more clever at how they present themselves to the outside world," explains Ayala. "Experience and evidence suggest that smart marketing helps a company to win and retain customers.

"Everybody singing to the same tune can have the opposite effect. Yet -remarkably - so many companies do it."

The report highlights how vendors can develop "hooks" or messages that set them apart and which buyers can associate with - and how messages can be simplified to have more effect.

"A well positioned brand identity enables a buyer's organisation to make business decisions more quickly, as the decision making unit does not need to be educated about the supplier at the time of making a supplier selection," says the report.

Copies of "Innovative Markets Do Not Equal Innovative Marketing " can be obtained from <http://www.thefusebox.com>

About The Fusebox

The Fusebox provides sales and marketing solutions based on "Fusion Marketing" to ICT companies in Europe. Fusion Marketing is a methodology that combines the sales process, marketing disciplines and research & development practices to launch and sustain more successful ICT products and services to market.

Based in the UK, The Fusebox's client base includes corporate ICT clients such as PeopleSoft, Oracle, Dimension Data, and Agresso, as well as fast-track companies such as Sense Internet.

Web: <http://www.thefusebox.com>

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