

The importance of brand in enterprise technology sales

Many enterprise technology companies think branding is unrelated to sales success and devote few resources to understanding or managing their brand. Some enterprise technology providers argue that branding lacks relevance in a business-to-business context and belongs in the consumer world. Isurus' experience demonstrates that branding should be a priority for enterprise technology marketers for two reasons:

- A strong brand will be increasingly important with the commoditization of enterprise technology. Brand will become a/the key differentiator when technology is seen to be at functional parity.
- Selling solutions—not standalone products—requires a strong brand.

Defining brand

We conceptualize brand as the set of inferences people create for themselves about a company or product based on all of the exposures they have to it, including (but not limited to) the sales team, experience with the product itself, word-of-mouth, analysts, the trade press, and support staff. Brand perceptions are fully interactive with perceptions of the functional benefits delivered by a product or a company. Brand is a lens through which people evaluate functional benefits—it helps shape expectations for the experience people have with the company or product, and it is acted on and changed by those experiences.

Brand and the commoditization of enterprise technology

Writings by authors such as marketing gurus like Geoffrey Moore and academics like Harvard Business School professor Clayton Christensen argue that buyers increasingly view enterprise technology products as functionally equivalent and that buyers are focusing more on non-functional criteria in their purchase decision (i.e., criteria other than architecture, features, etc). This trend is also supported by Isurus' proprietary research for a range of enterprise technology providers. As we'd expect, we find functional equivalence is particularly prevalent in more mature product categories. If vendors can no longer differentiate themselves on product performance or functionality, they must find other ways to differentiate. No longer able to rely on functional differentiation, providers must differentiate based on factors like corporate reputation, commitment to service and support, future innovation, and the ability to engender trust and confidence in the buyer. All of these inferences are part of the brand. Organizations that fail to manage their brands find it more difficult to compete on non-functional criteria and may have to rely more heavily on price to differentiate.

Leveraging the brand for more effective solution selling

Solution selling relies more heavily on brand strength than one-off product sales. Solution selling goes beyond the sale of a single product and includes a bundle of products and/or services. Solution sales are made at a higher level in the organization, are longer-term commitments, and involve greater costs. Most technology providers believe that to succeed at solution selling, they must be perceived more as a "partner" rather than a "vendor." The difference between a partner and a vendor relies heavily on nonfunctional perceptions of the company. To be considered a partner rather than a vendor, the prospect must believe that a technology provider understands their business, is a reliable and financially stable organization, and is committed to serving its customers. For a prospect to buy a solution, these qualities are "requirements" of the deal: Ultimately, the prospect must trust the vendor and feel secure in the decision to a greater degree than in a one-off product sale. Companies that don't manage their brand are poorly equipped to go beyond basic product sales and position themselves as partners.

Building the brand

One of the first steps in effective brand building is to understand current perceptions of the brand. Companies that understand existing brand perceptions can spend their resources more efficiently by focusing on reinforcing known strengths or addressing known weaknesses. It is also important to understand brands in a competitive context. Buyers see a brand in the context of the strengths and weaknesses of competitor brands. Companies that understand how their own brand compares to competitors can more effectively position themselves. Primary market research with customers, prospects and other key stakeholder groups is one of the best ways to understand how a company's brand is perceived. Internal sources like sales have important and valuable perspectives, but ultimately customer and prospect opinions matter most and may be different than what sales and other internal stakeholders think of the market.

Isurus specializes in helping technology providers better understand how customers and prospects think about their needs and about vendors in the market. If your organization lacks the knowledge it needs to differentiate and provide value to buyers outside of functional requirements, consider contacting Isurus Market Research and Consulting.

For more information on how Isurus can help your company, please contact us at 617-547-2400 or visit our website at www.isurusmrc.com.



Isurus Market Research and Consulting

38 Cameron Avenue, Suite 250, Cambridge MA 02140

phone 617.547.2400 fax 617.547.4422

www.isurusmrc.com