

# **Entrepreneurial Marketing in the brave, new (flat) world and Dynamic Positioning: High-Tech Entrepreneurship: Session 4**

**Tom Kosnik, Fenwick and West Consulting Professor  
Stanford Technology Ventures Program  
Chi-Hua Chien, Associate, Accel Partners  
Seth Sternberg, CEO, Meebo**

# Agenda

- **Entrepreneurial Marketing in a brave, new world**
- **Dynamic Positioning because we must.**
- **Dynamic Positioning because we can.**
- **Dynamic Positioning from Micro to Macro.**

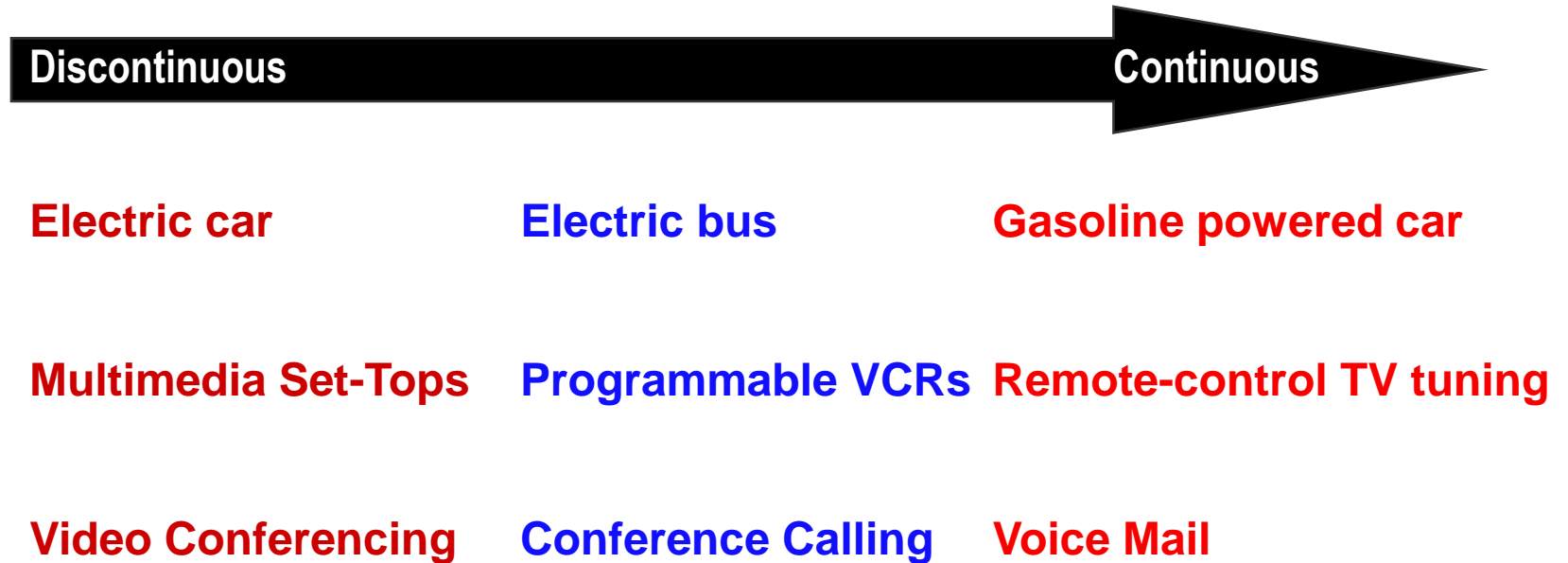
# Lessons were drawn from 60+ companies

<p><b>Older, Larger Companies</b></p> <p><i>Size and Age of Company</i></p>	<p>Accenture AMS AT&amp;T Ernst &amp; Young Farm Credit System Harris Trust Information Week KTH NUS Enterprise Stanford OTL STVP Yahoo!</p>	<p>Apple iTunes Electronic Arts Genesys Comm. Labs Google Intel WiMax Lotus Microsoft Oracle SAP Siebel Sony BMG Music</p>	<p>Apple Computer Apple iPod Applied Materials Applied Komatsu Technologies Cummins Engine Ericsson Intel Semiconductors Harley &amp; Honda Hewlett Packard Nike &amp; Reebok Palm Computing Yamaha Digital Music</p>
<p><b>Younger, Smaller “Startup” Companies</b></p>	<p>AI Associates AmiKai Chasm Group Chemdex/Ventro Epitrope Euphorion Gigabeat Infosys Mobile Insights Transcape Reactivity RTG</p>	<p>Access Danger Facebook Linkedin Myspace Nuance Orange Gum pcOrder Rapt Saba Skype Trilogy Software</p>	<p>Airify Brovis AVAcore Erox Handspring</p>
	<p><b>Services</b></p>	<p><b>Software</b></p>	<p><b>Hardware</b></p>
	<p><i>Primary Line of Business</i></p>		

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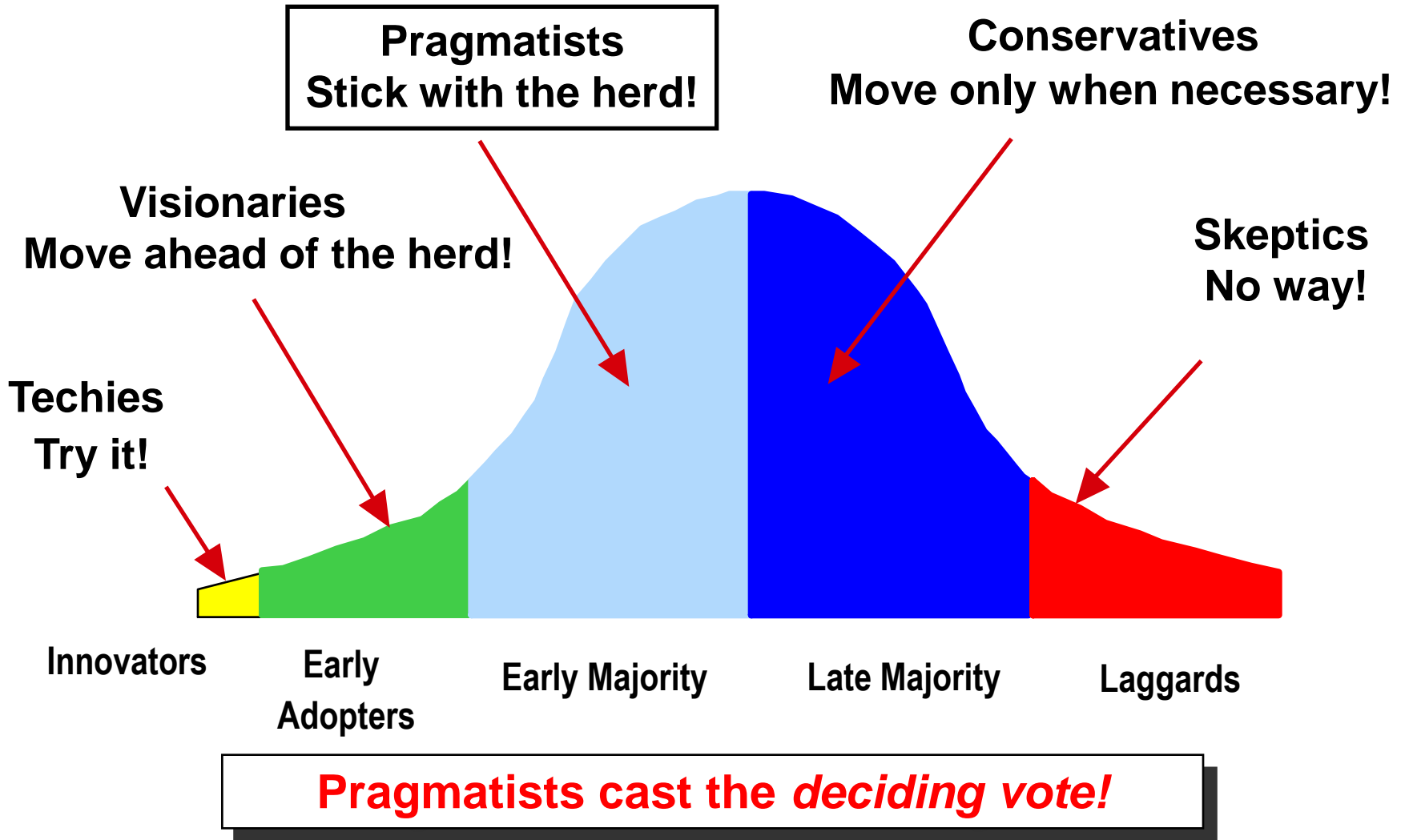
- **Entrepreneurial Marketing in a brave, new world**
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# Discontinuous vs. Continuous Innovations

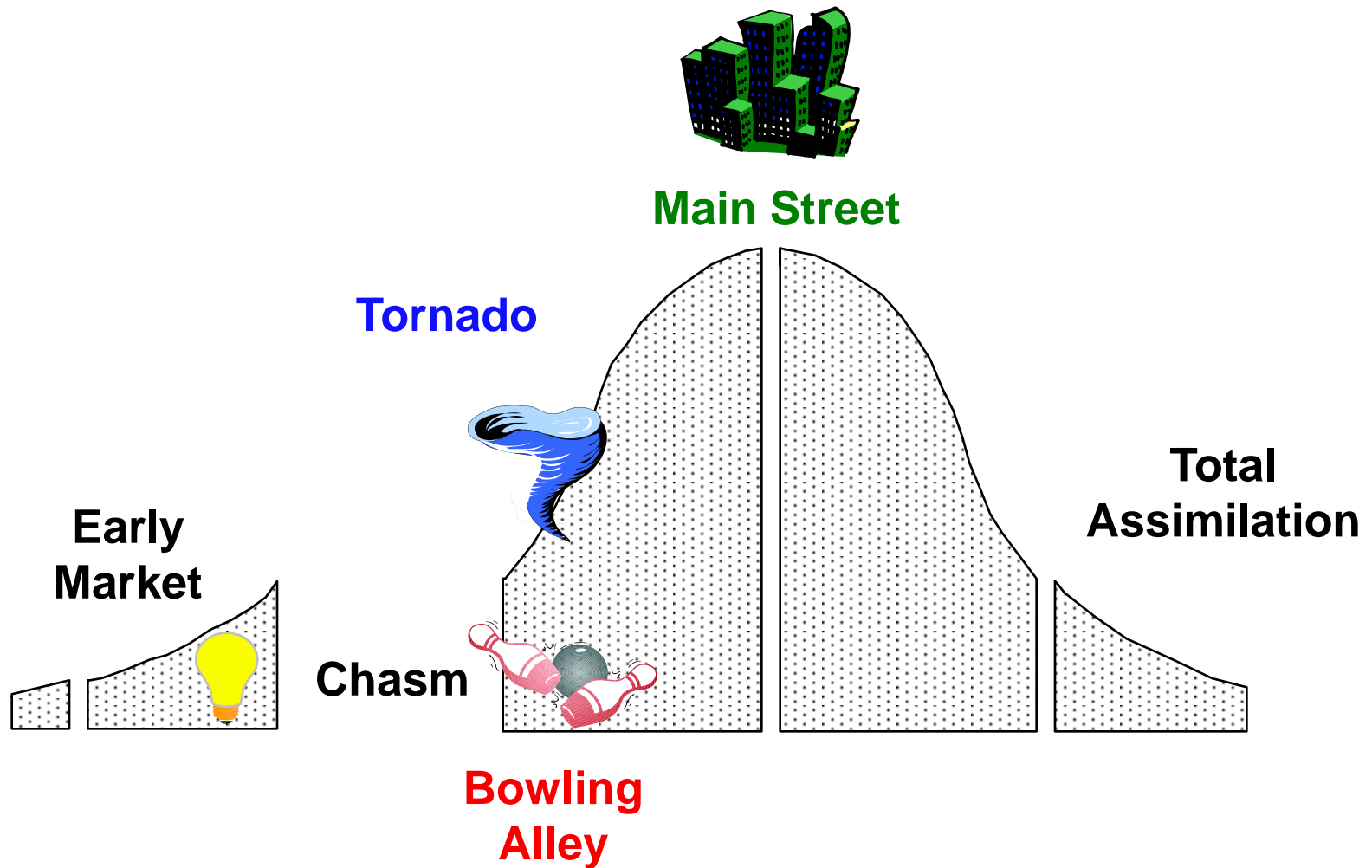


The Chasm applies only for *discontinuous innovations*.

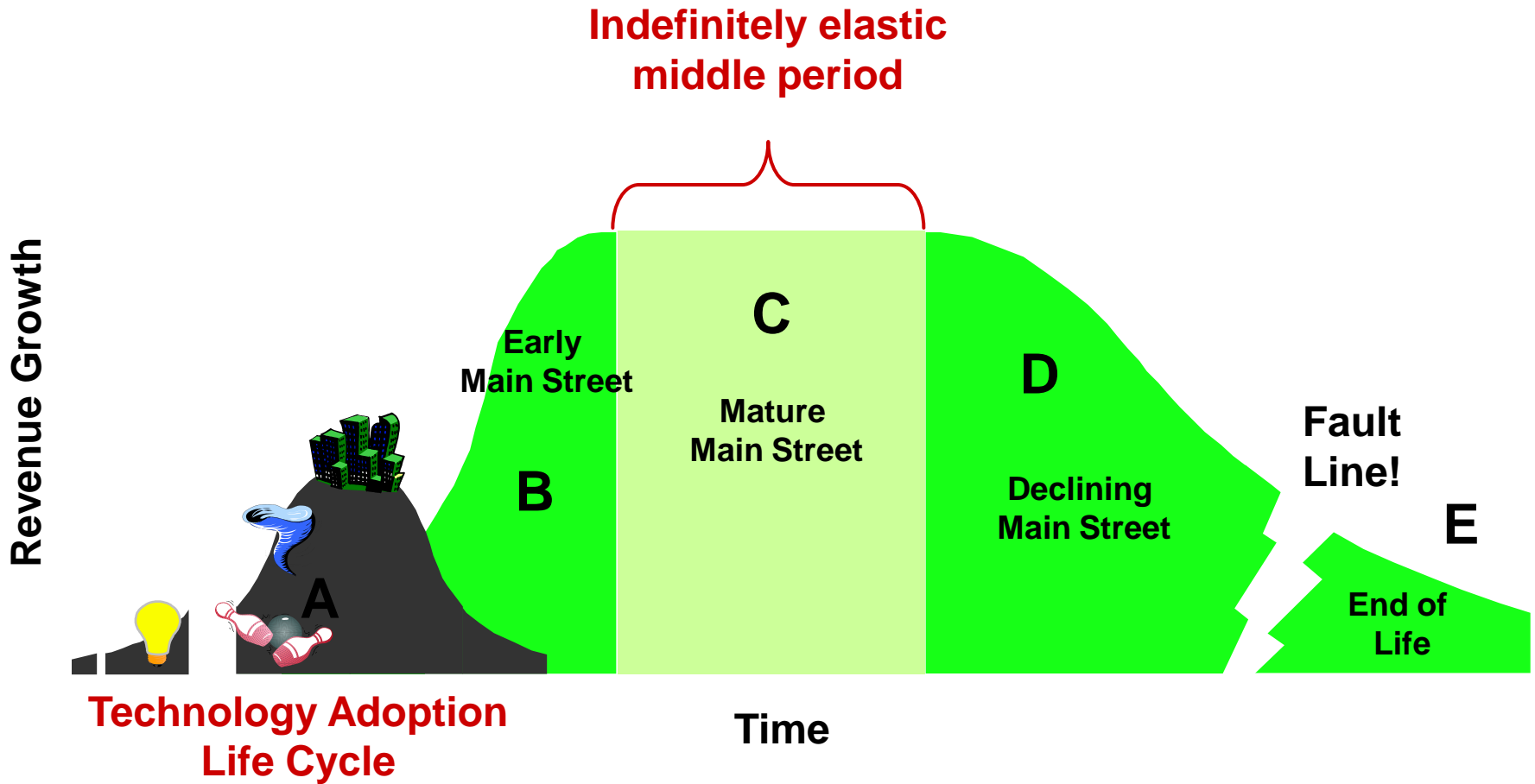
# Dynamic positioning across the life cycle



# Market Development Model



# Category Maturity Life Cycle



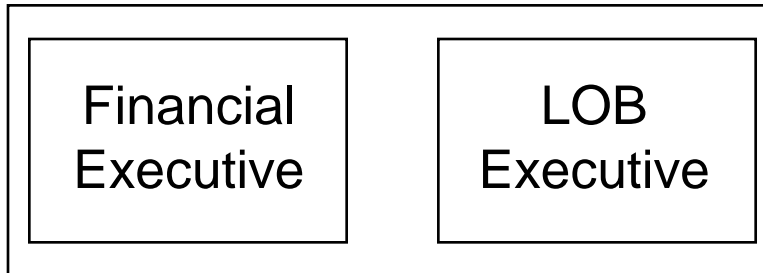
# The Nine-Point Strategy Checklist

Source of money	1. Target Customer	
	2. Compelling Reason to Buy	Source of demand
To fulfill the compelling reason to buy	3. Whole Product	
	4. Partners and Allies	Needed for whole product
Function of whole product integration complexity	5. Distribution	
	6. Pricing	Function of all other factors
Reference competitor in the same category	7. Competition	
	8. Positioning	Relative to reference competitor
Next move	9. Next Target	

**This checklist holds for all stages in the Life Cycle**

# Target Customer

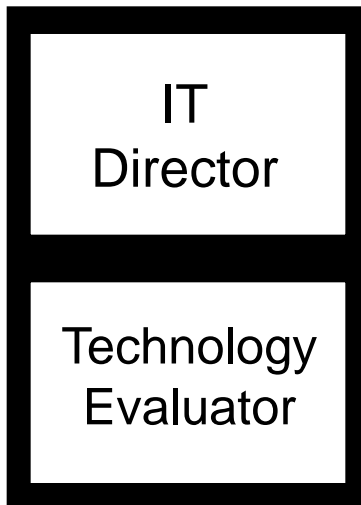
## Economic Buyers



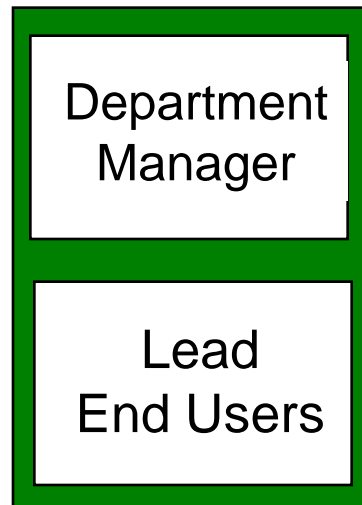
- Business-to-business model supports up to six roles

- Consumer markets fuse these roles into three or fewer

- Purchase influence migrates over the the life cycle



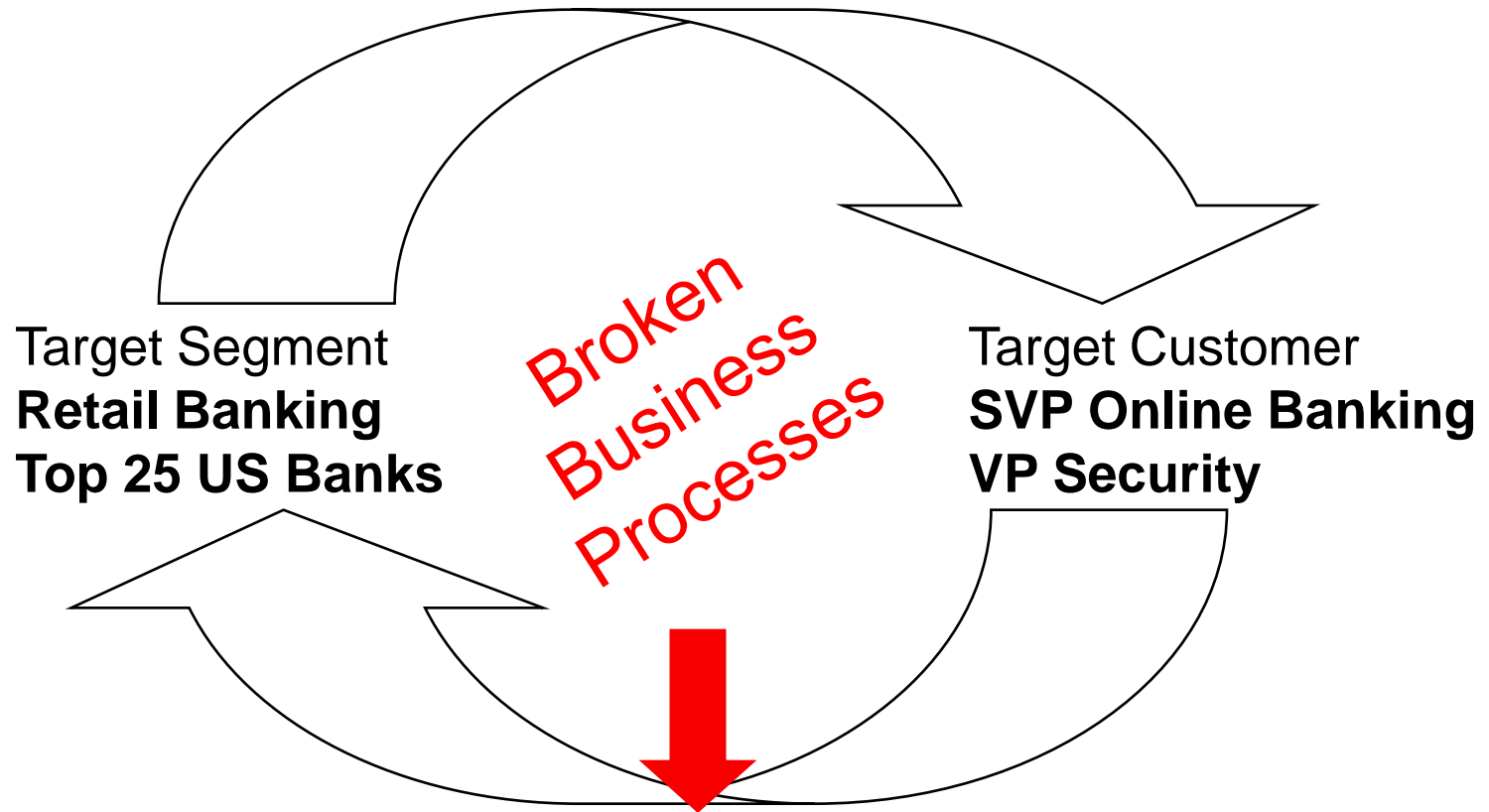
**Technical Buyers**



**End Users**



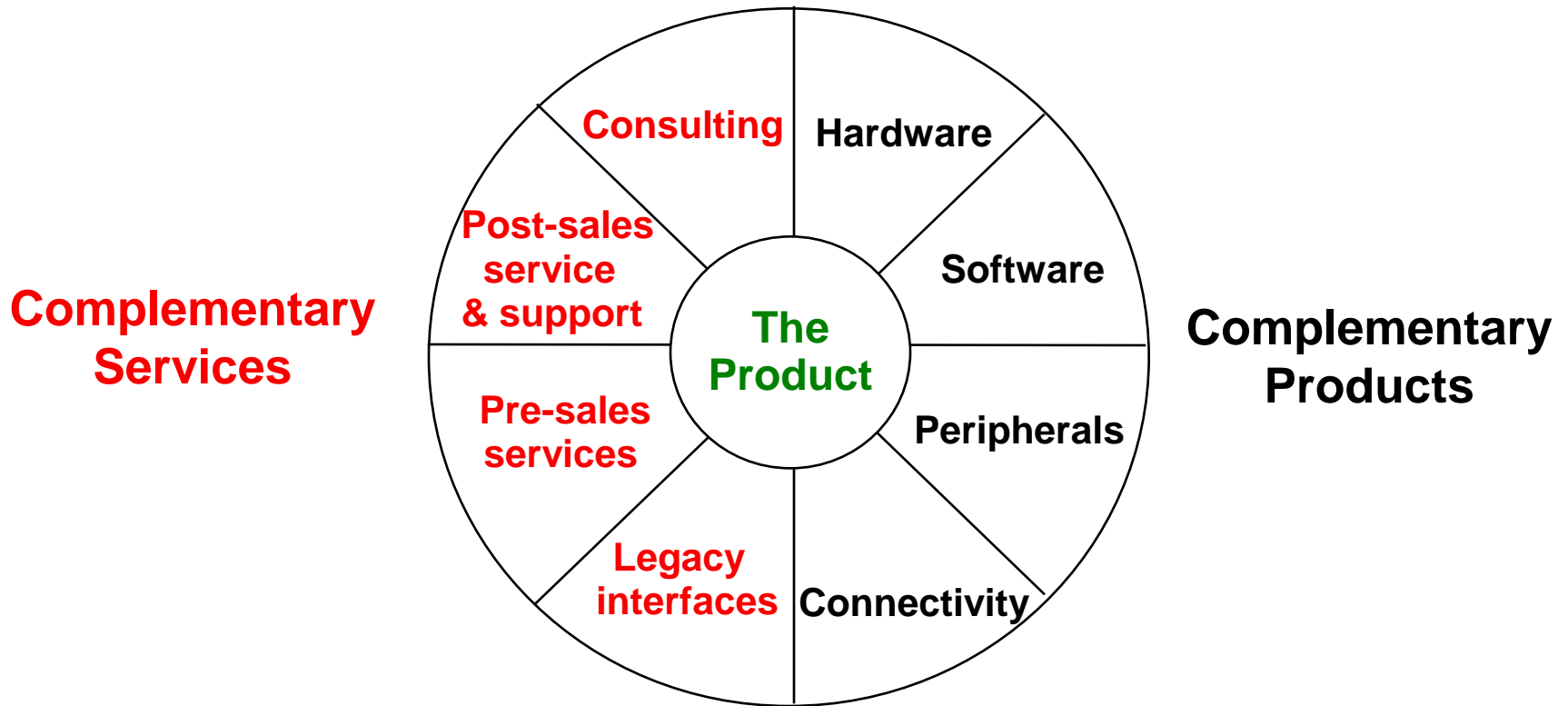
# Compelling Reason to Buy (Example)



Compelling Reason to Buy:

**Consumer fears of identity theft & fraud keep them from banking online, increasing bank mailing and branch costs**

# Whole Product: computer example



The whole product is the minimum set of products and services needed to fulfill the target customer's compelling reason to buy.

# Whole Product Defined

- For a given target customer
- With a compelling reason to buy
- The whole product is:  
*the minimum set of products and services needed*
- To fulfill that compelling reason to buy



# The Honda whole product depends on what you will use it for



Racing



Cruising

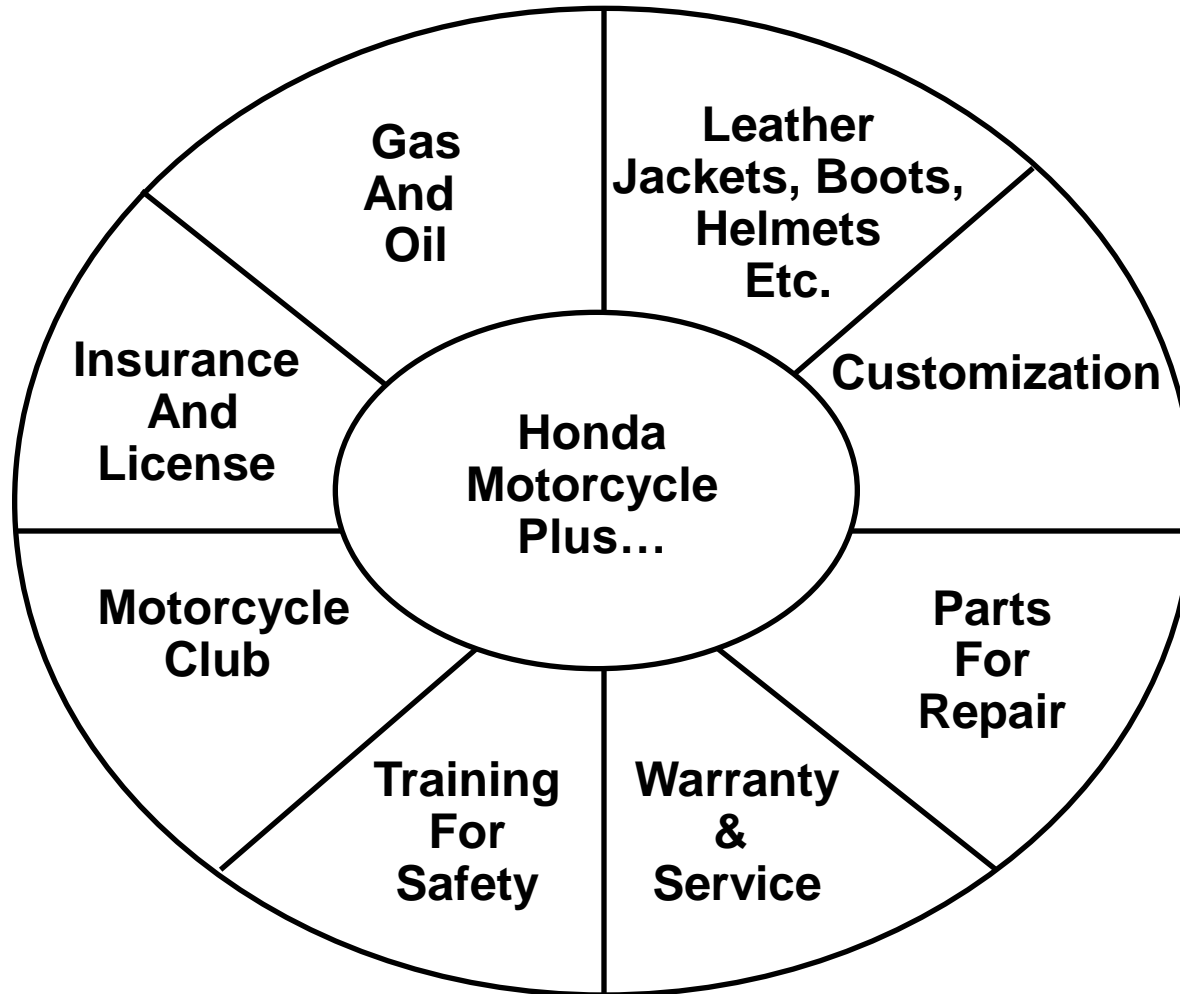


Urban Short Trips



Dirt Trail Riding

# Motorcycle Whole Product



***Honda must enlist partners to provide parts of whole product.***

# Partners Give-Get Matrix

Potential Stakes to bet on the Partnership	Partner can give:	Partner can get:
Technology ( <i>product, platform, and process technologies</i> )		
Resources ( <i>money, time, talent, and knowledge</i> )		
Relationships ( <i>with customers, channels, investors, government</i> )		
Reputation ( <i>visibility, credibility, brand equity</i> )		
Core Competencies ( <i>critical capabilities for execution</i> )		
Chemistry of Key People ( <i>culture, character, personalities, values</i> )		
Company Vision ( <i>purpose, mission, values</i> ) and strategy		

Adapted from: Kosnik (2000), "Managing a Portfolio of Polygamous Partnerships"

# Positioning Statement for the Product or Service in the “old world” of high tech

## Positioning Statement



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# The old model won't work in the new world.

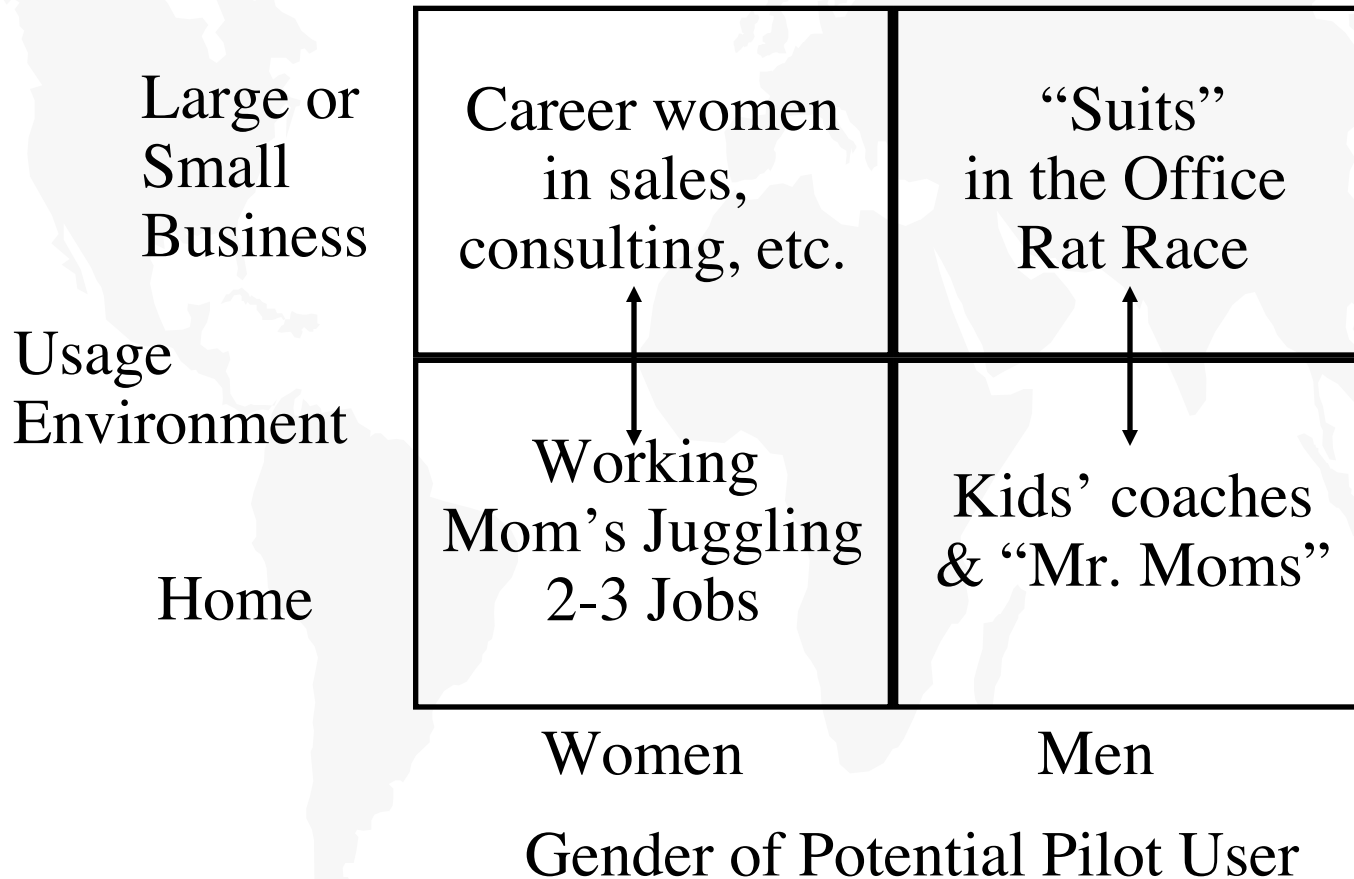
- Why not?
- As we look at the next few slides think about the many roles you play in the course of your day.
- The next time you visit a web site to get information or buy something, jot down each of your roles as it surfaces during the process.
- Bottom line: *Multiple Role Rotation* creates the need for *Dynamic Positioning*

# Dynamic Positioning Because we must

- Individual customers play multiple roles.  
*Simultaneously*
- One-way, mass communication changes to
- N-way, dynamic communication

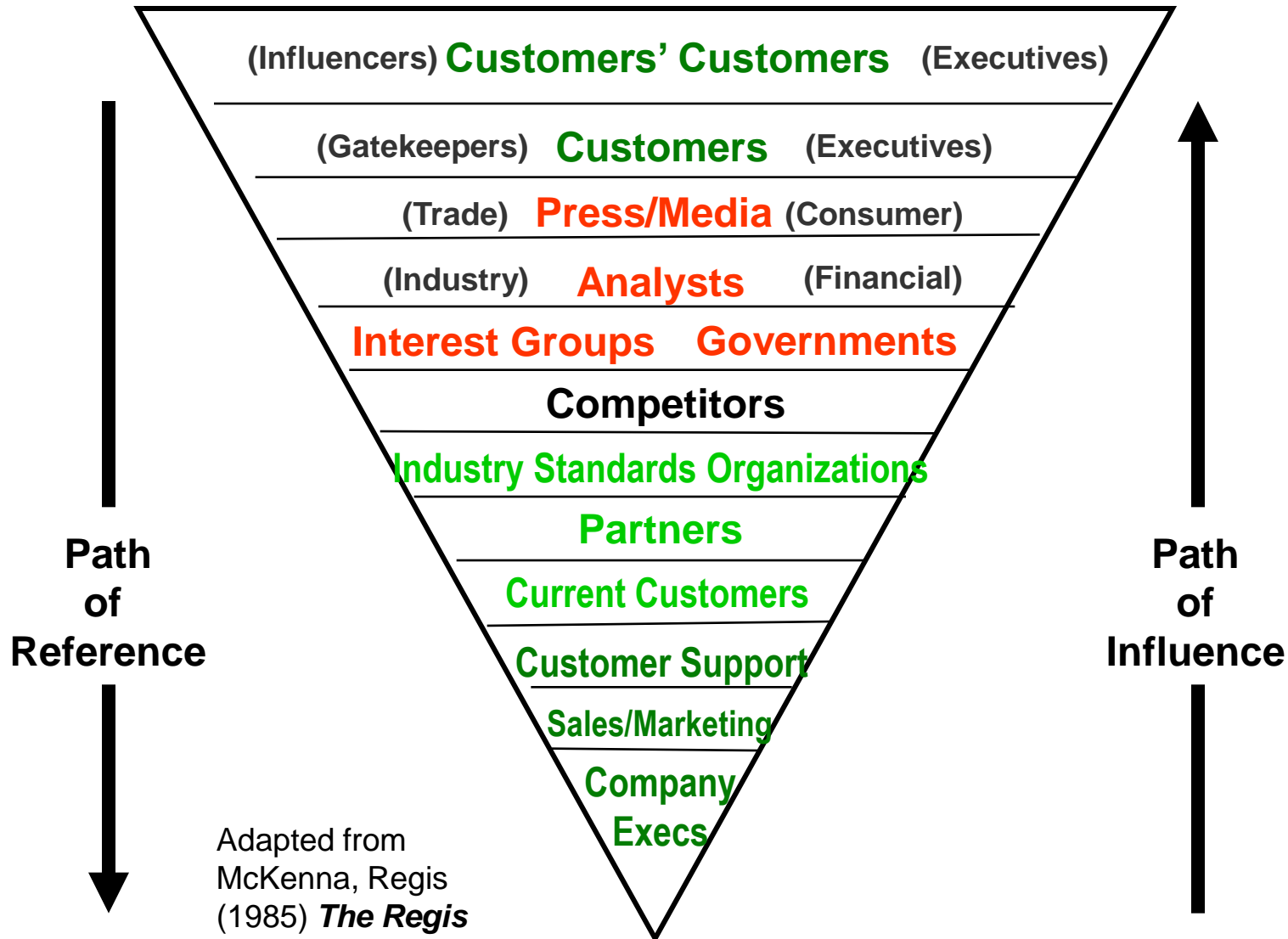
# Customers hold multiple B-2-B and B-2-C roles simultaneously

Any of them might show up on your web site in real time!



*Remember that customers may use your product/service in multiple environments!*

# One Way, Mass Communication



Adapted from  
McKenna, Regis  
(1985) *The Regis  
Touch*

# ...To N-Way, Dynamic Communication

“Users” = *Buyers + Wearers + Admirers*

*Customers' Customers' Customers*

(Influencers) *Customers' Customers* (Executives)

*Brand Arsonists* (Gatekeepers) *Customers* (Executives)

*Interest Groups* (Industry) *Analysts* (Financial)

(Trade) *Press/Media* (Consumer)

*Brand Advocates*

*Competitors*

*Bloggers*

*Governments*

*Industry Standards Organizations*

*Partners*

*Current Customers*

*Customer Support*

*Sales/Marketing*

*Company Execs*

*What Paths of Reference?*

*What Paths of Influence?*

Adapted from McKenna, Regis (1985) *The Regis Touch*

# Rethinking the CRUDE Test: Durable vs. *Dynamic* Positioning

## *Create Positioning for each role*

- For: (Customer in Role 1, 2, ...N)
- Who: (Need Statements 1, 2, N)
- The (Product Name(s))
- Is a (Product Category 1, 2, N)
- That (Key Benefit)
- Unlike (Primary Competitor)
- Our Product (Differentiation)

## *The CRUDE Test: Is Your Positioning...*

Credible

Relevant

Unique

Durable...or *Dynamic*?

Emotionally Appealing?

= The CRUDE Test

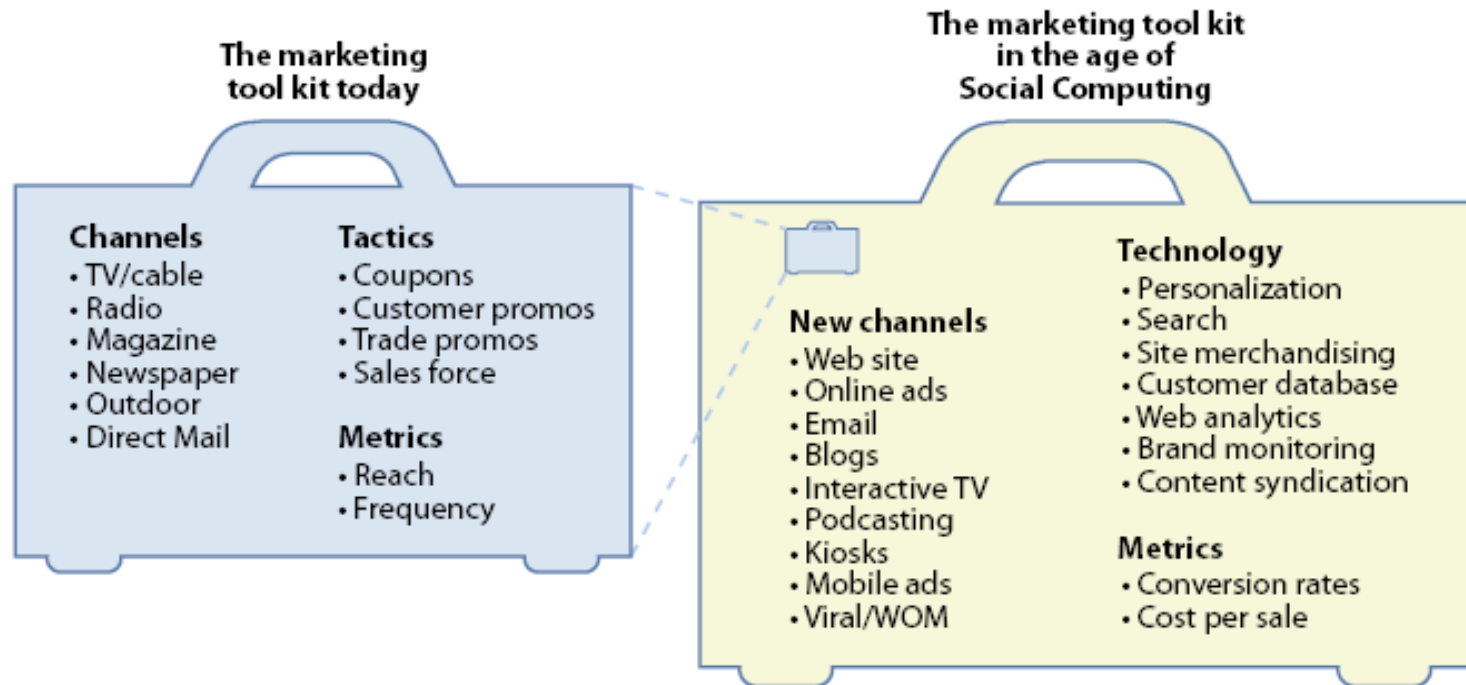
Sources: Moore (2002) *Crossing the Chasm*, and Kosnik (2007) “Dynamic Positioning”

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# Dynamic Positioning because we can...

**Figure 9** Social Computing Requires A New Marketing Tool Kit



Source: Forrester Research, Inc.

***And the Portfolio of Baynote Solutions!***

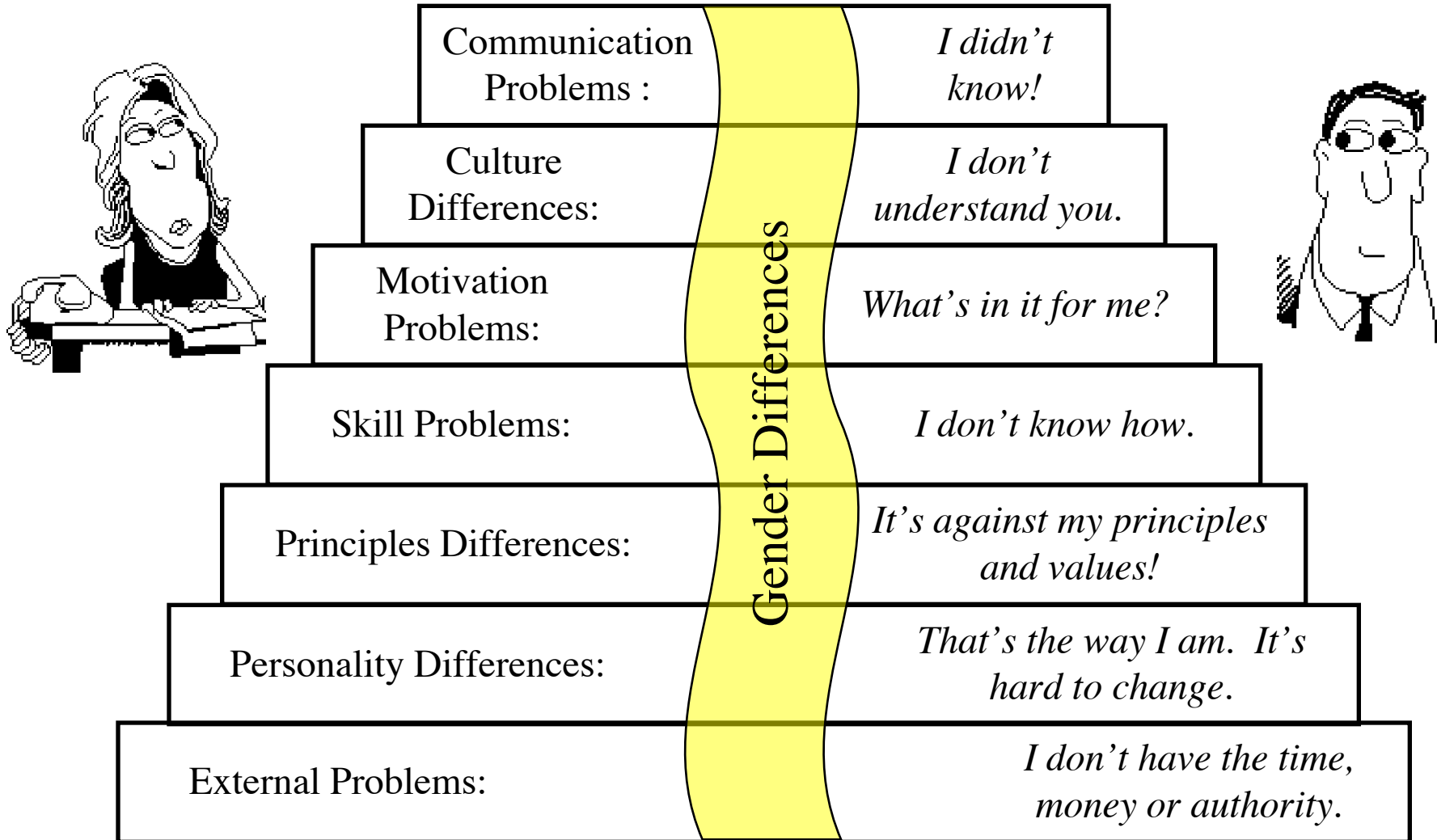
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# Dynamic positioning: from Micro to Macro

- **Dynamic Positioning around the world.**
- **Dynamic Positioning across the category life cycle**
- **Dynamic Positioning across the value chain**
- **Dynamic positioning to match each customer in multiple contexts**
  - Multiple roles – held simultaneously
  - Multitasking
  - Changing moods
  - Changing health
  - Changing sources of stress
  - Changes across individual and family life cycles

# 1 to 1 Diagnosis of customers in multiple contexts...



The 1 to 1 Diagnostic is based on work by Kosnik, Blair Ramfelt and Pfeifer from 1987-2000.

# Dynamic positioning across the Value Chain

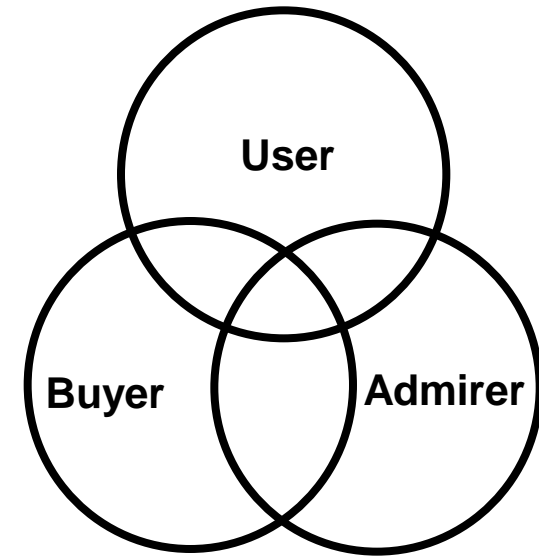
**Manufacturers**

**Distributors**

**Retailers**

**Ultimate Customers**

Buying Roles		Buying Roles		Buying Roles
Decision Maker		Decision Maker	→	Decision Maker
Influencer		Influencer	→	Influencer
User		User	→	User
Gatekeeper		Gatekeeper	→	Gatekeeper
Coach		Coach	→	Coach



# Dynamic Positioning Across the Life Cycle and Around the World:

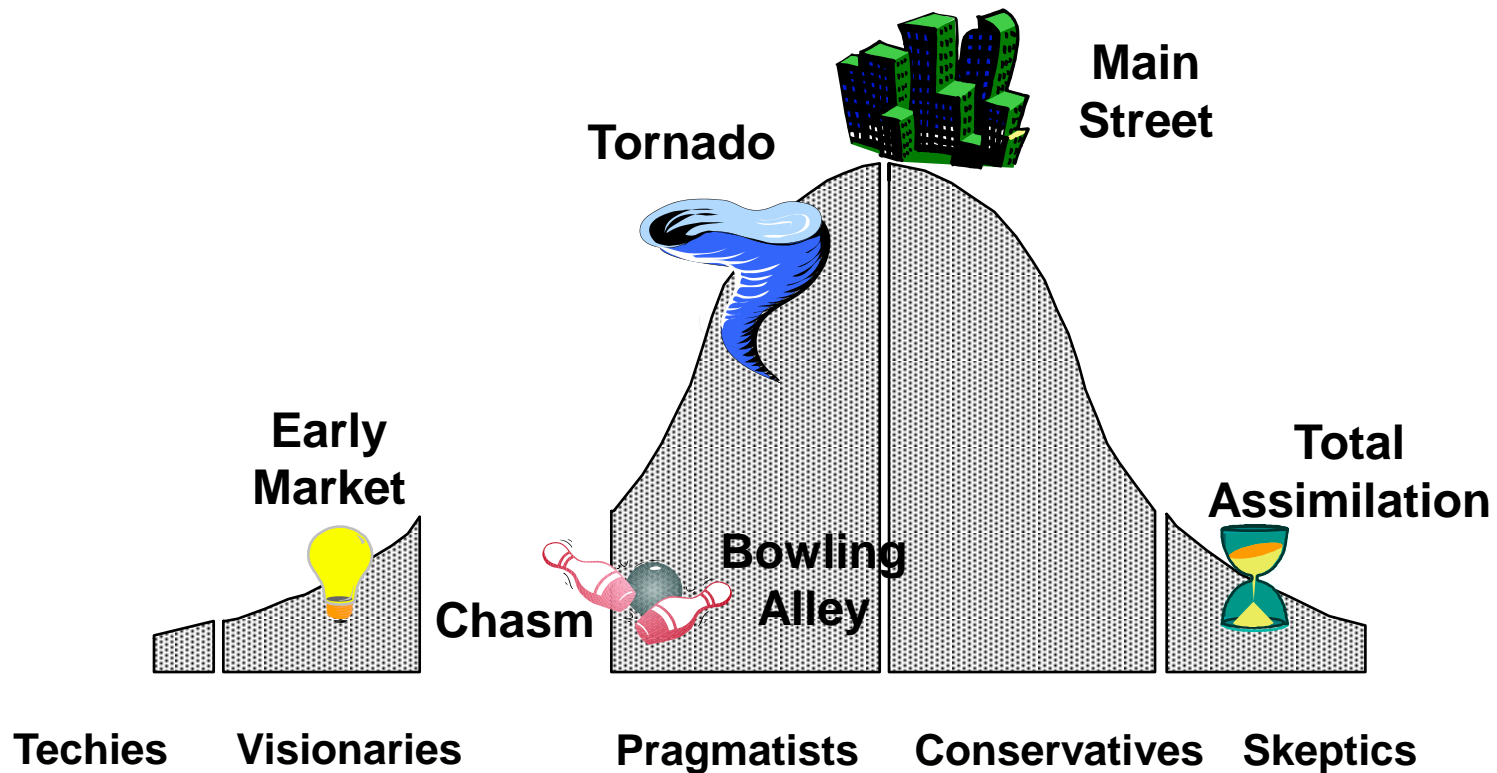
**Entrepreneurial companies  
face a “Double Chasm”  
as they go global**



# The Double-Chasm Challenge

- **The Technological Chasm – based on the early majority adopters’ perceptions of the innovation’s risks**
- **The Cultural Chasm – based on:**
  - Lack of experience of the company’s leaders in each new country’s local culture
  - Lack of trust among adopters in each new country in the “foreign” company and its leaders.

# The Technological Chasm: Your products, or services, or brands must be delivered to customers with different appetites for risk. *Simultaneously.*



Adapted from: Moore (2002), *Crossing the Chasm*.

# The Cultural Chasm: Your products, or services, or brands must be delivered in multiple countries. *Simultaneously.*

Lack of Experience



“Foreign”  
High-tech  
venture

Language  
Laws  
Business Ecosystem  
Business-Government  
Education  
Religion  
Culture  
Ethics  
Circles of Influence  
Provincial Code

Lack of Trust



Adopters  
in a new country’s  
Local culture

# **And now insights from two real-world entrepreneurial marketing leaders**

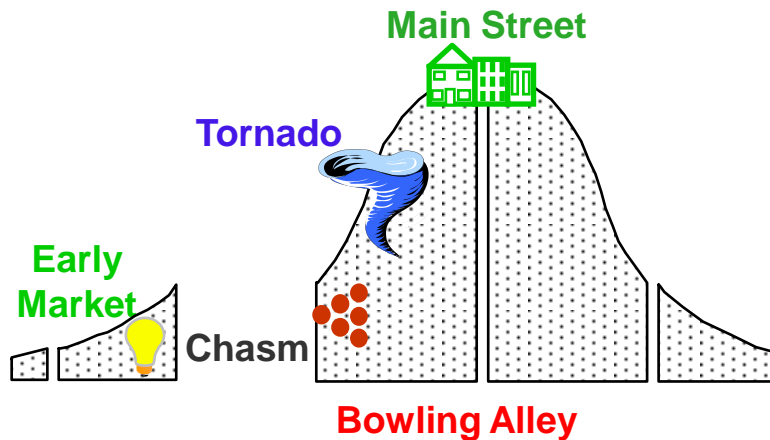
**Chi-Hua Chien – Associate, Accel Partners  
(and Director of Marketing, CoreMetrics)**

**Seth Sternberg, CEO - Meebo**

**Appendix:  
Case Study: Bond Vs. Barbie  
It may not used in the E 145 Class  
on October 3, 2007  
due to reduction lack of time.**

# Dynamic Positioning around the world

## Bond and Barbie Go Global: Dynamic vs. Durable Positioning of Brands



# Case Study

- **Introduction**
- **Dynamic Positioning = Barbie**
- **Durable Positioning = Bond... Until..**
- **Bond & Barbie = Dynamic *and* Durable**

# Barbie before 2000: Accessible & *very* localized



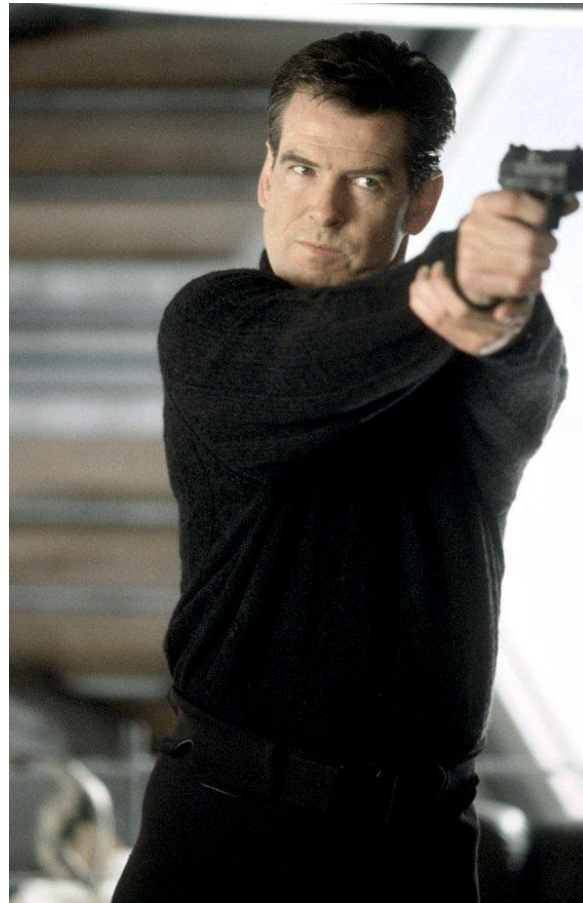
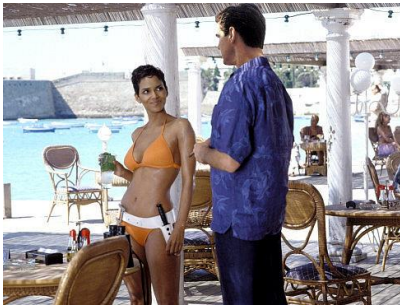
# Rapunzel Barbie-The Exception. Why is she *NOT* localized?

*Because  
The Rapunzel  
fairy tale  
requires  
long blonde  
Hair...*

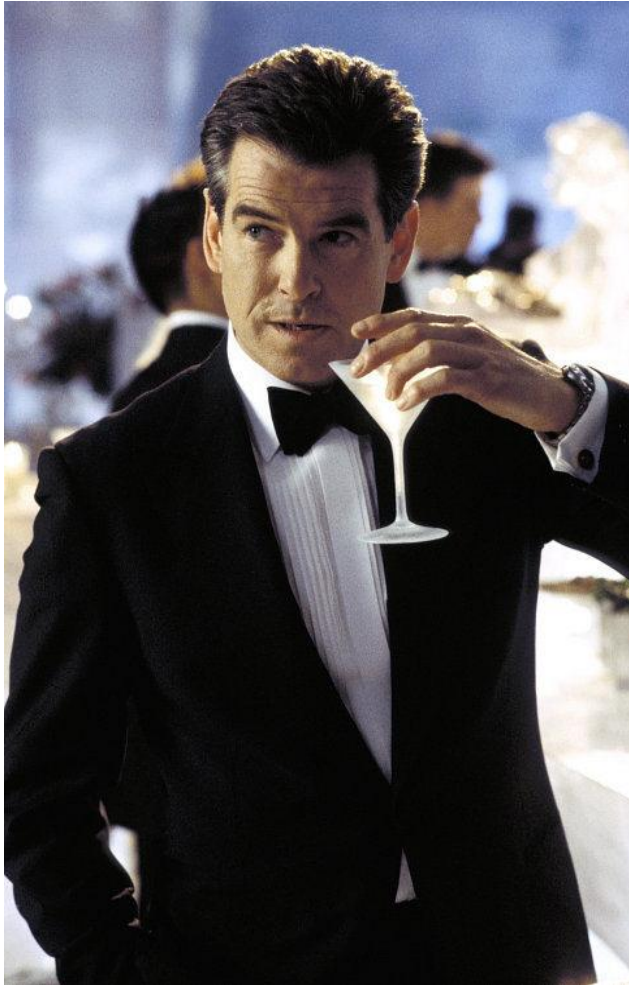


*Because  
Mattel's  
market  
research  
revealed  
that girls  
around the  
world were just  
as happy  
with blonde  
Barbie as with  
one who looked  
like them.*

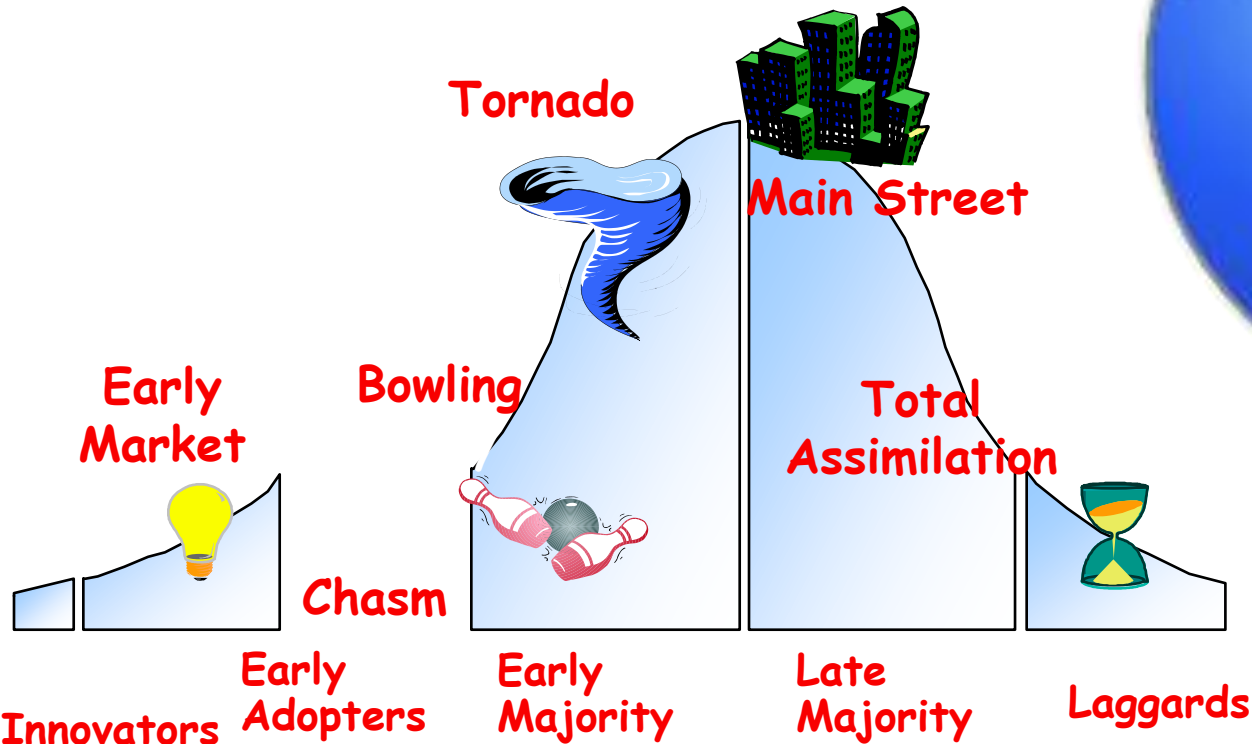
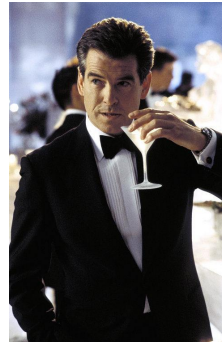
# Bond: Accessible & always the same around the world



# Until Daniel Craig Replaces Pierce Brosnan



# Bond and Barbie: Dynamic AND Durable!



Source: Moore (2002), *Crossing the Chasm*; Wiefels (2002), *The Chasm Companion*.

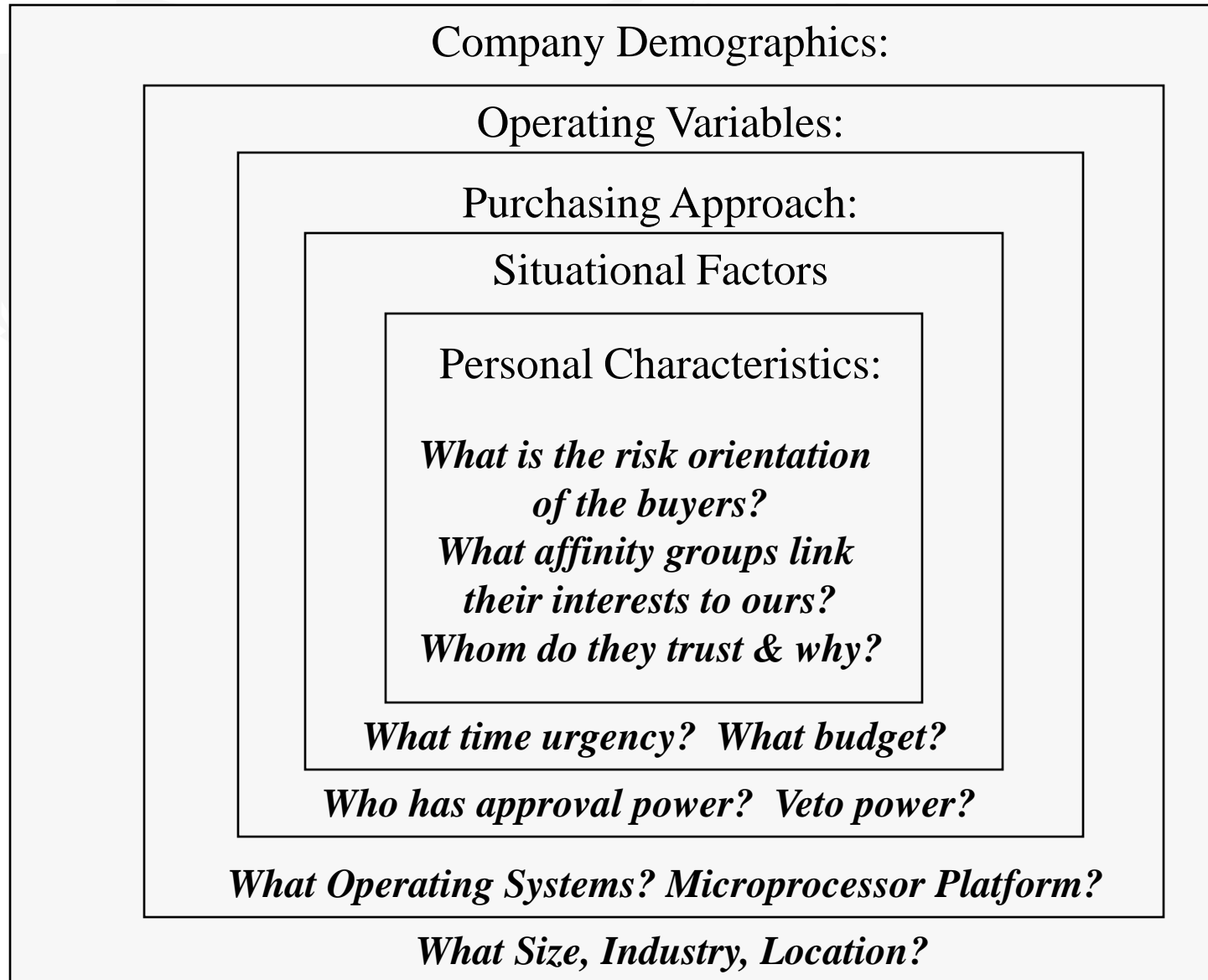
# Where can you learn more?



- **Stanford Technology Ventures Program:**
  - <http://stvp.stanford.edu>
- **STVP Educators Corner**
  - <http://edcorner.stanford.edu/>
- **Business Association of Stanford Engineering Students**
  - <http://bases.stanford.edu>
- **Global Entrepreneurial Marketing (GEM)**
  - <http://gem.stanford.edu>
- **DFJ Entrepreneurial Thought Leaders (ETL) Program**
  - <http://etl.stanford.edu>
- **The Chasm Clan Wiki:**
  - <http://www.enterprise.nus.edu.sg/>

## B-2-B decision makers occupy multiple roles simultaneously

Adapted from Shapiro & Bonoma (1984), "How to Segment Industrial Markets"



# B-2-C decision makers occupy multiple roles simultaneously

Adapted from multiple sources

