

Model abuse in Marketing

The beauty of questions in developing your marketing plans!

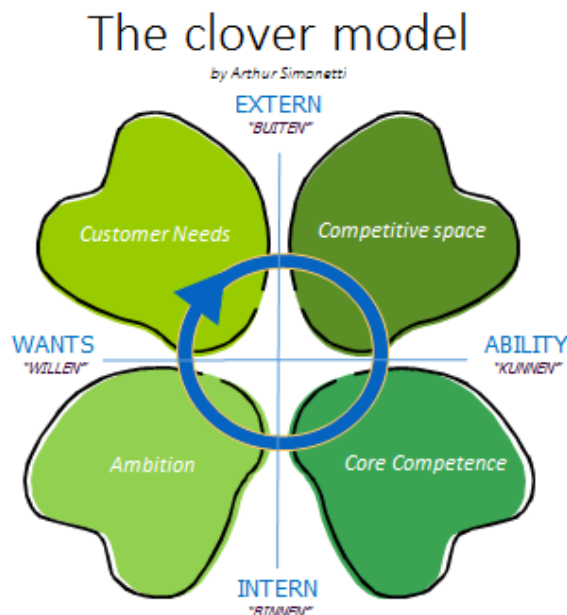
"One of the great skills of a marketer should be the drawing of a matrix. A 2 axis diagram which allow you to plot every market opportunity, every product and competitor, so that ALL dynamics and issues can be explained." That is at least the perception of non-marketers of our marketing profession, and to a certain extend they are right, unskilled marketers, abuse models and create new ones too easily.

For me the true value of a models lies in the power in which it supports your decision making, through asking QUESTIONS. Questioning your assumptions and questioning your consistency. A good model helps you to trigger and structure a dialogue. Whether this dialogue is with your team (which is preferred), or with yourself. A model is ONE WAY of looking, it's a lens through which you look at reality. As soon as the model is used as a dogmatic representation of reality it loses its value.

A good example of model abuse is the poor Product Life Cycle. In many times It is used to explain the position of a product and predicts its future. No surprise that it will become a self-fulfilling prophecy. At the moment it is more creatively used to trigger questions it will create more value. Questions like: how to rejuvenate my product? What is the maturity of competitive products? Are we still a winner? Is the life cycle of the product category similar as our product? No answers just questions!

My top 3 Marketing Models

In my daily practice I use a limited number of models to help me to ask the relevant questions and thereby improve my decision making. These models are focusing on, what I would categorize as a CONSISTENCY CHECK MODELS.



Number 1: The clover model

My first and foremost model is a model I designed in the 90's, which I call the Clover model (see fig1). It consists of 2 dimensions; the internal external dimension and the Want and Ability dimension. This combination delivers 4 quadrants that cover the 4 most important questions you should ask yourself in building a strategy. These questions are:

1. INTERNAL WANT; what is your ambition? What do you want to achieve?
2. EXTERNAL WANT; what is the customer NEED? What does the market want?
3. EXTERNAL ABILITY; what is possible in the market given the competition?
4. INTERNAL ABILITY; which competencies do you have to fulfill your ambition and the market need?

It doesn't matter where you start, sometimes you start with a market opportunity, sometimes with your ambition. The most important is that you answer all quadrants and that your answers are logically aligned and coherent. I have used this model both in strategy workshops to stimulate the dialogue as well as consistency check for written marketing plans.

Number 2: The industry Dynamic model



The second model is called the Industry Dynamic model which is a nice second generation Porter's 5 forces model, integrated with a PESTEL and Value Chain analysis. I wrote about this in an earlier blog. https://www.linkedin.com/pulse/marketing-314-b2b-marketeer-success-factor-arthur-simonetti?trk=pulse_spock-articles

This framework is built around five questions, whereby the answers are visually aligned in blocks (horizontally and vertically, see figure 2):

1. Where is the value in the value chains?
2. Who are the key players?
3. Who has the power?
4. Who are the influencers?
5. What are the trends and what is the impact?

Both during the creation of the visual analysis, questions and discussions are triggered as well at the moment the total picture is ready. It will help teams to have a structured dialogue to support the decision making regarding the position in the value chain, the

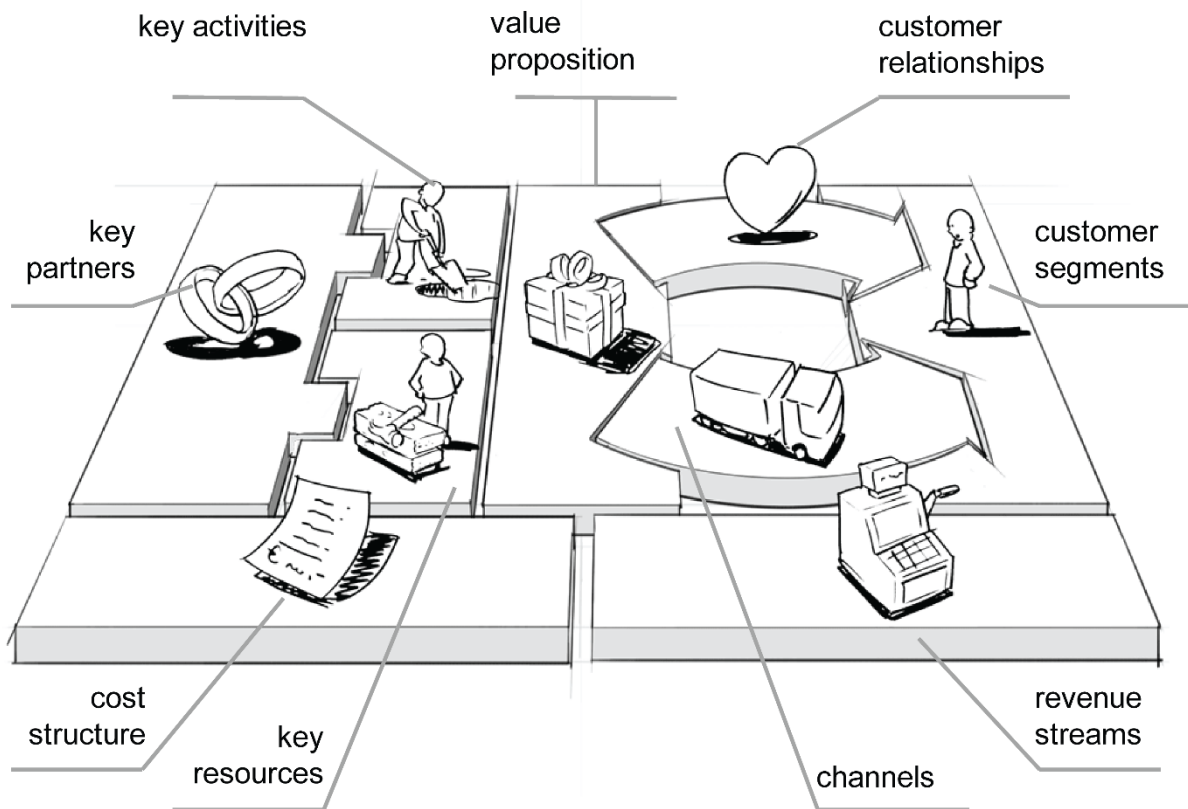
winning propositions, as well as an in depth understanding of the true dynamics that are shaping your market.

Number 3: The Osterwalder Canvas <http://businessmodelgeneration.com/canvas/bmc>

My last favorite CONSISTENCY CHECK model is the Osterwalder Canvas. Also here key questions integrated into an overall picture help the decision making in building a consistent and coherent business model. The way I use the model is to accommodate 3 dialogues substantiated by the 9 building blocks;

1. What do we offer to whom?
 - a. What is our target segment and which is the friction we solve?
 - b. What do we offer? What is our value proposition?
 - c. How do we reach our customers?
 - d. What is the relationships we have with our customers?
2. Which capabilities are needed?
 - a. What are the necessary key activities?
 - b. What are the key resources and capabilities needed to make it a success?
 - c. Which key partners will help to complement our own competencies?
3. What is the financial attractiveness?
 - a. How do we make money? What is the revenue model?

b. What is the cost structure?



With these 3 models in my back pocket I am able to structure many strategic and marketing discussions. Not by giving answers or explanations, but simply by asking questions. Leaving room for different perspectives and creative solutions, which culminate in a coherent story and line up. A line up that connects the outside in with the inside out and allow us to take decisions and make choices.

A right use of models in marketing for sure adds value and strengthens your story!