



# Market Mapping Series

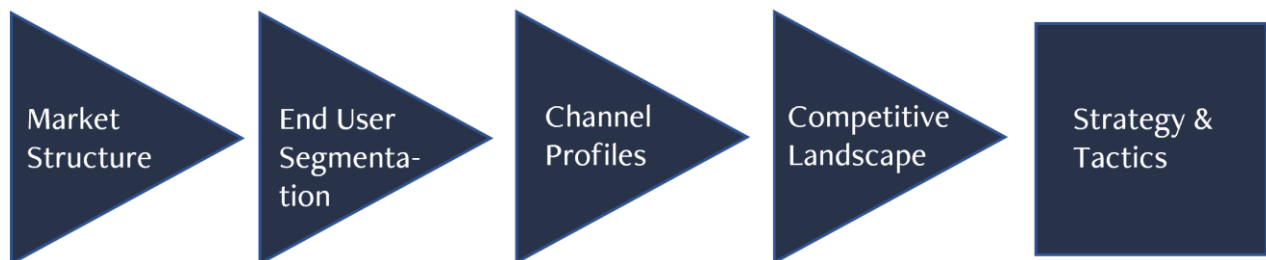
## Stay Ahead of Market Change

Alex Cullotta

### What is Market Mapping?

Market mapping is a logic framework that provides detailed understanding of a market. The tool delivers insights into market structure, direction and relative power positions. The mapping process is an all-encompassing, progressive analysis of your market, providing the necessary context to make informed strategy decisions. Using the market mapping process for strategy design results in highly actionable strategies that yield faster outcomes.

### Market Mapping Builds on Sequential Steps to Create Impactful Strategy



**Market Structure.** A capture of the quantitative characteristics of the market. These include market size (total, significant segments) and outlook/growth. Important trends and factors that drive market direction are also identified

**End-User Segmentation.** An assessment of qualitative characteristics including end user buying behaviors. Segmentation identifies the primary decision factors around product, brand, and sourcing. Channel preferences (e.g., what type of channel and why) are described for different segments of buyers

*The market structure and end user segmentation steps help determine which market segments are worth pursuing.*

**Channel Profiles.** An assessment of the channel landscape in the market. The channel profiles step captures the relevant characteristics of all channels participating in the market including:

- Value proposition related to products & services offered
- Market coverage (both geographic and by customer type)
- The roles that product category and your brand play in each channel's business
- This perspective helps identify which channels are the best routes to market for your business by highlighting the channels that are most capable and willing to help you deliver your goals

**Competitive Environment.** An objective template to capture the competitive landscape. This element evaluates your market position vis a vis competition. Create an accurate SWOT analysis to determine the best way to position your business against each major competitor

*The channel profiles and competitive environment steps determine how you can best approach your target end user segments.*

# When Does Market Mapping Make Sense?

In summary, the market mapping process provides the context to understand what segments to pursue and how to most effectively do so. This perspective allows a manufacturer to identify strategies and tactics that are most aligned to its corporate goals and market dynamics. The approach is built on foundational data that identifies the most attractive revenue and profit opportunities. It enables your team to determine which go-to-market strategy options are most accessible given the organization's capabilities and constraints.

When will you know it is time to map your market? Our consultants have identified 6 signs that suggest an organization will be well served by undertaking this exercise.

## 6 signs that market mapping is necessary

Misalignment has happened over time	Aggregate changes in a market naturally create misalignment of suppliers over time. Reassessing and remapping your market on a consistent basis will allow your organization to adapt its go-to-market strategy to new market trends and broader economic factors.
Changes in end user decision making	Market maturity fosters big changes in end user buying behavior. The performance gap (e.g., real function/feature differences among suppliers) narrows. Traditional quality buyers move toward a more price-centric purchasing approach. The role technical influencers play in the decision-making process is greatly reduced. Channel preferences often trump brand in end user sourcing choices. All these shifts require a reassessment of your game plan.
Changes in channels	Consolidation within channel types can greatly impact a supplier's strategy, programs and incentives. Rapid growth of new channel models, including e-commerce, change the mix of channels needed to maintain effective coverage across geographic markets and types of customers. Evaluating the best channels for your business in a market that is changing will keep your strategy aligned with opportunity.
Emerging technologies and competitors	Technology innovation and competitors with new business models introduce unique value propositions that will be attractive to certain market segments. The real impact that new products or new players are having in the market can easily be overstated...or overlooked. Proactively assessing the effect these changes are having on end user opportunity and channel behavior will allow your strategy to adjust at the right pace.
Slowing market growth	When demand slows, some element of your go-to-market strategy will need to change in order to achieve your growth goals. This could mean targeting new end user segments, redesigning channel incentives and programs, shifting marketing and sales resources to geographic markets that will outperform the market as a whole, etc. Market mapping helps identify targeted growth opportunities and the strategies required to deliver them.
"Living on the brand" mindset	Category leaders with well known brands often become complacent. Assumptions are made that success will continue indefinitely. Management can overlook signals that end user buying behavior is changing... A hard spec is changed to "brand or equivalent" in bids. End users, who have been loyal to the incumbent brand, declare the price premium is too high. Channel partners substitute lower cost brands in order to keep their customer's business. Market mapping identifies where and why brand positions are starting to erode—building the business case for action.

Seeing any of these signs? Consider mapping your market. Please contact Carl Cullotta at 224.239.2525 or [cpc@lynncullotta.com](mailto:cpc@lynncullotta.com) for more information.