PSITIONING HAM

Positioning Project June 21, 1996

Presented by: cunningham communication inc

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- Introduction
- Analysis
- Recommendations

PROJECT OBJECTIVE

- Determine a winning positioning and message platform for Informix
 - Winning defined as supporting Informix's business objectives

DELIVERABLES

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	Positioning Platform	The conceptual "space" a company occupies with its customers; it is by definition rooted in competitive advantage and must be extensible over a given period of time.				
Value platform, the Proposition benefit "prom		Derived from the concept represented by the positioning platform, the value proposition specifically defines the ultimate benefit "promised" to customers; as a promise, the value proposition is based on both rational and emotional variables.				
	Key Messages	 The concise expression and articulation of a company's desired and/or real positioning to a targeted audience. Characterized by brief, clear and action-oriented statements; Typically limited in number (3); Extensible over time to reflect a company's growing and changing capabilities. 				
	Proof Points	The "substance" to back up a company's key messages; examples that illustrate a company's claims in real-world, customer-valued terms.				

SUCCESS FACTORS



- Reflect the substance of a company's business strategy
- Resonate with many constituencies on individual terms
- Express competitive differentiation
- Are forward-looking with a multi-year shelf-life
- Use simple, easy-to-understand language
- Take into consideration the Microsoft law of technology marketing

METHODOLOGY

Matching Substance with Market Reality



Recommended Informix Positioning and Key Messages

WHAT WE'VE DONE



Informix Interviewed nine Informix executives

Competitive Analysis

Identified existing offerings and messages from Oracle, Sybase, IBM and Microsoft

Customers

Reviewed recent customer data gathered from focus groups, user groups and advertising research

Leveraged anecdotal customer information

Influencers

Interviewed seven industry analysts, three editors, one database consultant and one financial analyst

AUDIT INTERVIEWS

Informix Ken Coulter Jeff Hudson Bruce Golden Howard Graham Mike Saranga Steye Sommer Mike Stonebraker Phil White Dick Williams

Influencers

Betsy Burton - Gartner Group **Bobby Cameron** - Forrester Barh Cole - Network World **Regan Coleman** - Context Integration John Cox - Network World Stan Dolberg - Forrester **Rich Finkelstein** - Performance Computing Judith Hurwitz - Hurwitz Consulting Peter Kastner - Aberdeen Group Dan Kusnetsky - IDC Martin LaMonica - InfoWorld **Chuck Phillips** - Morgan Stanley

<u>Customers</u>

Advertising Research Sources

- Andre Associates Tagline Evaluation Report, 3/96
- Christina Wilson Research Report, 1/96
- HS&S Personality Trait Report
- HS&S Ad Concept Testing Report, 5/96

Competitive

Competitive information

- Recent trade advertisements
- Web site information

MARKET Success Factors

MARKET SUCCESS FACTORS

- Be a safe bet for customers
 - "Talk the talk" and "walk the walk" with business solutions
 - Business-management selling
 - Deliver business results fast
- Be the best at consulting, service and support
- Deliver high-quality, high-performance, "best-of-breed" technology



INTERNAL QUOTES

- Safe bet for customers
 - "We lose deals to Oracle's strength in terms of marketshare. The CIO probably won't lose his job if he goes with Oracle."
 - "Fortune 100s want a safe buy the vendor that's going to be around for a while."
- Talk and walk in business solution terms
 - "The market is driven entirely by relationship selling."

INTERNAL QUOTES (CONT.)

- Best consulting, service and support
 - "Informix doesn't have enough consultants available to help customers, and sales people are over-loaded so they don't spend enough time with customers."
 - "Informix is in the middle-to-weak area in terms of service and support."
 - "The company that convinces the marketplace on quality and support will win."
- Deliver high-quality, high-performance, "best-of-breed" technology
 - "Performance, quality and product availability are key drivers in this market."
 - "New uses of data will be the dominate theme in the 2–3 year time-frame."

MARKET SUCCESS FACTORS

- Establish a profile distinct from Oracle and Microsoft
- Develop a differentiator beyond core database technology
- Have a credible Internet/intranet strategy
- Have command over increasingly complex purchase-decision process
- Meet the database technology "checklist"
 - Performance, scalable, interoperable, support for new datatypes



INFLUENCER QUOTES

- Establish a distinct profile from Oracle and Microsoft
 - "Informix needs to get off the dime and get aggressive. Then they can get marketshare from Oracle."
 - "Microsoft is coming out of nowhere and moving up the ranks."
- Meet the database technology "checklist"
 - "Customers want performance, but they also want applications."
 - "Customers want scalability, development tools and good vision."
- Differentiator beyond core database technology
 - "In two years, DBMSs are going to be the same."

INFLUENCER QUOTES (CONT.)

- Have credible Internet/intranet strategy
 - "The Internet is a hot trend."
 - "Informix's biggest opportunity is forming products around the Internet."
- Have command over increasingly complex purchase decision process
 - "The business professional with the specific problem makes the buying decision."
 - "CTO is the most important person in the buying process."
 - "The system integrator is most influential."

MARKET SUCCESS FACTORS



- Reputation of database provider with business management audiences
 - Business benefit messages speak louder than technology claims
 - Achieving business results is the fundamental customer desire
- Customers segment themselves into two super-camps:
 - Those wanting a "safe bet" to achieve business results
 - Those willing to bet on a leading-edge technology
- Better quality of after-sales services and support

COMPETITIVE POSITIONS

- Oracle
 - World's largest database and
 - information management vendor - Delivers total solutions
- Sybase
 - Open architecture for rapid business change through database middleware and tools
- Microsoft
 - A total solution for NT with database technology that matches the performance and scalability of the competition
- IBM
 - Database solutions from desktop to enterprise for IBM/AIX and NT



Competitive Positions

MARKET SUCCESS FACTORS

Informix

Customers

 Be a safe bet for customers "Talk the talk" and "walk the walk" with business solutions Business-management selling Deliver business results fast Be the best at consulting, service and support Deliver high-quality, high-performance, best-of-breed technology 	 Reputation of database provider with business management audiences Business benefit messages speak louder than technology claims Achieving business results is the fundamental customer desire Customers segment themselves into two super-camps: Those wanting a "safe bet" to achieve business results Those willing to bet on a leading-edge technology Better quality of after-sales services and support 		
 Influencers Establish a profile distinct from Oracle and Microsoft Develop a differentiator beyond core database technology Have a credible Internet/intranet strategy Have command over increasingly complex purchase-decision process Meet the database technology "checklist" Performance, scalable, interoperable, support for new datatypes 	 Oracle World's largest database and information management vendor Delivers total solutions Sybase Open architecture for rapid business change through database middleware and tools Microsoft A total solution for NT with database technology that matches the performance and scalability of the competition IBM Database solutions from desktop to enterprise for IBM/AIX and NT 		

KEY LEADERSHIP ATTRIBUTE

- Be a safe bet for customers.
- "Talk the talk" and "walk the walk" with business solutions
- Business-management selling
- Deliver business results fast
- Be the best at consulting, service and support
- Deliver high-quality, high-performance, be technology

- Reputation of database provider with business management audiences
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and information management vendor

Degree of confidence in database supplier's ability to deliver on a business-based value proposition

- Establish a profile distinct from
- Develop a differentiator beyond technology
- Have a credible Internet/intranet strategy
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- Performance, scalable, interoperable, support for new datatypes

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- Database solutions from desktop to enterprise for IBM/AIX and NT

IDEAL POSITIONS

1) Leadership positions for database companies are built with a value proposition based on business promises ...

Customers are looking for competitive advantage from their database investments:



- Time-to-market
- Customer service/satisfaction
- Operational costs
- Availability of knowledge

2) ... but the market sees only room for three types of players to "own" <u>some</u> or <u>all</u> of the database value proposition



THE "SAFE BET" POSITION

Oracle's Position

~~~~~	Leadership Attribute	"Unquestioned confidence to deliver results"	
*****	The Concept	For customers who desire a database experience we the least amount of worry. Best characterized as the degree of <u>confidence</u> the customer — particularly business management — has in the <u>critical mass</u> of the database supplier and by the <u>credibility</u> of the supplier's promise to deliver business results.	
	Ideal Position	The "safe bet" for business advantage	



## INFORMIX'S POSITIONING OPPORTUNITY



Recommended Informix Positioning and Key Messages

## **COMPETITIVE Advantages**

## INFORMIX SWOT ASSESSMENT

Strengths	Weaknesses	
<ul> <li>Focus on database <ul> <li>Strong relationships with application vendors</li> </ul> </li> <li>Parallel processing architecture</li> <li>Illustra extensible database <ul> <li>Illustra's vision of a new database paradigm</li> </ul> </li> <li>Strong financial performance <ul> <li>#1 NASDAQ 5-year performer</li> </ul> </li> <li>Good guy reputation for integrity, trustworthiness</li> <li>Adheres to standards, openness</li> </ul>	<ul> <li>Technology-centric culture</li> <li>Insufficient global infrastructure <ul> <li>Service and support</li> <li>Consulting</li> </ul> </li> <li>Weak business management selling and marketing</li> <li>No applications</li> <li>Lack of vision</li> <li>Unix-only reputation <ul> <li>Lack of NT focus</li> <li>Reputation as low-end, niched database</li> </ul> </li> <li>Potential of Illustra acquisition not fully understood</li> <li>Lack of middleware and tools</li> </ul>	
<ul> <li>Cater to the high-technology influencer's desire for a technology leader</li> <li>Make the database "cool" to the end user</li> <li>Be positioned as the alternative to Oracle/Microsoft</li> <li>Become the database choice for Internets/intranets</li> <li>Own select vertical markets (e.g., telcos, retail)</li> <li>Own select applications (e.g., data warehousing, content management)</li> <li>Create a new business model for partnering</li> <li>Leader in customer satisfaction</li> </ul>	<ul> <li>Business management decision-making power grov Enterprise embraces "one stop" model</li> <li>Ability to differentiate core database technology fades</li> <li>Oracle owns next generation agenda <ul> <li>Internet</li> <li>Complex data management</li> </ul> </li> <li>Microsoft declares the RDBMS market as a two-h race</li> <li>Complex data management takes off at a slower pace than expected</li> <li>Sybase gets back on track</li> <li>IBM converts DB2 installed base to client/server</li> </ul>	

Opportunities

### Threats

### **COMPETITIVE ADVANTAGES** Informix Key Strengths **Competitive Advantage?** Competitive Advantages Mixed perceptions Focus on database with customers Parallel processing Firmest advantage; Informix's sustainable recognized in market architecture competitive advantage Illustra extensible stems from its Visionary database "leading indicator" database technologies. Not distinguishable from other "high-flyers" Strong financial 0 performance Good guy reputation for Not a deal maker integrity, trustworthiness A strength claimed Adheres to standards. by many others

openness

## INFORMIX'S POSITIONING OPPORTUNITY



The winning positioning opportunity for Informix is rooted in translating its technology innovations into business messages consistent with customer expectations.

## POSITIONING OPTIONS

## INFORMIX'S OPTIONS

## **Option** #1



Full-frontal Strategy

• Attack the idea of safety and transfer the doubt to Oracle

## Role Models

- Netscape vs. Microsoft
  - Web paradigm vs. desktop paradigm
- EMC vs. IBM
  - Open architecture/new business model vs. dead architecture/old business model

## **POSITIONING PLATFORM**



Informix is the new alternative to the "safe bet"



## Re-engineering the safe database choice

- <u>"Question authority" position</u>
  - Challenging the credibility of the competition is a key message in and of itself
    - Can your database do this?
    - Are you getting the most out of your database?



- Questions the assumptions behind today's definition of safety
- Redefines safety as the promise of business advantage, not the "safety" of critical mass
- <u>Safe database choice</u>
  - Emphasizes Informix's superior technology for business advantage



## IMPLICATIONS

Highest risk, highest reward position — Challenges the customer to question assumptions

- **Engages Oracle** 
  - Requires new "attitude," cultural mindset
- Requires the most amount of new substance
  - Service & support; consulting; business management sales and marketing

## INFORMIX'S OPTIONS

## **Option** #2

## The "safe bet" for business advantage

Flanking Strategy

• Specialize with a difficult-to-assail leadership claim to a narrower audience

## Role Models

- SGI vs. HP/Sun
  - Hollywood graphics/animation (3D) vs. "everyday" (2D) graphics/animation
- Dell vs. Compaq/IBM
  - Direct distribution exclusively to business customers
     vs. all things to all people



## **POSITIONING PLATFORM**



Informix has a new vision for database innovation



Informix is leading a revolution in database innovation to create custom-built databases which unleash business innovation that "gets there first"

<u>Revolution in database innovation</u>
 An architecture for business innovation



- <u>Custom-built databases</u>
   A new database paradigm
- <u>Business innovation = "Gets there first"</u>
  - The payoff in conceptual terms: innovations that yield faster results = business advantage

## IMPLICATIONS

- A "stand-up and take notice" claim
  - A new database technology paradigm
  - A very, very big business promise
  - The basis for a strong vision statement

## Informix's Vision:

Informix will be to the information society what mass-customized manufacturing was to the industrial society

The forces that have made mass society have suddenly been thrown into reverse ... the mass market has split into ever-multiplying, ever-changing sets of mini-markets that demand a continually expanding range of options, models, types, sizes, colors and customizations ... <u>creating a totally new framework</u> within which the production organizations of society will function. Alvin Toffler, The Third Wave

## INFORMIX'S OPTIONS

## Option #3



Cannibalize Strategy

Bypass the leader and target the weak link in the market: Sybase

Role Models

- Borland vs. Lotus
  - Direct customer targeting vs. complacency
- Sequent vs. Pyramid
  - Înevitability of Intel price/performance vs. proprietary RISC

## POSITIONING PLATFORM



Informix is winning over Sybase

Trust; cast doubts on Sybase



Trust your business innovation to the technology innovation leader

- Challenging the credibility of the competition is a key message in and of itself
  - Attack Sybase's financial position and integrity of its technology architecture
  - <u>Business innovation</u>
    - Business innovation is only as good as the technology behind it
  - <u>Technology innovation</u>
    - Informix has superior technology to Sybase for business innovation



## IMPLICATIONS

- Cedes leadership position to Oracle
  - Makes it easier for Microsoft to slot into #2
- Requires the least amount of substantive change

## RECOMMENDATIONS

## RECOMMENDATION



Informix is leading a revolution in database innovation to create custom-built databases which unleash business innovation that "gets there first."

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## **INFORMIX'S MESSAGE ARCHITECTURE**

Positioning Statement	Informix is leading a revolution in database innovation to create custom-built databases which unleash business innovation that "gets there first."				
	Informix is leading a revolution	in database innovation	to create custom- built databases	that unleash business innovation which "gets there first."	
Key Messages	Only a company focused on database innovation can deliver a revolution	Informix delivers the leading architecture for innovation	Informix enables a new database paradigm tailored to what customers want	Informix delivers the ultimate advantage — getting to the oppportunity first	
Value Proposition	Business advantage demands more than the status quo	Your database will never be obsolete	Anyone can enrich the database to do anything to any information	Your database should help you lead rather than follow the competition	
Proof Points	<ul> <li>Database focus</li> <li>\$1 billion +</li> <li>Shared commitment</li> </ul>	<ul> <li>DSA</li> <li>Leading software partners</li> <li>Third-party analyst validation</li> </ul>	<ul> <li>Universal Server</li> <li>Open DataBlade API</li> <li>3rd-party DataBlade support</li> </ul>	<ul> <li>Vision document</li> <li>Testimonials</li> <li>CEO white paper</li> </ul>	
Sound bytes	"We are the database company that challenges the status quo."	"Informix obsoletes database obsolescence."	"Anything conceived can be managed."	"Why settle for a second place?"	

## NEXT STEPS

- Integrate with product positioning initiative
- Execute plan for executive workshop

## cunningham communication inc

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