



The **Strategy** Group

Turning Information into Insight

**Business Graphics Software Product
Improvement**

The Situation

The market position of a leader in the business presentation graphics software category was becoming vulnerable due to strong competitive product inroads. Sales trends had been declining for some time and recent product upgrades had failed to turn the declining trend around. From its introduction, the client's product had been positioned as the "state-of-the art" graphics package.

Our task was threefold: 1) define the structure of the business presentation graphics software market, 2) identify the perceived strengths and weaknesses of the client's brand relative to competition and, 3) determine what opportunities existed to generate the greatest gains in market share.

What We Did And How We Did It

A research plan was designed that would identify what "presentation graphics user" market segments existed, the size of each segment, what their corresponding needs were and how each segment perceived the available products in the category to fulfill their presentation graphics needs.

With this information in hand, we could not only determine the relationship of the client's brand to competition, but also understand the dynamics of the extent to which the client's brand fulfilled key "end-user" needs.

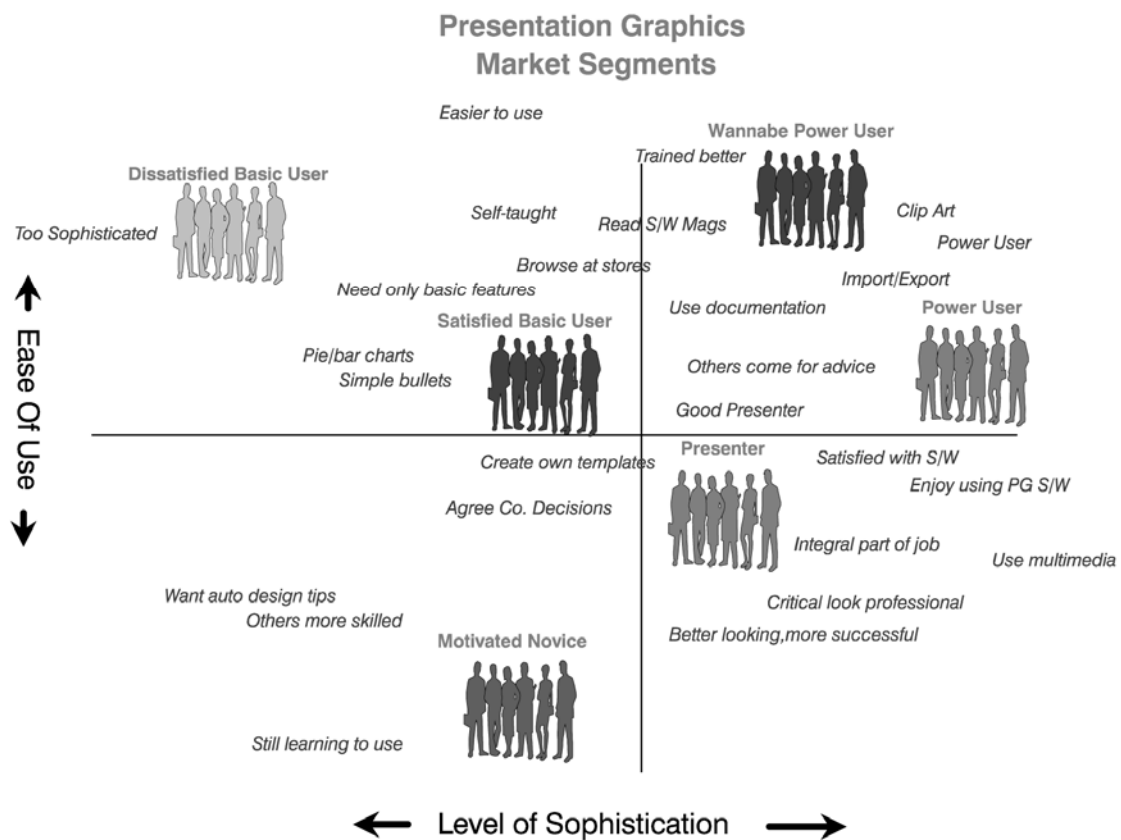
A variety of multivariate analytic techniques were employed to generate the required data output including Q factor analysis, to produce end-user segments, multiple discriminant analysis, to generate a map of brand positions and multidimensional scaling, to position end-user segments relative to brand positions.



The Results

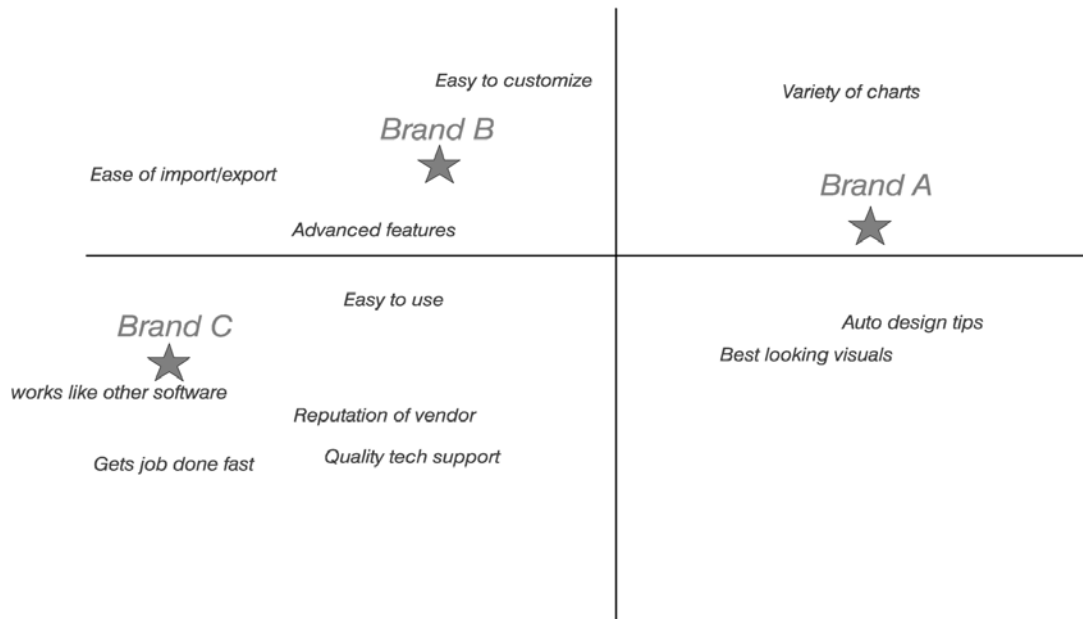
The results of the segmentation analysis in this study, revealed the existence of six unique market segments, each representing varying degrees of sales potential for the client's brand. Three of the segments showed similarities in terms of their high level of graphics usage sophistication. Three other segments were similar in respect to their lack of sophistication and interest in an "easy to use" graphics package.

With such strongly individual needs and usage behavior between the segments, in order to maximize sales potential within each segment, different product and marketing strategies would necessarily be required.



The two competitive brands within the category were perceived to have significant advantages over the client's brand, particularly in the areas of "compatibility with other software", being "easy to customize" and "having advanced features".

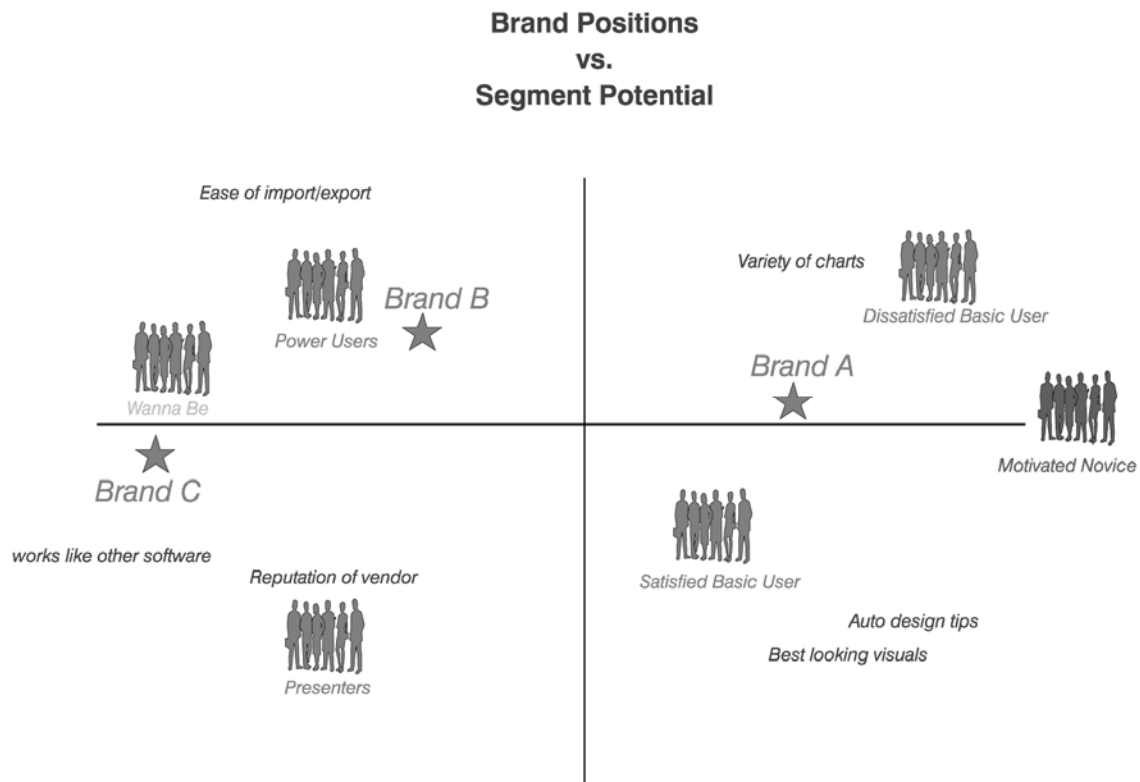
Presentation Graphics Brand Space



While perhaps interesting, the foregoing results provide little information regarding how the client's brand should be upgraded or repositioned for maximum share growth.

However, The Strategy Group has developed an analytic method through which the "need preferences" of individual market segments can be linked to brand imagery, and thereby establish an association between "unfulfilled" needs and brand performance.

As shown in the perceptual map below, Brand A is much more closely linked with the presentation graphics needs of the less sophisticated end-user market segments. The client brand's "state-of-the-art" product positioning was inconsistent with the realities of the marketplace.



Based on these findings, two recommendations were made. First, using a "lineextension" approach to capitalize on brand equity, introduce a "beginners" presentation graphics package that would offer a limited number of presentation styles and templates to enhance its ease of use and simplify the transition from non-graphics software to presentation graphics software. For the three less "sophisticated" market segments, this would be the product of choice.

Secondly, in order to enhance product appeal to the more "sophisticated" user segments, the compatibility and interoperability of the current graphics product needs to be improved with a product upgrade targeted at these perceived weaknesses.