

Map Your Market as Context for Channel Strategy

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-inclusive, 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*. The framework contains four components:

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 and 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-à-vis* competition. It facilitates an actionable 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 will you know it is time to map your market? Our consultants have identified six signs that suggest an organization will be well served by undertaking this exercise.

1. **Misalignment** – Aggregate changes and evolution in the market naturally create strategy misalignment over time.
2. **Change in End-User Decision Making** – Market maturation fosters big changes in end-user buying behavior. These shifts require a reassessment of your game plan.
3. **Changes in Channels** – Consolidation within channel types and rapid growth of new channel models change the mix of channels needed to maintain effective market coverage.
4. **Emerging Competitors** – Technology innovation and competitors with new business models introduce unique value propositions that require a look at your go-to-market approach.
5. **Slowing Market Growth** – When demand slows, some elements of your go-to-market strategy will need to change to achieve your growth goals.
6. **“Living On the Brand” Mindset** – Category leaders with well-known brands often become complacent. 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. Frank Lynn & Associates, Inc. can help. Feel free to contact Carl Cullotta at cpc@franklynn.com for further discussion.