

Small Business
Marketing Guide:

Different by Design



BUSINESSLINK

The Value of Differentiation

Many business owners look at their competitors and try to copy them. The real value of learning about your competitors lies in understanding their strategic choices (i.e: their customer value design), how they organize themselves to create customer value (i.e. their business processes), and the type of customer that chooses them (i.e: their target customer).

Differentiation is all about being different from your competitors in meaningful ways that are of value to your chosen target customers.

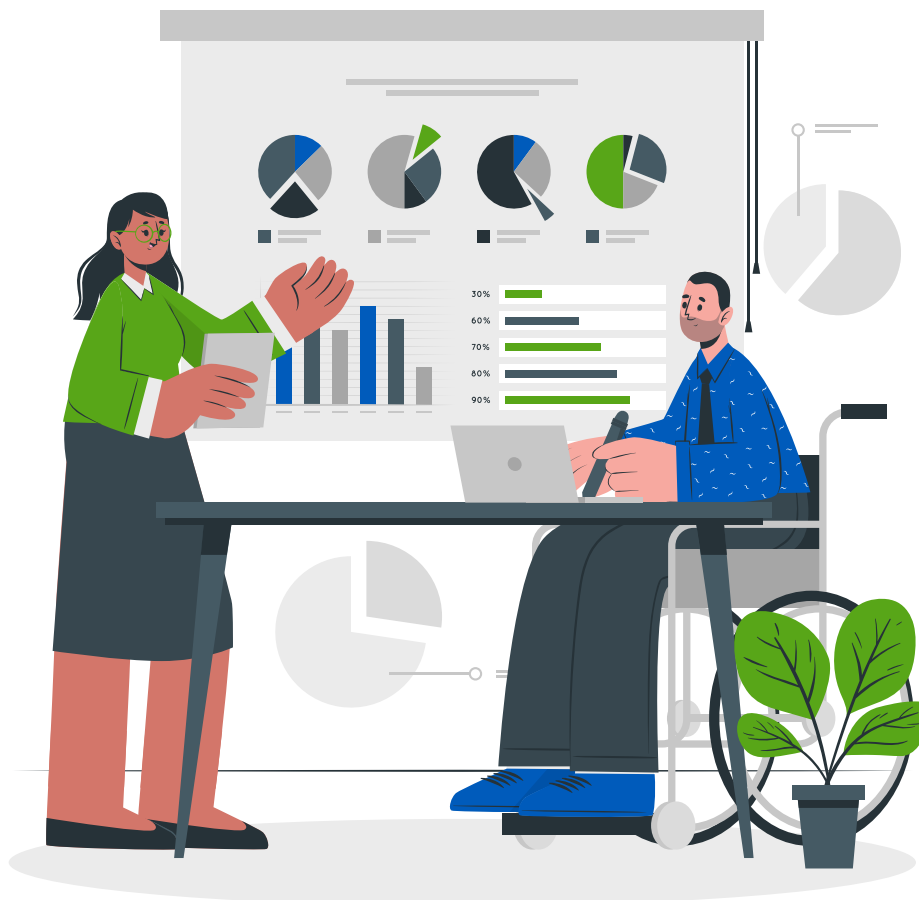
Position Yourself Better by Defining Your Difference

If you are already in business, examine your current client list. What common elements exists among your best clients? Can you interview them and ask them to tell you why they chose you, why they stay as clients, and why they refer you to their friends?

Your positioning must be unique. It is not enough to say that you provide great service. Great service is an expectation, and everybody claims they provide it whether they do or not. How can you be different? Can you bring a fresh brand personality to a mature product or service?

Your clients decide what is valuable - it does not matter what you think is valuable. Your market must value your positioning. If your position addresses a specific frustration common to your industry, then a significant amount of your market may, indeed, value it. What is your unique value proposition (UVP)?

Your positioning must be easy to communicate. You may be supplying technically complex services, but your clients need to know and understand what the benefit will be for them.



Ways to Differentiate

Product

Can you offer a product that is so unique or even trendy that only your business is associated with that offering? Or can you offer a product and extend a valuable service to make the product more useful to the customer? Peloton provides workout bikes like many of its competitors. However, they went one step further by providing add-on services that customers enjoy month after month (on-demand remote fitness classes taught by world class instructors to keep you motivated while riding!).

Service

The same goes for a service. Often this can be the packaging of a service as a product. Consulting is often delivered on an hourly basis. Packaging a consulting engagement based on an outcome, with defined deliverables and fixed package price, is a remarkably effective way to differentiate a service offering. Remember to give the service a powerful name!

Market Niche

Carve out an industry or two and become the most dominant player serving that industry. A nice bonus to this approach is you can usually raise your prices dramatically when you specialize in this manner. Tesla has revolutionized the auto industry by carving out a niche building electric vehicles.

Solve a Problem

Is there a problem or frustration potential customers in your market seem to believe is universal for your industry? If so, focus on communicating how you have the answer. For example, Brian Scudamore, the visionary who also started 1-800-got-junk became inspired by the painters who painted his house in one day. Impressed by the great service, Brian created WOW 1 Day Painters supplying complete painting services in one day or less.

Disruption

Many times, you can create your category niche by applying a new solution to a mature industry. For example, apps designed for ease and convenience such as Uber and Skip the Dishes have disrupted the taxi and restaurant business.