



YOUR PEOPLE ARE A KEY DIFFERENTIATOR

by Leigh Wallinger

Read any textbook on Marketing Planning and you will find a section devoted to differentiation. It tells you to differentiate your product, differentiate your service and differentiate your Company. Differentiation is the process by which you make your organisation unique in the eyes of your marketplace. Some companies differentiate themselves based on lower prices, faster turnaround of queries or being more accessible (24x7). Others use product quality, product performance or company reach (operations in more countries than anyone else). For organisations that operate in many market segments, their points of differentiation may vary between individual market segments, especially if the competition is different.

By making yourself genuinely and measurably unique, then by definition you have no direct competitors. Obviously, if the difference is relatively easy for your competitors to replicate, then you will have only a limited time period in which to capitalise on your point of difference. After that, you must find another differentiator. Being able to demonstrate that your organisation is unique in being able to offer some product / service feature that has a real benefit to purchasers means you will be able to charge a premium price (unless you are promoting lowest price as your differentiator) and enjoy higher margins.

Maintain at least one point of difference

By having at least one point of difference to focus on, when your potential client compares you with all your competitors in a given market segment, you will have a "edge". You can build this uniqueness into your marketing messages – website, brochures, proposals and presentations. By finding differentiators that are hard to copy, you will be able to capitalise on this whilst your competitors find ways of copying you and neutralising this competitive advantage.

Once you have identified a unique difference, it is then very easy to avoid a like-for-like price comparison with the competition. Surprisingly, a large number of organisations (and some quite large ones at that) don't have a clearly understood and communicated point of difference. If your organisation is in this category, you are significantly restricting your potential for success. By promoting a "me-too" product or service you will inevitably be drawn into a price war. The smart purchaser will get those organisations promoting identical (or, at least, very similar) products or services to reduce their selling prices to secure the order against the other vendors. Price, you see, becomes the ultimate point of difference. You either win the order because your price was the lowest at the time the buyer placed the order or you lose because someone else's price was lower. It also means you have to incur all the costs of a sale which either slips away right at the end of the selling process or is secured at much reduced margins. Finding your point of differentiation is vitally important to your business' profitability.

Once it has been identified, describe your point of difference in detail and in terms of the benefits your clients will gain. You will subsequently be more successful in demonstrating this as "added value" for the benefit your clients.

Finding your point of difference

Finding your differentiator will take some time but it is important not to rush the process. Start by writing down all the aspects of your product and supporting services that might be unique to you. Then systematically eliminate those that you find replicated by one or more of your competitors. Eventually, you will end up with one or two aspects that you can build on in your marketing activities. It is important not to delude yourself during this process into believing



you have a number of differentiators when, in fact, they can be easily replicated by your competitors.

Spend time talking to your existing clients about why they selected your organisation, what they like about it and how it has benefited them. Contact ex-clients too. Both of these groups of contacts may give you a different perspective on what makes your organisation different. It's also a great way to keep in contact with these individuals and to keep your network active.

Here are 6 great questions to ask.

- What aspects of our product/service do you rate most highly and why?
- What made you select us over all the other possible suppliers?
- What are the main benefits you have realised since choosing us?
- What would you estimate to be the monetary value of these benefits?
- What would you say is the main difference between us and our competitors?
- If you knew at the time you started working with us what you now know, would you still have selected us? If not, why?

In many cases, when you do this analysis you will not find a substantive difference between your organisation and your competition. Minor differences that are easily replicated by your competition will not remain for long after you begin to promote them. It is advisable to find differences that are not readily replicated as this gives you much more time to press home your advantage in this area.

Focus on your people

One way, particularly for SMEs, to find a point of difference that is hard to replicate is to focus on your people. If your product development team, or senior management team or support group has some special expertise then this can be built into a unique difference that will prove to be hard for your competition to replicate. In some cases, your people will be the only difference between you and other companies providing the same product /service.

By investing time and effort into identifying and promoting your point of difference, you will be rewarded with a strong prospect list who will be readily converted into clients who find this point of difference important to them. Work hard with these clients to expand your product / services into areas that these clients indicate are equally important to them, making replication by your competition harder and harder.

© 2004 Arteka Limited

This article is by Leigh Wallinger of Arteka Limited, specialists in the sales and marketing of IT products and services. Visit us at www.arteka.co.uk and register for our free newsletter.

You can contact Leigh on 07733-328989 to find out how Arteka can help you win more customers for your business.

Reprint Permission

You may reproduce this article in your own publication or on your website provided you include the above credit in full. Please let us know where it is being used.