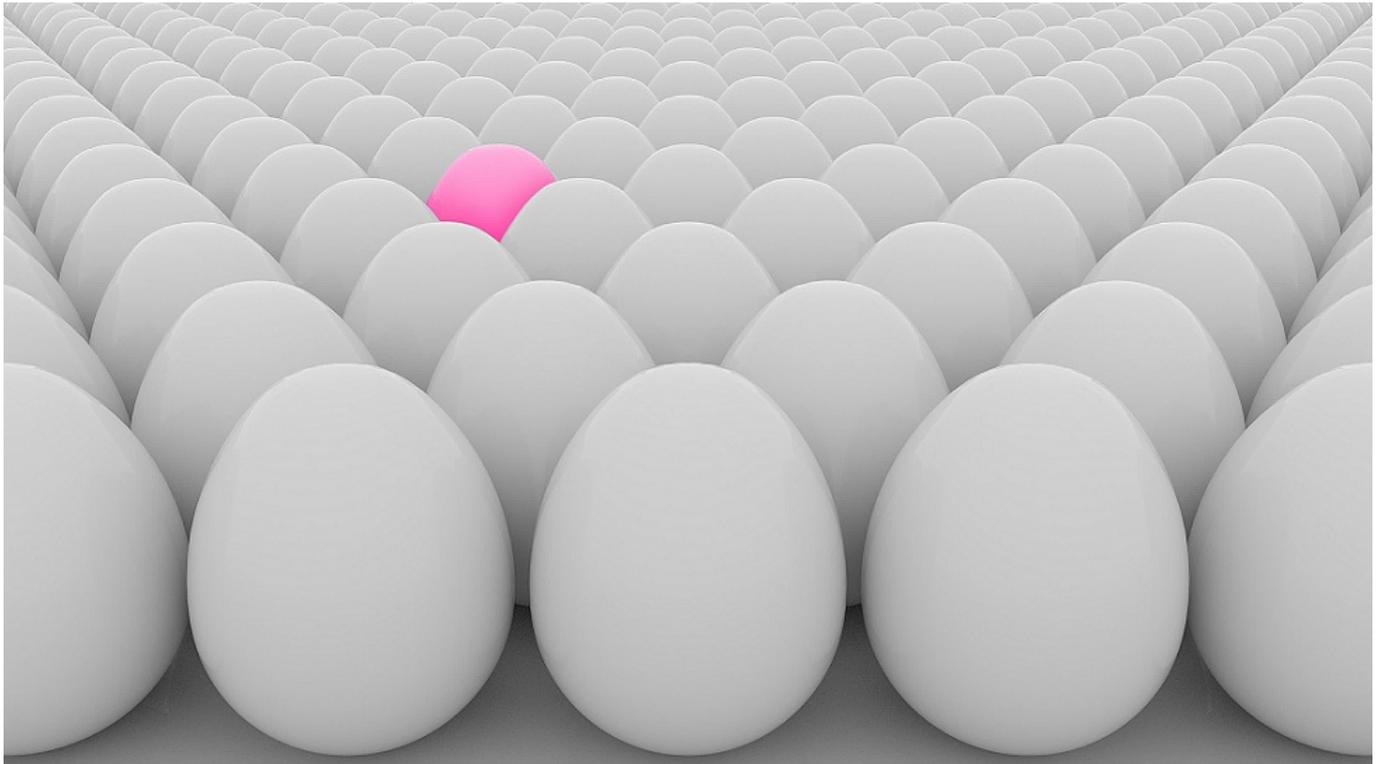


The Power of Differentiation Marketing: How to Stand Out, Even If You're Not Particularly Unique



Al Shultz, President / Creative Director, Al Shultz Advertising

Let's say you've got a meeting tomorrow morning with a hot new prospect, a guy who knows nothing about you. With no more clues than that, I can tell you the number one question on his mind...

"What makes these people different?"

Basically, he wants to know how you differ, if at all, from your competitors. And it doesn't matter whether you're a small

business or a large enterprise; the bottom line question is always the same. It's all about differentiation.

Where does the power of differentiation come from?

As human beings, we're all hardwired to pay more attention to "what's different" and pay less attention to groups of things that are all the same. Perhaps it goes back to primitive times and the caveman's need to be able to spot his next meal when it was trying to hide in the foliage. Regardless of its origins, differentiation plays a vital role in the way our brains process information – and also in the way we form *preferences*.

And that's where things start to get interesting.

From having studied and practiced differentiation marketing for over 30 years, my agency has observed that a product's *differentiation* frequently leads to its increased *preference* in the marketplace. This is not necessarily intuitive or "fair," but here's a simple explanation of how/why it works...

First, a product/service that has something different about it tends to get *noticed* more than its competitors. Over time, as people take more notice, they become more *familiar* with it. And as familiarity increases – *voila!* – preference for it tends to automatically increase, as well.

Now, of course this won't work if the product/service is obviously terrible or a clear-cut loser. But for the average, decent, workable product/service (probably 70-80% of what's on the market), the progression from differentiation to increased attention, to increased familiarity, to increased preference can be pretty predictable.

Differentiation has long been one of the big guns in the consumer marketing arsenal. But, B2B and small business

marketers tend to be a lot less familiar with it. So here are some guidelines to help you start putting differentiation power to work in *your* marketing...

#1. Critique your competition

Remember: the goal is not just to be different – it's to differentiate yourself *from the competition*. Focus on your top two or three competitors, the ones who presently take the lion's share of your available business. Learn everything you can about them, but focus on the big picture: How and where do they market themselves? Study their ads, brochures, presentations, etc. Do they just overview everything they offer, or do they consistently focus on specific differentiating claims or benefits? And, most importantly, is their attempted differentiation gaining any traction in the market?

To answer that last question, have a third party talk with some real customers and ask low-key but leading questions: "Is there something special that stands out about Competitor X?" "Do they have a specialty or an overall advantage – or disadvantage?" "Overall, how do you think they might rate on a 1-to-10 scale?"

If possible, speak with at least ten people. Don't pay attention to isolated comments, but if you hear similar opinions coming from several different people, listen up! Because that's probably what your market thinks about those key competitors – and that's what you'll need to differentiate from.

#2. Assess your available opportunities

Next, you'll need to take an equally careful look at your own company's strengths, weaknesses, opportunities and threats –

otherwise known as a SWOT analysis.

But never rely just on what your own people think. Have a third party talk with some of your current or past customers, and also with some non-customer prospects. Ask them the same questions that were asked about your competitors.

After studying the competition and your own capabilities, you'll have a much clearer view of some differentiation possibilities that might be available to you. In choosing what to build your differentiation on look for important customer-valued benefits that may be missing or not focused on in your competition's offerings.

But be wary of areas in which a competitor has an established strength. For example, if most of the customers tell you that Competitor A offers *fantastic* customer service, it would be unwise to try to build your differentiation upon superior customer service – even if you believe yours is better than theirs! You'll have a far better chance of success if you base your differentiation on an “available” position, one in which you have little or no competition going in.

#3. Cut out the generic selling and start differentiating

For differentiation marketing to work, you need to get your message right and you need to *repeat* it. So hone your differentiation message until it's clear, and then be consistent in getting it out to your market just as frequently as you can.

And resist the urge to go back to “generic selling.”

You know what that is because you've heard it a million times: “Buy our stuff, it's great.” “We've got lots of terrific features and benefits – just check out our bullet points; see if there's something there that interests you.”

The problem is, your *sales prospects* have heard it a million times, as well. Both from you and your competitors. So it all just goes in one ear and out the other. It's dismissed as the gratuitous marketing blah-blah-blah that it in fact is.

In differentiation marketing you need to cut out the generic and meaningless fluff and concentrate on conveying two primary messages: 1. Here's what we can do for you, and 2. Here's what makes us special, unique, one of a kind.

“But we don't have any real differentiation!”

Many companies make the mistake of believing they don't *have* any real differentiation. Often that stems from the false notion that differentiation has to be based on some clear-cut, measureable superiority.

It would be great to have that, of course – but it's absolutely not necessary...

Differentiation does not require superiority. Just look at the huge differentiating advantage UPS built just using the color brown. Or look at all the bottled water companies, who differentiate by name, shape and design of bottle, place of origin and more. Or GEICO, whose little green gecko differentiated them from all other insurance companies.

Differentiation can be built upon the business name, logo and tagline, obviously – but also upon company history, lifestyle, company policies, uniforms, location, founders, pricing, guarantees, give-aways, durability, purchase terms, product shape, ingredients, components, production methods, geographic or regional connections, cultural or ethnic connections – and literally *thousands* of other factors.

The ways to differentiate are limited only by your imagination. Just make your differentiation strong, clear and

memorable – and repeat it consistently, everywhere you can!



About the Author: *Al Shultz is President / Creative Director of Al Shultz Advertising, a full-service agency that has specialized in B2B differentiation marketing for over 30 years. The agency focuses specifically on small to mid-size technology and industrial companies, across the country and around the world.*

Al has taught B2B differentiation marketing seminars for many years and is writing a book on the topic. Contact him at al@alshultz.com or (408) 289-9555.