

Business Insights from Legacy eZine

Legacy Associates bi-monthly eNewsletter
for
Business Owners and Executives.

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Welcome...

As the marketplace continues to get more crowded, it's important to take the time to step back and try to look at your organization from the perspective of your customer.

A note from Terry:

In many ways, the rules of the game of business are similar to the once popular quiz show of the 50's, *the \$64,000 Question*. The rules are simple, in that, the host (the buyer) of the quiz show (the marketplace) asks the contestant (the supplier) a series of questions (objections). The contestant/supplier must successfully answer the first question/objection before they can try to answer the next question/objection and so on, until they progress to the final question. The successful answer to the final question entitles the contestant/supplier to receive from the host/buyer a prize/order of \$64,000.

In the game of business, unlike the game of the \$64,000 Question, we know, in advance, what the final question the host/buyer will ask us. It is, "Why should I buy from you?" That is the \$64,000 question---and in most cases today, the lifetime value of the prize/order can easily exceed \$64,000.

The answer to this all important question is more complex than many of us think. Just thumb through the Yellow Pages or do a Google search and I'm sure you will find that there are a lot of people doing exactly what you are doing. Whether your business is business-to-business or business-to-consumer, and you sell online or offline, buyers today have an abundance of choices when it comes to selecting a supplier.

To effectively answer the question, "Why should I buy from you?" you must devise and implement a strategy that makes you "stand-out" from the crowd of competitors. In order to "stand-out" from the crowd of competitors, you should be able to answer the following questions: What makes you unique? What value do you provide? How do you satisfy your customer's needs? How do you differentiate yourself from your competitors? How do you communicate to the buyer that you are the best alternative for them?

Feature Article:

How do you differentiate yourself from your competitors?

by Terry H. Hill

Competition is a natural and integral part of doing business. How successful you become at competing depends on how you position your business relative to your competitors.

Differentiating your business means defining your company in relationship to the competition. It means that you understand and are able to communicate your point or points of difference and are able to articulate why you are better, or different, than your competitors. It means that you continuously make improvements to sustain a leadership position.

If you want to differentiate your business from your competitors, you need to look at your business from your current and your prospective customers' perspective. Then, do a competitive analysis, and determine where your business fits in the mix. Identify and communicate specifically how you meet your customer's needs in a way that no one else can—in a way that is different or better than the competition.

Common points of differentiation include: cost, quality, performance, product availability, technology, leadership, timely delivery, superior service, durability and customer support. Creating a differentiation strategy is referred to as developing a Unique Selling Proposition (USP).

The Unique Selling Proposition (USP) is your biggest marketing weapon and is the key to differentiating your business from your competitor. What is a USP? In essence, it is a simple statement that sums up the unique features, benefits, and values that you provide for your customer that no other competitor can.

A competitive analysis lists your leading competitors; summarizes their products/services, promotional strategies, distribution methods, strengths /weaknesses, locations, offerings, prices, branding; and determines whether the business is growing, stabilizing or declining. These are the important questions:

- Who are your competitors?
- What customer needs/preferences are your competitors trying to fulfill?
- How are their products/services similar to, or different from, your company?
- How do their prices compare with yours?

- Are your competitors able to offer superior quality products/services at a competitive or lower price?
- What is their competitive strategy?

A competitive analysis also outlines strategies for gaining a competitive advantage, keeping competitors out of your market, exploiting the competitors' weaknesses, and exposing their areas of vulnerability. With this information, you can craft competitive and marketing strategies and fine tune your brand and your message.

To find out more about your competition, you can:

- Personally visit their offices.
- Call them to request products/services information and pricing.
- If possible, purchase their products/services.
- Attend trade shows and view the competitors' exhibits.
- If possible, talk to their customers to find out what they like or dislike about the competitors' products/services.
- Collect advertising, marketing and promotional materials.
- Visit your competitors' websites.
- Some online resources: D&B Million Dollar Database www.dnb.com, Standard & Poor's Industry Surveys www.standardandpoors.com, One source Corp Tech Company Profiles www.corptech.com, Hoover's www.hoovers.com, U.S. Census Bureau www.census.gov, and U.S. Securities and Exchange filings www.freeedgar.com
- If possible, make arrangements through a third party to interview competitors' employees.

To identify the distinguishing characteristics that set you apart from the competition, start by analyzing your company. Then, compare your company's processes, products, workforce, and promotional activities with those of your competitors by pinpointing the strengths and weaknesses of your company and those of your competitors.

Delivering value and benefits that no one else can deliver in the marketplace is the foundation of your Unique Selling Proposition. Your USP becomes the cornerstone of your sales and marketing message. It is this message that builds and reinforces your brand, attracts new customers, and sustains your competitive edge.

Useful Resources

Book:

Differentiate or Die: Survival in Our Era of Killer Competition

In today's ultra-competitive world, the average supermarket

has 40,000 brand items on its shelves. Car shoppers can wander through the showrooms of over twenty automobile makers. For marketers, differentiating products today is more challenging than at any time in history, yet it remains at the heart of successful marketing. More importantly, it remains the key to a company's survival.

In [Differentiate or Die](#), bestselling author Jack Trout doesn't beat around the bush. He takes marketers to task for taking the easy route too often, employing high-tech razzle-dazzle and sleight of hand when they should be working to discover and market their product's uniquely valuable qualities. He examines successful differentiation initiatives from giants like Dell Computer, Southwest Airlines, and Wal-Mart to smaller success stories like Streit's Matzoh and Connecticut's tiny Trinity College to determine why some marketers succeed at differentiating themselves while others struggle and fail.

More than just a collection of marketing success stories, however, [Differentiate or Die](#) is an in-depth exploration of today's most successful differentiation strategies. It explains what these strategies are, where and when they should be applied, and how they can help you carve out your own image in a crowded marketplace. Marketing executives in all types of organizations, regardless of size, can learn how to achieve product differentiation through strategies including:

To order this informative book, [click here...](#)

[Seminar:](#)

[Differentiating Yourself from the Competition](#)

Friday, October 19, 2007

How do your customers see you? More and more, customers view all suppliers as being alike. It's difficult to stand out in the customer's mind. As a result, you are viewed as a commodity, and are often overlooked when it comes time to make a decision. In this seminar, Dave Kahle will articulate proven strategies and tactics to differentiate yourself from competitive salespeople, to carve out a special niche in the customer's mind and bring you ahead of the competition. You'll learn:

- A five-step process to set yourself apart from the competition.
- How to shape and influence the way the customer sees you relative to your competition.
- Why you need a unique image that sets you apart from the rest and how to relate your uniqueness to the customer.
- How to analyze your assets as a professional salesperson.
- Why you need to create a value-added statement.
- How to analyze the competitive strengths of your company and how to communicate that to your customer.
- How to develop creative routines, behaviors and habits that convey your unique value and make a positive impact on the customers.

To learn more about this seminar, [click here...](#)

Website:

If you want your organization to exceed your customers' expectations and stay competitive, then a competitive strategy is a must. Your competitive strategy should be ***visionary and achievable*** --one that continually strives toward the improvement of your organization's key business processes. Your competitive strategy is the starting point for your organization's planning process.

The structure of the competitive strategy planning process requires an internal (inside the company) and external (outside the company) analysis of factors that could potentially impact the success of your organization. Your competitive strategy planning process is heavily focused on your customer, your competition, and potential markets.

To learn more about the benefits of strategic planning, [click here...](#)

Quote:

“Competitive strategy is about being different. It means deliberately choosing to perform activities differently, or to perform different activities that your rivals perform, in order to deliver a unique mix of value.”

Michael E. Porter, Professor at Harvard Business School, is a leading authority on competitive strategy and international competitiveness.

About Terry

Terry H. Hill is the Managing Partner of Legacy Associates, Inc. a business consulting and advisory services firm in Sarasota, Florida. He writes various business articles for Legacy Associates' eZine, “Business Insights from Legacy” and is the author of the business desk reference book *How to Jumpstart Your Business*.

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Best wishes for your continued success!

The next issue of Business Insights from Legacy eZine is September 4th.