

How to create a Point of Difference for your business

Do you have a clear point of difference in your business relative to the competition?

It has never been more important to have a clear point of difference in business – customers now have far greater choice, are more informed and for many businesses, competition is not just the business down the road – but increasingly from competitors online.

The challenge for small business owners in such a crowded marketplace – is that where buyers cannot see clear differentiation between suppliers – products and services become commoditized and the focus shifts to price!

So if you are continually being hammered on price – that should be a signal you need to revisit your value proposition – for as far as the customer is concerned, there is simply not enough differentiation between you and your competition to justify the price premium they perceive you are seeking!

A quality product and good service are the customers right!

Many businesses make the mistake of thinking that the quality of the product and the service are points of differentiation – however in today's world this is simply no longer true!

A quality product and good service - are the customers right! They are the minimum expectation!

Product differentiation is hard to sustain

In the past a business could develop a unique product or service and for a time enjoy an edge of their competitors – however with the speed of communication and the many different manufacturing options available (even to small businesses) – differentiation through products is often now a short-lived advantage.

One only need look at the Apple iPhone – for a few years they owned the marketplace – but now they are being seriously challenged by Samsung.

In today's world as soon as a competitor sees something that is working elsewhere it is quickly replicated and often improved.

The secret to building a sustainable point of difference

The key to building a sustainable point of difference relative to your competition is to understand that ultimately the only thing that matters is - the customer experience!

That is, how the customer perceives their experience when they come into contact with your business.

Further, if you want them to buy from you again – or even better, refer others – then you need to exceed your customer’s expectations!

Meeting expectations won’t generate word of mouth business – you need to exceed the customer expectations!

Exceeding customer expectations doesn't necessarily mean spending money!

For many years when I have run workshops for small business owners, I ask the question:

“How many people deal with a business where they feel they are a truly valued customer”

Consistently only 10% raise their hand. When I ask them why, the answers are always the same. It never is to do with the product or price – without exception, it has been:

“I am treated as an individual – they care - remember my name – my preferences – I feel they only recommend something if it is something I will like or need”

This is borne out by research, which despite all the money businesses spend on marketing and so called “customer care” programs; nearly 70% of customers do not feel valued! Research also tells us over 60% of so-called “satisfied” customers – will never buy repurchase from the same business again!

Therefore, if you want to differentiate your business the starting point is to truly value your existing customers, treat them as individuals and show them that you care – consistently!

Start by examining your customer “moments of truth”!

Every way you come into contact with or “touch” a customer is a “moment of truth”. This is not just face-to-face contact! It includes every way the customer comes in contact with your business.

For example:

- Your website, how it looks and functions is a moment of truth
- The degree you provide helpful information to assist customers do research is a moment of truth
- How long it takes you to answer the phone and what you say is a moment of truth
- Your promotional material, brochures etc. are moments of truth
- The look and layout of your premises, parking availability, are moments of truth
- What you say in sales conversations – how you engage with customers are moments of truth.
- The list goes on....

Start by first identifying all your “moments of truth”, then for each ask:

“How can it be changed or improved to provide a memorable customer experience and/or differentiate us from the competition”.

Important – when reviewing your “moments of truth” do so through your customer’s eyes – experience each moment as a customer!

Give attention to areas where others drop the ball!

In our experience (and confirmed by research) there are three key areas where businesses drop the ball that provide the opportunity for differentiation

- Providing quality information to make it easy for customers to undertake research (By the time potential customers make contact they will generally look at 10 > 13 sources seeking information to assist with their buying decision. Helping customers in the research phase is a way of differentiating a business (& in the process setting yourself up as an authority and through this the logical choice of provider)
- Product use – ensuring your customers have the knowledge or access to support and information to get the absolute most out of your product or service. Apart from this being the right thing to do – from a purely commercial perspective, if a customer can get the most out of your product or service – the more likely they are to be totally satisfied and refer others!
- Providing genuine after sales support – customer love! Unfortunately despite protestations to the contrary, this is where most businesses fall down badly. The reality is for far too many businesses the customer relationship ends with the sale and as a result the business ends up on the expensive and exhausting new customer acquisition treadmill! True after sales care leads to increased loyalty, repeat buying and the goldmine that is referral business!

Tap into the goldmine – your customer base!

A low cost method of identifying ways to differentiate your business in the marketplace is to talk to your customers – they will know what is missing or lacking – what they need that is not being provided – some questions to ask:

- What do they find lacking or frustrating dealing with suppliers in your industry?
- Are there elements of your product or service they simply do not use?
- How could your products or services be changed or improved?
- What would they like to see you change or introduce so they could give you a score of 10 out of 10 and refer others?

Apart from providing invaluable information – simply asking these questions will set you apart and show that you care!

Provide customer service that is memorable and different

Can you recall the last time you had a truly memorable customer service experience? Something that stuck in your memory and which you shared with others!

Unfortunately most customer service – whilst it may be “nice” – is not memorable! It is bland with as much personality or impact as a bottle of milk!

Think about how you could change the way you engage with your customers to provide a memorable customer experience – how can you change what you say – how you act – even what you wear – to stand out and get your customers talking!

If you are courageous enough to be memorable – your bank balance will reward you!

Summary

In a crowded and increasingly competitive marketplace, if you want to shift the focus from price and to enjoy word of mouth referrals then you need to invest the time to create a clear and sustainable point of difference for your business.

Taking the time to work through the processes outlined will get you started – but if you want to learn more, consider enrolling our workshop – **Marketing That Works!** – the cost of which includes a FREE mentoring session.

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