

## An Optimize White Paper



## 12 Ways to Differentiate Any Brand



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While it may be intuitive to most every marketer that they need to create points of differentiation, the quest for uniqueness can be elusive. The more crowded a market space, the more difficult it becomes to differentiate within it.

A value proposition is a combination of many factors that combine to form the customer's opinion of the supplier. The most subtle of differences can earn a supplier higher fees, or at least break the tie at times when price is the client's primary purchase trigger.

Most entrepreneurial management teams believe their most important differentiator is service (or quality). While that may be an important cog in their proposition, it is not a differentiator if every provider makes the same claim. When service is offered as a differentiator, the provider must make a business case as to why it is better.

Providers should seek to offer at least three compelling differentiators. The following

guide provides examples of how marketers can differentiate almost any brand.

## Authenticity

Some brands bring customers back to another time and reinforce a sense of history and authenticity. Brands such as Harley Davidson provide messaging that reinforces they are the "original".

Messaging regarding the time that a company has been in business is useful but not as meaningful as when a company can make a claim that it invented a product, or knows more about it than other providers.

## Bundle of Services

Amongst the biggest anti-trust lawsuits in American history was the U.S. vs. Microsoft attempt to uncouple Internet Explorer from the MS Office Suite. The U.S. government thought that to allow such a bundle would give Microsoft overwhelming market power. Similarly, when customers orchestrate

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a Request for Proposal (RFP), they are attempting to unbundle sellers, as they know bundling makes it difficult to make an apples-to-apples decision.

The bundle of services offered – and the form it is offered in – can dramatically alter a customer’s view of the value received. The Good-Better-Best model clarifies for the customer the level of quality and service they can expect relative to other offers. While all providers seek to offer great service, customers inherently understand such differences.

Providers should be cautious not to “over serve” markets. When Southwest Airlines shuffled the deck on airline service, the company removed services assumed by competitors as necessary, such as a first class cabin and assigned seats. In a world where pennies matter, a sensible strategy is to deliver the attributes that customers care about most – in the case of Southwest, on-time delivery and price – and purge others that cost more than the perceived benefit.

Too many offers can confuse customers. When you eat at a restaurant with 100 choices on the menu, your mind freezes and you are unable to make a decision. In instances when it makes sense to bundle, offering 3-4 bundled offers can be a powerful way to communicate value.

### Client Testimonials

There is nothing more powerful than a prospect hearing other customers talking about their experience with a provider – much more meaningful than the provider talking about themselves. Video testimonials are powerful and drive up search engine optimization. Clients can also create recommendations on social media such as Linked In and Facebook. By creating a series of vignettes, a marketer can cross purpose such testimonials across several platforms. Client testimonials are particularly effective as a tool in demonstrating subject matter expertise in a particular vertical or industry specialty. Client testimonials offer a form of third-party validation – see below.

TCO	Web Application - Spiky Usage Pattern			
	On-Premises Option	AWS Option 1 All Reserved	AWS Option 2 Mix of On-Demand and Reserved	AWS Option 3 All On-Demand
Amortized Monthly Costs Over 3 Years				
Computer/Server Costs				
Server Hardware	\$511	\$0	\$0	\$0
Network Hardware	\$103	\$0	\$0	\$0
Hardware Maintenance	\$79	\$0	\$0	\$0
Power and Cooling	\$287	\$0	\$0	\$0
Data Center Space	\$241	\$0	\$0	\$0
Personnel	\$2,000	\$0	\$0	\$0
AWS Instances	\$0	\$992	\$791	\$1,850
Total – Per Month	\$3,220	\$992	\$791	\$1,850
Total – 3 Years	\$115,920	\$35,718	\$28,491	\$66,614
Savings over On-Premises Option		69%	75%	43%

**Recommended Option (most cost effective)** 

## Cost of Ownership

As commoditization has become common place in many industries, providers are under pressure to prove their value. Those with higher quality, faster cycle times, or better warranties, may save the customer time and money and need to create the business case that provides it. In some cases such as software; features and corresponding costs are compared side by side.

## Emotional Attachment

The market value built by Coca-Cola has been extraordinary, given that their product is literally sugar water. During the company's growth spurt in the later half of

the 20th century, Coke faced an epic battle from Pepsi. Pepsi's messaging focused on "The Pepsi Challenge". Conversely Coke offered "I'd Like to Buy the World a Coke" and one of the highest rated commercials of all time, featuring Mean Joe Green. Coke has dominated its market for 100 years, and its marketing has focused on emotional messaging.

Many companies, whose value proposition is of a technical nature focus on marketing that is technical in nature. Such information may be relevant to customers but it often fails to create points of difference.

Ensure that your marketing materials provide an emotional connection to prospects and customers.

## Information

Companies such as Bloomberg have built entire business models based on delivering real time information. In many sectors, those suppliers who can furnish information better and faster have a significant competitive advantage.

For example, companies from software to construction provide status updates to customers that give them comfort. The Wall Street Journal provides a good example of how customers expect to receive information. They want information presented in a clear and concise format, and then access to detail which is only a click away.

## Service Innovation

Much has been written about dynamic product innovators who have been first to market with clever new tools and gadgets. Service innovation, which is far less sexy, gets less fanfare.

During the onset of a new industry, product innovators and other early players focus on tweaking features. Once the product has been adopted, the innovation that occurs tends to be focused on wrapping unique services around the original product or service offer.

A classic example would be the sudden expansion of self-serve frozen yogurt shops (such as those offered by Menchies). Frozen yogurt shops proliferated during the 90's, and the market is "mature" - facing competition from upstart categories such as gelato and icee/custard shops.

As you may know if you have frequented a self-serve frozen yogurt shop, one takes a cup and fills it with yogurt before

approaching the topping buffet (chocolate, fudge, caramel, sprinkles and other candy items). A family of four does well to survive such a visit without spending \$20 or more.

By moving from full-serve to self-serve, the business owner:

- Saves considerably on labor
- Has expanded consumption and average transaction

### **THE YOGURT ITSELF IS EXACTLY THE SAME, BUT THE METHOD OF SERVICE IS RADICALLY DIFFERENT.**

Look for ways in your business to change the inherent methods by which you serve customers.

## Signature

When one checks into the Doubletree Hotel, they are greeted with a warm, chocolate chip cookie. The cookie represents a "signature", something you come to expect every time. While sweets are a nice thank you, signatures can be presented in other forms in business-to-business enterprises. Something as simple as a hand written note to something more intricate like custom reporting on activities, could provide differentiation from other providers.

## Simplicity

In a world where things have become overly complex, simplicity can create points of difference. When presented with too many options, the decision may be no decision at all.

In-N-Out Burger has developed a cult following throughout much of the U.S. Its brand stands for quality and freshness but especially for simplicity. In-N-Out has less

than a dozen items on the menu, which never changes. Customers know exactly what to expect, and they expect it every time. Sometimes, customers just don't want to have to think.

Designs that are elegant and simple (such as products produced by Apple) have gained popularity in recent years. Make sure you maintain discipline in keeping your products and service offerings simple and easy to understand.

## Surprise

Back in the 60's, the Grateful Dead created raving fans unlike any other rock band. Part of their mistake was the use of a form of a loyalty program. "Deadheads" as they were called, went into the audience and gathered names and phone numbers of fans.

At some time in the future, fans would receive phone calls, notifying them of upcoming shows. Then, the deadheads did something quite unusual; they followed the band around, from show to show.

The Grateful Dead barely used a play list. As every show was a "jam", no one knew what they were going to play. As a result, the deadheads were petrified that they were going to miss something.

If you contrast that way of thinking to our business culture, we have become highly predictable. With existing customers, in interactions such as business reviews we tend to rinse and repeat.

While suppliers should repeat and celebrate the things that customers value in them, they must also find new features, benefits and ways to communicate – and say thank you – to clients.

## Speed & Guarantees

FedEx first burst onto the scene with a tag line, "When it absolutely positively has to be there overnight". At about the same time, Dominos' campaign featured "30 minutes or free" (which ended as a result of too many car accidents). In both cases, the offer resonated very deeply in the marketplace, putting both companies on the map.

Both offered speed as differentiators with an implied guarantee. In businesses where cycle time is critical, guarantees can get customers to the finish line. Companies should never blindly offer guarantees; they should be used after a careful assessment of their value relative to their cost. Companies who offer warranties generally carry reserves on their balance sheet and budget for the cost on their income statement. Yet, the actuaries will tell you that a small number of people are likely to actually utilize a guarantee or warranty.

## Third-Party Validation

Over the course of time, businesses have sought validation from third parties. Some organizations offer third party certifications such as ISO, Microsoft Specialist, USDA, and the Good Housekeeping Seal of approval.

Today, consumers seek validation from their friends and family on everything from which plumber to hire to which restaurants to frequent. Yelp, and similar sites offer mass-ratings and such sites are proliferating. Sites such as Foursquare have added a social element to such validation as people are looking for confirmation that they are making the best buying decisions.