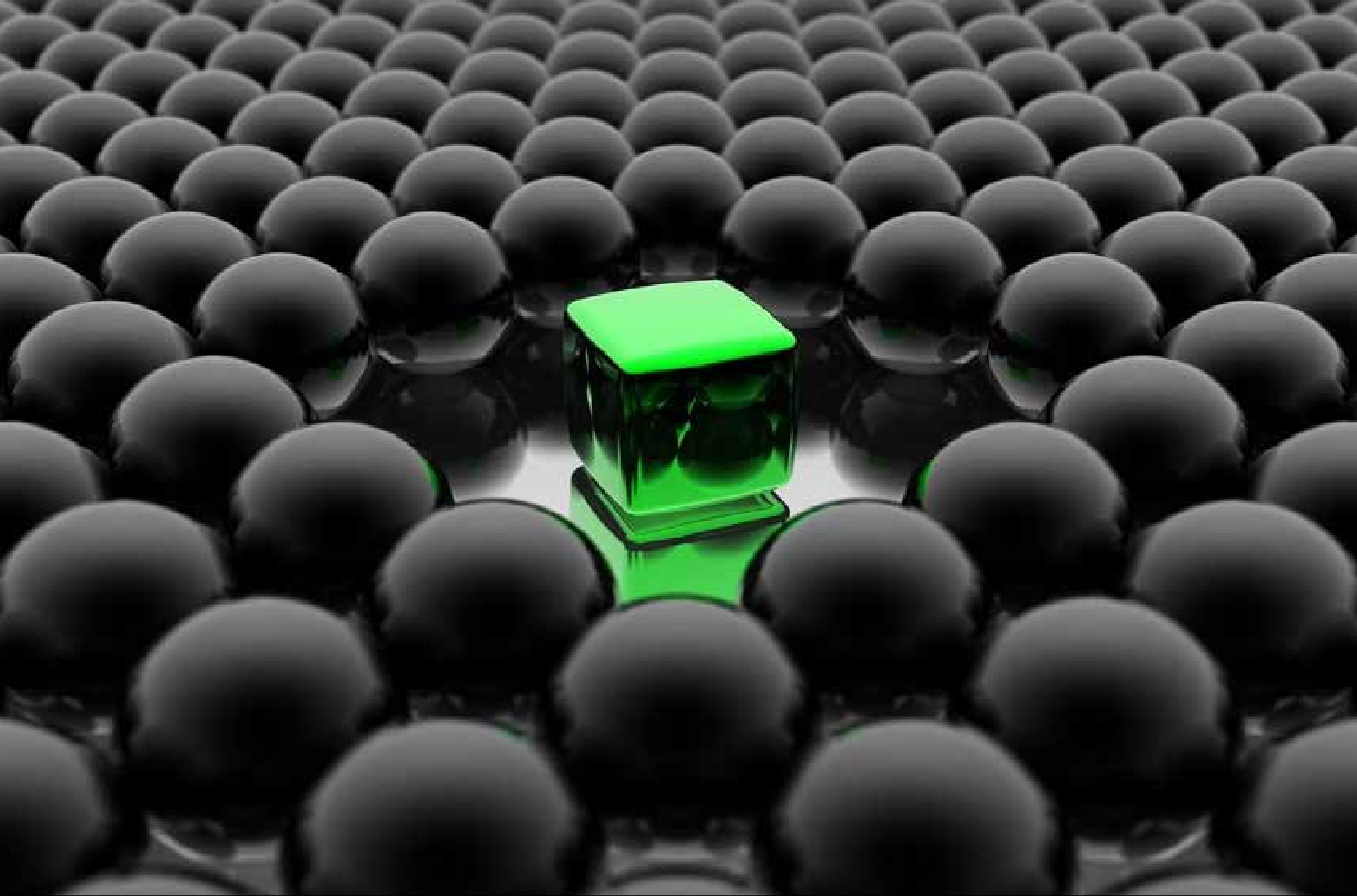

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21 WAYS TO
DIFFERENTIATE ANY BRAND

Optimize

ESTABLISH THE VISION • ALIGN PEOPLE TO THE STRATEGY • MEASURE FOR RESULTS

Every entrepreneur intuitively understands the need for uniqueness, but finding true differentiation is elusive for most. This white paper is intended to provoke thought on leveraging differentiating strategies (assuming a company is not the low-cost leader in its space). Low-cost leaders are usually the largest companies, or those who have developed disruptive technologies at scale.

In most industries there is a cadence of competition in which competitors act and look the same, promoting a sea of sameness. Once a category matures and there are many competitors, it becomes harder to find uniqueness. Companies engage in a form of imitation, which is not differentiation. Differentiation is gained through a formula of attributes that form "accumulated advantage" where customers perceive a brand difference and are less likely to switch based on a low-cost offer on a given day.

Providers get stuck in a trap where they perceive their core service (functional or technical expertise) as a differentiator when it is actually the cost of admission. Subtle differences in a business model, messaged effectively, can break the tie. Below are 21 ways to differentiate a brand:

1. Authenticity

Some brands bring customers back to another time and reinforce a sense of nostalgia or authenticity. Brands such as Harley-Davidson provide messaging that reinforces them as "the original". Companies that have been in business for generations can position as the original but could also be perceived as dated or old. Messaging should focus on phrases such as, "We have been innovating for 50 years."

2. Bundle of services and platforms

As mature B2B industries move to professional procurement, buyers attempt to "unbundle" their suppliers because they know bundling makes it more difficult to compare prices. Customers want to work with fewer suppliers who are more capable. Companies will offer more "end-to-end" solutions. To determine which services your company should offer, see our Value Chain White Paper. Seek out services adjacent to yours that may eliminate redundant suppliers.

3. Cost of ownership

Marketers often provide side-by-side product comparisons to demonstrate their feature sets and costs. When a brand like Hyundai provides a 50,000-mile warranty, it is attempting to shape a perception that the total cost to own is less. Guarantees are a powerful instrument in communicating lower cost of ownership, and usually result in a relatively low number of returns.

4. Company culture

Breaking the tie across similar providers may come down to culture. At the end of the day, customers work with the providers they want to do business with, and the more sophisticated customers will pay attention to how engaged your employees seem. In office visits and plant tours, shine a light on how your company is an employer of choice.

5. Defensive brands

Some brands position as "just good enough" and strip out features customers do not value. Every element of a product or service has an opportunity cost (there is a cost that could be

invested in other features). To ascertain the optimum feature set, evaluate the "relative cost" of each feature to the benefit it provides using a value chain analysis.

6. Exclusivity

When offered, exclusive rights to a set of products or a territory is a strong inducement.

7. Fun

With the stresses of corporate life, customers want to be entertained. Communicate in such a way that suggests you take your work seriously, but not yourself too seriously.

8. Emotional attachment

Fixed on the technical solutions they provide, many companies lose sight of emotional connectivity. More than 80% of buying decisions are emotional, and suppliers should seek ways to reinforce that they can be trusted. To communicate emotional attachment, use more imagery and less text in marketing materials.

9. Information

Cloud technology, the Internet of Things and artificial intelligence are game-changing in terms of the creation and accumulation of data. While we've been talking about big data for years, the ability to collate information in a way that is useful for clients is more important than ever before. Relevant reporting and

access to information can be a powerful differentiator. Small and mid-market companies are migrating to lower-cost, Cloud-based technologies that promote integration.

Look for ways to provide reporting to improve customer experience and engagement. For example, auto-generated exception reporting can indicate when customers fail to order or who has dropped items.

Technologies like video have become so inexpensive that companies are creating online instruction (how-to) videos to use education as a tool.

10. Monetization method

The quickest way to disrupt an industry is through a unique pricing method. Our client, an advertising agency, priced their product based on client success which separated them from the competition. Emerging within the technology sector is utilization of "usage fees" where customers only pay for what they use (such as Airbnb).

11. Personalization

Many hot startups such as Trunk Club are providing curated collections of clothing. Customers want choices, and providers are moving toward mass-customized models that provide the illusion of choice, but in a model they can scale. One of our clients digitally prints custom T-shirts on demand, in any style and size, delivered to your door in 48 hours. At your local poke restaurant, you can have salmon, yellowtail or tuna, but not eel.

12. Reducing risk

Entire business models, such as insurance and legal, are built on reducing risk. Find ways to reduce your clients' risk; for example, taking on the financial risk of the success of a project.

13. Safety

The "No one ever got fired for hiring IBM" argument resonated for many years. Be viewed as the safe choice because of your reliability and record of on-time performance. Find ways to actively report performance so you are seen as the safest choice.

14. Service models

It's intuitive to believe customers want better service, but the level of service they're willing to pay for varies by sector and customer. Today, bots are the impetus to self-service models in which customers can help themselves. Look for ways to provide options (such as good, better, best) so customers can opt in at the appropriate level. It's difficult for management teams to treat tiered customers differently, but it is critical that companies utilizing service level stratification ensure their teams deliver only the services customers are paying for.

15. Simplicity

Companies are stripping features to provide simple interfaces or feature sets. As competition for web search emerged, Google prevailed over Yahoo with a simple search bar. Simple often conveys convenient. Look for ways to eliminate entire steps in a customer process. Consider the seamlessness by which you can order and pay with Uber. Such technologies are setting the bar, even for B2B transactions.

16. Signatures

When you check in to a DoubleTree hotel, you are greeted with a freshly-baked cookie. Signatures are unique and are things customers expect every time.

17. Social proof

In the past, customers wanted to hear from their vendors. Today they want to read about them on the internet. There are still providers who believe they don't win business online, but almost every supplier is validated there. Online ratings are proliferating, and online reviews for B2B suppliers are not far away. Marketers are gravitating toward influencers who can make or break brands (such as in fashion). Providers are being evaluated in part based on their online presence. Development of thought leadership, white papers, case studies and testimonials that prove value is critically important in driving relevancy online.

18. Surprise

In the '60s, Grateful Dead created raving fans unlike any other rock band. Part of their mystique was the use of a form of loyalty program. They barely used playlists. As every show was a "jam", no one knew what they were going to play. As a result, Deadheads were petrified that they might miss something. Look for ways to do things for customers that are unexpected.

19. Speed

FedEx burst onto the scene with a tagline, "When it absolutely, positively has to be there overnight". At about the same time, a Domino's campaign featured "30 minutes or it's free" (which ended as a result of unsafe driving). In both cases, the offer resonated deeply in the marketplace, putting both companies on the map.

Today Amazon is setting the bar with next-day service (soon to be same-day). Customers are becoming more demanding in terms of speed, and companies can differentiate by delivering speedy service but also responsiveness and the flow of information.

20. Third party validation

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

21. Technology

There are technology companies and technology-enabled companies. If technology is not a company's core offer, the company can still utilize client-facing technologies to improve experience. But for technology to be relevant as a differentiator, it must materially deliver convenience, speed or better information than the others.

Differentiation Exercise

What three or four words describe what your brand stands for?
How is your service offering different from competitors?
How do you communicate these differences?
Of the 21 differentiators listed, which 3 or 4 will you focus on in your sales and marketing?

On a scale of 1-10 (10 being highest), how effective are you at communicating your differences?									
1	2	3	4	5	6	7	8	9	10

How do you ensure that your entire company, including your sales and marketing teams, has a coordinated effort to message your differentiators?