



## Insights

The value of differentiation in a me too market

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## The value of differentiation in a me too market

Successful companies that operate within congested markets that are oversupplied or in markets where there is little perceived difference between one company's products and another's understand how important it is to differentiate themselves from their competitors in order to be recognised by potential customers as representing a special and valuable proposition within their market place.

In the internet shopping era this has become even more the case as product and service providers seek to compete for attention in this new virtual world. What you do, make or sell is important, but how you look, talk and interact to establish the trust of your potential customers is now more vital to a business than it ever was – we are back to the market stall in the high street, but in a more sophisticated way.

Take a busy open market area where several greengrocers vie daily for the passing trade. They all buy their products from the same suppliers and sell at roughly the same price levels, yet one or two of them always do better than the others, and the others cannot understand why that is.

The majority of the traders are diligent people and they arrive at their stalls on time, display their products and price them clearly. They offer a good choice and quality but when they talk together during the day they can never understand between them just why it is that the other two traders always seem to get more than their fair share of the business in the market.

Strangely, the two who are prospering fail to see the problem as well. Every day they buy their produce from the suppliers and spend time polishing it so that it looks really good on their stalls. They produce large pricing boards that are clearly visible to all their regular customers and they set about making sure the area around their stall is clean and tidy.

Importantly though, whilst they are at their suppliers they will have remembered to pick up those special orders they had placed on behalf of their regular customers who like the occasional exotic fruit or vegetable and they will pack those special orders away carefully for when their customer arrives to pick them up later in the day.

Looking on, the other stall holders wonder just what it is that makes these two guys go the extra mile in this way.

Those successful stall owners seem to have understood just what it takes to be different within a crowded market, and their customers, who could easily go elsewhere for the same products at the same price, value them for that understanding and how they make them feel like special individuals every time they meet.

Encouragingly for the rest of us, all that the successful stall owner does to separate himself from his competitors in what can be described as a "me too" market place is available to any of us to build into the way we market our own enterprises.

We might call it a marketing or a sales or even a marketing communications strategy, but the net effect will be that our clients and customers will see us as different to the rest of our competition and a better fit to their personal needs. The value they place on their relationship with us will enable the initiation of a long term relationship that is both profitable for us as suppliers and pleasurable to our customers who will increasingly value the service we deliver as well as the products we provide.

The same thinking applies in markets where the customer is an irregular buyer and there is little or no difference between the product performance or cost. Successful companies in these markets understand the importance of developing long term relationships that are built around the concept that at some stage in their development the prospect will need to buy what it is they sell. What these companies have to set out to do is to ensure that when those customers are ready to buy, they buy from them.

Companies who are successful in this approach spend time in researching the market and getting close to their target audience. They are aware of market trends and could be said to have their finger on the pulse of who the key people are and when they will be in a position to need what it is they provide.

These markets tend to be customer led or needs led, when the need is real and the time is right the end user will seek out the companies which they believe will be best able to help them find the type of product or service they are setting out to purchase. This is where the companies who succeed in these markets find their payback for the efforts they have made to form relationships with the end user and to establish and retain a high level of awareness within the markets they serve. When a potential customer searches the market for a supplier they will be faced with a myriad of possibilities, but those companies that stand out will be those that have considered just how they can help, how they can make it easier for the customer to find a supplier they can trust and possibly build a long term relationship with.

Companies that stand out like this and that can show and demonstrate the characteristics that their prospective customer is searching for tend not to have arrived at this place by happy circumstance. No, these companies think strategically.

Successful companies in this type of situation exhibit distinct behaviours:

- They know as much as possible about the issues facing their customers and the markets in which they operate and seek to serve
- They shape their proposition to their potential customers in a way that those customers find attractive and will value – they know what the customer wants and ensure they deliver it at the right price and at the right time.
- They are consistent in the way they portray their proposition to the market across all communications touch points, including:
  - A well designed and strategically developed website that promotes their core values, characteristics and customer proposition in a way that will reflect their knowledge of the market and their ability to help and serve their customers to achieve their own objectives
  - PR activity that is focused upon delivering their value proposition to their target audience in a way that captures and retains interest and builds value into their proposition
  - All customer facing sales materials
  - Advertising activity in any form
  - The delivery of their product or service
  - Even to how they answer their telephones
- They continually seek out opportunities to add value to their proposition and services

- They seek long term profitable relationships with their customers and not short term opportunistic sales.
- They seek to provide information free of cost to their customers whilst they are outside the buying cycle – thus underlining their commitment to the relationship and reinforcing the value they deliver to the client

Successful marketing led companies understand that their business is ultimately built upon the performance of their product or service and that without that core fundamental then their business will flounder.

Just think of the many companies you know and which of those you were drawn to through a well focused and attractive communications campaign, only to be disappointed with their product or service when you engaged with them - did you ever go back?

Did the listening bank really listen to you; did a well known jewellery retailer really respect its customers in the way the advertising suggested? Probably not.

However there are many examples of companies who use the power of marketing and marketing communications to separate their product or service from the crowd in a way that adds real value to their customers' initial perception. Then they really do deliver the expected experience from their service or product.

Of course, whilst considering their customer they are also adding significantly to the value of their company, by developing their brand, and their bottom line.

Two examples of successes that we think stand out are Eddie Stobart in the road haulage market – it really is worth a trip to their website to see just how much the company sold for recently – and Mamas & Papas, another family managed business with a belief in the power of marketing to differentiate their offering so that it is distinctive and instantly recognisable in a crowded me too market.