DISPATCHES™

Insights On Brand Development From The Marketing Front

OVERCOME TOP BARRIERS TO DIFFERENTIATION

Differentiation is fundamental to marketing success. It aids in transforming a product into a brand and for a brand to stand out from the extensive crowd of homogenous products. However, it is not differentiation for the sake of merely being different. Something may be different but fail to make a positive impression on target customers and an impact in the market. In fact, it may have the opposite effect if the so-called "difference" is perceived to be an oddity or not important.

Instead, differentiation must be relevant to the target customer and meaningfully differentiated in kind or degree from competitive products—anything that customers can substitute for your brand.

Every marketer is aware of the critical need for differentiation. It has a two-fold impact on your marketing, making it both more effective and, as a result, more efficient. If, as a marketer, you are not aware of this need, read **DIFFERENTIATE OR DIE** by Jack Trout or Chapter 5, *Lack of Relevant, Meaningful Differentiation*, in **AVOIDING CRITICAL MARKETING ERRORS** by Richard Czerniawski.

Despite recognizing the need for differentiation to make marketing matter more, few marketers achieve it. There are far too many barriers that thwart the achievement of relevant, meaningful differentiation. Here are common barriers:

1. ***Trying to be all things to all people*** – A given differentiator will not appeal to everyone. Nothing does! When we try to be all things to all people, we wash out the critical difference or obfuscate it through endless compromises that bring customer perceptions of our product in line with our competitors.

2. ***Lack of clear purpose*** – This is about the failure to be choiceful. We are inclined to be ambitious about our product assets. So, instead of choosing, we stuff more features, benefits, and/or reasons-why in our product, positioning, messaging, and marketing development. The result is that we dilute the crucial difference versus competitive entries.

3. ***Chasing arbitrary, inflated Business Objectives*** - Our ambition is compounded by senior management's lofty, outsized ambition to push the envelope on target revenues, market share, and profit (i.e., Target Business Objectives). They want

more. Specifically, they demand what they need to satisfy investors, which is frequently not achievable for a specific entity (product, service, or brand). Inflated business objectives put pressure on broadening the target customer profile (see point #1) and stuffing multiple benefits that cloud and wash away any meaningful distinction.

4. ***Ignoring the whole product*** – Focus is devoted to tangible features of the product, overlooking, or missing, the importance of intangibles. Intangibles are non-material but not immaterial to successful differentiation. Intangibles don't come in the box. Instead, they comprise things such as servicing, financing, and warranties. Think Apple's Genius Bar.

5. ***Overlooking psychological needs*** – Many marketers and organizations focus on the rationale, ignoring the psychological or emotional aspects of a brand. Does the consumer pay a substantial premium for a Valentino purse because it is better made or because it signifies she is part of an elite tribe that can afford it? Does the surgeon inveigh for a DaVinci because s/he will generate better surgical outcomes or because it makes her/him feel s/he is an elite surgeon? Does the oncologist treat with a specific protocol, despite toxicity, because it will lead to a cure or "hope" for extending life?

6. ***Product versus Brand focus*** – The brand is even more than the "whole" product. It's a constellation of values and experiences we share with target customers that creates a bond. The target customer grants our entity "brand" status. We earn our way there. Therefore, to create relevant and meaningful differentiation, we need to go beyond the product we sell and think about and capture the (unique) experience the brand delivers.

7. ***Avoiding relative comparisons*** – We avoid benchmarking or testing performance versus competition, so we truly don't know how we stand on promising a distinctive benefit or experience versus competition. In the pharmaceutical sector, testing is against a placebo or standard of care (SOC). Every pharmaceutical compound uses the same essential clinical target and protocol for investigation. Accordingly, they generate the same product benefits devoid of distinction from current and/or anticipated competition.

8. ***Falling short of WIIFM*** – It's all about "What's In It For Me"—the customer. It is stopping short at the product benefit step on the Benefit Ladder, which tends to be generic or, frequently, hyperbole. Falling short of WIIFM for a select target customer that believes what you, the marketer believes—the Brand Idea—passes over an opportunity to differentiate versus current and anticipated competition.

9. ***Falling into Class of Drug (COD) or Standard of Identity (SOI)*** are the regulatory or legal labels that classify a group of similar products. These labels contribute to target customers seeing the products as being interchangeable. Payors know what a statin is and how it works. They perceive each to work the

same way, do the same things, and get the same essential outcomes. So, they genericize them to reduce their choice to one criterium—price! In relying on and touting the COD or SOI, as opposed to creating a Perceptual Competitive Framework, we assist target customers in overlooking any differentiation and their genericizing of our offering.

10. ***Fear of differentiation*** – Organizations favor what was and continues to be done. As many generals choose to fight a current war like the last—despite differences in the enemy, how they wage war, objectives, etc., senior managers tend to do the same. This practice is founded not only on repeating what has brought success in the past but also on the fear that doing something different could fail. One is safer failing by engaging in offering the same as competition and the standard strategies, practices, marketing mix elements, and tactics than by doing "different." When managers choose to do different and different fails, these managers are the ones who are perceived to be different—in a negative way.

11. ***Settling on limited capabilities*** – A major carbonated soft drink company asked us to explore what we could make with their trademark "Farmstand." We came up with a concept for a line of combination fruit beverages, packaged in jars and located in the supermarket's refrigerated section (although, like Marie's Salad Dressings, it did not need to be refrigerated). The client loved the concept, and it tested exceptionally well. However, the company did not go forward at that time because they couldn't produce 5000 units per minute on their soft drink manufacturing lines, needed to call on a different buyer, and required their direct store delivery personnel to work in another aisle. In other words, they had limited strategic degrees of freedom that they did not define before the assignment, nor were they willing to entertain different ways of approaching manufacturing, distribution, and handling. Putting it in a can and placing it in the soft drink aisle screamed, "soft drink!" Many years later, this same company has since made significant inroads into "better for you" beverages.

12. ***Doing what we do versus what the customer needs or wants*** – This barrier is not the same as mentioned above. The previous point addresses limited strategic degrees of freedom, which makes sense in many cases, depending upon how the company perceives itself and its mission, resources, and life-stage. This point is about starting with a focus on the product instead of identifying and addressing unsatisfied or latent target customer needs. Steve Jobs was different! He guided Apple to developing products that satisfied rational, psychological, and latent needs that its competitors missed—to create new categories or segments that differentiated Apple products from the field. Its original MP3 player, the iPod, was one of more than 1000 offerings, yet it achieved >90% market share—despite premium pricing—by fulfilling consumers' psychological need to be perceived as being "cool."

When we have barriers that impede our growth, we need to find ways to overcome and remove them to reignite growth. If we lack differentiation, then we need to overcome one or more identified barriers. If we don't, target customers will perceive our offering as no different from competitors' offerings.

Proposed Action(s) for Implementation *(Crossing the chasm from learning to impact)*

- Identify the top two or three barriers you can control that thwart your ability to create relevant and meaningful differentiation. Which is the most significant (i.e., the one that will significantly impact creating relevant and meaningful differentiation to reignite growth)?

- Brainstorm or study ways that you can remove it.

- Identify the resultant differentiation it brings to your brand.

- Test the impact of the resultant differentiation on customer purchasing, HCP prescribing, or usage interest—as appropriate to your sector.

- If successful, institute it.

Please encourage your team to subscribe to and read Brand Development Network International blogs. It will help bolster your team's performance. All it takes is to register at www.bdn-intl.com

Interested in making your marketing matter even more? Read Richard's most recent book, **AVOIDING CRITICAL MARKETING ERRORS:** How to Go from Dumb to Smart Marketing. Learn more here: http://bdn-intl.com/avoiding-critical-marketing-errors

Best wishes,
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