

Dick Maggiore: CEOs must define, promote differentiation

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By Dick Maggiore Special to The Canton Repository

The foundation for effective leadership is thinking through your organization's difference, defining it and establishing it, clearly and visibly.

For so many years, CEOs have focused on doing things better. Today, however, we realize this approach no longer is enough.

Connecting with customers today is not just about being better. It is about being different. Being better has become table stakes. It keeps us in the game.

Your prospects and customers have come to expect a higher level of quality and service and as a result, quality and service are no longer the best differentiators.

The many continuous improvement programs, workshops cloned in the mold of production-improvement guru William Deming, the parade of process gurus, and the "next flavor-of-the-month fad" have resulted in commoditizing many businesses.

The same circumstances and cast of characters surrounds your competitors. They all have the same plaques wallpapering their hallways and boardrooms. We all look pretty much alike. Productivity is way up for you, but it's also up for your competitors.

Because being better is no longer a difference, we all look alike. Our customers are now able to create competition by playing us against each other. Our customers know our quality and service are much like the next person's, so they can negotiate price from a position of strength.

But it's not hopeless. The good news is you can get a premium price for your product or service. The solution is based on finding your difference — your position.

Positioning is about finding and focusing on an idea that differentiates your company, product or service from the competition in a meaningful and relevant way with your customers and prospects.

In examining a successful brand, we find time and again that brilliant positioning is absolutely crucial. Advertising strategies, creative executions, digital marketing programs and even the media plan itself must flow from the brand's positioning.

Effective positioning is seldom easy. With new products and services failing at rates of more than 90 percent, strategic positioning might be the only salvation.

Success depends on being different, not just better.

These four steps can help you find your difference.

1. Start by carefully considering the marketplace and the competition. Know what's going on in your marketplace and the positions already held by the competition. What are the trends? Gather all the research possible on your industry. Determine what you can do as well as what the competition will let you do.

Determine what your product or service can bring to the party. What idea can you preempt? What attractive difference can you own in the mind of your prospects? The best advertising often works against ideas and concepts that already exist in the mind. An example is Coke's position as the "original." Pepsi went against the "original" with the positioning idea of "the younger generation." It worked. Pepsi outsold Coke in the grocery store channel.

If everyone is talking about one thing, maybe you can come in with something different; zag when they're zigging.

2. Find a differentiating idea with an obvious benefit. Offer something that meets customers' wants or needs in a way that is different from the competition.

Of course, the idea must be attractive. It should be something prospects naturally want, given the right circumstances and prompting. The more meaningful the point of difference to the prospect, the higher the marketing value.

Research probably will be needed. We generally begin with qualitative research such as with focus groups to determine the "what." Then, we can do quantitative research through phone, mail or web surveys.

3. Support the idea with tangible claims to create credibility. People are skeptical of advertising. You have to prove that what you offer is real. Never make unsubstantiated claims.

Consumers need to believe you can be counted on to deliver on your difference. You must establish your credentials and make your positioning promise credible

4. Communicate the idea with enough resources to get the job done. You must be willing to invest to make your idea known.

The marketing battle is not won just because you have created advertising. It is won only when your idea is burned into the mind of your prospects. Without proper resources, even the best idea will fail to get off the ground. Too many marketers think, “What will this cost me?” rather than, “What will this make me?” The winners are the ones who poured it on when others were hesitant or failed to optimally fund.

Think of the nail as the positioning idea. The hammer is what drives it into the mind. The hammer is advertising.

At the top today, we noted CEOs work hard to make their companies and products better. But CEOs’ No. 1 job is to define and communicate clearly and visibly its competitive difference.

Positioning is the single most powerful concept in business today. Positioning is foundational to the effective leadership of the organization.

Dick Maggiore is president and CEO of Innis Maggiore, founded in Canton in 1974 and today the nation’s leading positioning ad agency, building strong brands for companies in competitive markets here and across the country.