

BE DIFFERENT, BE VISIBLE, BE RELEVANT FOR COMPETITIVE ADVANTAGE

How to compete to win

- Acquire and retain more customers
- Grow revenue, turnover and profitability
- Improve efficiency, targeting and budgeting
- Release latent value
- Increase and protect market share
- Accelerate product development
- Attract and retain premium employees
- Improve merger and acquisition integration
- Escape the symptom of price
- Protect shareholder value

Once upon a time, B2B companies put the emphasis on achieving competitive advantage in the physical and tangible dimensions – successfully relying on their technology and products to differentiate.

But one day, threatened by the pressure of global supply chains and new highly skilled competition in emerging industrialised nations, this product and technology-centric approach led to the ‘symptom of price’ where margins got squeezed and prices began to fall. **The End.**

These days, what you are – the most experienced, or most technologically advanced – isn’t enough to guarantee a sustainable competitive advantage.

Adding whistles and bells may keep you in the game. But to win you have to harness the full potential of the customer dimension too.

“We work so hard on the rational things in business, when so often it is the emotional that sustains us too”

The real international B2B winners of tomorrow will compete not only with products but will define and lead markets with intangible ideas, concepts and values. To survive, let alone succeed, they will need to combine the traditional tangible attributes of the product with the compelling emotional qualities of the customer – what they believe, what they desire, what they fear and what they remember.

Successful consumer marketing has combined the emotional and the rational for years. Where product choice increases, what you stand for, how you stand apart and how you stand out provides the basis for differentiation.

Be different – positioning for mindshare

If the physically dominant always won, then Virgin would never have competed with BA; Hewlett and Packard would still be inventing in their shed and the iPod wouldn’t be an icon. And if, like for like, the cheapest products were always the most popular, then the leading brand of baked beans couldn’t get away with charging us double.

The dominant physical position doesn’t guarantee competitive advantage. The tangible cannot explain why the underdog can position itself to succeed or the identical product can win at a higher price.

Redefine your compelling promise

- Promote the customer’s vision
- Stand for the thing you believe in
- Create customer desire

‘If you can express what is wrong, you can PROMISE to make it right!’

Companies cannot be driven by profit and loss alone – they need to have the emotional fuel to improve something, put something back and make the world a better place. Then brand it.

Every company should stand for a Promise it can be judged by. The Promise represents the customer’s desire. A clear Promise always puts the customer first. It is attractive because it always provides customers with a vision that distances their anxieties and invites their desires. A Promise affects people emotionally, giving the customer a vision of the future they can believe in. If the customer believes in your Promise you achieve greater control.

A Promise defines what you stand for. This is the “I have a dream...” passion that drives successful companies.

- Volvo has branded the Promise of safety
- Caterpillar has branded the Promise of toughness
- BMW has branded the Promise of ultimate status
- Orange has branded the Promise of optimism

The competition are denied access to these Promises because these brands were first to market and first to mind. This is where your company needs to show leadership to its target customer group. A compelling Promise allows you to lead your customers by actively engaging with their vision of the future.

Provide answers to the 'Reasons Why'

- Set the judgment criteria
- Tell a believable and unique story

Surprisingly few B2B companies think about the Reasons Why they are attractive to their customers. Derived from the Promise, the Reasons Why reinforce your uniqueness and allow customers to believe that the Promise will be delivered.

When your products are more or less the same as your competitors', thinking about the Reason Why lets you tell a story that sets you apart.

In consumer marketing this is a popular game. The spoils go to the company that tells a customer-centric story that increases their desires and plants doubts in their minds about the competitors.

With undifferentiated offerings that all tell the same story, B2B is missing a trick. So to explain your strengths and expose the competitors' weaknesses use your Reasons Why to set the criteria by which the market is judged.

In B2B it pays to try harder. So whatever you do, resist the temptation to:

- brainstorm a random list of disconnected values that articulate your business values rather than those of your customers. (They may feel good but they'll rarely engage the punter.)
- opt for lazy off-the-shelf values like quality, service or innovation. These are no longer compelling Reasons Why (unless you happen to be Rolls Royce, Claridges or 3M). Generic, clichéd Reasons Why might let you play the game but they won't help you win the game.

When you make a stand for certain values they keep your attitude and behaviour on track. If we stray it becomes obvious. If your values aren't thought through and meaningful you'll appear just like every other company in your sector.

So invest in the time to:

1. Explore the values you share with your customers
2. Boil them down to a set of three you're prepared to be accountable for and measured by
3. Promote them consistently to your staff and customers
4. Use them repeatedly to establish ownership and shut out your competitors

Live by the values that communicate the 'Reasons Why' and you'll increase your differentiation and strengthen your competitive advantage.

Be memorable through the use of Signs

The urge to gather in tribes is primeval. That's why in most B2B sectors the default position is to align our Signs with those of our sector.

Perhaps this gives our business the comfort of being part of a group, but it's the wrong group and a false comfort. Because by following the herd we're no longer unique in the eyes of the customer.

Signs are a vital part of your B2B business life, and using them effectively to stand out from the crowd is crucial.

If you want a symbol for your brand then it helps if you know your deepest values so you can associate them with something that shares these values. This creates a powerful connection with the members of the group who share the knowledge of the sign and what it symbolises.

Almost anything can be made symbolic: the stars of the US flag, the cedar tree of Lebanon, the Southern Cross of Australia. Even Mick Jagger's lips!

But for all the complexity of our human societies, it is often the natural world that becomes symbolic of the shared consciousness of the groups we belong to.

Political Signs: The Republican 'Elephant', New Labour 'Rose'
 Business Signs: The bull and the bear of the stock exchange.
 The Nike swoosh.
 Football Signs: The Chicago Bears. The Manchester United Red Devils.

The orange square of Orange. The candle and barbed wire of Amnesty International. The Armistice Day poppy. The Canadian Maple Leaf. The BMW propeller. The BP 'helios'.

The more simple the sign the more powerful the association.

Be visible – to be noticed

Brand Strategy

- make the value visible
- a brand is a mark of ownership
- branding benefits the brave
- visibility leads to favourability

The brand and the cow

There are 250,000 registered cattle brands in Texas. From 'Double Bar' to 'Triple X', each uniquely identifies ownership and expresses certain qualities.

A business brand strategy is no different:

- establish the market context (cattle ranching)
- choose and design your brand (Double Bar)
- decide on the thing ('the cows') you wish to brand

The aim is to make your ownership obvious: not just of physical things like uniforms and buildings, but conceptual things like ideas, values, music, textures and even smells (car manufacturers and supermarkets both brand smells in order to add differentiation).

To give us the greatest degree of flexibility and control, and to make things simple, it's useful to keep the definition of 'brand' as the mark itself and separate it from the things we place the brand on – the 'cows.'

The difficulty in business is that often we often have many contexts, different levels of ownership and numerous tangible and intangible things to brand. So while the simple aim of a brand strategy is to provide clarity, it's not easy to do well.

We all know in the consumer world brand visibility is essential to success. Why should B2B be any different? Just because most B2B companies have niche markets, the need for visibility is no less significant. The more visible your company the more likely you are to be front of mind – in preference to your competitor.

Just because you can't instantly recall any valuable B2B brands doesn't mean brand strategy is of little importance to a B2B company. Quite the opposite is true: as branding is treated functionally it makes the rewards that much greater for those who are brave enough to invest in a strategic approach.

The value of investing in brand strategy in a B2B arena is two-fold:

Firstly, a consistent brand strategy increases visibility - and leads to favourability. If your brand is seen more than others

then you are more likely to be 'front of mind' and receive preference from your audience.

Secondly, a joined-up brand strategy makes differentiation visible by branding both the tangible (products, services, assets, innovations, people, etc.) and the intangible (ideas, values, concepts, conversations).

Crudely speaking, the ultimate test of a brand strategy is reflected in the extra money customers are prepared to pay for their preferred brand. In consumer terms this can be as much as double the price of the own label or the generic product.

OK, so the increased margin might not be so obvious in B2B. But investing in a brand strategy can also increase market share, build stronger relationships and ultimately increase shareholder value.

As B2B boardrooms are still sceptical of the 'brand effect' this gives an enormous head start to those with the courage to invest. A brand strategy will increase and protect competitiveness, reduce wasted effort and duplication and make best use of resources.

"...a well-executed brand strategy can increase margin in even the most rational of business to business sectors."

Here's a summary:

$$\frac{c + a}{t} = vf \quad vf \propto \text{value}$$

It is the consistency (c) and application (a) of the brand elements over time (t) that deliver visibility (v) and favourability (f). Visibility and favourability is proportionate to value.

Brand the tangible

Visibility is essential. If customers can't see you, they can't find you, and if you aren't seen consistently they get confused.

We've defined the difference between 'the brand' and 'the cows'. To create visibility and reinforce differentiation, we need to split the 'cows' into two groups - the tangible and the intangible (or (tangibulls and intangibulls. Sorry.)

To stand out, first choose the tangible/physical objects of your business that you intend to brand and make your ownership of them visible.

Audit all internal and external tangible branding opportunities: buildings, products, receptions & meeting rooms, offices, vehicles, communications, literature, people, websites, stationery and so on.

Your aim is to be visible so the brand must be discreetly or blatantly present on everything. Look at your building, your car park, your people and particularly your reception area. Does your brand surround your customer and embrace them in a differentiated experience? If your brand environment is uninspiring or the same as everyone else's then you're selling yourself short, keeping your value hidden, not visible. You do not stand out, so you do not realise the value.

Your own physical environment is not the only place to make your brand visible. Finding additional tangible branding opportunities is a creative challenge. Using sponsorship and events is a common way of tangibly extending brand visibility – look for relevant connections between your customer, your product and the chosen branding opportunity.

Consumer companies have done this for years – Marlboro with motor racing, Embassy with snooker, Land Rover with horse trials.

B2B companies use industry events, golf days, rugby and football matches for relationship-building but often fail to maximise brand visibility. If the brand highly visible it's likely that the investment will last much longer than the day itself – as memories of the occasion will always be linked with your brand.

For the same reason, brand items that customers will take into their office, or even into their home. Seeing the trigger will stimulate a continuous reminder of your business. This is the physical side of branding. This is the brand that we can see in the world.

Brand the intangible

To be competitive you must brand more than the tangible things you own. When branding the intangible the aim is to get inside the customers' heads – to brand their subconscious fears, desires, memories and beliefs.

Your brand being top of the customer's mind should be your goal. Associate your brand with the intangible and it's often the first to be remembered. Consumer brands have known this for years and this is where B2B brands like yours can achieve outstanding results.

Because other B2B companies are locked into the tangibility of their assets, products and services they don't take the time to evaluate the intangible things that can be branded in the mind.

So it's vital to own the things you can't see – the things that exist in the mind of the customer. All companies, including yours, have intangible attributes that can increase their value if made visible with branding.

Direct the brand from the boardroom

While in consumer marketing brand strategy is high on the board's agenda, in B2B brand strategy is rarely a priority – even though the right approach can release as much as 30% increased shareholder value.

Branding is sometimes misunderstood and not deemed relevant because "we don't have thousands of customers." This may be true but underestimating the importance of the brand strategy simply reduces visibility and hands the advantage to the opposition.

The rules and the players

Think of your brand strategy as a football team. The players on the pitch are the sales and implementing marketing teams. Then there's FIFA – the management team that writes the rules of the brand strategy. Ideally you need a great set of rules that everyone understands to keep the game fair and enhance the spectacle. The rules need to give the players the space to play creatively and safely.

Just imagine the mayhem if the players wrote the rules! In business as in football, when the direction is weak people start playing in all the wrong areas.

There's a fine balance between the rules and the play. So make your brand rules very clear and encourage the players to work together creatively on the right brand pitch.

Be relevant – for stronger relationships

Integrated marketing communications

- Always 'opening' and 'closing'
- Relationships are our assets

Imagine for a moment you could strip away the tangible trappings of your business. The balance sheet. The products. The fixed assets. The people. The patents. What you'd be left with are the invisible forces that bind employees to the company, shareholders to the management and customers to the brand.

In other words, the fundamental relationships that define our value.

In business (as in life) it's the communication in the space between us – desire, passion, trust, loyalty, friendship, experience, memories – that determine who we choose to be with or walk away from. These are our chosen friendships and associations.

By looking at a business in this way – making the physical and tangible transparent – we can deconstruct it in a more human context to reveal the relationships at its core. It is the functioning of these bonds that is the best indicator of business health.

The relationships are the business engine, and the balance sheet is the speedometer. However, in the desire to go faster we too often concentrate on the speedometer while burning out the engine.

It's the strength of your relationships that makes your business function. But because they are hidden behind the scenes, sometimes it's when we are at our most successful that our relationships are at their most vulnerable (or vice versa). Take Marks & Spencer, for example. The day the company made £1 billion net profit signalled the beginning of a collapse from which it's only recently recovered. If strong relationships secure a business, weak ones make choosing to stay or go a simple matter of indifference.

"Relationships are our most important assets, so it makes sense to understand how they work."

The multi-million dollar question is: if we agree that relationships, along with our products and services, are our most valuable assets, then why in B2B planning does the product always trump the communications that support our relationships? Why does the B2B sector insist on valuing the tangible, visible and measurable at the expense of the intangible, emotional and unquantifiable?

In B2B we tend to focus on the communication activity itself rather than their purpose – which is solely to serve the relationship. Marketing communications aren't seen as value creators in their own right – the marketing team exists to 'get the brochures and exhibition stands sorted'.

Look at most business-to-business communications and you'll find that the product comes first and the customer second, even though it is more effective the other way round. In other words, business-to-business communication is essentially all about "US" when it should be about "YOU."

For evidence look no further than the typical B2B trade show stand or website which usually showcase undifferentiated offerings while shouting out irrelevant feature and benefit claims.

Or, in simple terms, **when was the last time that talking about yourself formed the basis of a lasting relationship?** While we intuitively know this to be true, it doesn't stop 90% of B2B companies from making this fundamental mistake.

Unconvinced? Then take this simple test: Look at first three slides of your most recent corporate sales presentation. If they're all about your company, you're in trouble. But if they contain a deep understanding of the customer's situation and their competitive environment or provide real and meaningful insight into the customer's anxieties and desires, go to the top of the class.

Because if your competitors have opened with a self-important description of themselves you've already demonstrated empathy and gained a significant competitive edge.

The four relationship zones

Relationships, in life and in business, present four different zones:

- ATTRACTION
- CONVERSATION
- EXPERIENCE
- ADVOCACY

To be competitive we must communicate in all the relationship zones – at all times.

B2B tends to emphasise the experience represented by the product and service and marginalizes the more intangible aspects of the relationship represented by attraction and conversation. This is both your threat and your opportunity.

In a fulfilling and functioning relationship the attraction and conversation stages revolve around your customer's situation, anxieties and desires. This allows the conversation about product details, specification and performance proof to take place within a meaningful context.

The relationship zones should inform our communications planning at every stage and provide an effective way to review the overall balance of individual activities, or a complete campaign. A piece of packaging will be different to a piece of advertising or a newsletter – but what matters is that they are integrated as part of the whole picture and reinforce the overall competitive positioning. The ubiquitous Duracell Bunny takes up 90% of the TV commercial but only 10% on the packaging – yet the two items are clearly integrated.

[Attraction is the catalyst of successful human relationships.](#)

Being more attractive than your competitors makes good business sense. So it's very worthwhile to establish what makes us attractive (or not) in the first place.

Here's a frightening thought: before you say a word, the way you walk and stand will form 80% of your customer's first impression of you and your company. The implications for your business are startling. The weeks you spent honing the corporate brochure are wasted unless you have first made yourself attractive to your clients.

Have you noticed how your best personal or business meetings are those when you experience deep levels of empathy very quickly? (The opposite is also true.) If you are attractive to prospective customers your relationship can move to the next level. If you are not, you can have the best products in the world and still lose out as the relationship can't develop.

Attraction happens extremely quickly and the key to a lasting relationship is always to remain attractive. If every facet of your personality is evident from your appearance, posture and the way you move, it's not a giant leap to extrapolate this to include the personality, look and posture of your business as presented on exhibition stands, the web and in advertising.

So take a look at your brand and ask how attractive you are to prospective clients. It could provide the catalyst for competitive advantage. And remember, even in established relationships we should do our best to remain attractive – let your standards slip and you pave the way for smooth-talking suitors.

On the surface, different groups are attracted by anything from sex and humour to beauty and culture. It's worth spending some time gaining an insight into your target group – males over forty would be attracted to very different things to a mixed group of 30-year-olds. Now use this area of attraction to gain visibility throughout the year with giveaways, themed events and other vehicles to take your positioning to market.

'Opening' is more important than 'closing'.
[B2B is notoriously poor at setting the stage and preparing the ground, preferring to 'close' far too quickly.](#)

Beginning the communication with your customer's situation OPENS the dialogue. This shows understanding and is competitive. Show a greater understanding of your customer's reality than the competition and you have a huge advantage.

By reflecting an image of how your customers see themselves, you mirror a deep understanding of their situation and provide the context for your developing relationship. Reflect your customer's needs in your marketing communications and you can set a question which will be answered later with the products and services.

Conversation generates value

Once your potential customer is attracted, the relationship moves to a deeper level of engagement: one of conversation.

This is where you begin to share your ideas and invite the customer to join in. As the mirror draws them in, the Conversation begins to sustain the relationship and the empathy and engagement increase.

The Conversation invites customers to agree with the point we are trying to make. For example:
 IBM wants us to agree that being prepared for an on-demand world is a thoroughly good thing. HSBC wants us to agree that 'Thinking global, acting local' is the best way forward. Guinness wants us to agree that the best things in life are well worth waiting for.

Conversation gets people to cross the bridge mentally from outside to inside the group. It elevates the customer from the day-to-day and invites them to view a different, more valuable and positive future.

Our experience has shown that conversations can change the game by altering the way value is perceived. This is where you can leave the competition behind and start to create greater value.

Experience makes your performance stand out

In the third relationship zone – Experience – the belief generated in the Attraction and Conversation stages is delivered and the relationship is consummated.

At this point the relationship shifts from the intangibles of Attraction and Conversation to the tangibles of the product and service performance. This is where the deal is done and the Promises and Conversations are delivered. Delivery secures the value that is promised, so it's important that performance, products and guarantees are communicated here.

While consumer markets focus almost exclusively on the first two zones, most B2B companies make the mistake of concentrating on the 'experience' of the relationship. Now imagine for a moment how your 'significant other' would have reacted if you'd behaved like this on your first date... Exactly.

Use advocacy to gain recognition

The final relationship zone is Advocacy, representing your customer's desire to express and endorse their satisfaction with you. Your customer's advocacy supports their decision to buy and justifies their purchase to others. When they share their belief

in you, they also place their reputation on the line. So treat it as a great compliment and promote it – success breeds success.

Advocacy works to strengthen relationships because we're trained from childhood not to tackle danger on our own. As adults, we never want the risks of a purchasing decision to be solely on our shoulders. Customers never want to look stupid. Advocates who are prepared to risk their reputation by endorsing a product sweeten the pill for the buyer.

Or in other words, "No-one ever lost their job for choosing IBM".

Balancing the marketing mix

To serve your relationships effectively, you have to communicate in all four relationship zones all of the time. So how do you know if you're spending your money in the right place, at the right time, for the right return?

How often have you heard (or used) phrases like 'That is just the way it's always been done', or – "Our competitors can't be wrong, this is the way we do it in our market..."

[Well maybe, just maybe the competitors are wrong.](#) Maybe by being more strategically conscious of your marketing, you can maximise your return and align your communications with the needs of both the market and the business. Then go out and steal their customers from right under their noses.

The marketing budget can neither be created nor destroyed – it just moves around

With an increasing number of demands on the marketing budget it pays to know your priorities. So reviewing your marketing mix should be a continuous process.

The worst approach is to spend exactly the same this year on exactly the same things as last year and the year before that and the year before that. This is not a marketing recipe for success.

By far the best way is to embrace flexibility, sometimes focusing the budget inward on performance and capability and sometimes outward on Attraction and Conversation in a controlled and adaptable way.

Be more multidimensional when considering value creation. Focus on the features and attributes of product performance when necessary but never lose sight of the bigger picture. Be aware of the importance of broader marketing activity, not just the marketing of the product itself.

It's all about balance. How good is yours?