

Six ways to differentiate your business (and not one involves a price cut)

By **Mona Zemsky**

Look at what the competitor is doing! Look how little the competitor is charging! Certainly you've heard "the sky is falling" from your employees, your partners, and your friends. Time to panic? Lower your prices? Spread rumors about the competitor? No. Time to focus. Focus on what you do well — and if you don't know, find out. Focus on your ideal customers. It's not about your competitors. With rare exception, there's opportunity out there, and your biggest concern should be eliminating the barriers your potential customers may have before making a decision. Your most unfortunate loss is the sale you lose because your potential customer postpones his decision and sticks with the status quo — the safe route. Your goal is to make your business (your technique, training, product, or service) a unique and compelling choice, and a great value. Here are six ideas to consider.



1. Always the right time

Most of our industry works a 9-to-5 day. But even our local customers are often in the operatory or office in the pre-dawn morning, or in the lab late into the night — to say nothing of our customers across the country or around the world on different time zones. How about staggering customer service and technical staff to cover a much broader "work day" and publicizing this fact? Working the off-hours makes you more convenient to customers and potential customers who are busy servicing *their* customers during standard work hours. In high school, my girlfriends and I were clients of a hairdresser couple who rented out a salon from 5 p.m. to midnight on weeknights. They had an entire market to themselves — busy people who had too much to do in a day already, and didn't want to have to squeeze a haircut into the "daytime" schedule. Sam Walton's model "go where they ain't" is far from foolish — use it.

2. Eat the extras

Charging for shipping, hazardous fees, private labeling, etc., is standard in this industry — even expected. This makes it all the more impressive if your company waives such fees (and makes sure your customers know it). Every logical buyer knows that the extras are built in to the cost of your product or service, but logic doesn't always rule vendor selection. Also, there's a point at which a buyer just wants to know the bottom line. \$490 "all inclusive" is even higher than \$445 plus \$25 hazardous fee plus \$10 shipping, but the customer doesn't feel nickel-and-dimed.

3. Frequent flee-ers

Watch your customers flee to a manufacturer or dealer that rewards them personally for their repeat business. Airlines, hotels, restaurants, and so many other retail and hospitality businesses benefit from the added incentive. I am frugal beyond belief, and yet I'll pay more to fly or sleep where I get points for free travel. Reward your customers so they think twice about going elsewhere — it's too hard to replace them.

So often I get a call that begins, "We've lost a couple of accounts, and I want to do some marketing to get new business..." The very first thing I remind the caller is that his new business is going to come at the expense of whoever's got that customer now. It's a zero-sum game for the established accounts (assuming retiring accounts and newly-established businesses cancel each other out). Does my caller think that he is the only one interested in marketing? Of course not. That means that other businesses are busy trying to poach

his customers, even as we speak! Before you aggressively target new customers, make sure your current ones are thrilled with you.

I always get upset when I see my bank (where I've held an account since I received gift money as a 12-year-old in 1979) giving \$50 bonuses to new sign-ups. They've benefited from my loyalty; at the very least they could not insult me by insinuating that my business is any less important than that of new customers. They are inadvertently giving me an incentive to go elsewhere.

4. It's personal

Tell your story — how your business came into being and why you love it. A financial planner client was inspired to his career from his father's complete failure at investing, having turned a high-paying career into a near-bankruptcy. Another client is a former real estate agent turned software developer, with his first product designed to help real estate agents brand themselves. A chemical manufacturer client grew by filling niches based on product shortcoming complaints she heard in the industry. A story instills trust, and sets you apart as someone who understands your customer's business in a very personal way.

Perhaps you know yourself so well you don't know what's fascinating, intriguing, or unusual about you or your business. If this is the case, hire a marketer to look at things from a different angle. I recently wrote a biography about an insurance professional — I used his CV and additional facts provided by him. On reading the bio I wrote, my client was so taken with my slant that he remarked to his wife, "I can't wait to meet this fellow. He sounds so interesting!"

5. But wait ... there's more!

Charge more. Everyone's trying to pare down and cut costs, and the result shows. You cannot get involved in the game of lowest common denominator. Charge extra, and justify it. Include a service that makes it easier for your customer to do business. Do you maintain your own Web site in-house? It would be pretty easy to post updates to your customer's site once a month, to write a blog entry for him, perform a few SEO tricks, or even design a simple page if he doesn't have one. All for a few extra minutes from



your in-house, salaried Webmaster. Can you manage your customer's MSDSs, instruction manuals, or other material online? Can you offer to store material for him and provide just-in-time delivery? Can you conduct a training session in his office or lab for his employees, or offer a seminar at his office for his patients that are considering some aspect of dentistry? Being a valuable resource is the best way to hedge against someone finding cheaper products or services.

One of my clients sells a computer interface to busy professionals for a monthly fee. He recently started offering a package that includes Web hosting along with the interface. He knows there are thousands of Web hosts, but he's making himself an easy choice and a valuable niche.

6. Take down this important message

Email makes it easy — too easy — to get the work done; we often forget there's a person at the other end. You think e-mail makes you efficient? Are you proud of how many e-mail answers you can fire off while your first Starbucks is still hot? Be careful your customers don't think you're a drill sergeant. If you're local, the phone is a great way to remind customers that you're local — and real. If you're not local, the phone is a great way to bridge the gap so you don't lose the business to a local company. Either way, note that it's easier for them to end a business relationship when there's no "relationship" — only "business." Use the phone.

Summary

The most important thing about the above suggestions is that not one of them involves having a sale, lowering the price, running a special, or using a coupon. I'm certainly not the first to quote this, but it's true: "There's always someone willing to go out of business faster than you by lowering and lowering and lowering their price." The price competitor is nowhere, is easily expendable, and easy to overtake. Ask yourself why your company is different from the competition. If the answer doesn't impress you, find a new point of differentiation. Impress yourself with how great your business is — then impress your customers.

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