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SUBJECT: Small Business Marketing

AUDIENCE: Detailing & washing business owners (fixed or mobile)

TITLE: Mind the Gap

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The US economy is in recession. People are buying less and those who are in the market are shopping around. Today's shoppers are less willing to part with their dollars than ever before and when they get you on the phone, they will grind you down on price. This environment is toxic to the small business owner. Every time you lower your price to meet the customer, you lose revenue. You need a new way to close sales without resorting to a price war. You need to devise a strategy of differentiation.

Differentiation allows you to market your products and services as better than the competition by describing how your operation is different. You close more sales faster because your service is distinguishable from the competition, and you gain brand loyalty. For example, think about hamburgers. There are a dozen fast food hamburger chains in the United States. They all sell the same thing, hamburgers and fries. How do they compete? They market themselves as slightly different from one another. While one chain offers a great value, the other sells exceptionally large burgers, and another sells square hamburgers. Each company is a billion dollar enterprise, and yet they sell the same thing. That's differentiation, and consumers eat it up. Why? Because of choice.

Consumers love choices. When consumers have a choice, they feel empowered. Empowered consumers can be fiercely loyal and loyal customers are worth their weight in gold. In order for your detailing operation to thrive in this economy you need loyal customers; you must differentiate.

Operational Awareness

The first step to differentiation is exploration. Investigate your competition, learn about your customers, and take a critical eye to your organization. Take a SWOT analysis (LINK: /SWOT.pdf) and survey your customer base with a simple satisfaction questionnaire. Once completed, ask yourself these three questions:

- How is my operation different from the competition?
- Which aspects of my operation are most important to my customers?
- How do I apply this knowledge to attract more customers?

Ways to Differentiate

As we saw with the hamburger example, there is room for differentiation even in the slightest of details. Below are some examples of differentiation and the big companies that use them.

DIFFERENTIATION POINT	COMPANY	APPLICATION
Price	Walmart, Barneys New York	Your operation can be the low price leader or the most exclusive provider of detailing services in your region. Adjust your prices according to your skill and service offerings.
Customer Service	Rackspace, Southwest Airlines, American Express	Companies with fanatical customer service do well, especially in lean times. You have to commit resources to every customer issue, even those where you might lose money. Pays off in the end; but takes time and resources.

Market Specialization	Apple, BMW, Safelite Glass	Do you specialize in Minivans, Motorcycles, or Maseratis? Pick a market segment and sell exclusively to that market.
Service Offerings	Costco, Target, Pep Boys, 7-11	Make your operation the mega-provider for PDR, glass repair, detailing, and upholstery repair. Alternatively, focus on just one service and do it well.
Size	Starbucks, Dunkin' Donuts, In-N-Out, Trader Joe's	Grow your operation to the largest in your region, or stay a small boutique service provider with a focus on personal attention.

Build Your Strategy

Building your strategy will take time and support from management. Be honest with your team about how your operation stacks up against the competition. Carefully review customer surveys and take time to consider each response. Then strategize about how to convert this information into revenue through differentiation.

First, look at the competition. Identify ten to fifteen competitors in your region. Get their price lists, service descriptions, photos, marketing materials, and anything else. Identify how your operations are the same, and then answer the question, “How is my operation different from the competition?” You may be the only mobile detailer in town. That is an excellent differentiator; build your strategy around that one aspect. However, you might be one of fifteen mobile detailing operations. What then? This is where customer surveys pay off.

Review completed satisfaction surveys to answer the question, “Which aspects of my operation are most important to my customers?” Identify the common theme –one or two items will reappear in most returned surveys – this will be your differentiation point. The theme may not be obvious, for example, you might get survey responses that state all of the following are *very important*: technician attitude, appointment flexibility, and quick access to techs. These responses fall into the category of customer service. Build your strategy accordingly.

Note: If no common thread appears in the surveys, use the SWOT analysis to identify a Strength, convert it to a differentiation point and move on to the last question.

Finally, answer the last question, “How do I apply this knowledge to attract more customers?” Identify three ways you can tweak your business according to your answers to the first two questions. For example, if customer service is important to your customers, empower technicians to make service and price adjustments in the field, or give your support staff the authority to offer free or discounted services when something goes wrong, and encourage your staff to be more outgoing with customers. Alternatively, a thank you note and a hard candy or mint on customers’ seats after each service can really set your operation apart.

Communicate the Difference

Now that you know your customers, and you have built a differentiation strategy, you will need to communicate it clearly and often to all stakeholders. Make sure customers know that you are different from the competition and then deliver that difference to them with every service.

Marketing yourself as different is critical to your success. One way to communicate that your operation is different is to incorporate the differentiation point in your logo or tagline. Wal-Mart does this with their tagline, “Save Money. Live Better.” Incorporate your operation’s differentiator in your marketing materials. One year at my operation, our service menu included the quote, “Recollection of the quality remains long after the price is forgotten”; can you guess what our differentiation strategy was? Additionally, pitch the differentiator during sales calls. As you sell your service, point out how you are different (better) than the competition. Do not be afraid to make specific comparisons; just be sure any comparisons you make are fair and honest.

Consistent delivery is the key to successful differentiation. It is not enough to state your operation is different; you have to prove it with every service call. Therefore, you have to communicate the strategy to your employees. Seek a buy-in rather than a cram down. Your employees are likely aware of the state of the economy and you can pitch it to them as a way to increase sales and weather the storm. Buy-in is important if your strategy requires more of them, such as improved customer service. Seek consensus and take feedback.

The Bottom Line

Differentiation is a powerful marketing tool. By looking at your competition, tweaking how you do business, and communicating & delivering the difference to your stakeholders, your operation will increase sales and brand loyalty, and leave you asking, “what recession?”