

# **Your Competitive Advantage**

By Dr. Tony Alessandra

As I've traveled around the country over the past several years working with companies, I've been amazed to find that they do not know, and cannot articulate their competitive advantage! How can a company expect prospects and customers to give their time and attention if they do not understand, clearly and concisely, what that company can do for them that no one else can do?

Companies who don't understand their competitive advantage say things like "Our product is better quality" or "Our service is better." Even if a company is has better quality or better service, it won't convince it's customers just by saying so because many of it's competitors will be saying the exact same thing! You have to define quality. You have to show what outstanding service looks like and how your service differs from the competition.

How can you demonstrate your competitive advantage? Suppose someone walks up to you at a business conference or social gathering, introduces herself, and asks you what you do for a living. Exactly what would you say? Did you have any trouble? Did you stumble? Do you know what sets you apart from your competitors? If this was hard for you, you're not alone. If you were to ask the average car dealer, computer store or furniture manufacturer what they do for a living they'll probably say "I sell cars, computers or furniture." But what does every other car, computer or furniture company say? Exactly the same thing!

So what should the businessperson who understands his competitive advantage say? How about this for the car dealer. "My name is Mike from Competitive Motors. We've found that there is a lot of confusion in the automotive market today because there have been over 150 new models introduced in just the past three years. We've developed a computer book that profiles everything the buyer wants in a car and in less than five minutes, identifies the models most likely to fit their needs."

Your Statement of Competitive Advantage has four components:

- your name
- your company
- a statement about a problem in your market
- how you and your product solve that problem

The statement of competitive advantage is a 30 second statement of what differentiates your company in the marketplace.

Here's another example. "My name is Marlene, and I'm owner of the company 'The Prescription for Doctors.' Physicians today are being pressured by insurers, employers, and patients to cut health care costs. Yet overhead costs for physicians are constantly rising. We provide a service that allows the physician to spend more time with patients and cut overhead costs at the same time resulting in better quality care at a lower cost. It's just what the doctor ordered!"

Here's one last example. "My name is Beth. It's nice to meet you. I'm with a company called 'The Greatest Advertising Agency in the World.' We've discovered that almost

every successful product has either been the first entry in its category or it has been able to create a new category in the mind of its customers. What we do is help companies who are launching new products or having trouble with old ones ensure that their product is positioned to win!”

That really does set you apart from the competition and it makes you sound like a polished expert right from the start. But how do you determine exactly what your competitive advantage is? The best way to determine your competitive advantage is to break down the components of your product or service into four distinct categories: competitive uniquenesses, competitive advantages, competitive parities, and competitive disadvantages. Let’s look at each one individually.

**Competitive uniqueness:** What can I do for my customers that no one else can do? What can I offer that no one else can offer?

**Competitive advantage:** What can I do for my customer that my competitor can also do, but I can do it better and I can prove it?

**Competitive parity:** Objectively speaking, my competitors and I are the same here — no real differentiation.

**Competitive disadvantages:** Where does the competition have an advantage over me?

You may want to do your analysis by market segment, by competitor, by product or all of them, but knowing your competitive position will quickly get you onto your customers wavelength.

An example of competitive uniqueness exists if a pharmaceutical company receives FDA approval to sell a new drug. Since no one else has the drug, this company now has a competitive uniqueness with this drug.

An example of a competitive advantage might be where two companies market the same drug, but one is a large well-known company and the other is a small relatively unknown company. Even though both are selling essentially the same product the larger company has an advantage because its well-known and people ask for the drug by its company name because of its wide name recognition. If no real competitive advantage exists in your product, try to focus on your company reputation, your excellent service, your responsiveness and reliability or any other factors than can positively differentiate you from your competition.

Next let’s look at competitive parity — what things are the same between the competition and us? That is, what do you have that is exactly like what the competition has but is still important to the customer? Birth control pills are a good example. Several ethical drug companies make different formulations, but all with similar records for preventing pregnancy. This is competitive parity.

And finally, competitive disadvantages — what specific disadvantages does your product or service possess? That is, what does the competition do better than you do? Your drug may have more side effects than the competitor’s. That’s a competitive disadvantage.

I can’t stress enough the importance of doing this analysis and knowing your competitive advantage. By doing this analysis, you’ll be in a position to help your

customers distinguish between you and your competition. Once they see your uniquenesses and advantages, it will be easier for them to make a decision in your favor.

In order to discover your competitive advantage, you may have to do some intelligence gathering — talk to your customers, your salespeople, watch the local newspapers, attend tradeshows, talk to your customers' suppliers, build a file of your competitors' marketing and product information, do a debriefing when you lose a customer to a competitor, use a clipping service to gather information on competitors or on major prospects, obtain annual and quarterly reports of your competitors and prospective customers, watch the market trends in your industry and in your customers' industries—become the expert on your product or service and how it can help your customers.

Let's summarize the two powerful strategies that will give you THE COMPETITIVE ADVANTAGE. First, know what your competitive advantages and uniquenesses are and, second, be able to articulate them clearly to prospective customers in thirty seconds or less. This all important first impression that sets you apart from your competition and clearly shows your customers what your company can do for them that no one else can do.

#### **ARTICLE TAGLINE FOR DR. TONY ALESSANDRA**

Dr. Tony Alessandra has authored 13 books, recorded over 50 audio and video programs, and delivered over 2,000 keynote speeches since 1976. The ideas in this article, and many others, are adapted from Dr. Alessandra's book, *The Sales Professional's Idea-A-Day Guide* (Dartnell). If you would like more information about Dr. Alessandra's books, audio tapesets and video programs, or about Dr. Alessandra as a keynote speaker for your group, call (800) 222-4383 or visit his website at <http://www.alessandra.com>