



Pulling Ahead of the Competition

Developing and Selling Your Competitive Advantage

by Fred Firestone



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**The Ethical Selling Institute's definition of selling is not the conventional one. They take a broad look; it encompasses any moment of truth that influences perceptions of service image. Thus, all people who have contact with external customers/clients/guests/patients would be involved in "selling."*

Do you believe that your company has a competitive advantage? Do your prospects *perceive* your company as having a competitive advantage? Do you know that you're more right for your prospects than your sales numbers reflect? Do you find that all too often you're being "spreadsheets" and hearing, "Let me think it over," when you know the best decision for your prospects is to buy your offerings?

Alka-Seltzer Time?

If a business or organization continues to do what it always has done, it will continue to get the results it always has gotten. As demand for your offerings increases, your numbers will grow, as long as you continue to get your share of the market. But if demand shrinks, in order to grow you will have to take somebody else's share. Companies that *pull ahead of the competition* do so either by further differentiating their offerings and/or further differentiating their selling system.

Step #1: Differentiating Your Offerings

The first step is to clearly establish compelling reasons why your prospects should choose your offerings over those of your competition. Whether one's business is accounting, gasoline, groceries, healthcare, software, or s-business, customers place value in two areas:

- Your ability to solve a problem they're experiencing.
- Your ability to deliver an ethical customer experience through trust (genuineness), credibility (believability), and partnership (customer focus and accountability).

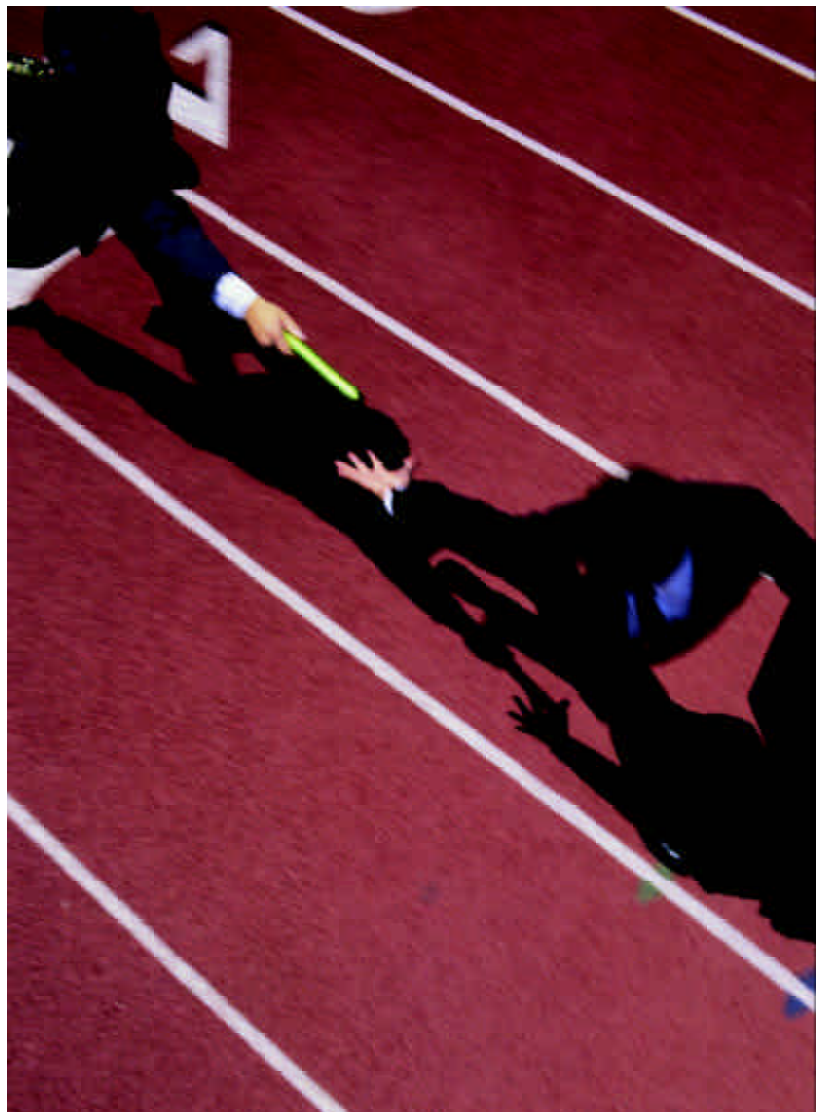
Differentiation will occur only if your prospects *perceive* that they will be receiving a better solution to their problem and/or a more valuable customer experience than they would expect to receive elsewhere. Every product or service is composed of a core and an outer core. The core is made up of solutions to problems and the ethical experience that your prospects expect when doing business with the typical provider of the products or services you offer.

The outer core is made up of the benefits you offer that go beyond expectation. Differentiation occurs in the outer core. Further, quality is a function of expectation; the less that is expected in the core, the greater the opportunity you have to stand out in the outer core. And the extent to which you're successful at differentiation depends on the "moments of truth" in the customer experience that can influence the customer's perception of the service image and the interactions that your employees have with customers—not what's in a mission statement or customer commitment policy.

In today's market, with growing customer perceptions of quality "equality" in products and services, it is becoming increasingly more difficult to differentiate an offering as being able to provide a better solution to a customer problem than they would expect to receive elsewhere. While there may be very little perceived difference between your products or services and those of your competitors, there are innumerable ways of differentiating your offerings through delivering your customers more of an ethical experience than they would expect from your competition.

Case Study: Gas Is Gas

A few years ago, I presented a series of workshops on how to add value for dealers of a major oil company. I always began each workshop by posing the question: "Is service good or bad today?" The overwhelming response:



“It’s bad.” My follow-up question: “Is that good or bad for you?” Overwhelming response: “It’s bad.” My response: “No...it’s good.” Overwhelming response: perplexed looks. Applying the core/outer core model, if the core is small, people don’t expect much from the typical service station experience—what an opportunity to differentiate!

To further bring it home, I asked participants to recall the classic scene from the movie *Back to the Future*, where Michael J. Fox’s character travels back in time from 1985 to 1955. While exploring his hometown 30 years in the past, he stumbles upon a service station and witnesses full-service treatment where four people attend to one car. Everybody remembers. My question: “If it was 1955 and we were looking for ways to stand out, would providing this service where four people attend to one car give us a competitive advantage?” Overwhelming response: “No.” Why? The commonly held perception was that back then, everybody provided this on full service. For the full-service gasoline business in 1955, the core was gas that works and four people attending to one car at a full-service pump. No more perplexed looks.

I asked the dealers whether their product did the job any better than the competitors’ products. They responded that, in the mind of the customer, all players in the market are perceived as providing the same “quality” of gasoline; this is true, notwithstanding the “uniqueness” of certain additives.

You don’t play the differentiation card by merely offering a product that does the job just as well as your competitors’ products. Having gas that works is merely a ticket of admission; it does not confer competitive advantage.

It is difficult to understand why

some companies spend so much on advertising trying to convince us of their product’s superiority when it clearly *isn’t perceived to be superior*. (My dealer friends said it best when they reported that in their business, according to the customer, gas is just gas.) When it comes to giving customers a more valuable ethical experience, however, the workshop participants agreed that it could work to their advantage when service in the industry *is perceived to be bad*. They offered many examples of how customer loyalty was engendered with some type of desired service that went beyond what the competition was offering. These dealers saw that their investments in delighting the customer with a more favorable customer experience did have bottom-line impact.

A dealer once approached me and explained how he was selling more full-service gasoline than anybody in his town, and that he was charging a higher price. I was intrigued and inquired how this was happening. He explained by describing an event that occurred with regularity every Saturday: A car pulls into the full-service pump with a child in the backseat. An attendant taps on the back window, the parent rolls down the window, and the child is presented with a helium balloon, replete with the station’s name. Needless to say, a happy child begets a happy parent, which begets a fill-up, drinks, and repeat business.

Further, the dealer told me that on Saturday mornings in that town, when the children are loaded into the family car and state their requests for the day, they say, “Let’s go to the park, let’s go to McDonald’s, and let’s go to the service station.” This service station owner redefined his customer and differentiated his product by giving his

“customer” more of an ethical experience than they expected from the competition. He transformed the customer mindset from “we’ve got to go to the service station” to “we get to go.” Does this particular dealer’s gas work better than anybody else’s? Hardly.

So in order for a company to pull ahead of the competition, you must:

1. Find ways of discerning what it will take to make your offerings more valuable to customers than what’s being offered by the competition.
2. Package your offerings to include these competitive advantages.
3. Communicate the advantages of your offerings to prospects effectively so that they will purchase them.

Step #2: Differentiating Your Selling System

Once the foundation of differentiation is established, however, many companies must go beyond merely communicating their differentiating factors. The focus must be on the crucial moments of truth that greatly influence whether customers will choose to purchase your offerings. How will they sell? This can be the ultimate “Kodak Moment.” Whether prospects end up doing business with a company often has as much to do with the selling process as how effectively your offerings will address their needs.

“Leave the Literature... We’ll Get Back with You”

We have found, in the past, that some of our clients who had to “sell” their products or services have faced the following scenario: They would approach their prospects and convey the fact that they successfully differentiated their products or services—that there were compelling reasons why their prospects should buy them vs. those of the competition. The response they received all

too often was, “Leave the literature, and we’ll get back with you.” Our clients firmly believed the best decision their prospects could make would be to buy their offerings, yet buyers were commoditizing them; they were being put on the spreadsheet. (Nothing is more frustrating than being categorically dismissed as being the same as everyone else.) The issue they wrestled with was: Once you build it (effective differentiation), how do you ensure that people will come (sales)? How do you move prospects from the point where they say, “We already have what you offer,” or “Just send me your literature,” to the point where they are the owners of the unique advantages your company brings to the marketplace?

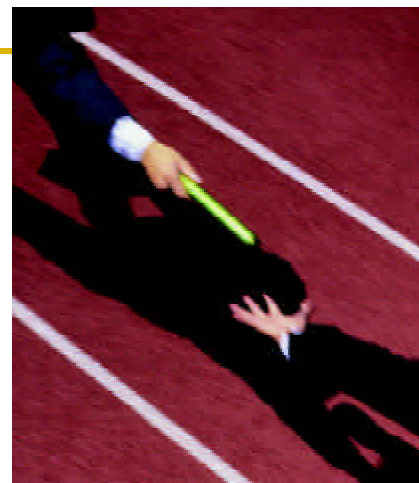
Two Five-Cent Mints

I read in one of Tom Peters’ books about the individual who hurried into a store, told the clerk what he wanted, and threw down his credit card. He wanted the clerk to move. That day, this particular credit card’s processing time was inordinately long. The customer became extremely frustrated—but not at the credit card company. His anger was directed at the clerk behind the counter. Finally, the credit card was approved. The clerk realized the customer’s frustration and how the store’s service image was in jeopardy. He reached behind the counter, brought out two five-cent mints, and put them into the customer’s bag. He thanked the customer for his business and asked him to accept the mints as a small token of appreciation for the cus-

tomers having to wait so long. His sincere words and actions went beyond what the customer expected. The customer walked out feeling good about the clerk and the store. The clerk differentiated the store by delivering an ethical experience.

Two five-cent mints can make a difference. As I was waiting to board an airline flight one day, an announcement was made that the flight was cancelled and that passengers should check in with the gate agent to secure a seat on a later flight. I got in line and saw what seemed like miles of people in front of me, all with a ticket and all with an “attitude,” silently fuming about the inconvenience and the implications of not reaching their destinations on time. I recalled the incident with the store clerk and the frustrated customer. The similarity struck me. I was selling, and the ticket agent was buying. Other than valid tickets, the only other thing the buyer/ticket agent expected from our line of disgruntled passengers was a lot of venting of frustration. It occurred to me that if I could provide the agent with a better buying experience than she expected, I could differentiate myself and have a better chance of being on the next flight.

I happened to have had two five-cent mints in my coat pocket. Finally, it was my turn with the agent. As I presented my ticket, I put the two mints in her hand. I asked her not to misconstrue my actions and inquired whether there might be a seat on the next flight for me. She looked at the



two mints and with a deadpan expression said, “For two mints, you’re first on.” We struck a deal. The fact that the clerk expected an “attitude” to accompany each ticket worked to my benefit. What an “Aha!” moment. It occurred to me that effective selling had a lot more to do with differentiating the selling process by conveying more of an ethical experience than it did with multiple closes or sales gimmicks.

Selling ethically presupposes that there are no contradictions between doing what is best for you and doing what is best for your customers. There are no victims. Salespeople are not motivated to sell or provided with magic words that get people to buy. Rather, selling ethically is a process that allows prospects to discover for themselves that you understand their product or service-related concerns better than anybody else in the industry, and that these concerns are best addressed by the unique solutions you bring to the marketplace (your differentiators). If done successfully, a salesperson becomes a trusted consultant, and the selling process is differentiated.

Time to put away the Alka-Seltzer.... ▼

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