

Differentiate products to create an advantage

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Creating competitive advantage comes down to one question: Why does your customer (or consumer) buy from you rather than someone else?

Quality seems to be the most common response we hear from produce grower-shippers when asked what their competitive advantages are.

Service comes up a lot too, as does a company's heritage. The challenge is turning tired phrases that many other competitors use into meaningful selling points that define your business, and are aligned with the attributes your customers value from their suppliers.

Creating competitive advantage is all about differentiation — formally scrutinizing what differentiates your organization, your company and products from the competition.

There's both an external marketing component and an internal operational component — “walking the talk.”

The process drills down to how you make your avocado or iceberg lettuce stand out when it looks very much like your competitors'.

The California Avocado Commission and companies like Ocean Mist Farms and Paramount Citrus have invested the time to scrutinize their points of differentiation. They realize that without clearly defined competitive advantages that resonate with customers and/or consumers, they could be relegated to commodity status where price becomes the only differentiator.

The process starts with clarifying a company's “character” — who you are and what you stand for.

Pretty words and phrases on their own won't get it done in an era of rampant public mistrust of most any and everything.

So why does a California avocado command a premium year after year when in season?

Premium pricing is particularly critical to the California grower because production costs are usually higher than the competition. The commission started its competitive advantage analysis with consumer research.

The research showed consumer preference for fresh California avocados because consumers value the care and craftsmanship of the California growers who pick product at the peak of the season and see that it gets from grove to market quicker than any competitor.

The commission has drilled down on three additional competitive advantages and quantified them in very salient terms as part of its marketing platform. It is putting resources behind expanding these advantages and a premium positioning well into the future, since today's advantage may lose its edge if duplicated by others.

Part of the process is testing your assumptions with customers (and/or consumers).

One company is especially proud of its eight decades of family farming heritage, which led the list of its competitive advantages going into testing with customers. Appreciation for the company's legacy in the eyes of the customer trailed a handful of other advantages more suited to differentiating the company.

Another produce company believed trust and food safety were competitive advantages, but customer research viewed them as table stakes in today's market. It is important that your competitive advantages match the values of your customers or potential customers.

Once you have been through the formal scrutiny of what differentiates your company, it is important to relook at your brand to make sure it aligns with your competitive advantage. Your brand positioning — the top-of-mind perceptions you want others to hold about your company — should fare well against these four criteria:

- Does it advance your competitive advantages?
- Will it resonate with those who already support you?
- Does it provide contemporary relevance to attract new support?
- Can you deliver on the promise? Do you walk the talk internally?

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