



October 2014

Gaining a Competitive Advantage for Your Business

Debra Perosio, Dyson School of Applied Economics and Management
Cornell University

What type of business do you own? Maybe a farm market selling fresh produce? Maybe you produce artisanal cheese on your dairy farm that is sold wholesale. In either case what sets your business apart from the competition? What makes you different or unique from the “other” farm stands and artisanal cheese makers? Without some point of difference, or in marketing lingo, “positioning” of your business, you will soon become “just like everyone else” in the mind of your wholesale and/or retail customers. In today’s competitive marketplace your goal should be to stand out from the crowd! Here’s a step-by-step process to help you create a unique competitive advantage for your business!

Positioning Your Business

Step 1: Creating your “Owned Benefit”

The “owned benefit” for your business is the one unique idea that you want your customers to associate with your business.

- What is that one thing that sets you apart from your competitors? It could be attributes like customer service, quality, growing the best sweet corn for 50 miles, or the experience you provide customers
- Is that one thing clear, simple and positive? So for instance when you think about Apple Computers/iPhones, many people think “innovation”, when we think about Wegmans we think about “customer service” and “freshness”

Step 2: Creating your “Frame of Reference”

A frame of reference is the reference (it could be a reference to a type of product, business or industry) that is most like your business. For instance, when people think Wegmans the frame of reference is “supermarket.” When people think about your fresh produce business the frame of reference is “farm market.”

Step 3: Creating your “Target Market”

It is critical to understand and clearly define who your target customers are. Rather than trying to cater to everyone you should focus on a subset of customers who you feel are your “best” customers with the greatest potential.

Understanding your target market allows you to tailor your marketing mix (product, promotion, price and place) to the specific preferences of that target market.

Once you have identified your target market you want learn as much about them as possible. For example a target market for an organic farm selling produce at a roadside stand might be: “Gen X’ers” who are concerned with health and wellness that live within a 30 mile radius of the farm who have children and are looking for excursions the family can enjoy.”

Step 4: Creating your Positioning Statement

Putting the “owned benefit”, “frame of reference” and “target market” together creates a positioning statement. Typically a positioning statement looks like this:

For _____ (target audience) _____ (your brand or business name) is the
_____ (frame of reference) that _____ (owned benefit).

Thinking about the farm market, assume the produce is organic and picked fresh daily. In addition to produce you provide recipes and canning/freezing information. There is always someone at the stand to provide a high level of customer service. So based on this, what is your “owned benefit”, “frame of reference” and “target audience?”

A possible positioning statement might be:

*“For Gen Xer’s who live locally , value organic produce and support local businesses (target market), Smith Farms (brand name), is the organic farm (frame of reference) which offers fresh picked organic produce along with superior customer service, education and information.”
(owned benefit)*

Creating your Promotional Strategy

Based on this positioning statement you now have a template from which to develop your promotional strategy. A promotional strategy consists of five elements: advertising, sales promotion, personal selling, public relations and social media.

Advertising

- Advertising can be “traditional” like TV, print, radio ads or “alternative” like signs on the floor of your farm market or someone standing by the road with a huge sign directing people in!
- Advertisements should be used consistency so that your target audience gets accustomed to hearing about you and know where to “find” you when they decide that a trip to the farm market is their destination

Sales Promotion

- Sales promotions can be a sale or, alternatively, it can be an event such as a corn husking contest
- Sales promotions are considered to be “short-term” promotional tactics and tend to stimulate action on the part of your target market
- Ideally advertising and sales promotions complement each other and should be used together

Personal Selling

- Personal interactions with customers create an emotional connection to you and your business
- Consider ways to directly interact with your customers in a meaningful way...for our farm market think about offering samples, conducting cooking/canning demonstrations and hosting day-long family focused events

Public Relations

- Create attention by sending your local paper a press release about a new variety you are growing
- Invite your local newspaper columnist to the farm...maybe they will write about their experience
- Sponsorship of teams and events are also strategies that provide positive PR for your business

Social Media

- Finally, if you haven't already jumped on the social media bandwagon you need to explore how to utilize social media in your promotional strategy
- Start simply with a Facebook page but keep it interactive and updated! You should be posting daily during the season

Putting It All Together

Let's start with your target market: Gen X. Gen Xer's are generally young families with children who are very busy, very scheduled and whose discretionary income is often directed toward kids, homes, etc. They are on-line, may not read a local newspaper and have satellite radio so local radio commercials may be out of the question. What is the best way to reach them? What types of experiences are they in search of? Understanding their lifestyle can give you insights into the optimal ways to communicate and create lasting relationships with them. If you are on a limited promotional budget think about using social media especially Facebook to let your target market know what is going on at the farm market and perhaps what is ripe day each day. Provide a quick and easy sign-up sheet at the farm market to collect email addresses so you can send out regular emails. Consider one or two “events” during the season at the farm where the entire family can enjoy an hour or two of fun. Make sure you include local newspaper columnists/radio personalities/other influential people in your emails...you never know where great PR will come from!

As you develop your promotional strategy make sure it reflects and highlights the elements of your positioning statement. This will help sharpen and gear your messages specifically toward your well defined target market.

By creating a distinctive position for your business through the development of a positioning statement you are well on your way to an effective, successful and UNIQUE competitive advantage!

“Smart Marketing” is a marketing newsletter for extension publication in local newsletters and for placement in local media. It reviews elements critical to successful marketing in the food and agricultural industry. ***Please cite or acknowledge when using this material.*** Past articles are available at <http://agribusiness.dyson.cornell.edu/SmartMarketing/index.html>.