

## Service companies must differentiate on 'point of view'

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*To sell services, businesses must make intangible offerings more real for their customers, according to Mike Cucka, a partner with strategic marketing firm Group 1066.*

To do this, marketers have an array of reality at their disposal - everything from samples of recent work and case studies to testimonials and self-published articles and white papers. Evidence like these can be used to make a service seem more tangible, and present a case for purchase.....

But, Cucka says, one major problem is most companies tend to speak in broad generalities when it comes to presenting their case. However, to differentiate themselves and build their brand, services companies need to market what Cucka describes as "a point of view" - the simple explanation of how they help their customers achieve the desired results or benefits.

### No differentiation

For example, supply chain services is an entire industry based on one idea: transforming the way businesses make and take products to market. But the phrase "supply chain" means different things to different players. A range of firms -from contract manufacturers, to consultants, to logistics providers, to software vendors- provide solutions to achieve a range of benefits.

So when you get past major brands that already have "packaged concepts" (and major marketing budgets at their disposal) such as UPS, IBM, or FedEx, it becomes difficult to sort out exactly why a buyer of supply chain services should select one firm over another.

Most supply chain service marketers talk about "excellence", or "an integrated supply chain", or "lean manufacturing", and put out remarkably similar descriptions of "advanced technology". But they're all basically the same message, even if the services themselves are actually different in some way.

Although "lean manufacturing" and "integrated supply chain" do have a bit of a point of view to them, Cucka says, with -a particular benefit being promised-, no company owns those ideas, and any competitor can promise the same thing. In other words, without a strongly established position in the market, these firms scramble to prove the value of their approach, simply raising their cost of sales.

### A meaningful dimension

So to convince prospective customers that a service is different and better on some meaningful level, marketing should be focused on the communication of a particular philosophy of service delivery (and the benefits of the service to the buyer).

For example, UPS's "Synchronised Commerce" is a customer-focused twist on the notion of an integrated supply chain, but represents a position the company can own and support with its large advertising budget. Any other company trying to copy this point of view would simply look like a copy-cat.

### Engagement is key

According to Cucka, the key is to engage the mindset of the targeted customer, whether they are an experienced services buyer or not. And, in any market with strong competition, prospective buyers are most engaged when a company speaks to them in terms that help them see how their mission-critical needs will actually be addressed.

The question, "Why should we do business with you?" is a good one. But rather than reply, "Because we save you money" (or any other general benefit that's usually promised), the response should be more like the market-focused UPS reply: "Because if you want to reduce costs, you need a firm that understands how commerce works, and how it can be synchronised".

### The strong point of view

What Cucka describes as the "strong point of view" actually provides a context in which benefits sought by potential clients can be expressed (e.g. in the case of supply chains, -reduced costs, faster inventory turnaround, and greater customer satisfaction-).

A strong point of view will be irresistible to some, and repellent to others. A well-managed business - one that knows which customers it wants to do business with and which it does not - can use this to its advantage. The point of view is developed to attract highly profitable customers and give them a call to action - a reason to purchase. It lends distinctive credibility and urgency to marketing and carries with it the promise of a unique approach for which a target client should be willing to pay a premium.

### Play the negative angle too

But strong points of view also invite dissention. They will inevitably threaten some part of the business that might see its power marginalised. When it comes to developing a focused marketing position, however, dissention can be a good thing. It is how you know you have found a point of view that could help create the differentiation needed to stay ahead of the market.

If everyone agrees with you, there is a good chance you are settling on too vague a statement of differentiation, or generic attributes such as "advanced technology". Try asking what it is your own technology is actually good at that other competitors can't match.

### Finding the right point of view

To guard against the inoffensive and the vague, developing a strong point of view must be done with the involvement of key leaders of the company, not by committee. There are a number of tactics to use to set the process in motion:

1. Engage key clients in discussions on how your services translate into benefits for their businesses.
2. Scenario plan the future world in which your clients thrive.
3. Define and visualise key competitive dynamics driving this vision of the world.
4. Identify the issue you help solve to help clients reach their potential in this new world.

A strong point of view demands that the company should take a stand on an issue affecting its customers. The point of view expresses how the benefits the customer wants are produced in a unique and effective way. It embodies the proof of a differentiated position in the market, and it works because it signals that the buyer is dealing with a specialist service provider that understands how to solve the particular challenge they're facing.

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