

## Differentiating and Positioning Our Services

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Kotler defines differentiation as, “the art of designing a set of meaningful differences to distinguish the company’s offering from competitor’s offerings. Organizations are competing to achieve sustainable differentiation to continuously position themselves as the niche market player within their industries. There are 5 key differentiation elements an organization can play and leverage on to enhance their positioning in the market. The elements include product differentiation, services differentiation, personnel differentiation, channel differentiation and image differentiation.

Products can be differentiated with basic characteristics that supplement the product’s basic function or better known as features. Many products also differentiate with performance and conformance quality. Organizations with higher quality will achieve higher return on investment. Customer perception towards a product will be positive if the product is known to be durable, reliable and repairable. A key selling point of products today in addition to the features and quality is the style that captures the emotions of the customer. The branded experience is an elusive concept that is here to stay.

The second differentiating element is the service differentiation. In the new service economy, we need to ensure that service is an essential feature of a company’s offering. Organizations are making themselves more customer-oriented and market-oriented by providing more for less value-add services such as easy access, fast deliver, accurate installation, free customer training and consulting, and continuous support on maintenance and repair.

The third differentiation element is the personnel differentiation. Kotler argues that there are 6 characteristics of better-trained personnel. They include, competence, courtesy, credibility, reliability, responsiveness and communication. This can be achieved through continuous training and development of the personnel on the knowledge, skills and attitude of their personnel. We cannot deny the fact that people do make the difference and hiring the best people is definitely not an easy task.

The fourth and fifth differentiation elements are channel and image differentiation. An example of leveraging on channel differentiation would be Dell, the leading suppliers of mass customization of personal computers by selling their products via telephone and the Internet. According to Kotler, “positioning is the art of designing the company’s offering and image so that they occupy a meaningful and distinct competitive positioning the target customers’ minds.” Therefore, creating an image and leveraging on it as a differentiation element is key in persuading our customer purchasing decisions.

With the key differentiating elements in place, the company must communicate its positioning strategy to its target segment and this can be done through the 7 marketing mix that will be discussed in the following article – The Ultimate 7 Marketing Mix Capturing Mind Space.