

Don't be flashy, just be right



Don't bother looking for a 'big idea', says Chris Grannell. Successful brands win loyalty and grow by getting the details right consistently instead

David Cameron, the leader of the opposition in the UK, recently observed: "Politics shouldn't be about trying to be distinctive; politics should be about trying to be right".

This apparently uncontroversial remark sounds like call for reason but it should elicit a pause for thought in the arena of current branding ideas.

Many marketers – particularly senior ones – spend much of their time searching for that elusive differentiator: "If only we can find it," they ponder, "we will change the world and beat our competition."

Real difference

The trouble is, we have all become obsessed with differentiation without understanding how it works. Differentiation isn't about having some 'unique brand values' printed on a page – it's about actually being different.

Even then, it means nothing if it doesn't link to something that appeals

to your customers. As James C Anderson, James A Narus and Wouter van Rossum argue in their excellent analysis of value propositions (*HBR*, March 2006), plenty of differences just aren't valuable at all.

A few years ago, a large Australian retailer asked myself and a colleague to examine what made European retailer Tesco such a powerful brand. But try as we might to find the 'magic bullet', we couldn't.

Tesco – like a couple of its UK competitors – has set out to be known as a place providing high quality food and general merchandise for everyone; it talks in its marketing about being "better, simpler or cheaper".

But unlike its competitors, Tesco has done an extraordinary job of doing just that. Is it differentiated? Yes – in the sense that it consistently does a great job better than its competitors. Has it hit upon a magical brand strategy that could change the world without leaving its armchair? Probably not. The people at Tesco have had to work at it. They have had to execute the brand's strapline, 'Every little helps', and make it ring true. This is where the differentiation lies.

Like Tesco, American brand Wal-Mart is a famously successful retailer. It mirrors Tesco in its unrelenting focus on satisfying customer needs. Neither company set out to occupy a deliberately 'different' retail space, yet both have achieved (for the time being, at least) sustainable competitive advantage.

You might argue that Tesco is an extreme example, since much of the

supermarket's power comes from its sophisticated customer insights and its sheer scale. It also excels at distribution. When British customers choose a supermarket, they don't choose from a level playing field of alternatives. If a big, shiny Tesco is on their local high street, selling the products that they want, more often than not, consumers go there.

Clear communication

So let's look at a very competitive market, which should have become commoditised years ago but, for some reason, hasn't: mobile phone networks. Yes (cue collective groan), I'm going to talk about Orange. According to a report from the Chartered Institute of Marketing, Orange's brand values at launch were: 'honest, straightforward, friendly, dynamic and refreshing.' It's easy to see how the firm delivered on these over the first few years of its existence to the detriment of competitors. But look again at the values: are they really differentiating?

It's not quite as easy to answer that question as you might expect. The values might not be that differentiating but it's all about the execution.

Ultimately, did Orange deliver on these promises? Yes. Did its competitors? No.

A rule of thumb that I often encourage my clients to apply when considering brand values is whether a competitor might stand for the opposite of whatever terms they pick. So, for example, people might believe that BMW stands for class and Daewoo stands for cheap or good value. Both are quite acceptable positionings.



Orange: can it still call its brand differentiated?

But if you go for a value such as decent or honest, like Orange, this doesn't pass the test. Why not? Because being decent or honest relies on the rest of the market not behaving in that way. It only becomes a difference if the sector is full of shady operators. If the rest of your competitors are professional, upstanding companies, then being decent or honest is simply taken for granted by consumers.

When Orange launched in Europe in 1994, it understood its market. It knew that consumers did not see its competitors as having humanised values such as decency and honesty, because at the time, mobile phones were regarded as corporate accessories or yuppie playthings.

Suddenly, here was a brand that was different. It was different because it delivered on the values it sought to achieve. It behaved differently, treated customers differently, spoke differently, retailed differently, packaged products differently and even looked different. As a direct consequence of what it said and did, Orange presented a new optimistic vision for mobile telephony and exuded a positive air about a wireless future that had hitherto been monopolised by geeks.

No-frills offering

In Australia, electronics and audio visual chain JB Hi-Fi is one of the country's fastest-growing retailers. Is it successful because it hit upon a single revolutionary 'big idea' that immediately created a differentiated brand? No. Instead, its dedication to consistent delivery of what is right for the customer has underpinned its growth.

Like Orange, Tesco and Wal-Mart, the key parts of the business sound unremarkable when taken in isolation: low prices, great choice and passionate service. But put together – and delivered effectively – they become incredibly powerful. With its bright yellow hoardings and largely handwritten signage, JB certainly looks distinctive, but – as is often the way – appearance is only the tip of the iceberg.

Scott Browning, JB Hi-Fi's marketing director, explains: "Getting



JB Hi-Fi: No-nonsense delivery of what is right for the customer has been a huge success

it right is fundamental and should never be compromised at the expense of abstract administrative concepts such as differentiation".

But by getting it right, the company has nevertheless created a distinctive brand. Today, JB Hi-Fi is instantly recognisable and highly regarded. Australian customers are voting with their wallets: the company recently posted a 40% year-on-year increase in sales and a rise in profits of over 50%.

Browning concludes: "The key to consistency is usually: 'What are you prepared to do to be authentic to that commitment?' This is very different from acting out of competitive paranoia or an overindulgent sense of your own publicity."

As observed by Michael Porter more than ten years ago ('What is Strategy?', *HBR*, November-December 1996), seeking uniqueness on a single dimension is dangerous since it is easily copied. Where differentiation does play a role, it is of the complex kind. Many points of difference or even parity can work together in a mutually reinforcing manner to achieve what is right for the customer.

JB's Browning notes: "As with memorable people, any one trait is not unique, but a rare combination is."

It almost goes without saying that this complex form of differentiation usually can't be captured in a single strapline or squeezed into just one branded call to action.

If within your business strategy, there are some values or behaviours that could be copied, that's fine if they are important to customers. There's space for you to borrow a few traits that competitors exhibit. But don't be blinded to certain characteristics simply because they aren't differentiating enough. Similarly, don't fall into the trap of thinking that a great differentiator will suddenly deliver huge commercial success.

Big picture

Another client recently said to me: "We can't stand for X because our competitors could also stand for that". True, your competitors could replicate it. But the chances are that they won't. Even if you are at parity with rivals in one or two areas, it's the whole picture that counts.

Consistency – through all aspects of the customer experience – is more important than blindly striving for theoretical differentiation. Doing what is right in the eyes of your customer is more powerful still. Do that – and do it better than your competitors – and you will have real differentiation. ■

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