



Know your business

What is it that you do? To be successful in the marketplace you need to understand what it is that you are selling - it sounds simple but many businesses miss the key points. Consider the following questions:

"What business are we in?"

A leading maker of prestige pens once asked his staff this question. Some replied that the company was in the stationery business and that their major competitors were other pen manufacturers. Others replied that they were in the communications industry and their major threats were email and the telephone. After much discussion the MD revealed the results of the market research he'd had commissioned- The majority of the company's products were bought as gifts - the company was in the gift industry and their major competitor was a manufacturer of luxury cigarette lighters. A perfect example of how understanding your core business can affect your whole strategy - who you compete with and how, which customers you target, how you price your product or service, and how you promote it. You need to be really clear about what it is that you do if you want to promote it to its best advantage.

Are you selling a product or service?

Not as straightforward as it sounds, there are very few pure products or pure services, many products involve a service element and vice versa. Even if you're selling wooden blocks, your customer has to interact with someone, pop in to your shop, make a call or visit your website to buy them - all this involves service of some kind. A service is anything that you offer to your customer that is essentially intangible and doesn't result in ownership of anything. It's essential to make sure the service elements of your business are right as well as your product, if you want your customers to keep coming back.

What are the benefits of your product or service?

Again it sounds simple, but so many businesses list the technical features of their product rather than the benefits they generate. There's an old marketing cliché, which says, "Customers don't want to buy a drill they want a hole". It may be a cliché but it's also a truism - you're not selling 'a DSL

broadband line with 2mb download', you're selling the ability to shop or bank day or night or stream music or use the phone whilst your teenager's surfing the net. Customers don't need to know that your vacuum cleaner has a '3 way adjustable handle' they want to know that they can 'vacuum the whole house without bending down'! Think about the benefits of what you do and not just the tech spec if you want to meet your customers' needs.

What is your Unique Selling Point (USP)?

Think about what differentiates your product or service from the competition. What is it about it that's special? Perhaps it's faster, bigger, stronger, cleaner, environmentally friendly. You need to let your customers know about these benefits. It may not be the product itself that has a USP, perhaps it's the location it's provided in, or the after sales service. Ask yourself why someone should buy your product rather than a competitor's and then tell them why they should.

Asking yourself a few questions, however obvious they may seem, and being honest with your answers is crucial in ensuring that your customers get a clear understanding of why you are better than the rest.

If you don't understand yourself how can you expect anyone else to?