How to create a differentiation strategy that reflects your positioning statement

Category: Branding
written by Steve Harvey | 10 May 2017

There are a lot of different elements that go into creating a successful brand. Despite what some young companies might believe, there's a lot more to branding than deciding on a logo, and a good company name. Although those elements are important, they're also only parts of a greater overall picture. You need a brand differentiation strategy, and here we're going to explain how you go about creating one.

Once you've nailed your brand positioning statement, you'll be ready to start refining and perfecting your differentiation strategy. In other words, you know where you are in the market, you know what makes you special, and now it's time to show the world just how different you are to your competitors (for all the right reasons), through a dedicated differentiation strategy.

Most companies don't want to simply "fit in", with the norms of their sectors. While there's nothing wrong with pandering to what your customers expect in certain instances, if you blend in too well, there'll be nothing there to help you stand out in the increasingly saturated marketplace. Brand differentiation is your opportunity to stand out.

A brand differentiation strategy might seem daunting, but it's simpler than you might think. In fact, if you're willing to put the time and research into understanding not only your competitors, but your own distinct brand, then you should be on your way to differentiation in no time.

Here, we're going to discuss the concept of brand differentiation in greater depth, and look into the most essential factors that go into defining your distinct look, feel, and soul as a company.

Let's begin.

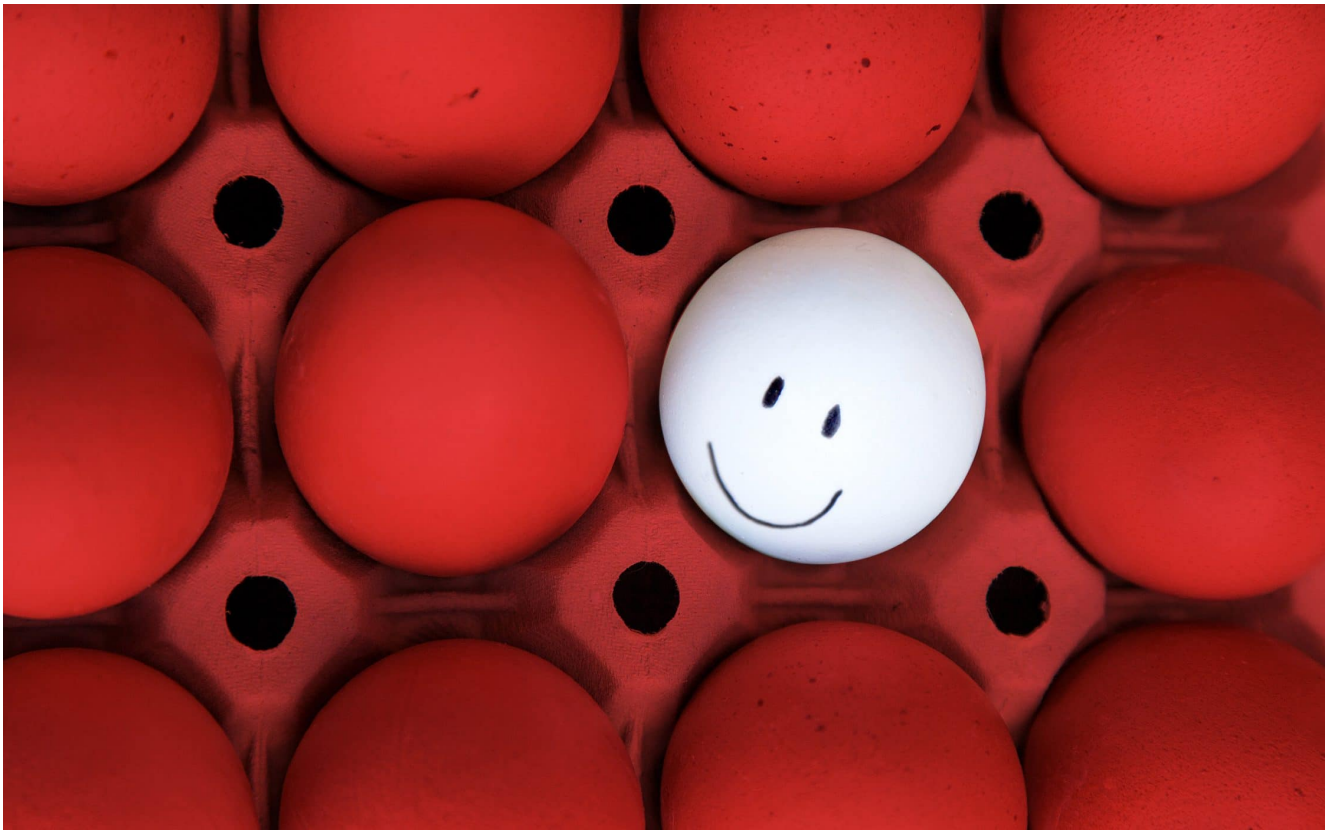
What is brand differentiation?

So, what is brand differentiation, anyway?

The simple answer would be that a differentiation strategy reflects the things that make you different from similar competitors in your marketplace.

During the development of your brand positioning strategy, you will have explored the other companies in your sector that offer solutions and products that are similar to your own. The only way to convince your prospective customers to decide to buy from you, instead of going to those competitors, is to make sure that there's something "different" about you, that appeals to your market.

Unfortunately, this means that although staying away from the colour blue in your logo when it's used by every other company in your industry is a good idea, it's not the end of your brand differentiation strategy. You need to be certain that everything from your product features, to your customer experiences, to the visual effects used in your branding, have value for your customers.



Your differentiation strategy definition may begin with some comprehensive research into your company, and the elements about your brand that are already different from whatever is being offered by your competitors.

Typically, a good idea will be to begin by creating a list of various differentiation elements – points that we'll address further later in this article – then test each item to check whether it's a good differentiator. Defining a successful differentiator means asking three crucial question:

1. Is it authentic?

A brand differentiator is something that defines your company. It's an element of your business that underlines something crucial about you, from the way that you do business, to the types of products you produce. In other words, like your brand manifesto, it cannot be fabricated.

Besides the obvious loyalty hazards that come with making something up, it's worth noting that modern customers are savvier than you think. They can easily see through

exaggerated claims, and the concept that you put forth as a differentiator therefore needs to be something that you can prove every day.

2. Is it relevant?

It may be easy to find several points of differentiation between you and your competitors – but that doesn't mean they're all valuable. If the way that you distinguish yourself from other brands doesn't matter to your audience, then it won't boost your business opportunities. Think carefully about what you want your customers to associate you with when choosing brand differentiation strategies.

3. Is it actionable?

Finally, if you're going to prove to your customers that the things you say about your brand are true, then you need to make sure that you pick a differentiator that's actionable. For instance, differentiating yourself in your logo, brand name, and colour scheme is easy, because it's something that your customers can see every day.

On the other hand, simply telling people that your products are better than the other options on the market is something that's much harder to prove. When it comes to brand differentiation, it's often a good idea to start simple, and visual.

The components of a differentiation strategy: Naming

What's one of the simplest and most fundamental things that can help to separate your brand from your competitors? Your name.

Naming your company is one of the most significant parts of

any branding strategy, because you're making a decision about the identity you want to create. This identity should, ideally, be something that customers continue to associate with your brand for the rest of its life, so it's important to choose something that works.

Every time someone refers to your company, they use your brand name. Yet, names are often underestimated by emerging businesses. Your name can help to position your brand as a respectable company in your sector, and it can even help to communicate the underlying ethos, or manifesto of your business too.

Sometimes, brand names can become so deeply ingrained within the minds of consumers that they use them to refer to the entire sector. For instance, when someone wants to search for something on a search engine, they "Google" it. When you need something to moisturise your lips, you ask for a "chapstick".



Obviously, becoming a brand that's as distinctive as Google, Coca Cola, or Nike is something that requires a great deal of effort, and a lot of sustained marketing efforts. However,

you'll find that establishing your brand is far easier if you have a strong, catchy name as a starting point.

So, what should you think about when choosing a brand name? Start with these questions:

- **Who are we?** Identify your business purpose and what makes you unique, then try to find a way to convey this in your brand name. Some companies place their product benefits directly into their brand names, while others are subtler.
- **Can it be shorter?** Whatever you're looking for from a brand name, it's important to keep it short and sweet. That means nothing more than one or two words. If your name is too long, customers will start to shorten it for you.
- **Is it memorable?** Memorability is crucial for the naming process. Coming up with a unique name like "Google", is great, but you also need to ensure that the title you choose can stick in the minds of your customers forever.
- **Is it manageable?** Will people struggle to spell your brand name, or will they need to abbreviate it often? The more manageable your brand name is, the easier it will be to communicate, improving brand outreach and visibility.
- **Are there any unwanted connotations?** Finally, make sure that you don't accidentally choose a name that means something else somewhere in the world. If you want to grow to a global level, you need to ensure that your name is universal.

The components of a differentiation strategy: Branding

We love branding at Fabrik. In fact, our love of branding is why we've put the word "brands" in our name – a crucial element in our very own differentiation strategy.

One of the easiest ways to separate your company from the crowd, is with the right branding techniques. Importantly, your brand, and your visual identity aren't the same thing – although they're strongly connected. In other words, your brand isn't necessarily your logo, or the colours that you use in your marketing equipment.

Instead, your brand is the associations, connotations, or ideas that are connected to your organisation, company, product, or service. Some of these associations might be promoted actively by your marketing solutions and your definition of your own corporate identity. On the other hand, some of your brand identity will be impossible to control, as it's influenced by the experiences, and opinions of your customers.

One example of a universally-recognised brand is Coca-Cola. You'll notice that it's not just the name, or the product that makes Coca-Cola distinctive, but it's colour choices, the curve in its bottles and glasses, the way that it markets itself, and even its brand story.



Coco-cola has devoted years to its branding, developing stories, emotional advertisements, and visual campaigns that help to distinguish this particular soft-drink from the dozens of other options available on the market. It's this careful branding that's helped to make Coca-Cola a company that's worth around $79.2 billion US.

The associations that we make with Coca-Cola have largely been designed by the Company itself. For instance, you might think of the drink as:

- **Original and unique:** The "real thing", marketing scheme means that we associate anything other than Coca-Cola as a copy of the authentic brand.
- **Refreshing:** Countless advertisements and branding initiatives have been designed around people drinking Cola to refresh, or an image of a bottle covered in condensation.
- **Globally-recognised:** The red and white logo and corporate colours of Coca-Cola are renowned all across the globe.

So, how can you differentiate your own brand with branding initiatives? The simple answer is to think carefully about who you are, and who you want your customers to think you are. In other words, ask yourself:

- What is at the heart of this company?
- What are our "values" – what do we believe in?
- Where do we want to go in the future?
- How can we portray our personality?

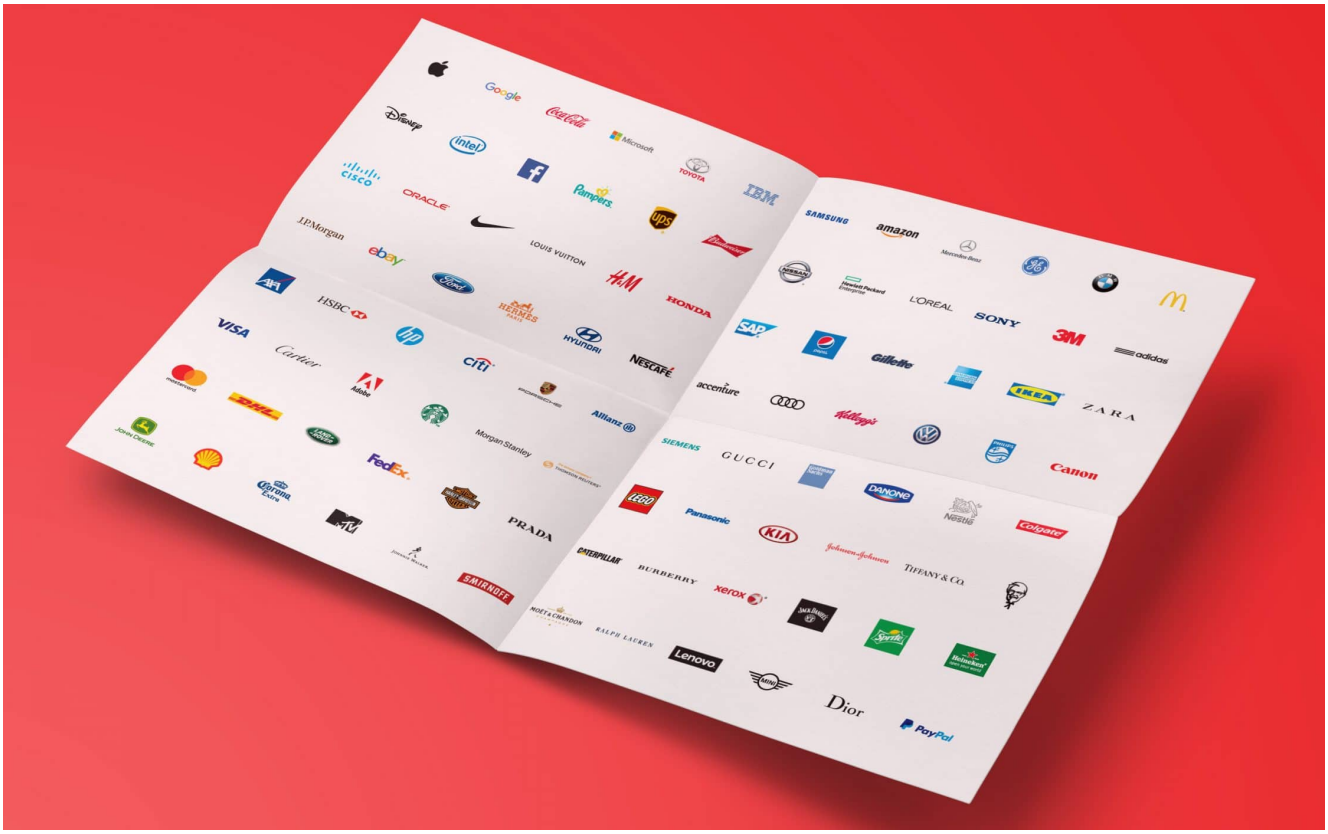
If you can answer those questions with consistency and clarity, then you should be on your way to developing a stronger brand.

The components of a differentiation strategy: Visual identity

As we mentioned above, visual identity and branding are not the same thing, though they’re often terms that many companies use interchangeably.

Both branding, and visual identity are terms that can be used to describe the process of creating your business brand. However, it’s worth noting that these definitions come with different meanings. While branding is the associations that people make with your company, in everything from personality, to emotional connections, a visual identity is all about your image.

Visual identities are the component of your differentiation strategy that you can create for yourself, in an attempt to evoke the certain experiences and feelings that people associate with your brand. Just like your company name, your visual identity should attempt to distil some of the more complicated ideas within your brand, into something that’s simple, and easy for customers to understand.



A common mistake that companies make, is that they believe branding to be simply the development of a logo, or a set of specific company colours. However, while your visual identity is a crucial part of what differentiates you from other brands, your company is more than just a logo.

Your visual identity is applied to nearly everything that your company produces, and is made up of fonts, your logo, imagery – photographic and illustrative, and any other visuals elements that you want to use as a way of communicating the beliefs of your brand. Alongside a manifesto, brand positioning statement, and marketing strategy, your visual identity helps to communicate your overall message to your customers, from your values, to the promise your brand is making.

What does a visual identity need?

Building your brand's visual identity can be a complicated experience, but often, it involves the use of a simple selection of crucial elements. For instance:

- A simple colour palette that evokes the emotions that are best-suited to your brand.
- A primary logo.
- A secondary logo or slogan.
- Fonts that you always use.
- Some sort of texture or colour pattern used in marketing materials.
- Photography or graphical images.
- Advertisements and marketing guidelines.

Remember, though you can take cues for your visual identity from other companies in your industry, your aim should be to show your customers that you're different. Don't just copy or rehash what someone else has done, no matter how much you admire it – that's the opposite of brand differentiation.

Differentiation marketing: Messaging & verbal identity

When it comes to marketing, sometimes a picture is worth a thousand words. You can see the evidence of that in our focus on logos above. However, that doesn't mean that your messaging, and the way that you communicate with your customers isn't incredibly important.

In a world where thousands of visual cues are constantly grappling to grab the attention of your target market, it's crucial to ensure that you use the right nuances in your language and tone of voice during your brand differentiation strategy. In fact, the way that you present yourself through messaging can help to define your identity, and set you apart from the crowd.

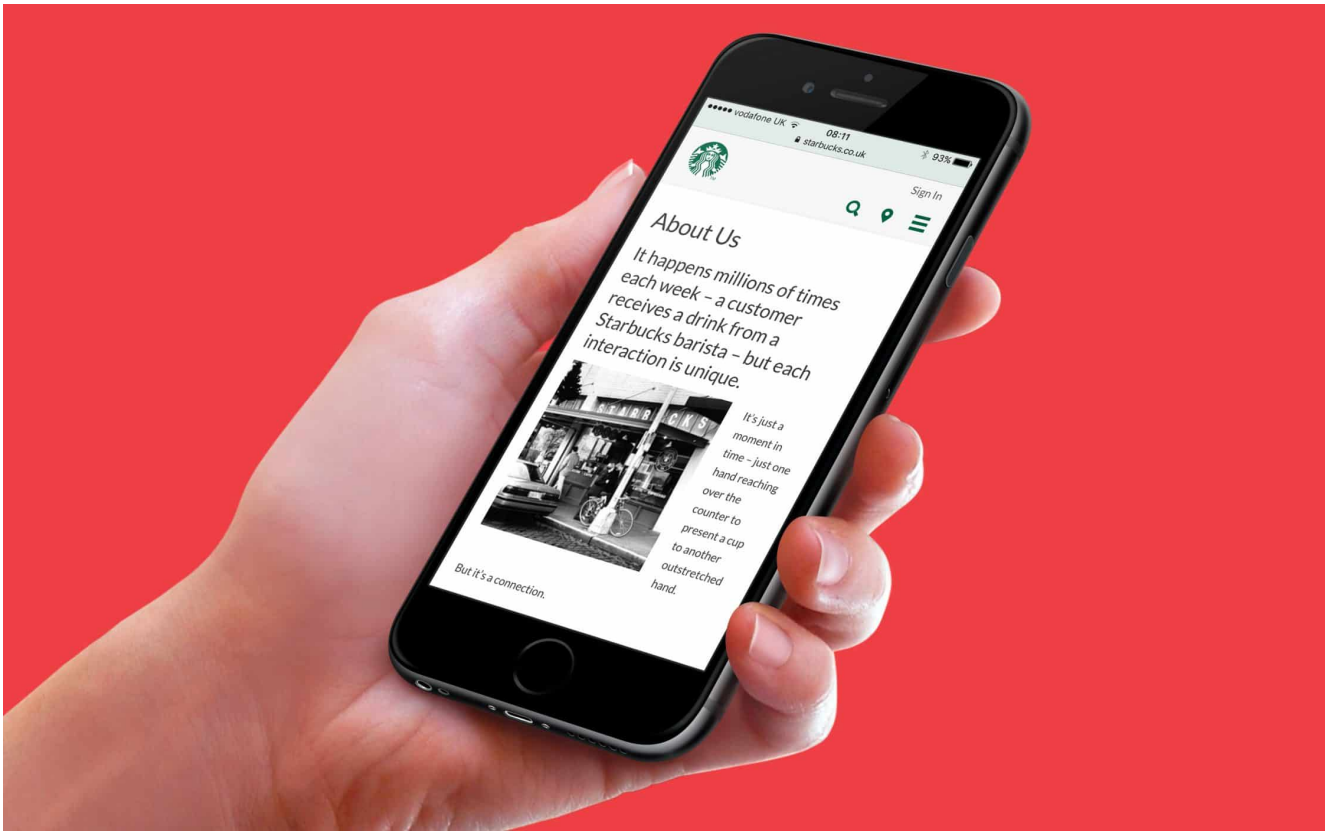
Communication creates deeper connections with your audience, helping them to build a relationship with you that goes far beyond graphical advertising and products. Verbal branding is all about introducing your personality in your communications

to help your customers distinguish you from your competitors.

With the right verbal identity, you can ensure that your audience are connecting not only to your products and logo, but to the voice, and stories that go behind those images too. Remember, you can imbue tone of voice and the verbal identity of your brand into everything you do online, and offline, including:

- Magazine and newspaper advertisements.
- Television advertisements.
- Social media marketing.
- SEO and content marketing.
- Branding materials.

For a quick example of how different brands show off their own verbal identity, you only need to head to a couple of "About" pages. For instance, look at this one from Starbucks:



In their content, Starbucks instantly identify themselves as passionate, emotional, and dedicated. Their wording is practically poetic, and that helps to make the Company more

engaging to its customers.

Differentiation strategy examples to learn from

So far, we've covered how your brand differentiation strategy might include a focus on your name, your visual identity, and your verbal identity. In other words, it's all about how you present yourself to the world around you.

Branding is a complicated thing, as it's impossible for any company to completely control the opinions and thoughts that form about their business. However, the things that you do, your manifesto, your about page, and even your logo, can help to direct the way that people perceive your brand.

For instance, here are three examples of brands that have done differentiation strategies right:

1. Lush

Lush identify themselves as a unique solution for health and beauty. Renowned across the world, the Company is unlike any other makeup brand in the marketplace, and they reach out to their customers with a warm, welcoming verbal identity that comes across in everything from their packaging, to their messaging.

Perhaps the most fundamental brand differentiator associated with lush is their dedication to ethical buying, and the purity of hand-made solutions. This is a company that shows their value of social and corporate responsibility in everything that they do, including a brand that's simple, genuine, and refreshingly raw.

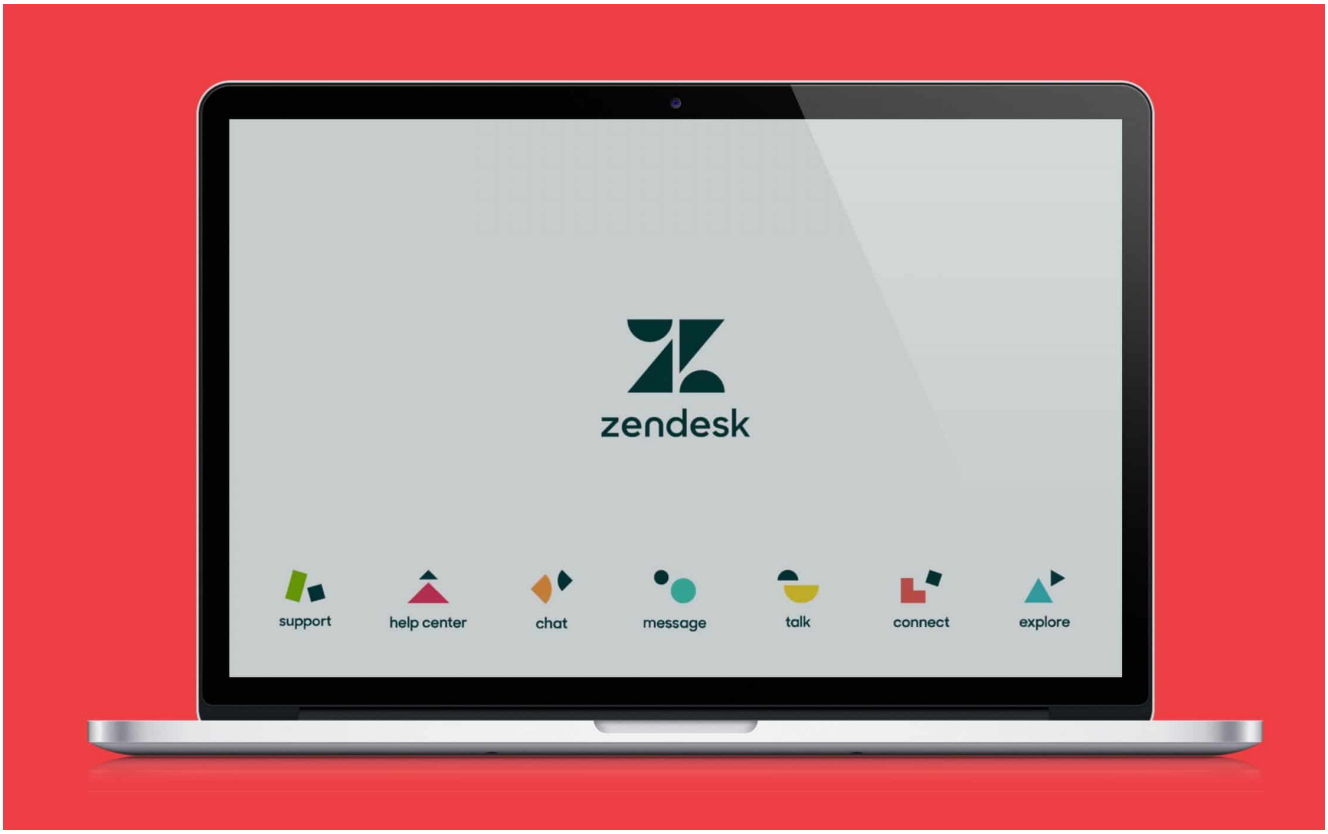


Lush differentiate their brand in the following ways:

- They use a name that invokes ideas of nature and luxury.
- They understand their customers, appealing to the woman, and man, who's had enough of standard beauty products.
- They don't sell a product – instead, they sell a viewpoint on defining beauty, looking for a focus on natural ingredients, unique solutions, and sustainable methods for business.
- They offer a one-of-a-kind retail experience where customers can interact, communicate, and even try before they buy.

2. Zendesk

Zendesk are unique because they're all about empowerment. They differentiate themselves not by putting price first, or offering you the most comprehensive collection of features. Instead, they offer the immediate digital solution that companies need for in-depth customer service. Zendesk were the first company on the market to destroy the idea that customer service has to be something that's difficult, and complicated.



Zendesk differentiates their brand in the following ways:

- They offer the features and services that their customers are looking for.
- They have a clean, intuitive branding initiative that makes it easy to see that simplicity is at the basis of their company image.
- The name “Zendesk”, combines the idea of simplicity and office space into one simple, and easy-to-remember idea.

3. Whole Foods

For some people, Whole Foods is just a grocery store. For people who understand the brand, it’s far more than that. Whole foods have differentiated themselves from other market competitors not just by promoting a greener, healthier approach to living, but also by focusing heavily on branding and design in everything that they do.

The idea behind Whole Foods is that people will shop there because they’re looking for a wholesome food source. It’s not your average grocery store.



Whole Foods differentiates their brand in the following ways:

- They share ideas and meaningful content through marketing strategies that aren't boastful. Instead, they focus on whatever their customer is looking for.
- They draw focus to local stores to draw attention away from the "big chain" identity.
- They host live events, run blogs, and have apps to show that they're ahead of their competition.
- They use bright, bold, and cheerful designs that are easy to understand.
- They promote a "greener" lifestyle in everything they do – including removing plastic bags from their stores in 2008.

Creating your brand differentiation strategy

By now, you should have a good idea of what a brand differentiation strategy might look like for your company. However, if you still need something of a template, the

following guidelines could help:

1. Begin by deciding what you want to be known for

You don’t want to draw attention to the differences in your brand that make you less valuable than your competition. Instead, you want to draw focus to factors of your expertise that make you more appealing. Your primary brand differentiator should be relevant and enduring for your clients, decide what you want people to associate you with, and work from there.

2. Remember to research

Doing your homework might seem boring, but research will help you to align the offerings of your business with the preferences and desires of your potential clients. It will also inform you of the issues that you need to address to make your company more appealing to your audience.

3. Develop your differentiators

Remember, though there may be one specific brand differentiator that you use to help identify your brand, that might not be all that’s different about your company. If you end up with three to five reasons why your customers should pick you over your competitors – that’s great too.

However, no matter how many differentiators you have, you will also need some focus. That focus, alongside the supporting differentiators that come with it, should help to inform your brand positioning statement – another crucial aspect in branding.

4. Tell your story

One of the easiest ways for any company to set themselves

apart from the crowd, is to tell a brand story. Most prospective clients will come to your website to learn more about you, so that's a good place to start showing off your personality, in everything from blog posts to your "About" page.

Try to keep in mind that your website is just the beginning though. You'll need to make your expertise obvious to the outside world through plenty of webinars, publications, workshops, and other sources of media.

5. Connect

Finally, once you have an idea of your story, and what you want to be known for, it's time to start sharing your brand differentiators with the world. Implement your plan and find as many ways as possible to highlight what makes you different from your competitors.

Remember to track your efforts and the impact that they make, that way, you can build on strategies that appear to be working, and remove strategies that aren't having the right impression on your audience. Your message and brand will become stronger every time you make adjustments driven by results.

The importance of brand differentiation

Brand differentiation is a part of any comprehensive marketing strategy that your business can use to distinguish itself from the other offerings on the market. No matter the size of your business, or which industry you come from, you should find that a differentiation strategy helps to give you a competitive advantage in a market that's dominated by bigger, more deeply-ingrained companies.

A brand differentiation strategy can:

- **Demonstrate the value of your company:** Not just in price, but in terms of customer service, ethical measures, and other aspects too.
- **Highlight your USP:** A brand differentiation strategy which pulls focus to the value of your company helps convince customers that there's no available substitute to what you're offering. Though other competitors might offer similar products, the experience you're providing is one of a kind.
- **Improve brand loyalty:** Finally, a successful brand differentiation strategy creates loyalty among customers.

Ultimately, brand differentiation helps your customers see what makes you, you. It's your way to take control over some of the associations that clients create for your brand, and it shouldn't be underestimated.

If you enjoyed this article, you might enjoy these too:

– How to write a brand positioning statement

– How to conduct a competitor analysis

– How to conduct a marketing audit and fix your communication woes

– How to launch a brand for an out-of-this-world experience