17 ways to create a killer brand differentiation strategy (with examples)

Category: Strategy
written by Stewart Hodgson | 11 January 2024
What makes your brand different? In today's competitive world, it's almost impossible to create and sell a product or service that's entirely unique. Instead, companies need a brand differentiation strategy that elevates them from the crowd by focusing on a range of other factors.

Brand differentiation is all about crafting a competitive advantage, by finding out what your customers need, and what you can deliver that other companies can't.

Your strategy might focus on the emotional connection you build with your audience, through exceptional customer service and meaningful marketing. You may concentrate on highlighting your brand's story, and its unique personality.

You could even base your brand differentiation strategy around a unique go-to-market strategy, adapting your pricing and distribution models. The key to success is not just grabbing the attention of your customer base, but carving a space for your business in their hearts and minds.

Here's your guide to creating a compelling brand differentiation strategy.

What is brand differentiation? Brand differentiation definition

Brand differentiation is the art of effectively distinguishing your brand from competitors by emphasizing the unique aspects,

attributes, and benefits of your company and its solutions.

It might sound simple enough, but many business owners don't know how to effectively differentiate.

A successful brand differentiation strategy starts with research and is driven by data. It considers the competitors in your market, as well as the target audience you want to reach. Unfortunately, a lot of companies get confused during this process.

Instead of homing in on what their specific audience wants and needs, many new companies try to serve as many customers as possible, and promote a range of "value propositions".

However, an excellent brand differentiation strategy should be focused, clear, and consistent. Apple doesn't try to be everything to everyone. It conveys the identity of an innovator, committing to constant creativity and development.

Brand differentiation should make it easier for customers to choose you over the competition, by showing them that your company resonates with their values.

It should also give your company a strategic edge, helping you to identify your brand positioning, refine your marketing message, and create more impactful products.



Why is a differentiated brand important?

No matter which industry you serve, or which products or services you produce, you'll always have competitors trying to reach the same target market.

If you want your customers to choose your business over the competition, you need to constantly demonstrate what makes your business unique. This means crafting a brand identity that sets your solutions apart from similar products, with the same features.

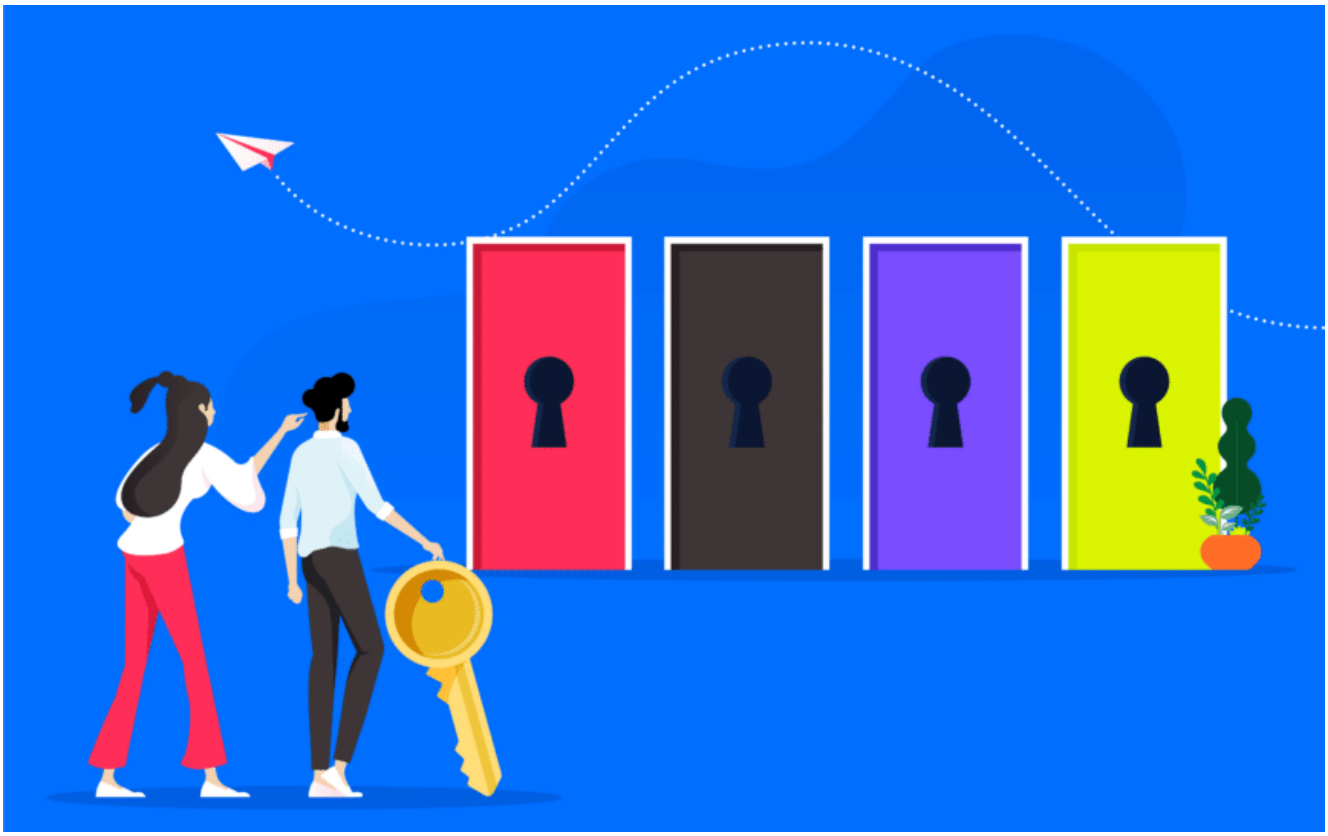
A brand differentiation strategy helps you to position your offering as the "ideal option" for your potential customers. It cultivates brand loyalty, draws attention to the unique features of your business, and allows you to earn a growing "market share".

In a crowded market, companies without solid "brand

differentiators" frequently end up in price wars with competitors. Since they don't have another way to appeal to their customer base, their unique selling proposition often revolves around lower prices.

While this might work initially, it's rarely sustainable. As competitors continue to emerge in your industry, constantly cutting your prices means your profits begin to dwindle.

Plus, it's worth remembering consumers aren't attracted to low prices alone. Many will happily pay more for a product if they connect emotionally to a brand's values, receive outstanding customer service, or can access a unique feature or experience.



5 key elements of any brand differentiation strategy

The good news for today's brand managers is there are plenty of different ways to differentiate a brand. However, before we

dive into our suggestions, it's worth looking at the core elements that make up any effective brand differentiation strategy.

1. Comprehensive research

You can't separate your business from the competitors in your industry if you don't know what they're offering, and what your customers actually want. The first step in any successful brand differentiation strategy is always research.

You need to understand your overall market, to determine how certain trends and buyer behaviors influence your audience. You also need to take a closer look at your target audience, learning as much as you can about their needs, pain points, preferences, and buyer journey.

Most importantly, you should have a clear understanding of who your competitors are, what they do well, and what you can do better. A comprehensive competitor analysis will make it easier to find the "unique selling points" that can separate you from other competing companies.

2. A memorable brand identity

Brand differentiation isn't just about choosing the right price for your products, or creating compelling marketing campaigns. You need an identity that resonates with your audience on an emotional level. Your brand identity isn't just a logo or color palette.

It's everything from the name you choose for your business, to your tone of voice, and your unique brand architecture.

To ensure your brand can stand out, you need to think about:

- **Your name:** What does your name say about your company? Is it memorable, unique, and consistent across all

online and offline channels?

- **Brand personality:** How do you connect with your customers through your messaging, your use of color, photography, and other assets? What's your tone of voice?
- **Your ethos:** What's the mission, and vision of your brand? What's your purpose? Which values do you champion, and what do you promise your customers?
- **Visual elements:** How does your logo separate you from the competition? What's your approach to color, shape, and typography-focused psychology?

Even the simplest choices can make a world of difference. For instance, 92.6% of people say color is the most important factor for them when choosing a product.

3. Unique products or services

A product differentiation strategy is one of the most common ways companies separate themselves from their competitors. When faced with a selection of similar products, most customers will choose a solution that offers something unique.

While it's difficult to produce a product or service that's "brand new" to the industry, there are various ways you can distinguish your solution from the alternatives.

Your product might be made with more sustainable materials, feature unique packaging, or be more convenient to use than other solutions. It might be more luxurious, more carefully researched, or more tailored to the specific needs of a certain user.

Innovation is another great way to differentiate your brand. For instance, Tesla creates products for the electric vehicle market, as well as the solar energy landscape. Try to find at least one way your product is different – even if you just

give it a memorable name.

4. Customer experience

Customers don't just want great products and services; they want an incredible experience. Every consumer wants to feel valued and supported by the businesses they work with – and they're willing to pay extra to get what they want.

Around 86% of buyers say they'll pay a premium price for an amazing experience. This could mean your business offers excellent levels of customer support and fantastic onboarding sessions.

You might focus on responding quickly to customer concerns, serving them on a range of channels, or just making it as easy as possible to purchase and use your solutions. For instance, the Carmax brand allows users to search for the car they want online, and purchase it instantly, without travel.

A great experience doesn't just help you to attract more consumers. It also means you're more likely to retain buyers, and transform them into advocates for your brand.

5. The right marketing mix

Your marketing mix covers everything from how you sell your products (distribution channels), to your promotional strategy, and your pricing method. As mentioned above, a good brand differentiation strategy rarely focuses on price alone.

However, there are ways you can use your pricing to connect with your customers. For instance, you can charge a premium price for a product if it uses luxury materials, has unique features, or offers customers something unique.

TOMS is a great example of this, though the company's shoes aren't the cheapest on the market, they donate a pair of shoes to a person in need with every purchase.

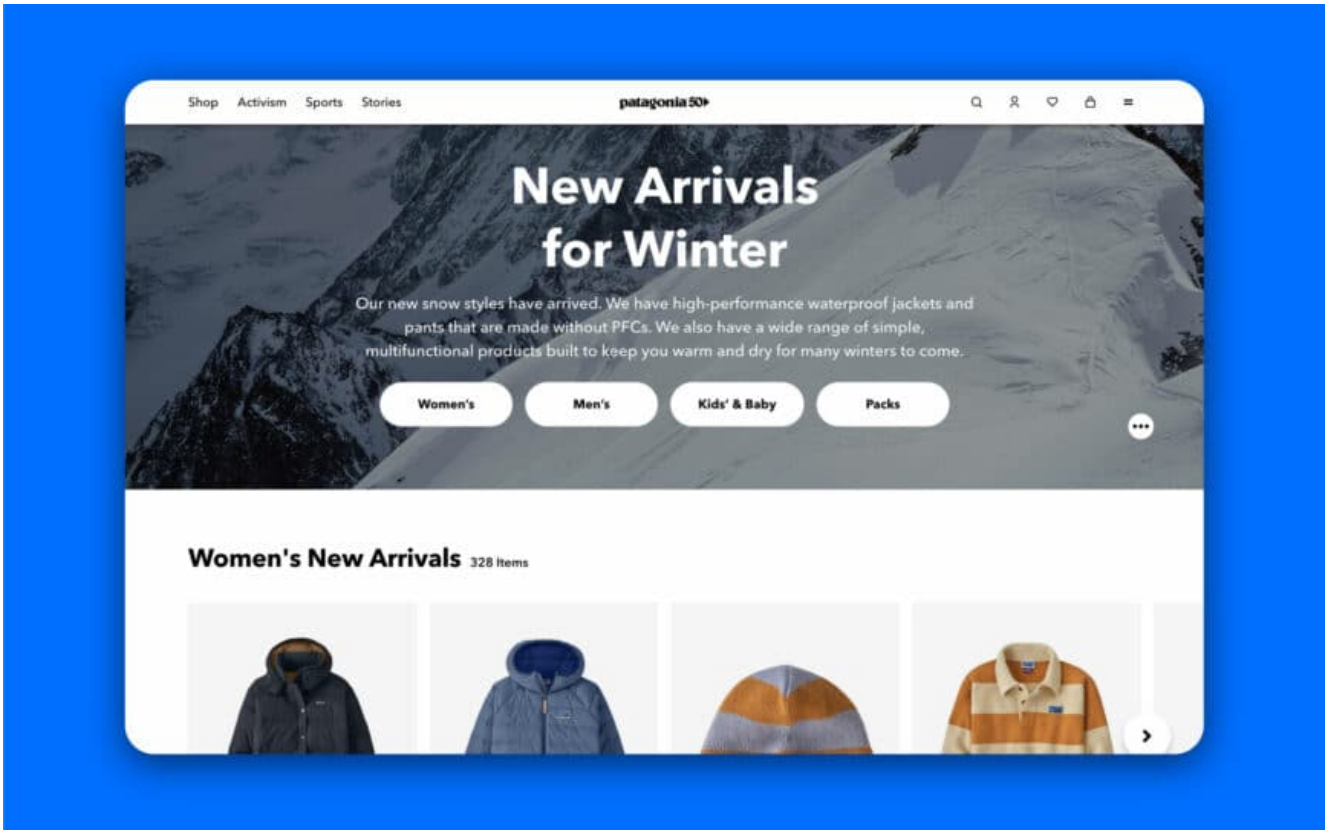
Similarly, you can use your go-to-market strategy to differentiate your brand by ensuring you're selling your solutions across the right channels, and interacting with customers in a variety of different ways, from social media to content marketing.



12 ideas for your brand differentiation strategy

Now we've covered the basic elements of an impressive brand differentiation strategy, let's look at some creative ways you can set your business apart from the competition. Keep in mind, these methods won't work for every business.

The basis of differentiation for your business should be based on your knowledge of your market, competitors, customers, and specific goals.



1. Mine a specific niche

Every company has a “target audience” – the ideal customer most likely to benefit from their products or services. However, mining a niche means taking your focus on a specific audience even further. It’s about taking a hyper specific approach to defining and serving a certain market segment.

Look at Patagonia, for instance. They don’t just focus on outdoor exercise enthusiasts; they combine high-quality garments with a focus on sustainability. Every product on their website includes insights into whether it’s carbon-neutral, PFC-free, or sustainable in some way:

Find a specific niche that can benefit from your business, and create a unique product or service that addresses the individual needs of that consumer.



2. Be the expert

Most customers aren't looking for the product that's the cheapest, or the most eye-catching on supermarket shelves. They want the "best" solution. If you can position yourself as the "expert" in your industry, customers will be more likely to trust your offerings.

The key to this brand differentiation strategy, is showcasing thought leadership and authority as often as possible. Alan Weiss, "The Million Dollar Consultant" doesn't just tell people he's the best in his niche, he shows it, by publishing books, and sharing social proof.

He publishes case studies with companies like Mercedes-Benz and the New York Times, take parts in interviews with leading publications, and shares innovative content online and on social media.

Convince customers that you're one of the industry leaders in your field, and they'll choose your business over the

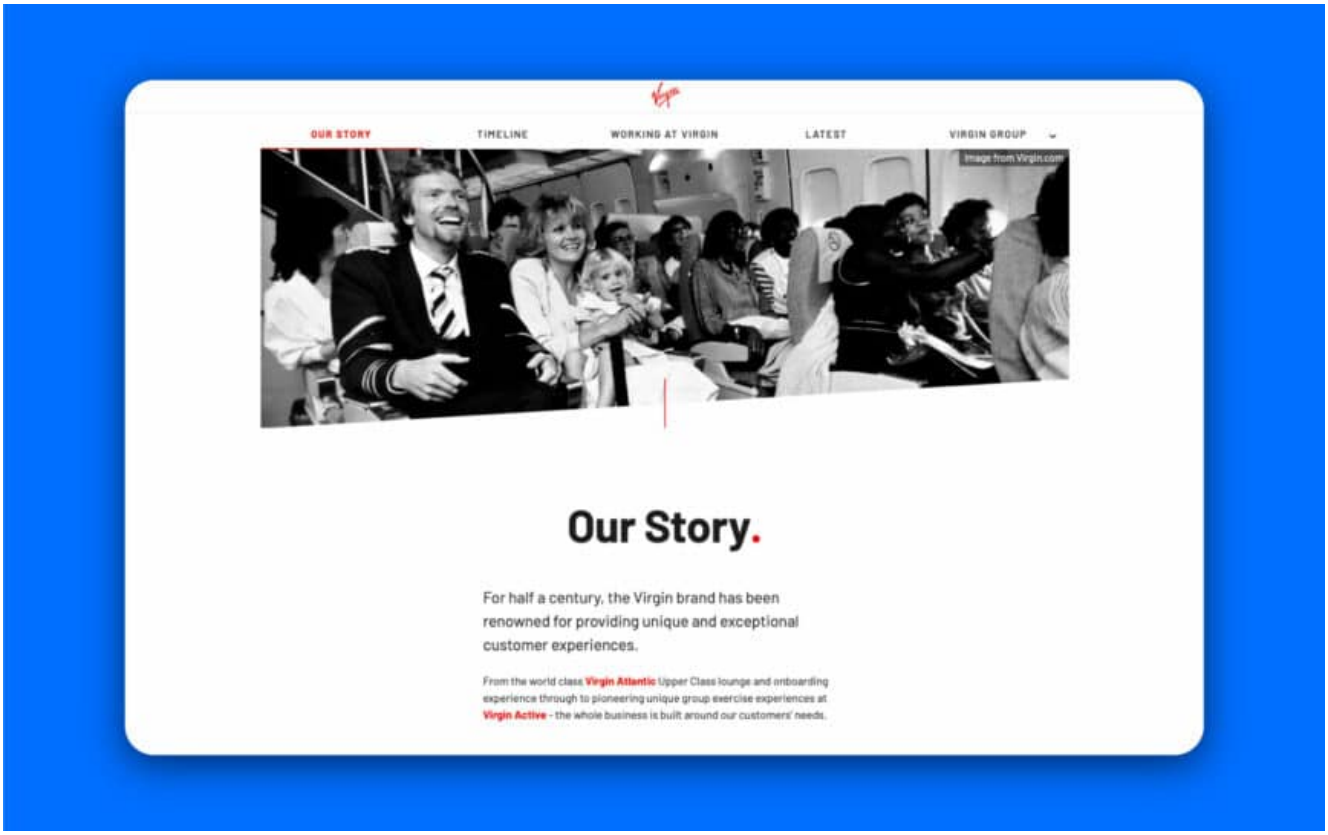
competition, no matter what you charge.

3. Create unique point of purchase experiences

What happens when your customers buy a product from your company? Do they just click a button and receive an order confirmation? Or do they get a unique emotional experience?

Creating a unique point of purchase experience is one of the best ways to connect with consumers on a deeper level. For example, the "Build-a-Bear-Workshop" doesn't just make it easy for customers to buy the products they want, it allows them to customize the experience.

In stores, children can see their stuffed animal come to life in front of their eyes, and even add their own little heart into the stuffing. Online, consumers have the freedom to choose exactly what they want to add to their purchase, to build the ideal bear.



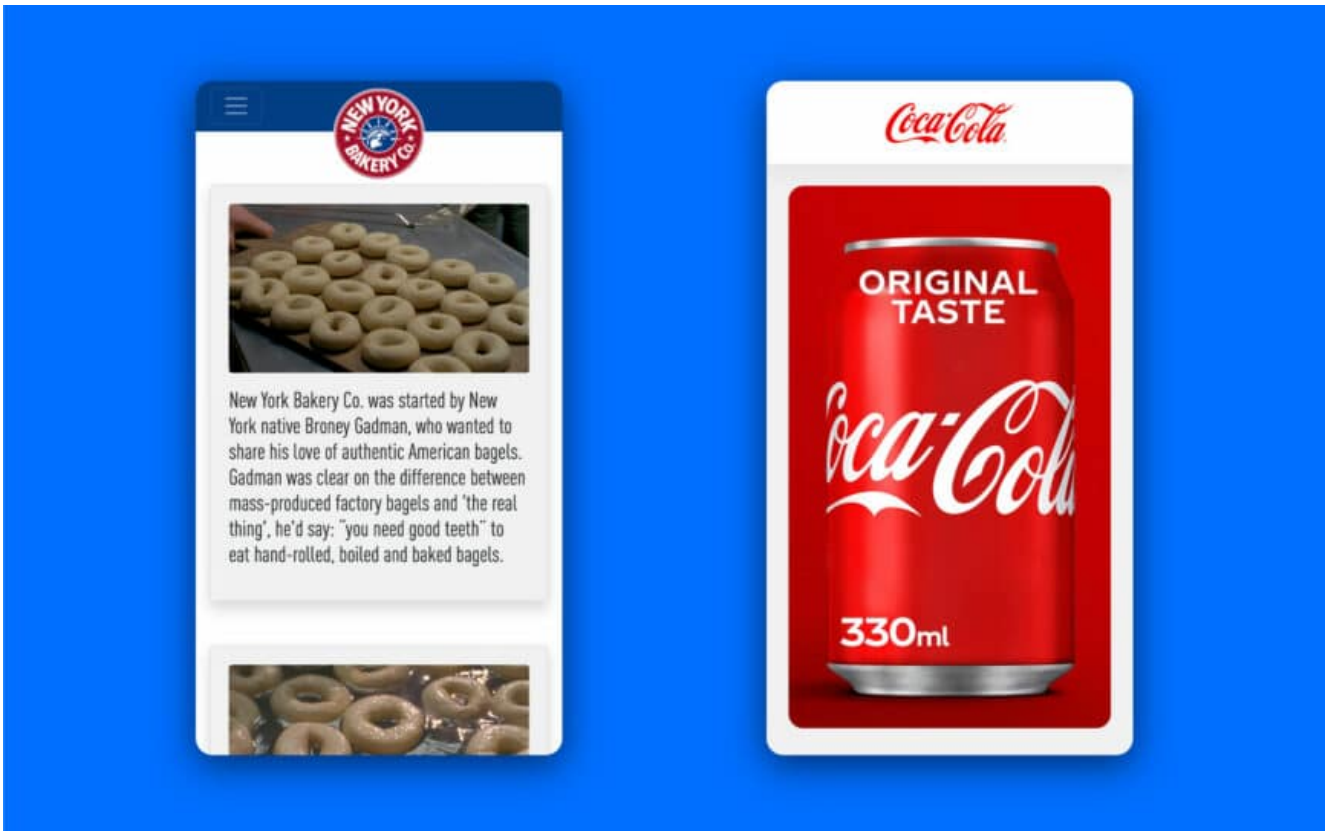
4. Tell an unforgettable story

We mentioned above that your brand identity, and "ethos" is a core part of any broad differentiation strategy. However, it only makes an impact when you share the unique aspects of your identity with your ideal customers as often as possible.

Effective storytelling brings a human element to your brand. It's one of the most important things you can do to resonate with your customers. Just look at Virgin for instance.

Every customer knows the story of underdog innovator Richard Branson, and how he overcame a host of challenges, and took risks to build a global empire. Tell your customers where your small company started, how it evolved over the years, and what it's working towards.

Share your mission and vision on your website, outline it whenever you produce your marketing campaigns, and invest in frequent emotional branding.



5. Show heritage and provenance

One way to make your brand story stand out is to give your company a history and origin. Connecting your company to a specific location, or a point in history is an excellent way to connect with a specific audience.

The New York Bakery Company created its entire product line with a focus on foods that New York was famous for (such as the bagel). It doesn't just create high-quality products; it aligns those items with the community and spirit of the state where it was founded.

Coca-Cola gives itself a sense of history, by marketing its products as the "original" cola drink. While countless other competitors have entered the market since, Cola still highlights the fact that it's the originator of the landscape, with taglines like "Always the real thing".

6. Connect to an occasion

Speaking of Coca-Cola, the company also offers an excellent example of how linking your business to a specific occasion can help differentiate you from the competition. Just as the De Beers brand is commonly associated with Valentine's Day, and Cadbury's with Easter, Coke has its own connection.

The company invested heavily in brand building campaigns in its early years which linked the product to the holiday season – specifically Christmas. In fact, Coca-Cola is known for turning Father Christmas red – the main color used in their branding.

Linking your brand to an occasion doesn't just mean you sell products once a year. However, it can help to increase your competitive edge during certain seasons.



7. Make life simpler for customers

While customer priorities change over time, most buyers have always wanted one thing – convenience. Nobody wants to struggle to buy the products and services they need. That's one of the reasons why ecommerce has become so popular in recent years.

Focusing on user experience with your brand differentiation strategies can be an excellent way to give your business an edge over the competition. A great example of this comes from Hello Fresh.

The food kit delivery service makes it simpler for customers to create fresh, healthy meals without spending hours researching recipes and visiting grocery stores. They deliver products straight to their customer's doors, complete with pre-portioned ingredients and recipe cards.

Plus, they allow customers to control and manage their deliveries in seconds, using an app.

8. Appeal to emotions

People buy based on emotion, not logic. That’s why appealing to emotions in your brand differentiation strategy is one of the best ways to boost your profit margins. Connect with your customers on an emotional level, and they’ll remember you for longer.

Dove has demonstrated the success of this strategy countless times, with its engaging videos highlighting a focus on real beauty, inclusion, and diversity.

https://www.youtube.com/watch?v=XpaOjMXyJGk
The company shows its brand values in every marketing strategy, as well as through its products, which are designed to appeal to customer needs, such as affordability and sustainability.

If you can make your customers laugh, smile, or even cry with your marketing campaigns, your brand will instantly become more memorable. Even shock campaigns, designed to capture customer attention with bold statements can be incredibly valuable.



9. Make it personal

Speaking of adapting your marketing strategy (and brand differentiation strategy) to customers' needs, personalization is an excellent way to make your business stand out. Small businesses and large companies can embrace this strategy in a variety of different ways.

For instance, segmenting customer contact list into different groups based on their location, buying preferences, or demographics is a great way to personalize your email marketing campaigns.

With artificial intelligence, you can even recommend relevant products to your customers, based on previous purchases. Amazon has been doing this for years, and Netflix has perfected the strategy, using AI to constantly show the best shows and movies to its customers.

A consistent approach to personalization ensures you can increase customer satisfaction, showcase the unique qualities

of your products more effectively, and increase brand loyalty.

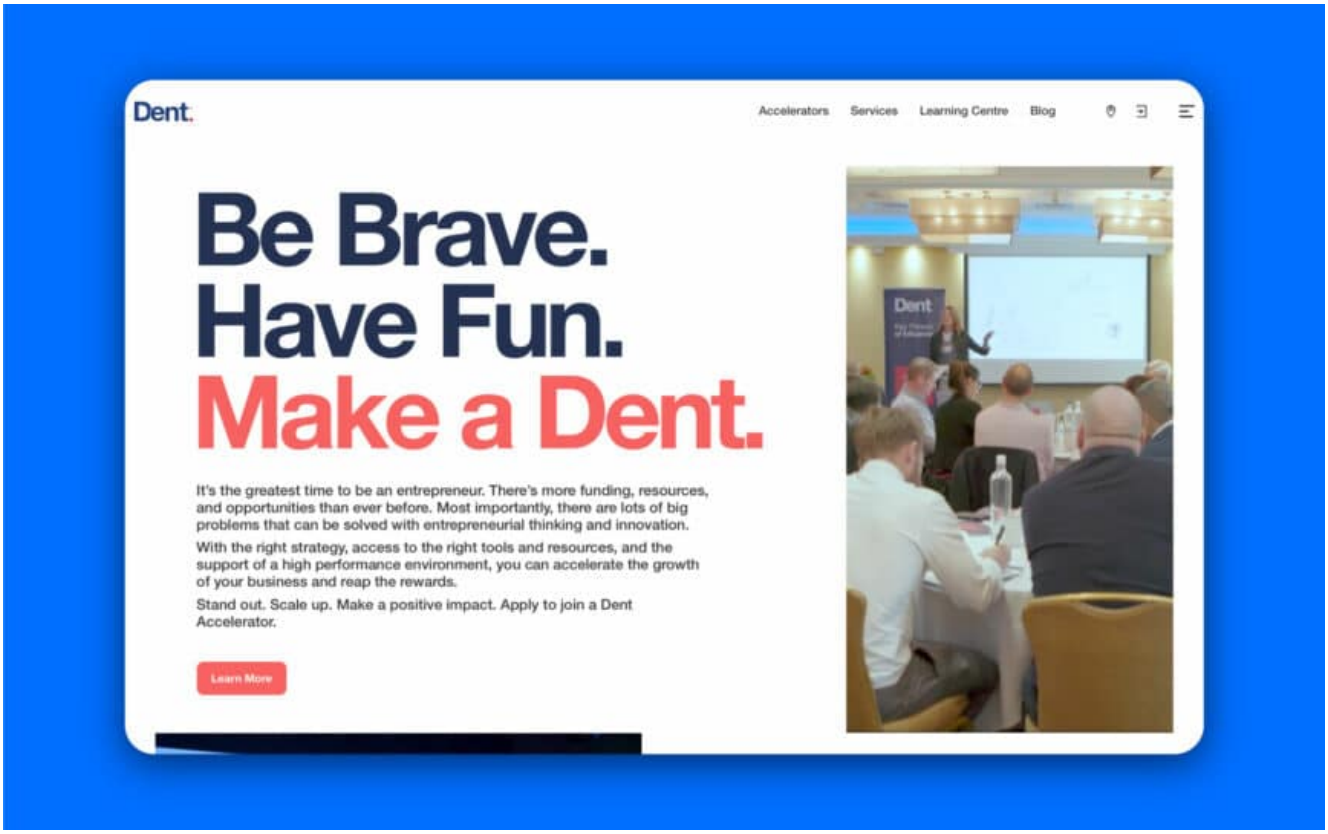
10. Be empathetic

We've already mentioned that emotional marketing is an excellent way to enhance your company differentiators. However, it's important to do more than just appeal to your customer's emotions in your marketing strategy. You also need to show your brand's emotions too.

One of the best ways to do this, is to focus on corporate social responsibility. In other words, show customers your company is ethical, value-focused, and empathetic.

If you know your customers are concerned about the environment, focus on sustainability, invest in planting trees, or finding ways to reduce carbon emissions.

If you want to connect with a specific community or group, show how you're giving back by donating to non-profits, and championing important ideas, like diversity and inclusion. For instance, the LUSH brand is built around a focus on the ethical treatment of animals.



11. Create exclusivity

While limiting the availability of your products might seem counterintuitive to profits, it’s a fantastic way to enhance brand differentiation. Some companies like Mercedes and Ferrari deliberately charge higher prices for their products, making them harder for most customers to access.

The higher price point is validated by high-quality items, but it also means that when customers purchase a Ferrari, they’re paying for the reputation boost, as well as the product.

There are other ways to create exclusivity too, such as requiring your customers to sign up for a chance to access a product early, or making them “apply” for a service.

For instance, Dent highlights the fact that its services are exclusively designed for people who fit their perfect customer profile. You need to fill out an application just to get involved.

12. Create a brand mascot

Have you ever wondered why so many leading brands have their own mascots? There's the Meerkat from "Compare The Market", the android for Android phones, even Tony the Tiger for Kellogg's. A mascot can be a fantastic way to differentiate and elevate your brand.

Alongside memorable brand names and logos, mascots give your customers another way to recognize and remember your company. They can act as spokespeople, showcasing your brand values in a way that people of all ages can resonate with.

People find mascots charming and interesting, and they're more likely to resonate with a personified figure than a standard logo. If you want to elevate your marketing efforts, and stand out in a competitive marketplace, a mascot could be a great solution.



What makes your brand different?

Creating a brand differentiation strategy is crucial for any company in today's world. No matter which niche markets you serve, there will always be competitors fighting for the same audience.

The right strategy for brand differentiation ensures you can highlight how your solutions address customer needs. It gives you an opportunity to showcase the unique qualities of the products or services you produce, and earn the loyalty of your target audience.

Don't risk becoming invisible in a sea of similar brands. Discover your key differentiators, and use them to elevate your business above the competition.

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