

Be Spicy.

When good competitive strategy and solid marketing prowess meet, the result is business spice. To achieve this, a company must hold some competitive advantages, clearly identify them, and then leverage them through marketing. Without spice, the firm is just another bland alternative.

DEFINITION

So what is a competitive advantage? It's a matter of degree, but the basic test is this:

- 1 » It should be something that is specific to, or owned by the firm
- 2 » It must differentiate the company in some way
- 3 » It must be sustainable and not easily copied
- 4 » It must satisfy a market need

PRETENDERS

Like “fools gold,” there are some competitive advantages that only look like the real thing:

- » A particularly skilled or talented employee—Only if under contract, otherwise, he or she could leave or be hired away
- » Market share—Only a true advantage in some cases, such as if it creates switching costs (think Windows' chokehold), economies of scale, inertia or if it helps you better meet customer needs
- » A new pricing strategy—Even if incredibly clever, it can be copied
- » A “useless” ability or talent—So what if a legal firm's employees never lose at Trivial Pursuit? Their customers are not willing to pay for it

THE REAL DEAL

Here, however, are a few things that can be leveraged as true competitive advantages:

- » Brand equity (a big one in today's world)
- » Intellectual capital, or the total knowledge base of a firm's employees
- » Proprietary technology, or the ability to deliver a unique service



Be Spicy.

- » A company culture that inspires excellence
- » Superior internal processes
- » Absolute cost advantages (think Walmart)
- » Distribution agreements and relationships
- » Networks, alliances and customer relationships
- » Exclusive licenses or patents

So, gather your competitive advantages, put together a powerful marketing program, and achieve that all-important *spice*. It's one of the fundamentals behind our SPICEffect™ program. Call us. We'll help you reduce your competition to a tasteless bowl of grits.