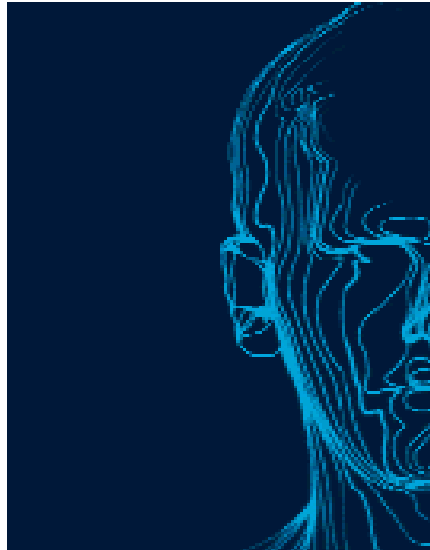




**Communications advantage  
is competitive advantage**



The Chartered  
Institute of Marketing



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# Successful strategies for creating the right dialogue with the best customers

(made simple)

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# Agenda

1. What (really) is Marketing Communications all about?  
(*very very fast*) - and why it starts with the **Customer**
2. The first rule of competitive advantage
3. The second rule of competitive advantage
4. Putting the first and second rules together.....
5. Who cares?
6. And the (unpalatable) truth is....
7. Activity time



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What (really) is Marketing  
Communications all  
about? (*very very fast*) -  
and why it starts with the  
**Customer**

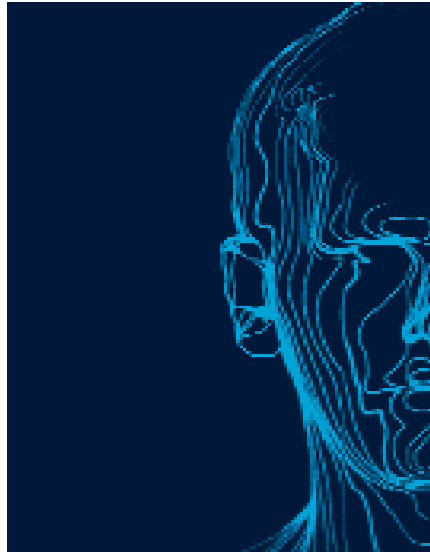
# Marketing Communications

Just don't do it unless you can answer the 4 Questions:

1. Who is the **one person** you want to talk to?
2. What is the **one thing** you want to say to them?
3. **Why** should they believe you?
4. How do you want them to **feel** as a result?

Answering the 4 questions means:

**starting with the Customer.....**



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The **first rule** of  
competitive  
advantage.....



# Differentiation

*“If the three keys for selling real estate are location, location, location then the three keys of selling consumer [& B2B] products are differentiation, differentiation, differentiation.”*

Robert Goizueta - former chairman, Coca Cola company

## Differentiation 2

Porter's second generic strategy, differentiation, helps to achieve competitive advantage when *“a company seeks to be unique in its industry along some dimensions that are widely valued by buyers”*

(Porter 1985).

# First, some Data

Research of 6,000 companies worldwide (PA Consulting Group 2003) found:

1. 97% of CEOs believe their priority is to create long-term value for shareholders.
2. There are two ways that value can be created within companies
  1. Operating at a cost advantage compared to others
  2. Create a superior differentiation that supports a price premium over others
3. The research found that, on average **the latter is three times more influential** than the former in creating value



# The **second rule** of competitive advantage.....

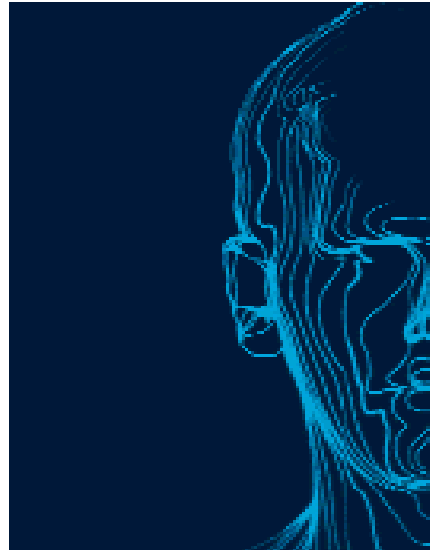


# Relevance

## The Marketing premise:

1. Business growth comes from increasing sales revenue
2. Growth only comes from giving MORE CUSTOMERS, MORE of what they **WANT** - not just making more of what we can make:

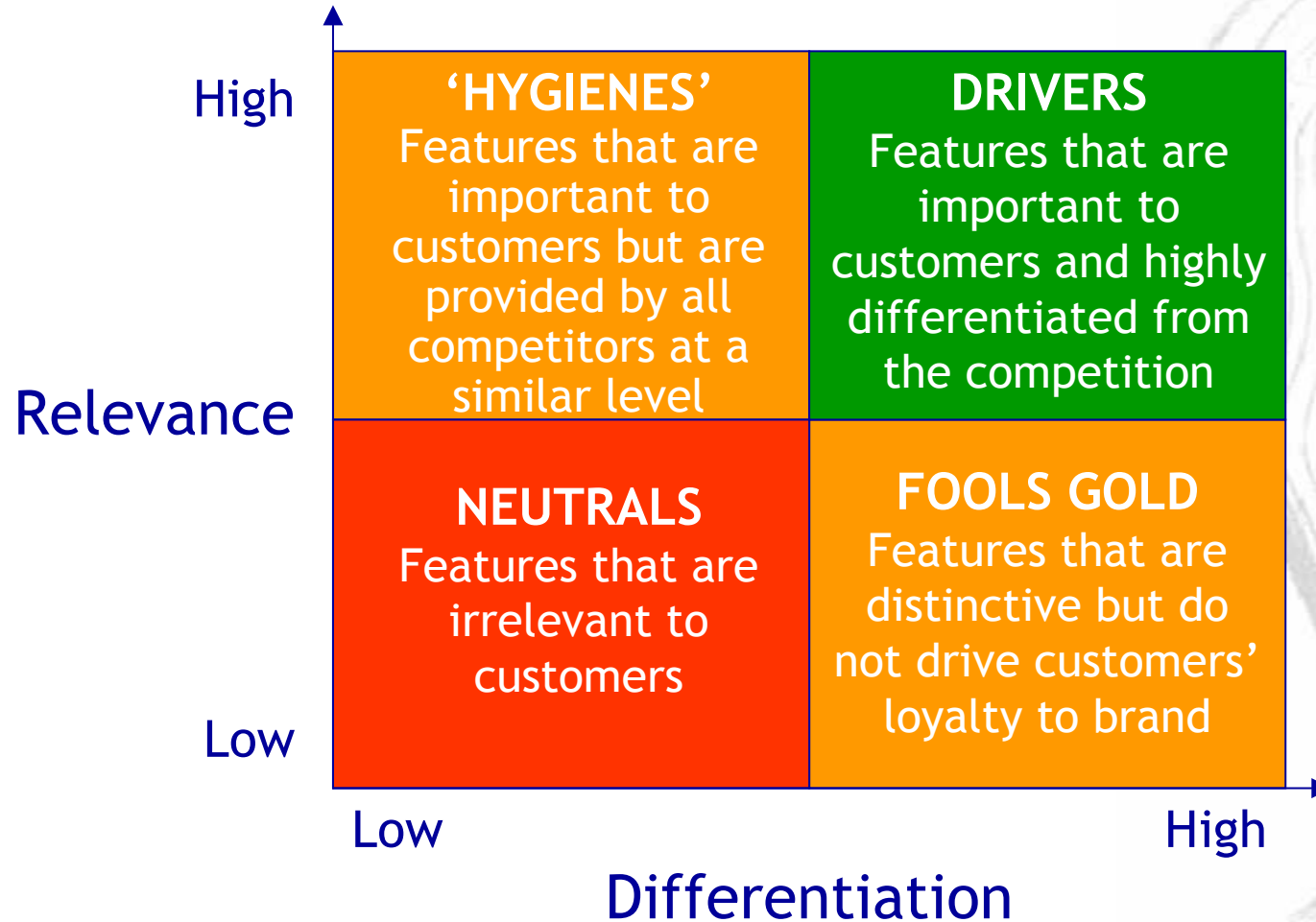
<b>From:</b>	<b>To:</b>
<ul style="list-style-type: none"> <li>• Product features</li> <li>• Product sales</li> <li>• Technical excellence</li> <li>• Product service</li> <li>• Rational solutions</li> <li>• Product profitability</li> </ul>	<ul style="list-style-type: none"> <li>• Customer needs/wants</li> <li>• Customer satisfactions</li> <li>• Customer expectations</li> <li>• Customer service</li> <li>• Emotional solutions</li> <li>• Customer/segment profitability</li> </ul>
<b>‘PUSH’ Strategy</b>	<b>‘PULL’ Strategy</b>



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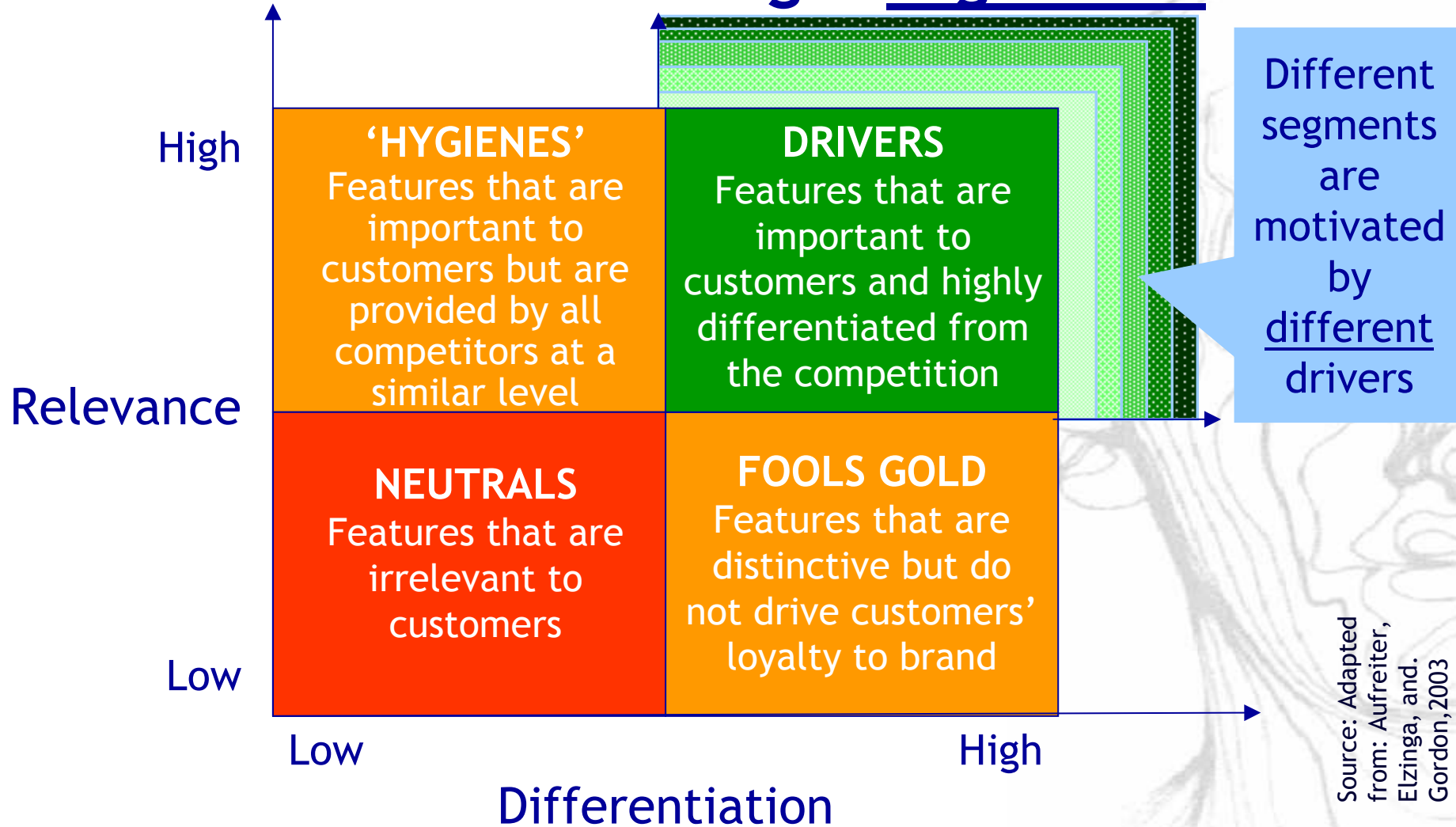
The **first and second**  
**rules** of competitive  
advantage tells you  
what to do - to **Win!**

# Differentiate to your market's needs

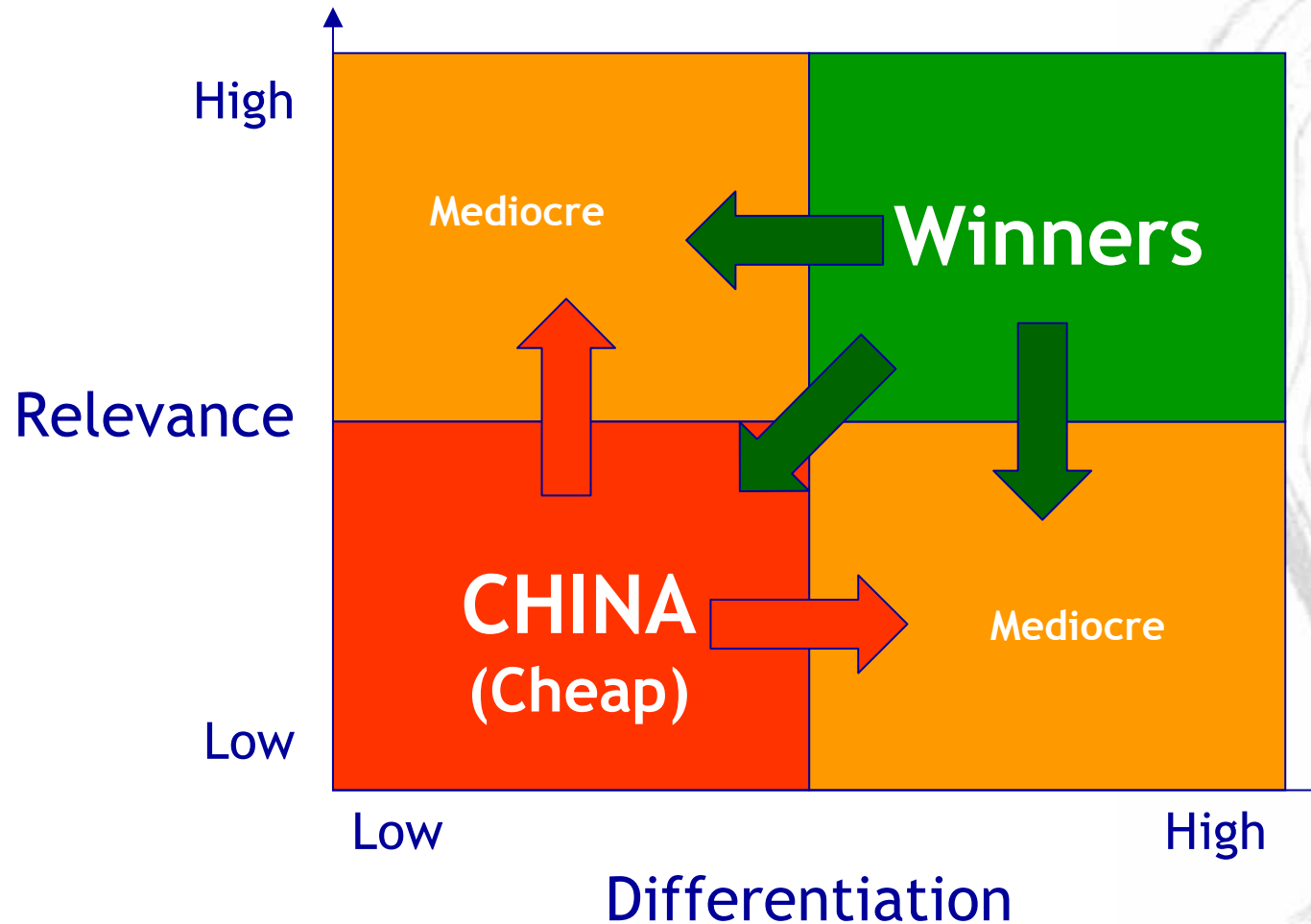


Source: Aufreiter, Elzinga, and. Gordon, 2003

# Differentiate to the target segment's needs

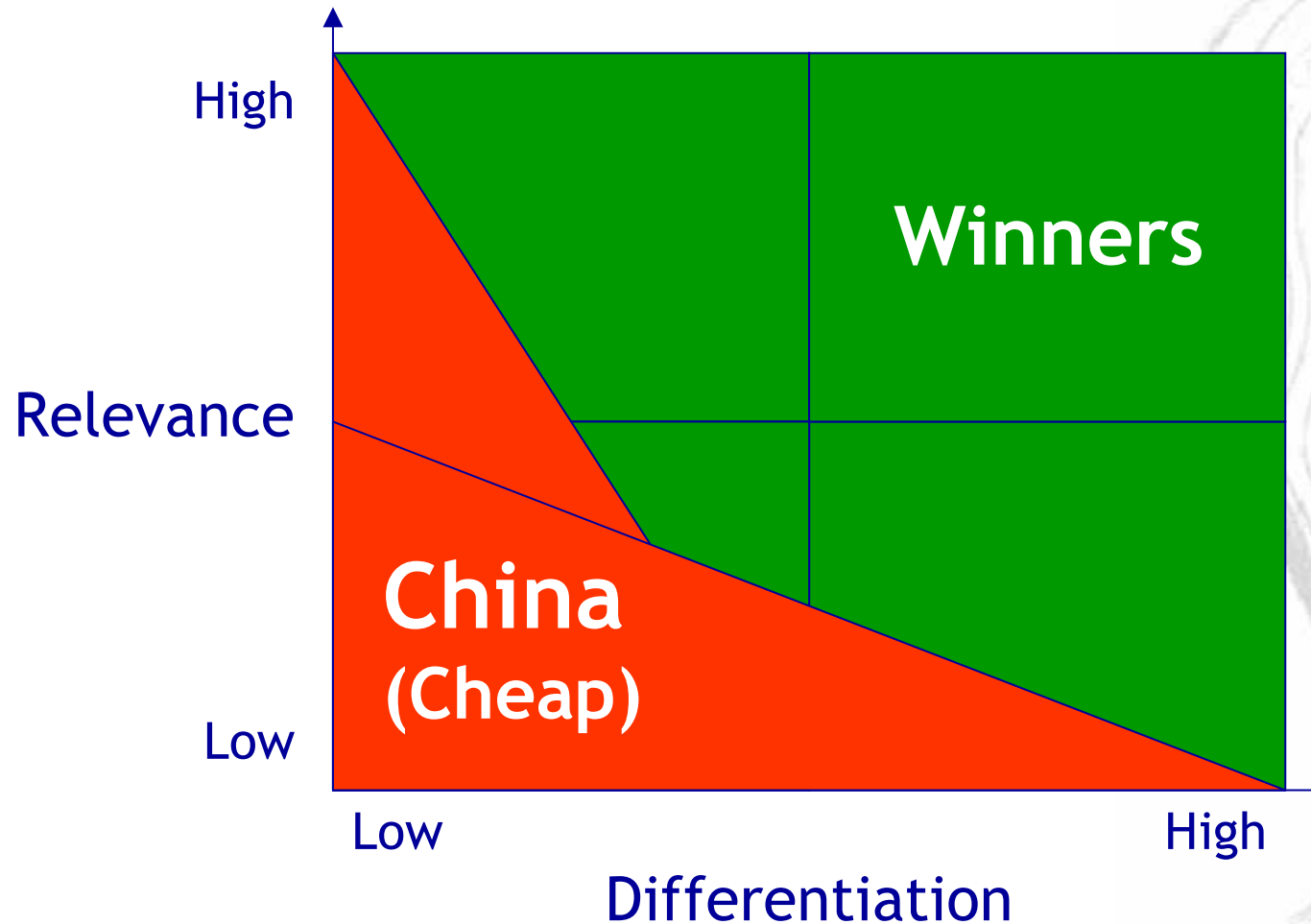


# Or, be 'Differentiated' out of business

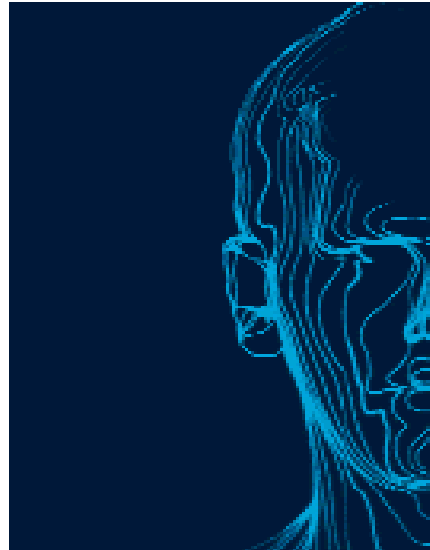


Source: Adapted from: Aufreiter, Elzinga, and. Gordon, 2003

# And in the long run - mediocre dies



Source: Adapted from: Aufreiter, Elzinga, and. Gordon, 2003

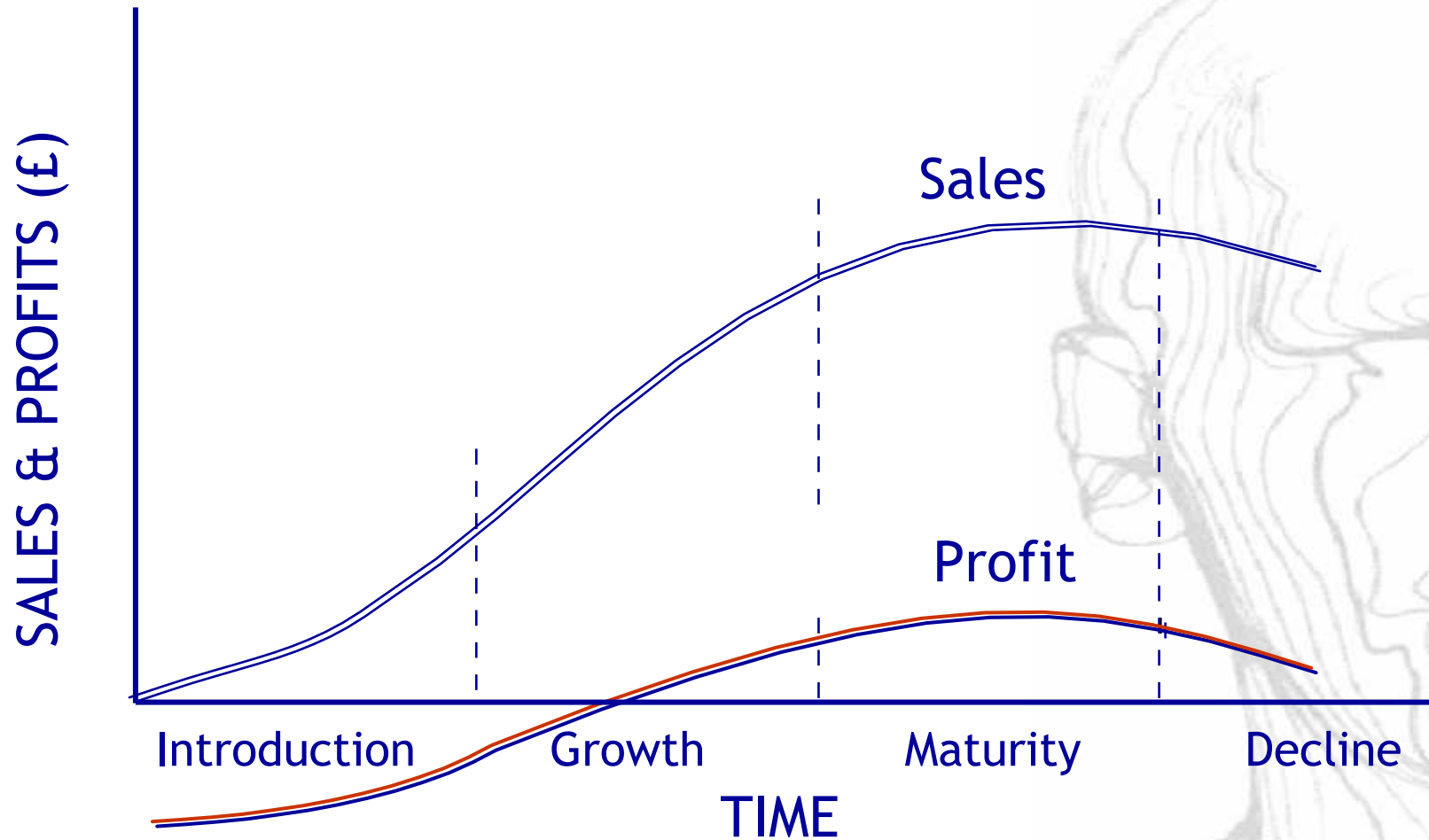


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**Who cares?**  
(not many companies)



# The Product Life Cycle (PLC)

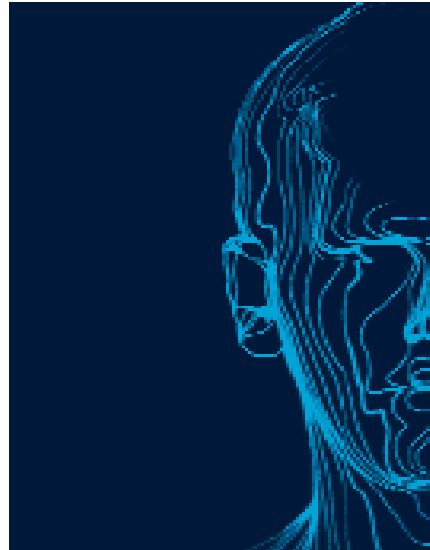


# The Product/Service Life Cycle



# Where are you? Where will you be next?

Suppliers ← Control → Customers				
Intro	Growth	The 'Chasm'	Maturity	Decline
<ul style="list-style-type: none"> <li>• WiFi</li> <li>• VoIP</li> <li>• Digital TV</li> <li>• Gene services</li> <li>• GPS</li> <li>• SatNav</li> <li>• Space tourism</li> <li>• Functional food</li> </ul>	<ul style="list-style-type: none"> <li>• Doctors</li> <li>• Alternative medicine</li> <li>• Further education</li> <li>• Broadband</li> <li>• Call centres</li> <li>• Farmers markets</li> <li>• Home services</li> </ul>	<ul style="list-style-type: none"> <li>• Dentists</li> <li>• Lawyers</li> <li>• Veterinaries</li> <li>• IT Hard/Software</li> <li>• Mobile telephony</li> <li>• Satellite TV</li> <li>• Financial services</li> <li>• Air travel</li> <li>• Grocery Retailing</li> </ul>	<ul style="list-style-type: none"> <li>• Accountants</li> <li>• Retailing</li> <li>• Hotels</li> <li>• Consulting</li> <li>• Fixed line telephony</li> <li>• Banking</li> <li>• Pharmacists</li> <li>• Pkg.Holidays</li> <li>• Fmcg</li> <li>• Con.durables</li> </ul>	<ul style="list-style-type: none"> <li>• Laundry</li> <li>• Milk delivery</li> <li>• Manufacturing</li> <li>• Mass prod.n</li> <li>• Local pubs</li> </ul>

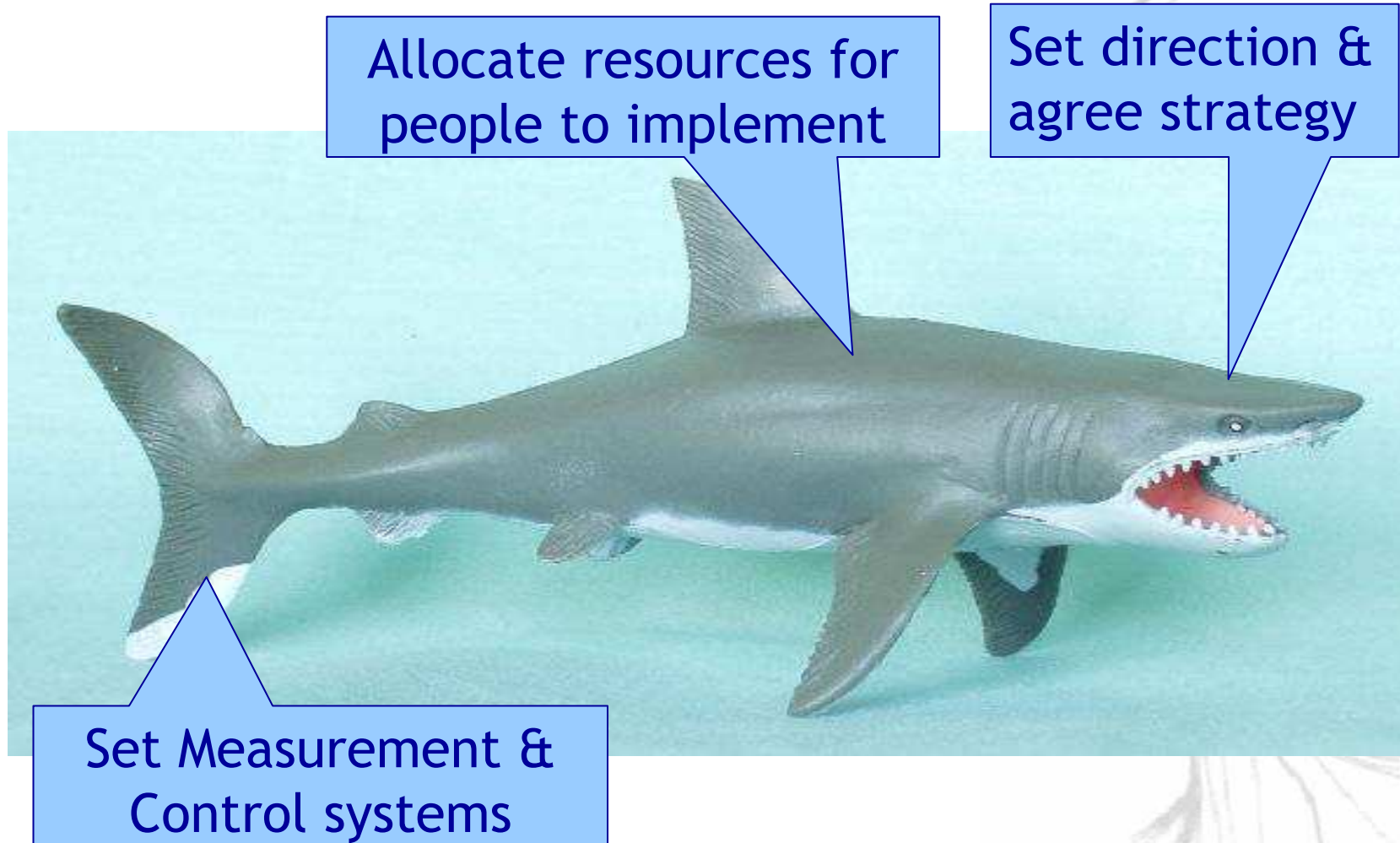


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And the  
(unpalatable) truth  
is.....



## In the board room we...



# And how good are we?

Treacy & Wiersema say that:

## Weak Strategy

1. Dabble or aggregate markets
2. Try to be good at everything
3. Allow history and politics to direct resources

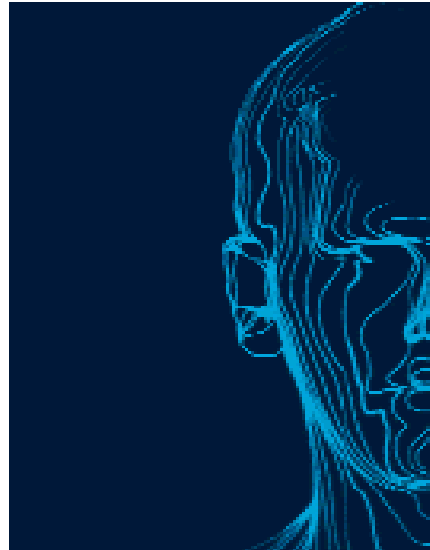
## Strong Strategy

1. Pick a market to dominate
2. Decide a single factor for competition
3. Focus resources to that end



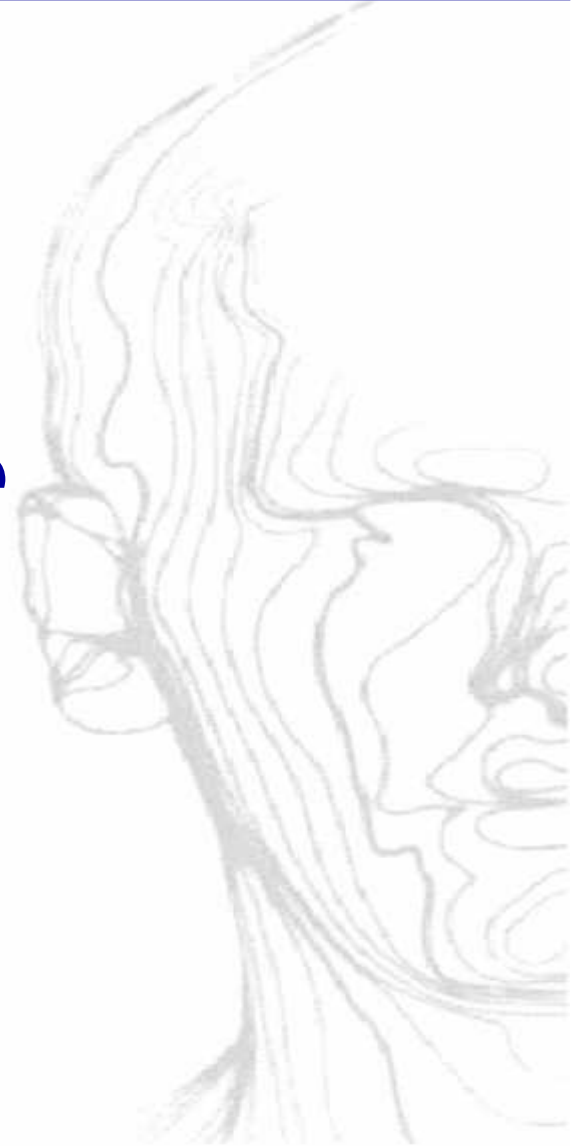
**= Competitive Advantage!!**

Source: Treacy & Wiersema

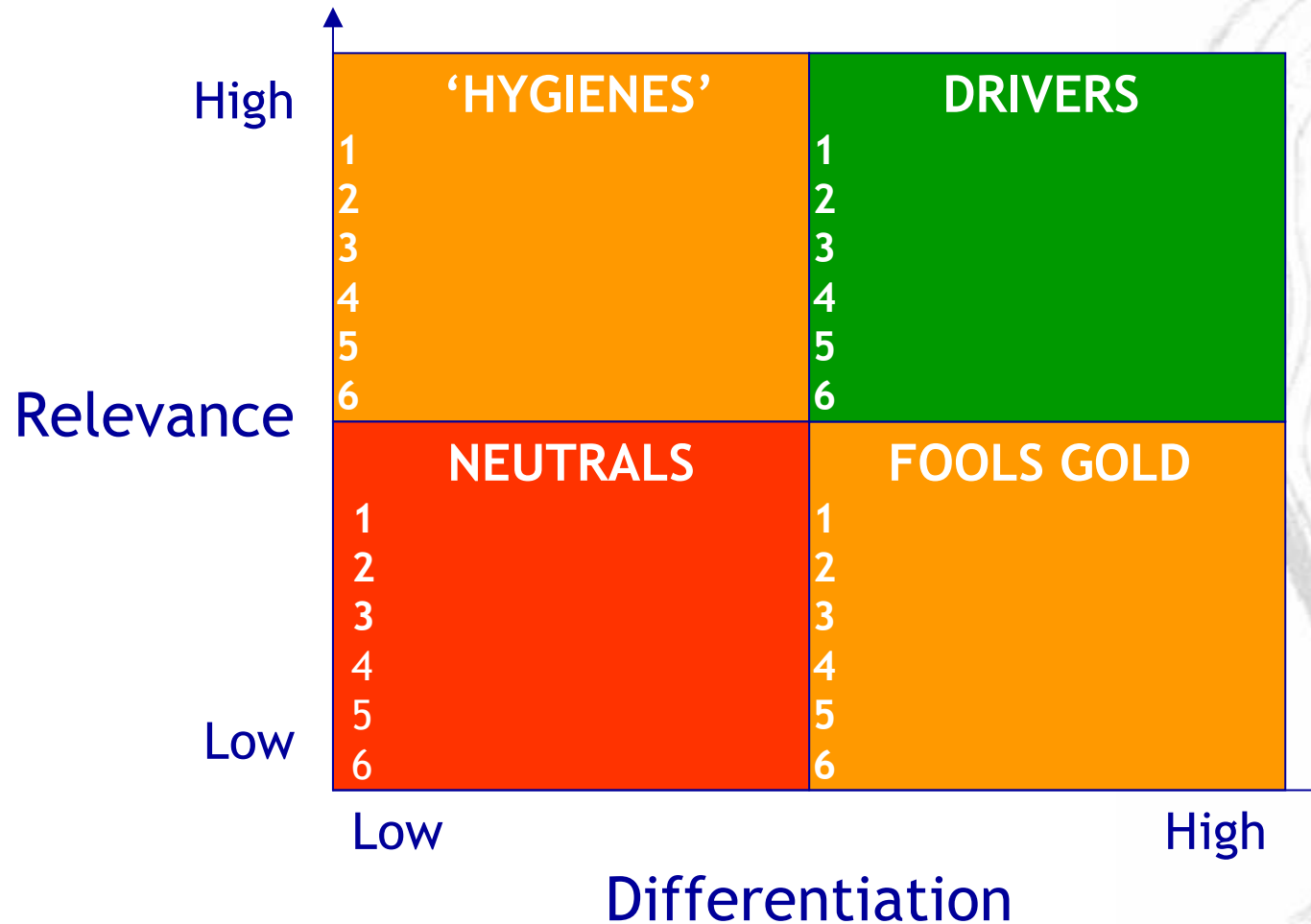


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# Activity Time

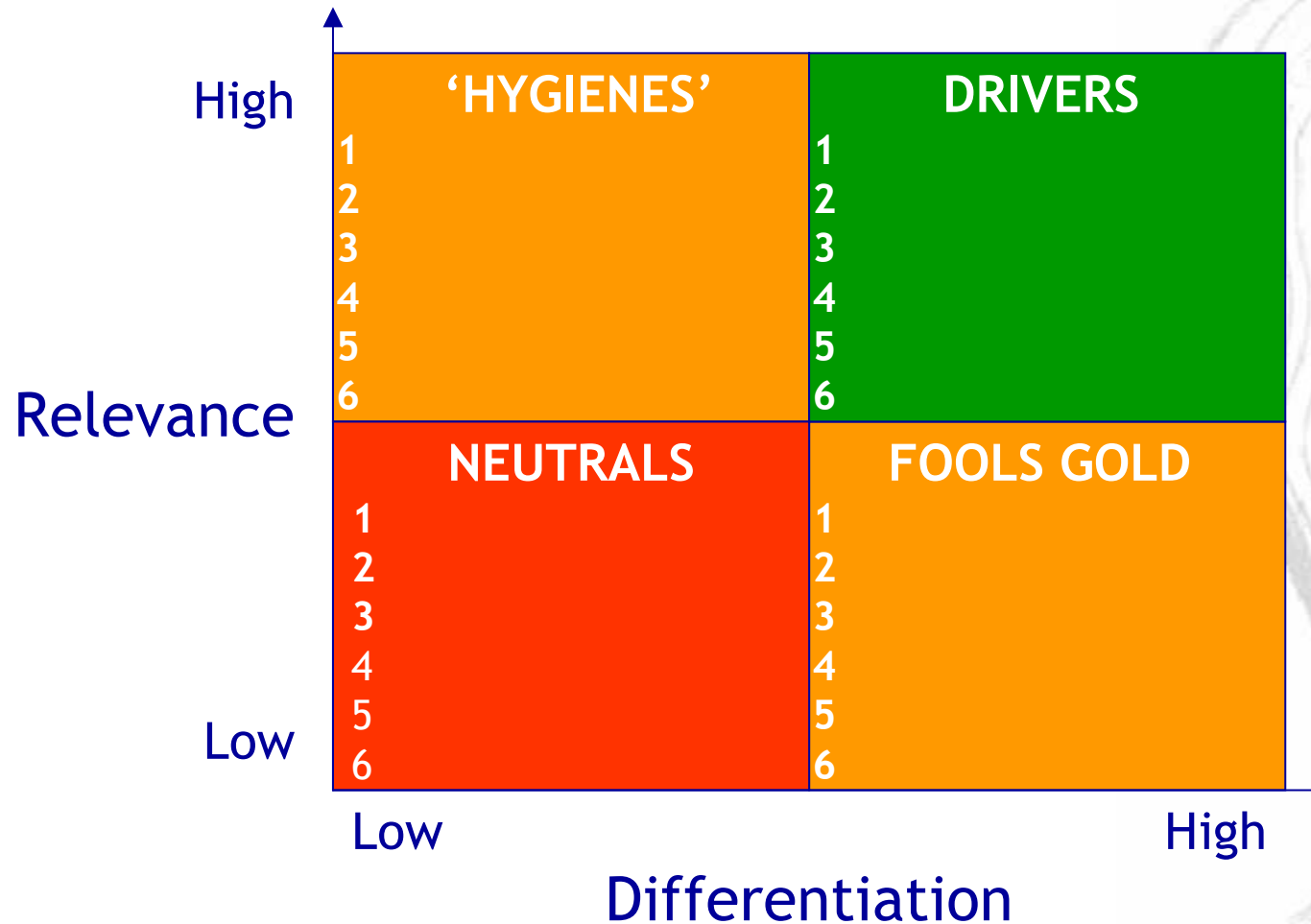


# Activity 1 - where are your features?



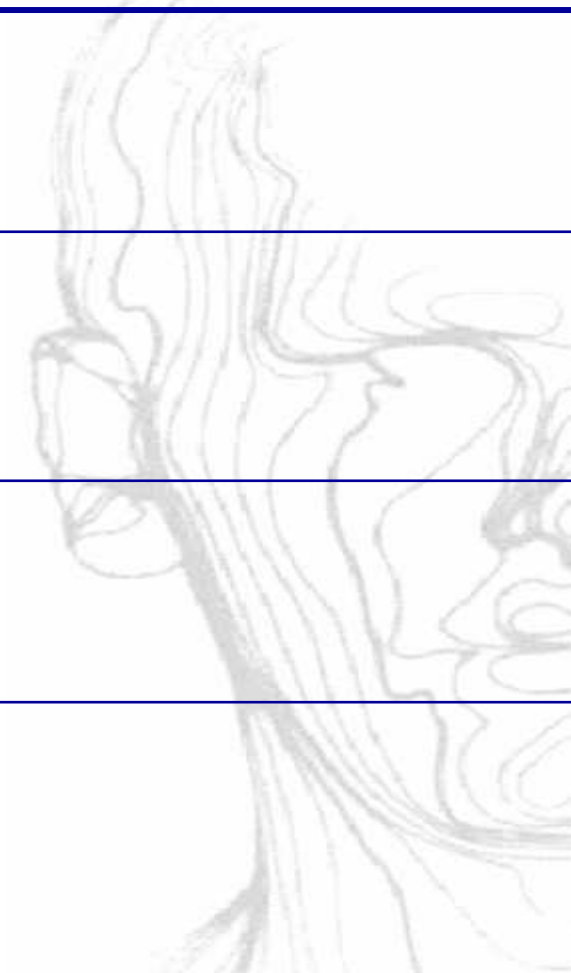
Source: Aufreiter, Elzinga, and. Gordon, 2003

# Activity 2 - where are your planned features?



Source: Aufreiter, Elzinga, and. Gordon, 2003

## Activity 3 - Which differences are best?

1	<b>The Customer</b>	Where does the your customer/prospect perceive the most value?	
2	<b>The Competition</b>	Where is most of your competition concentrated?	
3	<b>The Offer</b>	Where is your offer most/least credible?	
4	<b>The Company</b>	Where is the differentiation easiest for your company to protect/maintain?	

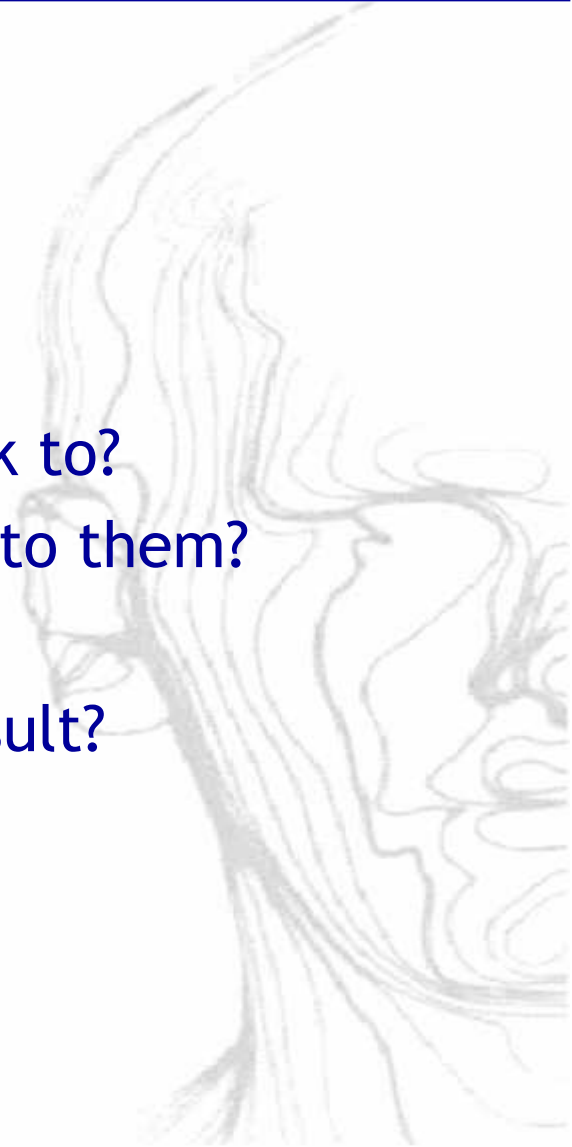
# What have you learned?



# A Final word

Can you now answer the 4 Questions?

1. Who is the **one person** you want to talk to?
2. What is the **one thing** you want to say to them?
3. **Why** should they believe you?
4. How do you want them to **feel** as a result?



## A final, final word.....

**“It’s not about  
how good you  
are, it’s about  
how bad you  
want it”**



# Thank You



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