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Improve and Differentiate a Product or Service

New Benefits

In order to improve a product or service it is necessary to offer something of value to current users. In order to differentiate a product or service, it is necessary to provide a benefit that competitors do not have. Thus, the key to improving and differentiating a product or service is the identification and delivery of an important benefit that is not currently available.

In our experience there are three fundamental strategies that can produce successful product or service improvements and differentiation. Each of these approaches is discussed below.

TECHNOLOGY

Find the Benefits of Technology

Technological innovation is often the source of significant improvements or points of difference. Technology often creates the opportunity to deliver new important benefits to customers. However, it is a marketing assessment of the appeal of benefits made possible by technology that determines the value of a technological innovation. The technology itself is of little importance; the benefits made possible by technology are the key. Thus, in order to assess the marketing impact of new technology, it is essential to evaluate changes in perceived performance against the expectations and desires of customers.

- A new computer hard drive that uses the latest components or new technology is not important unless it is more reliable, offers faster retrieval or is more compact and lightweight.
- The technology that allows for a shampoo and conditioner in one product is important primarily because it saves consumers time when they shower.

ADDITIONAL SERVICES

What Services Add Value?

Adding a new service is another strategy for improving and differentiating an existing product or service. Very often this new service is an improvement in

distribution or delivery. Many times information is bundled with a product or service in order to enhance the value received by the customer. Services that help customers after a purchase is made often provide significant value. In order to develop services that actually enhance an offering, it is necessary to know what benefits would be meaningful to customers.

- Complete banking services offered at supermarkets provide a level of convenience which will induce customers to switch banks.
- On-line proof-of-delivery creates a higher standard of information availability in the small package delivery industry, enabling customers to verify delivery of their shipments quickly and easily.

BRAND IMAGE

Positioning Ideas

Brand image and positioning can also be used to improve and differentiate a product or service. A strong and effective brand image associates a product or service with a variety of positive emotions and benefits such as reliability, leadership or trustworthiness. A well positioned brand owns a benefit that causes competitors to be viewed as less desirable. In order to develop a compelling marketing message and differentiate a product or service in the customer's mind, it is essential to understand the important issues and emotions that are closely tied to a given category.

- A “mild abrasive liquid cleanser that does not scratch” stakes out a benefit for Soft Scrub that repositions scouring powder as harmful.
- The “Not exactly” advertising campaign by Hertz presents unique service benefits and suggests that competitors are offering less.

No matter which strategy you choose, successful improvement and differentiation of a product or service starts with an in-depth understanding of buyer Purchase Logic. Purchase Logic is the description of how and why someone buys a particular product or service. Purchase Logic defines what an individual customer wants and how that person sorts among different alternatives.

In order to improve your product or service, you must first understand how and why someone buys that kind of product or service, as well as yours in particular. What benefits are they seeking, and what benefits do they actually obtain? Clear understanding of your market's needs and wants and their relative importance

will give you the guidance you require to make effective changes that improve and differentiate your offering from that of your competitors.

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