

## PROMO POWER

Your Market *Position*

By Larry Mersereau

**T**he concept of market position is an important part of dealing with competition. It's important to be aware of which position you, and each of your competitors, occupy in your market.

There are only four, so this isn't rocket science. As you read through them, think about your company and your competitors. You should be able to identify which is whom pretty easily.

**The Leader**

The first market position is the leader. They're usually the biggest. Often, they were the first in the market. They offer the best of everything: The most modern equipment, operations systems and marketing communications, service...you name it. The leader sets the price standard. Their price is seen as the benchmark for the market.

Everyone knows who the leader is, and few contest their position. Unless the leader makes some major business blunders, they're not going away, and you have to be aware of them.

**The Challenger**

The challenger is right on the leader's heels. They play at the same level, offering the level of products and services, and at similar prices. The challenger knows that not everyone wants to work with the leader, and that the leader will make mistakes they can capitalize on.

They are constantly trying to outmaneuver, outinnovate, and outpromote the leader. At this level, you need resources galore to stay in the game.

**The Follower**

Followers try to do as much of what the leader and challenger do as they can, but they lack the resources to compete at that level. They hold on to their equipment a little longer (may even buy used equipment). They can't pay their help quite as

well. Their systems may be somewhat outdated because it's just too expensive to make major updates. They don't go for the marquis location...the rent's cheaper on the side street. And hey, everything is working "well enough" to get by.

The follower can only compete on one platform: Price. If you feel like the only way you can outsell your competitors is by offering a lower price, you may well have fallen into the follower position. It's a common strategic mistake. But, don't despair! There's one more market position left, and you can move into it quickly with a little creativity and guts:

**The Nicher**

The nicher identifies a customer group that they can serve differently than the leader and challenger do. I say "differently," because people want "different." They want to buy from businesses that understand them, and that are built around their specific wants and needs.

Nichers are everything their target customer wants them to be. They're where that person will be at the exact moment they are likely to buy (that may mean "mobile," or open unusual hours). They decorate the place so that kind of person will be drawn in and comfortable when they get there. They hire staff that can relate to them (and sell to them). Their color scheme is appropriate to the target customer. Every product or service offering is selected with that person in mind.

They understand their special wants and needs, and build every aspect of the business around them. And, here's what's really important: They can charge more. Oh yeah, the customer will pay extra, even go out of their way for this kind of personalized pampering.

If you think price is the only factor people use when they buy what you sell, you're thinking like a follower. And, odds are, your customers and prospects see you as one. Stop trying to be all things to all people. Get focused on a niche you can serve better than anyone else...and raise your prices! ■

**BONUS Tip**

The hard part of niching is narrowing your definition of "target customer."

The more specific you can be in describing the type of person (or business) your company is going to serve...your niche... the more effective your marketing will be.

A good place to start is to look at the people who buy from you now. Who is your favorite customer? Every business has a small group that buys from them regularly. They're easy to work with, don't beat you up on price, and pay their bills on time. They're not just easy people, they're the kind of people your business serves best. That's why they keep coming back!

Whether you designed your business to serve these people exceptionally well or not, that's how it's come together. You don't have to make big changes in your business. You just have to find more people (or companies) just like those favorite customers. They're your niche.

From now on, all of your marketing dollars and efforts should be directed at getting in front of those people without spending a lot of money talking to others. What do those people read? What TV programs or radio stations do they tune into? Can you get a good list of those people with their mailing address? Email address?

Once you're focused on a specific type of prospect, marketing, staffing, location, decoration, product mix...all of your business decisions get easy. Does this reach and serve this specific prospect? If it does, you do it, or do more of it. If it doesn't, you pass.

*Larry Mersereau helps small businesses create killer marketing and advertising. Author of four books on sales and marketing, he consults with select clients and speaks to dozens audiences each year. More info at <http://promopower.com>.*