

Weak B.B.D.s Are the Leading Cause of Market Failure

BY ROB FEY

Some 100,000 companies and 80,000 products die each year. If you were to perform an autopsy, you would probably find a missing or weak value proposition as the underlying cause of death—or what we call “B.B.D. disease.”

“B.B.D.” stands for “Best, Better, or Different,” meaning that your value proposition ought to reflect what your business does that is best or better or different from what your competitors offer.

B.B.D. is the under-pinning of a competitive marketing strategy that answers the basic customer question: “What are you going to do for me that is best, better, or different from my other options?” Companies that have not clearly answered this question in their marketing communications have B.B.D. disease.

A well-known secret of successful salespeople lies in the simple truth that the best way to get a response is to make an offer. For even better results, they take it one step further and offer something that is truly best, better, or different from their competitors. When potential customers are confronted with such an offer, they are forced to weigh the value of the offer on its own merit or against that of the competition.

If your B.B.D. proposition is well

formulated, you will greatly increase the odds for a positive response. The following are examples of companies that have been careful to include a clear B.B.D. customer proposition in their marketing communications:

Federal Express delivers overnight when it absolutely, positively needs to be there the next morning, and they offer customers unmatched security in knowing it will get there overnight. In fact, they invented overnight delivery.

Nordstrom delivers peerless customer service. They may not have the cheapest prices, but their service and commitment to satisfying the customer are unmatched.

Remington electric shavers will give you a closer shave than a blade. Everyone is familiar with *Remington's* promise—“Sharper than a blade or your money back.”

The elements of a solid value proposition (B.B.D.)

A B.B.D. proposition tells your customers why they should buy from

you versus purchasing from your competitors. By highlighting the goods, services, and/or perception that makes your business best, better, or different, you are competitively positioning your business for success. If your B.B.D. does not sum up your strongest commitment to customers, then you need to reevaluate your marketing strategy.

A B.B.D. proposition must be convincing while also satisfying three useful ground rules: keep it simple, make sure that you can consistently deliver on what you promise, and use a sustainable strategy. Two examples of what **not** to do:

KFC...They do chicken right, but who does it *wrong*?

VW's Farfurnugen? Why not just say “excitement” like Pontiac?

In both these cases, companies fail to offer a compelling reason why they are best in their category, better than their competition at something, or different or unique in a way that's attractive to consumers. They do nothing to distinguish themselves from their competition.

It is useful to select a proposition that is not easily matched by your competition. This will allow you to sustain your strategy and thereby become known for what you do best, better, or different. *Domino's Pizza* is a perfect example of the value inherent in selecting a sustainable B.B.D. strategy. Today, when you want a pizza in thirty minutes or less, you automatically think of *Domino's*.

The mechanism by which the B.B.D. strategy works is fairly simple. A winning B.B.D. gets your prospects' attention in three ways:

You target a need that is important to them.

You fulfill that need to a degree that makes a difference to the customer.

You demonstrate how you are better or different than your competitors through objective benchmarks.

Often the easiest path to being best or better is being first. Everyone

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recognizes the name Neil Armstrong, yet few people remember the second man to walk on the moon, Buzz Aldrin. Being first creates name recognition and allows you to set a tough-to-beat standard for your competition. When you are first, you get to set the reference point by which all others will be measured, a yardstick that favors you heavily.

In some cases, to enhance the effectiveness of a B.B.D. proposition, companies like *Remington* add an “or else” tag to reduce the risk buyers may feel. If the shaver is not sharper than a blade, you get your money back. Such guarantees often enhance the effectiveness of a B.B.D. proposition.

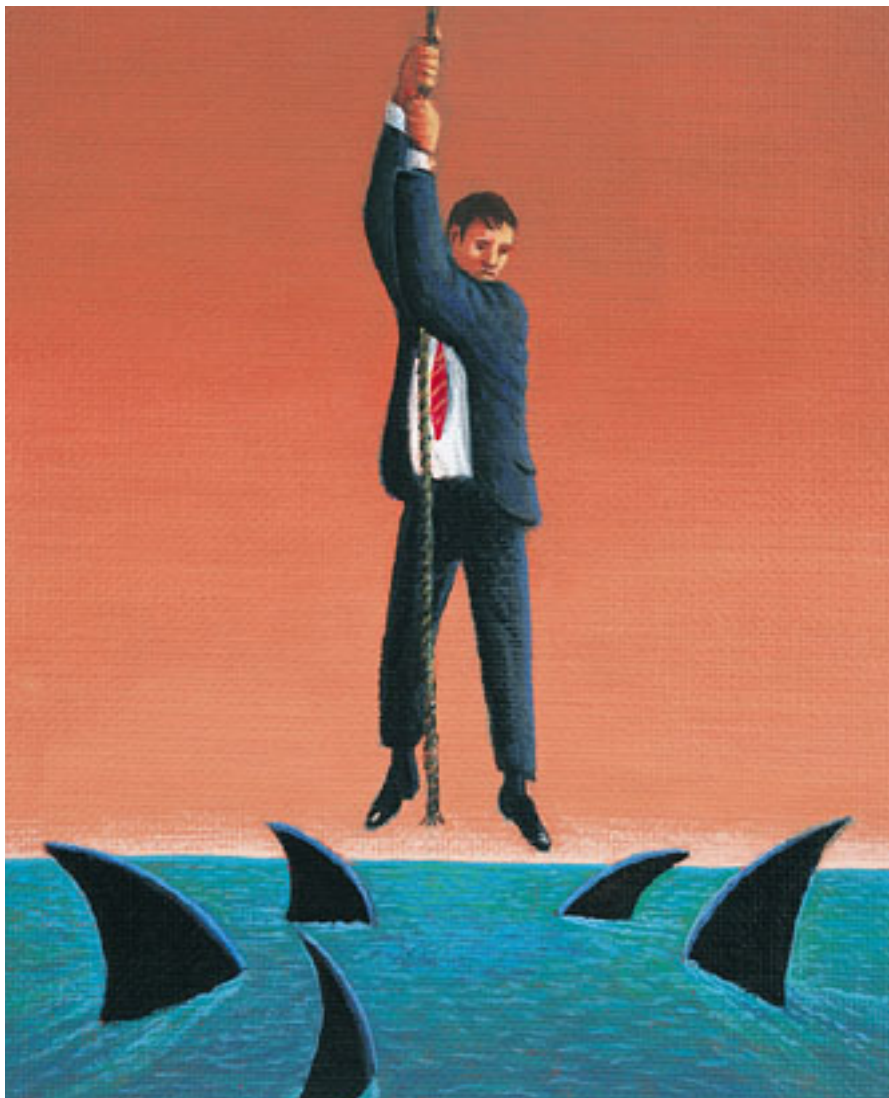
The “be different” strategy

Dennis Rodman’s NBA story is a tale with a serious marketing moral. When he was traded from Detroit to Chicago, he was on the verge of bankruptcy. He needed a B.B.D. strategy off the court.

Rodman would now be playing with the biggest basketball attraction in the world—the Chicago Bulls. That was the good news. The bad news was he had joined a team with basketball’s best player and biggest star, Michael Jordan, and one of the game’s top ten performers, Scottie Pippen. How could he market himself off the court to increase his earnings?

On the court, Rodman had already followed the B.B.D. axiom by narrowing the focus of his game to the point where he was the best at something, namely rebounding. But off the court he needed a different strategy to create a marketable endorsement position.

Instead of trying to be best or better, he opted to be different—some might even say radically different. Rodman began dying his hair on almost a weekly basis in various shades of red, green, blue, and purple. His flamboyant clothes and unpredictable behavior all helped to create an image of “different.” Today, Dennis Rodman is far from broke. Endorsements and book sales are up, and he even had a television show on *MTV*.



Avoid discounting

Oftentimes when marketers find “Plan A” is not best or better enough, they move quickly to “Plan B” — price discounting. This is usually not a wise move from a marketing standpoint. Discounting your price is akin to taking a throat lozenge for strep throat: It will offer you temporary relief, but it will not cure what ails you.

A *Bain & Associates* study found that the average Fortune 500 company needs a 12% increase in volume just to sustain a 3% price discount. Therefore, discounting your price is not a sustainable B.B.D. unless you can make it up on volume and/or lower operating costs. That was the moral of *Sears’* short-lived “everyday low price” strategy.

So if you are discounting to compete, make sure you are eliminating competition at the same time, not just starting a downward spiral that hurts everyone like the U.S. airline industry. Their five-year discounting frenzy in the early '90s dropped aggregate net incomes of \$3 billion to overall losses of \$1 billion. Some airlines died, and others just bled red ink. Many chose to compete with the likes of Southwest Airlines on the basis of price, without changing their infrastructure to lower operating costs.

Narrow the focus

If you cannot be best or better, narrow the focus until you can. If, after narrowing the focus, you still find that you are not best or better, trying being like

Dennis Rodman—different. Remember that a winning B.B.D. proposition is dynamic, adjusting to the competitive realities of today and tomorrow’s marketplace.

Whatever you do, do not catch the “B.B.D. disease.” There is always something you can do to be best, better, or different. You need only look around the marketplace to see what platform on which you are best prepared to compete.

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