

Create Your Market Dominating Position Part 1 Workbook



**How To Build A
Multimillion Dollar Business**
Your Step-By-Step Marketing Roadmap

The E-Learning Marketing System™

Market Dominating Position

- Small businesses are established in response to market demand for a product or service
- What happens when that demand slows or stops?
- What happens when the competition sets up shop with a “new and improved” version of your product down the road?
- How do you keep your offering fresh while growing and maintaining your client base?
- The answer: innovate your business and offer extraordinary value by creating a “market dominating position”



Market Dominating Position

- Every choice you make when buying a product or a service represents a point of differentiation between one company and their competitors
- Why did Dominos become a billion dollar behemoth in an overcrowded market in just a few years?
- They offered the exact same pizza as ALL of their competitors!
- They created a market dominating position... which was fast hot pizza, targeted specifically for hungry college kids



Market Dominating Position

What, if anything makes your business different from your competitors as perceived by your targeted prospects and customers?

- For the vast majority of businesses that answer is price



Market Dominating Position

- Nike offers a wide range of shoe, apparel and equipment products, all of which are currently best sellers globally
- And yet Target sells an excellent imitation for around \$40... but Nike outsells them by more than 10 to 1
- Starbucks coffee... their typical customer spends between \$3.50 to \$4.00 on every visit
- That's around 4X higher than any of their competition



Market Dominating Position

- Obviously low price isn't the driving force here
- These top selling companies have staked out a specific and targeted **market dominating position**
- Nike's position revolves around being the best athlete, being hip and in style... along with the perception of quality
- Starbucks position - delicious hand-crafted beverages which they claim is the secret to making life better



Market Dominating Position

- When you create your own market dominating position, you will consistently get businesses and individuals to choose your business over your competitors
- A “market dominating position” is any value-added customer perceived benefit, or a combination of benefits, that differentiates you from your competitors... and does so in a strong enough manner that it makes your business the logical choice in the minds of your prospects and customers



Market Dominating Position

- A dry cleaner that offers pick-up and delivery would be the only logical choice for anyone that values convenience
- The key is to create added value in everything you do
- Prospects and customers DON'T buy based on price... they buy based on the value they receive for the price they pay
- Creating added value is a strategy that can take the form of a product or service that's added to your original offering for free or as part of a discounted package



Market Dominating Position

- Revisit the value you offer, or your customers will be drawn to your competitor who consistently innovate their business so they offer exceptional value that you don't
- Everyone can add value to their business
- The key to adding value is determining what your customers and target market perceive as valuable
- Understand their needs, wants, troubles and inconveniences
- Adding value will also add to your profits



Market Dominating Position

- Added value works for product and service-based businesses
- If you're service-based like hairstyling, try treating your customers by offering them a latte while they wait, or complimentary shampoo samples or a free conditioning treatment with every sixth visit
- If you sell a product, consider offering convenience services like free shipping or delivery to make the customer's experience a seamless one



5 Step Differentiation Process

- **Step #1... determine your strategic position in the market**
- What specific niche market or segment of the marketplace should your business focus on?
- Determining this involves combining the skills your business has with the unmet needs of your targeted prospects and then designing your product or service to fulfill those needs



5 Step Differentiation Process

- **Step #2... determine your primary market dominating position**
- This is the most dominating advantage that separates you from your competitors
- Domino's claimed it could deliver its pizza in 30 minutes or less... or they would give it to you for FREE!
- This was the primary advantage that met the needs of their newly defined market position – hungry college kids that wanted food fast



5 Step Differentiation Process

- **Step #3... determine your supporting business model**
- How will you specifically deliver what your strategic position and primary market dominating position promises?
- What changes, if any do you need to consider making to your business to ensure you deliver consistently on your position and your promise?
- Domino's built low cost, plain vanilla stores strategically located near college campuses and hired additional delivery staff and drivers on a stand-by basis



5 Step Differentiation Process

- **Step #4... determine your secondary market dominating position**
- What additional competitive advantages does your business offer that your customers will perceive as being different from your competition?
- Domino's secondary benefits might include special pricing, assorted sizes, a much broader selection of toppings or additional menu items



5 Step Differentiation Process

- **Step #5... create your market dominating position statement or elevator pitch**
- This is a statement you create by combining steps 1 – 4
- This helps you to state unequivocally what differentiates you from your competitors to your target market
- An expanded version of this might say: “Domino's provides busy customers with fresh hot pizza and other food items within 30 minutes or less
- Our assorted pizza offerings combined with our value pricing makes Domino's affordable to everyone”



Separate Your Business Categories

- **Category #1 involves the level of service you provide**
- There are a total of 6 different areas where you can add value when it comes to service
- The first area is convenience
- Today, most people value more than money is more time
- Convenience stores typically charge 40% or more for the “convenience” of shopping there
- Increasing your customer’s convenience will create a market dominating advantage



6 Areas That Provide Convenience

- **First, your location**
- Although this is probably the best way to provide convenience, changing locations isn’t often an option
- A great location is a secondary market dominating position
- For a fitness center located near a major residential area, location is certainly their primary market dominating position



6 Areas That Provide Convenience

- **Second, availability**
- Customers do business on THEIR schedule, not yours
- What you can do to make your business more available, including extending the hours or the days your open
- Health clubs, supermarkets and convenience stores are now open 24 / 7 / 365
- Evaluate your customer's needs to see if this is a viable option that will produce a positive return for making your business more convenient



6 Areas That Provide Convenience

- **Third, ordering process**
- If ordering is typically a headache for your customers then solving this problem can help you to establish a powerful market dominating position
- The business that makes ordering convenient by providing easy access to menus with a live operator option, or the ability to conveniently order online... becomes the logical choice for most customers



6 Areas That Provide Convenience

- **Fourth, delivery**
- When a more convenient location isn't an option, then bring your product or service to the customer
- Businesses now specialize in delivering local restaurant items directly to your home or office
- These services charge 50% to 100% higher than patronizing the restaurant in person
- People consider convenience to be more valuable to them than money



6 Areas That Provide Convenience

- One area involving delivery is mobile services
- The business comes directly to your location to perform their services
- This is more convenient and it enables the decorator to perform a consultative type sale by helping the customer select colors that match their home and their lifestyle
- This personalized approach often leads to dramatic increases in conversion rates and often takes price out of the equation



6 Areas That Provide Convenience

- **Fifth, payment terms**
- If your competition doesn't offer any type of financing options, you can differentiate your business by offering payment terms over 30, 60 or 90 days
- Offer multiple payment options such as a "3 easy payment plan"
- Consider accepting credit cards if you don't currently accept them



6 Areas That Provide Convenience

- **Sixth, miscellaneous services**
- What additional services do customers consider important?
- If your business attracts parents with small kids, consider offering child care services while the parents shop or take care of business
- If your business requires parents to evaluate their purchase decision... then having a child's play area can be a huge area of differentiation



Separate Your Business Categories

- **Category #1 involves the level of service you provide**
- There are a total of 6 different areas where you can add value when it comes to service
- The second area is speed
- Speed and convenience are major players in our customer's buying decisions
- Find opportunities here you can exploit and your business can quickly dominate your market



Separate Your Business Categories

- **Category #1 involves the level of service you provide**
- There are a total of 6 different areas where you can add value when it comes to service
- The third area is education and training
- Prospects and customers today value education and training as much as they do value and price
- They want to take advantage of all the benefits your product or service can offer them and education and training can help them accomplish that goal



Separate Your Business Categories

- Small business owners can instantly compete against major corporations by offering special and targeted training to their customers when the major corporation fails to provide it
- This is especially true if you're selling a commodity type product or service where application knowledge is required
- Educating prospects that education and training is provided is enough to give them a major market dominating position



Separate Your Business Categories

- Service providers can apply this exact same strategy to attract new clients and help reduce annual attrition rates
- An accountant, a CPA, a bookkeeper or a financial planner could offer to go to their client's offices and help set up their accounting and bookkeeping system and then organize everything for FREE!
- This type of offer would result in a huge influx of new clients and often results in a 50% reduction in client attrition rates



Financial Impact - Accountant

- Typical accountant averages 250 clients @ \$1,000 each / year
- They lose an average of 25 clients annually
- The accountant offering this free service loses only 12 clients
- This equates to \$130,000 in additional profit over 5 years
- If this value added service resulted in an additional 50 referral clients... that adds another \$250,000 in profit over 5 years



Financial Impact - Accountant

- The accountant is at the client's providing this free service
- How difficult would it be to show them additional areas where the accountant can help them add additional revenue... perhaps by expanding their product or service offerings through joint ventures or strategic partnership endorsements?
- This could easily add an additional \$50,000 in profit to this accountant's bottom line



Financial Impact - Accountant

- This accountant has easily increased their profits by \$430,000 just by offering a free service with their standard services
- If 50% of their original 250 clients took them up on this offer annually, that would represent 125 clients
- Most accountants average \$100 per hour for their time, and this free service would typically take them 2 hours per client
- \$200 per client X 125 clients = \$25,000



Financial Impact - Accountant

- If your business involves a particular level of technical expertise or the application of individual skills this is a powerful value added service
- This could easily apply to...
 - a printer that provides graphic designs and copy expertise
 - Lawn maintenance contractor specializing in Botanical Gardens
 - a business that employs Spanish-speaking staff in an area with a high concentration of non-English speaking Hispanics
- This implies that your business provides targeted expertise and you simply need to inform your target market that you have it



Separate Your Business Categories

- **Category #1 involves the level of service you provide**
- There are a total of 6 different areas where you can add value when it comes to service
- The fourth area is eliminating risk
- 100% money-back guarantees and generous return policies are quickly becoming the norm in most industries
- If your competitors don't offer a 100% money back guarantee then you have the opportunity to make your business the only logical choice by doing so



Separate Your Business Categories

- **Category #1 involves the level of service you provide**
- There are a total of 6 different areas where you can add value when it comes to service
- The fifth area is quality
- Quality can be a powerful differentiator
- Think of quality as the perceived benefit received by the customer



Separate Your Business Categories

- **Category #1 involves the level of service you provide**
- There are a total of 6 different areas where you can add value when it comes to service
- The sixth area is security and safety
- Security and safety have now entered into the decision making process for most prospects
- If your business is in a less desirable neighborhood or you deal with children or the elderly, what steps you can take to make your prospects feel totally safe



Separate Your Business Categories

- **Category #1 involves the level of service you provide**
- Be sure you consider these six areas when it comes to service as a way to add massive value and create a market dominating position for your business
 - Convenience
 - Speed
 - Education and training
 - Eliminate risk
 - Quality
 - Security and safety



Separate Your Business Categories

- **Category #2 involves selection**
- Blockbuster dominated the video market by stocking more hit movies than its smaller competitors
- Blockbuster created a market dominating position where they guaranteed that new releases would be available whenever their customers wanted to rent them
- Unfortunately, the convenience factor quickly came into play



Separate Your Business Categories

- **Category #2 involves selection**
- Netflix duplicated the Blockbuster model for selection and then added the convenience of never having to leave your home to rent a movie
- Blockbuster went from \$6 billion in total revenue in 2004 to bankruptcy in 2010 while Netflix went from \$500 million to \$2.2 billion in revenue in that same time frame
- In Netflix's case, they matched their competition in the area of selection, and innovated in the area of convenience



Separate Your Business Categories

- **Category #2 involves selection**
- Selection can include different models, shapes, sizes, styles, colors and so on
- If you're a retailer, offering greater selection may be as simple as combining different products or services to create a bundled offer
- What combination of products and services will appeal to your various customer groups?



Separate Your Business Categories

- **Category #3 involves pricing**
- If price represents your market dominating position, you're settling for low profit margins at best
- If you fail to convince a prospect of your value proposition, you can cut your price in half and you still won't get the sale
- Only 14% of prospects buy strictly on price
- If you combine price with other market dominating advantages, then price can be a compelling tool



3 Ways Price Can Differentiate

- **First, single or fixed pricing**
- Businesses that can differentiate themselves by offering a set price are those that charge by the hour, the unit, the number of services they provide, the amount of food eaten or the number of products used
- Fixed pricing can be used for most businesses to establish a market dominating position
- You can also use fixed pricing on a per visit or per season basis



3 Ways Price Can Differentiate

- **Second, increase or decrease the price you charge**
- Prospects often judge quality by the price you charge
- A price that they perceive to be extremely low instantly sends off warning bells in their decision making process
- Businesses can actually raise their pricing and instantly reposition their product or service to give it the perception of being the superior choice without changing anything else



3 Ways Price Can Differentiate

- **Third, offer small value added services**
- There are always customers that will gladly pay you a little extra to receive a higher level of service
- If you believe this applies to your business think about raising your service level along with your pricing
- Value added services don't require huge investments
- Service, selection and price make up the 3 categories that will enable you to separate your business from your competition



Million Dollar Message

- Use the examples provided to help you find your own market dominating position for your business
- Once you do, you can create your “million dollar message”
- This is referring to your powerful and compelling elevator pitch which is the way you want to communicate your market dominating position to your target customers



Million Dollar Message

- To create this message effectively, be sure you watch the two videos titled...
- **How to Create a Compelling Message Your Market Will Respond To**
- **How We Create Your Elevator Pitch Using Our Four Part Process**
- Together, these two videos will help you create, design and develop your very own million dollar message.



E-Learning Marketing System

Designed to get YOU results!

