



Chapter 2

1st Principle: What Are YOU Doing that No One Else is Doing? *Build Client Delight Through Your Differentiation*

Gaining exposure for your products and services today often requires Herculean effort. With all the noise in your clients' and potential clients' daily lives, it certainly hasn't become any *easier* to attract attention and appeal to your target market. But it has never been more critical for business survival.

Attracting attention often means that you have to step outside of the current norms and stand out. But in order to be noticed in a credible way, you must have a compelling reason for grabbing people's attention. Your product, promotion, offer, staff, or culture – or something else about your business -- must be unique in some way. Running a conservative, 'under-the-radar' firm today may cause you to become something of the past. Instead, successful firms find ways to be so exciting -- while sticking with their values -- that people don't have a choice but to pay attention -- and buy.

A Gas Station with a Cult Following

Sometimes what your competitors consider to be "unimportant" may just turn out to be the differentiation that gets customers coming back for more. For example -- How does a Texas-based gas station chain get patrons talking about them all over the world? It's simple: by having something that people rarely find at gas stations. And by providing customers with what others don't, these chains have become something of a roadside tourist attraction.

Buc-ee's gas stations -- located throughout Texas -- have focused their number-one offering on what people dread most about stopping at a gas station: the bathrooms! Each of the 30 Buc-ee's locations has incredibly clean, substantially sized bathrooms, along with full-time attendants to keep them in tip-top shape. Buc-ee's built their entire business around the bathrooms – a feature they knew they could use to differentiate their business. The idea behind this strategy is that if motorists pull in to use the restroom, they are likely to buy. Buc-ee's employs more than 1,000 Texans, has been written about in local newspapers, and has even been featured on national TV. An ABC News segment about Buc-ee's told the story of drivers

waiting hundreds of miles to stop at a gas station -- essentially planning their entire trip around their stop at the next Buc-ee's!

Buc-ee's co-owner Beaver Aplin says he gets hundreds of e-mails expressing customers' appreciation monthly. "A soldier in Iraq wrote that he slapped a Buc-ee's beaver logo sticker on his tank," Aplin said. "In our industry you don't expect someone to send fan mail about a gas station. It makes you feel good."



But Buc-ee's doesn't rely just on word of mouth to spread the word about their gas stations. They have billboards covering the roads in Texas promoting their best-known attribute: the bathrooms. For instance, the billboards read, "Only 262 Miles to Buc-ee's. You can hold it." The company also has their own blog where they request and promote pictures on their website, in the media, and in their advertising, as well as customer testimonials like the following:

"Whether[it's] because it reminds me of the schlocky roadside souvenir stops of my youth, or due to its winsome beaver logo, I'm smitten with a chain of South Texas convenience stores called Buc-ee's. Seriously, I love this place so much that if I weren't already married, I'd have my wedding there."

Dallas Morning News Metro blogger Jacquielynn Floyd

"Better than Wal-Mart and McDonalds all wound up together! It's a mini-Bass Pro Shop with a toy store for kids and adults!"

Tabitha, from "East TX around Lufkin"

The Buc-ee's T-shirt opens doors. I [wore mine when I] stopped by Amy's Ice Cream in San Antonio and as I walked in...the counter staff [members yelled], "BUC-EE'S!" I got free ice cream: Ancho Chocolate and Chocolate Guinness.

Anonymous fan

What do people dislike most about your industry, service, or product offering? (i.e., the bathrooms at gas stations.)

Can you offer a solution to what people dislike most?

What can you provide that is truly different?

When the Offer is Surprising, People Pay Attention!

If you offer something of real value for free, people will listen. In fact, “free” can convert price shoppers into loyal customers. This is the model that online print company Vistaprint used to convert a typical commodity service – printing –into a company that generated over \$500 million in revenue in 2009.

“We wanted to create scale by blowing our customers away with jaw dropping value,” said the company’s Public Relations Manager Jeff Esposito. “So we came up with an offer for free business cards.”

The offer has a certain appeal to their target market: small businesses. While these companies need printing, they’re often very cost-conscious customers. So Vistaprint offers 250 business cards for free, with a nominal \$5.67 shipping and processing charge.

Vistaprint services more than eight million small businesses and consumers annually, by offering products for both the home and office. They have a unique model supported by proprietary technologies, high-volume production facilities, and direct marketing expertise. Their offerings range from business cards, brochures and websites to invitations, thank-you notes,

and calendars. As a global company, Vistaprint employs more than 1,850 people, and ships to more than 120 countries around the world.

“The free cards we print have a small promotion printed on the bottom that reads, ‘Business Cards are free at Vistaprint.com.’” said Esposito. “If a customer wants to pay for the cards, then they won’t have the promotion on the bottom.”

That same promotional message began popping up in various places, allowing the offer to find viral travel on the internet and amongst businesses. “When you offer a huge value proposition, it speaks for itself!” Esposito says. Today, 66% of Vistaprint’s business comes from returning customers. In the first quarter of FY 2010, they acquired 1.4 million new customers -- many who started with a free order.

List an offering you could make that would surprise customers (and maybe even go viral)!

Is “Free” Really Such A Good Offer?

Companies typically take the traditional approach of offering their products or services to customers for a price. It’s a very simple and straightforward way of doing business; I provide you with something, and in turn, you pay me for it. But like Vistaprint, more and more savvy businesses today are enjoying dramatic success by offering some of their goods and services for free.

Free offerings are becoming an increasingly popular indirect route to revenue. For instance, some cellular companies will give away a phone if you sign a two-year service contract. DirecTV and other satellite television services give the satellite dish to customers for free in order to get the paid subscription to the programming. Google gives away their main service– internet search – and are in turn able to earn revenue from advertisements and paid searches. Every time you do a search on Google, you will see their Sponsored Links; and whenever you click on one of those links, Google charges the website a fee for the click. You’ll notice advertising from Google on various other websites that you visit -- something Google calls AdSense in which they charge a fee

to these sites -- part of which is given to the webmaster publishing the ads. However, the majority of their offerings are free.

Chris Anderson presents the premise in his book **Free** (Hyperion, July 2009) that there is a generational and global shift at play that is insisting on free goods. Anderson claims that those below the age of 30 refuse to pay for information that they know will eventually be available somewhere for free. In countries like China, piracy accounts for about 95% of music consumption – something that may sound to some like an equally terrible and terrifying fact. However, artists and music labels in China -- who profit from free publicity through their concerts and merchandising -- welcome music piracy.

Some businesses are beginning to offer what is often referred to as a “freemium” (a word that’s created by combining the two aspects of the business model, "free" and "premium"): a business model that works by offering basic Web services or a downloadable digital product for free while charging a premium for advanced or special features.^{[1][2]} Red Zone Marketing offers many freemium products, downloads, and online courses in order to give people who will only meet our firm online a chance to experience the kind of value we provide. We give this material away in the hopes that potential customers like what they see -- find themselves wanting more and at some point.

What “Freemium” Could You Offer?

Focus on Differentiating with Your People

How does a business grow without any advertising, salespeople, or participation at industry events and tradeshow? By doing things a little bit differently, and with a lot of passion.

The Bargains Group in Toronto, Canada, is a discount wholesaler of promotional business products, family clothing, accessories, gifts, toys, bedding and linen, personal hygiene products and tradeshow promotional materials. The Group procures clearance wholesale items for customers across Canada based on supply and demand. They are ready to fulfill customers’ needs

for everything from 10,000 medical promotional items to 50 custom embroidered ball caps— all at deeply discounted prices.

Jody Steinhauer began The Bargains Group in 1988 from her kitchen table by purchasing a variety of different clothing, and reselling it to discount clothing stores. Today, she runs is a multi-million dollar firm with over 4,000 different items for sale; and the most unique aspect of the company is its employees.

“We offer what we call ‘branding at a bargain’ for the businesses we work with. Each team member truly pays attention to our client businesses,” said Steinhauer. “We work with them to sell *their* products and get them out the door.”

While a lot of firms advertise how “different” their people are, or how they focus on service, The Bargain Group’s actually *prove* this assertion. A doesn’t advertise or employ sales people -- yet manages to make millions of dollars selling their products -- must be doing *something* right, and certainly something unique. Sure, they offer inexpensive products that occasionally have viral appeal by virtue of their low cost. However, for a small firm with only twenty employees, the bargain basement approach can’t be *all* there is -- because there is undoubtedly some firm somewhere that can offer better prices. So what makes the difference?

“We focus on hiring fun, vivacious people with [a focus on] a culture of service,” said Steinhauer. “We hire those [who] have had a service job in another industry; for instance, a receptionist at a hair salon. The results are that we do what others only say they will do; we actually service our customers personally. We don’t even have voicemail. Our people are the real differentiator, and the reason we don’t do any advertising or have ever gone to the industry standard trade shows. Word just travels about us!”

Who do you hire? What type of person do you *want* to hire?

If No One is doing it – Should You?

Here's an idea: how about starting a Tupperware-type party for men only complete with a set of "Man Laws," meat and beer essentials, and discussions about grilling. And the advisors don't host parties; they host "Meatings." A home run, right -- since no one else is doing it?

Well, it's been a home run so far for a couple of Midwestern twenty-something's who started the first "home party" direct sales business designed for men called Man Cave. Man Cave is not a leader in its industry; it *is* the industry! For years, thousands of companies have demonstrated and sold products to groups of women in their homes. Man Cave does it now for men.

Nick Beste, 22, of Minnesota and Kevin Carlow, 24, of Wisconsin, started the company as a male-only alternative to female-centric success stories from organizations like Silpada, Tupperware, and Partylite. Man Cave has grown from having three advisors in the summer of 2009, to exploding in growth of advisors and revenues. In fact, says, co-founder Carlow, "We anticipate crossing over \$3 million by November 2010."

Man Cave advisors market the company's products primarily through a male-only gathering referred to as a MEATing. The advisors receive commission payments based on their own sales, in addition to the sales of the team they have recruited to also sell Man Cave products. "It's a good excuse to hang out with the guys, drink a few beers, eat some brats and -- most importantly -- learn some new techniques about grilling," says Beste.

After an individual decides to host a MEATing, they invite others to attend. A Man Cave Advisor will attend and bring an ample supply of free premium meat -- including steaks, chicken and brats. A MEATing can revolve around a grilling demonstration, poker tournaments, a sporting event -- or any other reason guys can come up with to hang out with one another.

"This is the best feature of a Man Cave MEATing," said Beste. "Besides viewing our product line, you eat hearty at the party."

Unlike at other home parties, there are no formal presentations; just products to sample and view. The group sells meat, grilling products, marinades, as well as poker playing items and apparel. And they promote their Man Laws that dictate that -- of course -- "Grilling, regardless of weather, is always the first choice for cooking."

What Product or Service Could You Provide That No One Else Has Taken To Market?

What will People Buy?

Entrepreneurs frequently speculate on what people might be willing to buy. Some conduct extensive research; more look for obvious gaps in offerings; and others simply go with their “gut feeling.” But there are a few entrepreneurs that just throw caution to the wind, and create a brand new category.

“I knew from day one that if the concept was unique enough and given enough time, it would definitely find its market...and it did!” said Craig Wolfe, President of CelebriDucks -- a company that produces a line of celebrity rubber ducks that are fashioned after some icons of film, music, athletics, and history. They have produced CelebriDuck likenesses of Elvis Presley, Marilyn Monroe, The Wizard of Oz, James Dean, KISS, Barack Obama, James Brown, The Blues Brothers, Mr. T, and Shakespeare. To date, they have created over 200 different CelebriDucks -- and have pioneered an entirely new collectible.

The company has received a tremendous amount of publicity. [Their products] have been featured on networks including NBC, Fox, CBS, CNN, ABC, Showtime, ESPN, VH1, TNT, A&E; and specifically, television shows like *Late Night with Conan O’Brien*, *The Tonight Show with Jay Leno*, and *Jimmy Kimmel Live*. They’ve been written about in articles in *Sports Illustrated*, *U.S. News and World Report*, *ESPN Magazine*, *Maxim*, *The New York Times*, *USA Today*, *The Los Angeles Times*, *San Francisco Chronicle*, *Toronto Sun*, *Playboy*, *The Chicago Sun Times*, and *Fortune Small Business*.

ESPN.com recently ran a poll for the fan’s favorite stadium give-a-way in which CelebriDucks beat out Beanie Babies, Bobble head dolls, Pez Dispensers, and Match Box cars. Their ducks have been used by numerous teams in the NBA, NHL, and MLB -- such as The New York Yankees, The Philadelphia 76ers, The Houston Rockets, The Chicago Cubs, and countless others. The company sells their Blues Brother’s ducks at all House of Blues venues nationwide. And Gorton Seafood -- one of the largest frozen fish companies in the United States -- did a four-month national promotion with the creation of a duck of the Gorton Fisherman that enjoyed tremendous success. Not only did it sell out; it was the most profitable promotion in the company’s history.

Can You Create an Entirely New Category?

Stand Out With Your Promotion – Take a Risk!

“Our city and state have been hit hard by the economy over the past 18 months,” said Phil Wrzesinski, owner of Jackson, Michigan-based toy store Toy House. “Our unemployment [rate has been] hovering around 15-16% for the past several months, [and] our schools, county-wide, have lost over 800 students this year. In a county of only 150,000, that is a significant number of people who have left town. I also have to compete locally with a Wal-Mart, a Toys R Us, a Target, two K-Marts, and two Meijer's. Yet because of our [radio] promotions, we have seen a steady increase in both loyalty and sales. In fact, my toy sales are *up* over previous years!”

Since Toy House began their radio campaign in 2005 -- using ads like “The Men's Bathroom” (script below) -- they have seen a steady increase in both loyalty and sales (You can listen to all of their radio ads at www.toyhouseonline.com/radio.html). “In August 2008, we ran an ad on our local radio station that created a huge buzz that was talked about for a whole year,” said Wrzesinski. “We had the local DJ's wondering what was in the men's bathroom. We had droves of customers coming in to see what was in the men's bathroom. We even had other media outlets speculating on what was in the men's bathroom. My wife was approached on the street and asked about it, and our employees were hounded outside of work too.” And here's why:

(Men's Bathroom Radio Ad Script)

I couldn't believe it. They were taking customers into the men's bathroom. Yes, my staff was taking men and women, young and old into our men's bathroom. And the customers were coming out laughing and giggling, oh yeah; and buying, too. I guess when you find a product that cool, you just have to show it off however and wherever you can. (laugh) The men's bathroom, gotta love it. Toy House in downtown Jackson. We're here to make you smile.

The product in question is a night light in the shape of either a turtle or ladybug (called the Twilight Ladybug & Twilight Turtle, and designed by a company called Cloud B) that projects stars onto the ceiling and walls of a darkened room. While it was designed as a night light for infants and toddlers, Toy House sells just as many to kids of all ages -- and even adults.

However, the only way for employees to show it off was in the dark confines of the Toy House's men's bathroom.

What was especially impressive was that people were still talking about the ad – even months after it stopped running. “A customer came in six months after the ad stopped running, and asked what was in the men's bathroom. He explained that the whole conversation at the Christmas Dinner table centered on what was going on in our men's bathroom.”

Just recently, the DJ at the local radio station on which Toy House advertises came in and bought one of their night lights. He was complaining that his 3 and a half year old child would not go to or stay asleep at night. “This morning, he broke the secret of the men's bathroom wide open [by telling his audience about the product -- because his child slept through the entire night without incident!” said Wrzesinski.

According to Wrzesinski, an independent toy store that sells 24 of a particular item is called a good seller, while selling 72 or more makes it a “hot item.” “We have now sold over 1,200 Twilight Ladybugs and Turtles thanks to this promotion,” says Wrzesinski.

What Are You Selling That You Could Promote in a Unique Way?

Offer Something That No One Else Will

James Dillard -- owner of Dillard's Septic Service in Annapolis, Maryland -- runs a business that most others might consider “beneath” them. Yet Dillard earns a six-figure income - - doing what some would call mundane, boring, or downright disgusting. An October 10, 2007 article in *USA Today* by Del Jones entitled, “A Dirty Job, But Someone has to Get Rich Doing It,” featured Dillard and other business owners who have entered into careers that many others simply would not. And it is a potential avenue for business owners who are looking for a way to generate more income.

Dillard works in a very smelly business, but told *USA Today* that he goes most days without getting a splash on his clothes. "The only odor you catch is when you take off the cap and agitate the solids," he says.

Really!

