

At the Competitive Edge

By Andrew Redpath

Competition is a huge subject, but the action takes place at the edge. Of the recipes for winning a lead over rivals the first and last rule is "think customer." No amount of internal process can justify losing sight of what drives the customer and how their life can be changed for the better. This is all about behavior that permeates the whole business, reaching every employee and attending to every detail -- indeed it has to become an internal culture of continuously analyzing and consistently delivering on the customer's needs, expectations and aspirations.

This culture, this obsession, is the sure route to build external reputation. And consciously managing that reputation at every level of the organization is an indispensable competitive tool -- a reputation not just for delivering the goods, but extending to honesty in this age of greater transparency, as well as environmental and social responsibility. And finally a competitive edge demands an effectively conceived and shared vision, which provides the company with sustaining energy, cohesiveness and confidence; and marks the goats from the sheep.

But how to hold on to that lead? First, it is important to understand thoroughly what got you there, where you sit in the marketplace and to hold on tight to what is special about yourself. Deepen your offering sooner than broaden it. Success itself can dull a competitive edge, as factoring in loyalty for example can encourage complacency. Researching how the customer perceives your offerings in a marketplace, which is changing more often and more quickly than ever must be a ceaseless process.

Flaky data and shaky assumptions are too easy to slip into as a company gets operationally stronger. It is important always to make room for the necessary disciplines -- thought and analysis and an orderly approach.

Thirdly, it is vital to keep innovating to keep ahead. Research is a key tool, but only so far as it generates benefit by meeting or

anticipating customer expectation. The imperative of innovating to keep ahead requires a culture of creativity in product and in process, in communication and logistics, in every function. And innovation is the life-blood of successful branding.

So where is branding at the competitive edge? The question isn't whether branding is part of the competitive edge, but how it can be made to work best at it. A brand is about reputation, and people's perception of your brand lives in their minds, not in your office. In other words you build and nourish the brand, but ultimately the consumer has the power over it. Staff must actually live the brand values, and line up internal behavior with external values. This is a matter of credibility.

For a brand to give a company a competitive edge, it has to have energy, so it motivates customer and staff. Branding also serves to harmonize the company inside; it provides a focus, which drives the company in the right direction. But by the same token, the brand will be compromised if departments function in isolation and lose collective sight of the customer, or if no one is clear where core responsibility for the brand lies within the company. There is a paradox here: all departments should live the brand, but it must also be visibly championed, and the higher up the better. Branding itself may be a differentiator, although ironically the more generic the product, the more important the branding. True to a point -- but the converse (the more proprietary, the less important) certainly is not!

Is technology friend or foe? Harnessing IT to protect a competitive edge, in a mature market, is about improving efficiency. But there are big opportunities for innovation here. Customer profiling software may soon come to serve the customer better than the marketer! Viral marketing, aimed at virtually compelling email recipients to infect their peer groups is already here. The website can be a fantastic tool, as long as its purpose is to speak to the company's customers in the company's own distinctive voice, not just to upload existing print materials. But the customer owes you no patience and is easily frustrated, and your rivals are just a click away.

But even in an IT world your people must still stand close behind that competitive edge. The customer is still human, so the need for human interface will not go away and, more specifically, human contact needs to be used strategically to achieve selective ends. There must be a culture of automatically thinking: "How can I help?" If the company is not to be at the mercy of the individual's attitude in dealing with the customer, it must take time to track what motivates them. It needs leadership, but the upside is huge: the energy of engaged employees acting as brand ambassadors, as enthusiasts for the technology, and as people living a vision at the front-line.

To be fighting at the edge without knowing the key rules of engagement would be courting disaster, and no dialogue on the competitive edge can ignore the lines drawn in the sand by national and EU competition rules. Competition can and should be free and vigorous, so agreements or even parallel conduct, which are anti-competitive can and should be illegal. The same goes for certain types of behavior by competitors who are deemed dominant in their particular market.

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