

Why is it so difficult to stand out?

Michael Porter wrote, “Competitive convergence is (more) subtle and insidious. The more benchmarking companies do, the more they start to look alike. As rivals imitate another’s improvements in quality and cycle times, strategies converge and competition becomes a series of races down identical paths which no one can win.”

Companies benchmark to measure themselves against the competition. This obsession with competitive advantage overshadows something more important—curiosity about one’s potential. Those who take their competitive lead from outside their own walls are more focused on beating the competition than pursuing their potential. The result is competitive convergence. Competitors begin to resemble each other, making it difficult for customers to discern the differences. This, invariably, leads to price resistance.

This collage of competitive faces results from a lack of differentiation, innovation, and imagination. These competitors fail to adapt, evolve, and reinvent themselves to relevance. When companies and their management are so obsessed with the competition and subsequent market share, they fail to practice the simplicity of market leadership: Dominate your market by improving your value.

There is a difference between strategic price resistance and tactical price objections. Strategic price resistance is the natural outcome of an organization’s failure to differentiate. Of course customers will push back when you have not created a stand-out value proposition. This is a failure of management and marketing.

Tactical price objections result from ineffective selling technique. This one is on the sales force. This may come from not understanding fully the customer’s needs, failing to present a compelling argument for your solution, or chasing the wrong business. It could result from the salesperson’s lack of preparation for the price negotiation.

Your company has a choice for how it wants to stand out. You can stand because of the differences in your value proposition or the difference in your price. If the only thing that makes you stand out in the market is your price, you have a bigger problem than price resistance.

Author byline: Tom Reilly is a professional speaker and author of twelve books. Tom is literally the guy who wrote the book on *Value-Added Selling* (McGraw-Hill, 2010), the book that started the value selling revolution. For more information on Tom's presentations, training, and products, visit his website www.TomReillyTraining.com or call his office, 636-537-3360.

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