

# Determining your competitive advantage

ALICE O. BERKOWITZ, PHD, MBA

**M**ost hearing instrument specialists, when asked how their services and products compare with the competition, have difficulty defining their differences. However, in order to market your services and achieve the perception of "uniqueness," it is necessary to analyze what is special about your office and then use this as an advantageous means to position yourself relative to your competition.

The competition is anyone, who in the eyes of the consumer, your client, is a substitute for you. Therefore, to evaluate how to motivate people to come to you, you must also analyze who your competition is and who your customers are. Why have they chosen your services relative to the other programs that are available?

A starting point for listing all your competitors is to look in the Yellow Pages. Choose the directories for the areas that 80% of your customers come from. This generally encompasses a radius of five to seven miles from your office. In more densely populated areas, it may be a number of blocks. In more rural areas, the geographic area may be significantly larger. It is important to be realistic. You may have customers from all over the city, or even an international clientele, but the majority come from a fairly well-defined area. In the Yellow Pages, look under hearing aids, audiologists, speech and hearing centers, hospitals, etc., for all of YOUR competitors. Remember you are viewing this from the perspective of your clients.

Some of the criteria you are going to use to evaluate the strengths and weaknesses of your business and competition are: location, service, price, product, equipment, qualifications, number of years in business, promotions, population served, resourcefulness, percentage of market share and general reputation. Include any designations that are pertinent to your territory.

*Alice O. Berkowitz, PhD, MBA, is president of Practice Management Consultant Co., 30 Central Park S., New York, NY 10019, a marketing and technical consulting firm specializing in health care.*

To assess location, consider the proximity to public transportation, highway exits and entrances, parking, accessibility, such as street level entrances, stairs, elevators, professional building, mall, storefront, home, physician's office, hospital or free-standing clinic. What message does your office location present to your potential customer and how does it contrast with your competitors? Are you using this to your benefit? Do you make it easy for people to find you, by giving directions on your business card, indicating cross streets, landmarks and the like? If you are located in a mall, the benefits may be higher visibility, greater walk-in traffic; the disadvantages may be higher rent, which in turn is passed on to your customers as higher prices, as well as a more retail atmosphere. However, the opportunities include the mall advertising promotions for marketing your services, such as special sale days offering screening services, battery promotions and senior citizen discounts.

How would you determine the quality of service you offer? You can view this on a scale of 1 to 10 and compare what you service. Is this providing the volume necessary to maintain profitability? Are you satisfying your clients' needs with this strategy? What would happen to your profit margin if you increased the time allotted for service and the services provided or just increased your prices? Is your population capable of paying higher prices or will they shop elsewhere? Are you fulfilling a marketing niche in a depressed market area where there is high unemployment and senior citizens are using their fixed income to assist their children and grandchildren? A tactic may be to use your low prices to demonstrate your awareness and concerns regarding the dilemma they face in prioritizing their budget expenditures. Then, you can demonstrate the social benefits of amplification and make hearing instrument use a realistic option to this population. However, if your competition is "low-balling," then switch strategies, rather than getting into a price competition.

Alternatively, you might opt to

stress quality of service and present a tiered pricing approach. Offer a "Chrysler-Iacocca" type program—include all services, batteries, repairs and hearing tests for a one- to two-year period. However, mandate that participation in this preventive care program requires the hearing instrument wearer's agreement to come in for six-month maintenance check-ups; if they fail to do this, the "care" program is terminated.

Do your consumers view hearing instruments as a commodity? Would product differentiation or name brand association appeal to them? Is your competition already marketing programmable hearing instruments or noise reduction circuits? Are the benefits or the technology being stressed? Can you get exclusivity in one product line? Would this be meaningful for your prospective clients? In this era of brand identification, consumers have a comfort level with familiarity which may carry over to brand name hearing instruments.

Building confidence with the geriatric population is a valuable technique for achieving trust. Credentials and years of experience can be used to achieve this goal. Educational degrees, licensing certification, years in business or years the business has been in existence all build confidence. If your competition is a dispensing audiologist, with a high-tech office and graduate degrees, you might be advised to focus on your years of experience, community service and work your user base for potential referral sources by offering incentives for each referral they send you. If, however, you are the dispensing audiologist, stress the benefits your educational training and perhaps more sophisticated equipment can provide. In either case, the consumer is being offered alternatives which will elicit different types of actions and appeal to different groups.

The primary goal of these analyses is to capitalize on what you have working for you and fully explore your competitive advantage. Next month's column will use real life case studies to demonstrate how to differentiate your service in your designated market area. ▢