

Technology as a Competitive Advantage

Has it ever happened to you that you received a wonderful gift from the least likely of sources? As we become sidetracked by life and the day to day tasks of running a store, it may take a threat to our livelihood to bring the focus back to what we enjoy most about being in business.

For example, the threat from a competitor moving into the neighborhood that makes aggressive attempts to grab market share. Is your market large enough to support both of you? Maybe. Is this competitor capable of hurting your business? Absolutely. Some stores react to these conditions without a deliberate sense of how to compete. Building a strong strategy around your competitive advantages will keep the wolf from your door and could lift your performance to new levels.

Last year the Boston Consulting Group published a study on corporate value creation, which looked for the underlying factors that helped 5000 of the world's top businesses achieve superior financial performance. More than any other performance measurement the long-term success of these companies was driven by competitive advantage and the ability to sustain it.

What are the competitive advantages that set your business apart? Do you have cost advantages from your size or your ability to source product? Do you fill a specialized niche that makes it hard for competitors to meet your customers' needs? Or, does your reputation for service mean customers will pay more for the experience of shopping in your store?

Your competitive advantages are derived from the resources you possess that are superior to your competitors, and your ability to utilize them more effectively than your competitors. Consider this:

- Technology is a powerful tool that you can use to leverage your resources and it can provide a competitive advantage in its own right.
- Take the guesswork out of reordering products by using software that integrates your POS system with wholesaler pricing to help achieve the best rate of return.
- Sell items you don't own, but that are available in your market, by listing wholesaler products on a website that is updated with wholesaler availability, and that shares quantity discounts with your customers.
- "Touch" your core customer base more frequently with technology that puts your messages on their cell phones, PDA, Inbox and wherever they may search for product information.
- Extend the reach of your brand online with a website that reflects the competitive advantages of your store and gives you access to new markets.

Often the process of designing and building a website provides insights into your competitive advantages as you seek to differentiate yourself from other stores. You will clarify your brand as you bring together your logo, colors and any artwork to standardize your presentation. As you identify promotional categories for your website, this highlights the ways you add value for customers. Creating customized website features that extend your services online helps articulate the shopping experience that sets you apart.

Once you have figured this out for your website, you can apply these insights throughout your store in ways that help customers discover the value you add to their purchase. Implement your strategy well and you will be thanking your neighbor for spurring such productive activity.

To learn more about how the Beverage Media Group can support your competitive advantages with technical tools contact Ian Griffith at ian@bevmedia.com or call (212) 571-3232, or visit www.bevnetwork.com/retailweb.