**Jump Start Micro-Enterprise Credential: Differentiation Student Exercise Teacher Guide**

(Updated: July 2016)

**The Match Game**

|  |  |  |  |
| --- | --- | --- | --- |
| ***Match the differentiating claim on the left with the statement on the right that best describes that claim.*** | | | |
| **1B** | *“The lowest price, always the lowest price.”* | **A** | A highly defensible differentiation, based on a unique benefit loyal customers will likely find valuable (even at a higher price) |
| **2D** | *“We’ll never leave you alone.”* | **B** | An easy promise to make, but one that is probably expensive and a differentiation that competitors can easily copy. |
| **3A** | *“The only company offering the non-breakable submersible cellphone.”* | **C** | An attempt to create a defensible emotional bond with customers, but effective only if the company has a distinctive, appealing style. |
| **4E** | *“We guarantee full satisfaction – if anything is wrong we’ll make it right.”* | **D** | Sort of creepy, and not a differentiating promise likely to appeal to customers. |
| **5C** | *“Our customers are our family. Live our style, love our community.”* | **E** | A strong promise, but one that competitors can try to match if they have the same dedication and are willing to invest in great service. |

**Ranking Effective Differentiation: Case One**

|  |  |  |  |
| --- | --- | --- | --- |
| ***You’ve opened a unisex salon that focuses on offering the latest styles.***  ***Rank the differentiating factors you intend to offer to your target market customers.*** | | | |
| Differentiating Factor | Highly Effective | Effective  The rent may be expensive, but no competitor will be able to duplicate this advantageous location | Not Effective |
| 1) Your salon is located in a popular strip mall with lots of convenient parking | ✔ **1** | Great concept, but an event that competitors might be able to copy. |  |
| 2) Your salon hosts fashion shows once a month featuring local celebrities who are also your customers / mentors |  | ✔**2** |  |
| 3) Your salon promises to be the lowest cost salon anywhere in the city  Valuable to customers but can be copied by competitors and doesn’t reflect a high-quality approach |  |  | ✔**3** |
| 4) Your salon offers free salad dressing after the first three appointments  Completely disconnected from your basic purpose and not likely to be a compelling offer |  |  | ✔**4** |

**Ranking Effective Differentiation: Case Two**

|  |  |  |  |
| --- | --- | --- | --- |
| ***You’ve opened an auto parts store that focuses on pick-up trucks.***  ***Rank the differentiating factors you intend to offer to your target market customers.*** | | | |
| Differentiating Factor | Highly Effective | Effective | Not Effective |
| 1) Weekly “best truck” competitions with prizes in your parking lot | ✔ **1 or 2**  Great for maximizing customer loyalty |  |  |
| 2) $25 gift card when you refer 5 new customers from a local plant | ✔ **1 or 2**  Great for maximizing new revenue |  |  |
| 3) Your store is painted bright blue  Completely disconnected from your basic purpose and not a compelling offer |  |  | ✔**4** |
| 4) Your store lets customers order online with store pick-up  Effective in maximizing customer convenience, but not unique |  | ✔ **3** |  |