Groupon’ has entered the South African market. For those not familiar with the US-based business, its novel business model offers deeply discounted ‘daily deals’. The wrinkle is that a minimum number of consumers need to sign up for a deal before it locks in. (Hence the name - a combination of ‘group’ and ‘coupon’.) It is one of a raft of apparently unique e-businesses taking the world by storm, and it has a claimed business valuation in excess of 25 billion dollars.

Must be a unique proposition, right? Especially given the generous business valuation. But type ‘daily deal’ into Google, and you will find a raft of South African competitors, including the remarkably similarly named ‘Zappon’ (yes a combination of ‘ZA’ and ‘coupon’). Further down the listings you find a plethora of lookalike sites with identical value propositions. Look further and you will find www.groupbuyingsite.com. For as little as one hundred and ninety-nine dollars you can buy all you need to set up an identical business. With few exceptions (Google’s search business being one, due to the ubiquity it has developed) most ‘unique’ selling propositions or ‘unique’ value propositions aren’t really really unique. In reality, most businesses are, in fact, in the ‘marketing-of-commodity’s business’.

In spite of the consistently growing bank of ideas protected by patent, in my mind almost all products are rapidly commoditising - primarily because of the growth of secondary-technology providers who supply a great deal of products’ upstream value. Think of car manufacturers. All car brands have access to the same component manufacturers, paint suppliers and technology and plant providers. Consequently there is very little of importance that is truly unique between car brands. "What about services?” do I hear you ask? Well, with few exceptions (ad agencies where the original founder is still in the corner office, comes to mind) all service companies have access to the same employee pool. This dulls any real differentiation propriety intellectual property might offer.

Given that it’s marketing 101 to emphasise our company or product’s unique value proposition, what is a marketer to do? First, we need to remain objective. If our product or brand really has a unique value proposition - well and good. But is it really a physical improvement or innovation which is impossible for competitors to copy or neutralise? Or, do we simply believe our own marketing? For the rest we are talking about differentiation by emphasising what I refer to as ‘unique marketing decisions’ or UMDs.

Be consistent. If we really do have a better mousetrap, we can afford to describe its uniqueness in a number of different ways. If we are differentiating through UMDs, best we keep those decisions consistent - which is easy, until a new marketing director arrives with an inclination for change.

Remember, that where differentiation is the result of marketing decisions, rather than any real product attribute, the differentiation only exists in the market’s mind. We need to respect the market and keep very close to their changing needs. We should remain paranoid about competitors, because our ‘unique’ positioning can quickly be usurped. Let’s not forget that Myspace was the world’s largest social networking site until April 2008 - at its peak valued at 12 billion dollars. It was sold in June 2011 for just $5 million dollars. We all know why – the market swiftly turned to Facebook. Myspace’s apparent differentiators (sufficient to give it a business valuation in the billions of dollars) had evaporated in just over three years.

Which brings us back to Groupon. Only history will tell whether the business is worth the crazy valuations mooted. What I can tell you is that the difference in valuation between Groupon and Howard’s-Daily-Deals.com comes down to the uniqueness of their marketing decisions, not the uniqueness of their business model / product. Remind your financial director of this during your next budget negotiation.

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