

# 3. Differentiation

## Competing in a Sea of Commodities



### BRAND STORY

#### Module 3: Differentiation — Competing in a Sea of Commodities

Learning Guide | with Bruce Miller

*This learning guide captures the full content of Module 3 of the Brand Story course for readers who prefer text over video. All key concepts, examples, and insights from the video are preserved below.*

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### Everything Is a Commodity — Until It Isn't

In business, there's nothing new under the sun. Whatever product or service you're dreaming up is, in essence, a commodity. Consider the landscape:

- Half a million law firms operate in the U.S. — law firms are commodities.
- Graphic designers, yoga instructors, business coaches, massage therapists — all commodities.
- Skin care, pet products, coffee, supplements — product categories so crowded that a truly unique idea is almost impossible.
- From breakfast cereals to landscapers, your offering is not unique.

But here's the liberating truth: you don't need a unique product. You need a unique brand. The process of creating that uniqueness is called Differentiation — and differentiation is your secret sauce.

**Key Insight:** *It's your brand that establishes the difference. Differentiation is your secret sauce.*

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## Case Study: Grey Poupon

Consider mustard — the ultimate boring commodity. Most of us don't even glance at the label; we just grab the yellow squeeze bottle and slather it on a hot dog. Mustard seemed like a product category with no room for storytelling. Then Grey Poupon came along.

Grey Poupon reinvented mustard as a premium brand through a series of legendary TV commercials featuring a fussy aristocrat requesting the mustard through a Rolls-Royce window. The product itself made the story believable: Grey Poupon removed the yellow dye, added a splash of white wine, and poured it into a distinctive squat glass jar. The result was a condiment that commanded twice the price of its competitors.

**The secret sauce for Grey Poupon:** the white wine and the iconic glass jar. Two small decisions that transformed a commodity into a brand.

**Key Insight:** *A few deliberate product choices — paired with a compelling story — can reposition any commodity at a premium price point.*

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## Case Study: Good Culture Cottage Cheese

Jesse Merrill and Anders Eisner were two marketers looking for an overlooked niche they could transform into a foodie brand. Their method was simple: walk the grocery aisles and look for a product category that the food industry had left behind.

They found it in cottage cheese.

Cottage cheese had been a grocery store staple for decades, but it had never evolved. No innovation, no brand story, no foodie credibility. It sat on the shelf as a pure commodity — the kind of product shoppers buy on autopilot. Merrill saw the data behind the opportunity:

*"Cottage cheese was actually bigger than yogurt in 1975 — and then completely fell off due to lack of innovation. So being a marketer, it was just such a ripe, juicy opportunity area. I couldn't wait to figure out how to sink my teeth into this space and make it more relevant to younger consumer segments."*

— Jesse Merrill, CEO and Co-Founder, Good Culture

But the brand opportunity wasn't just about nostalgia and neglect. As Merrill dug deeper into the product, he discovered a compelling nutritional story that no one was telling:

*"As I got closer and more intimate with the product, I also realized that cottage cheese was an overlooked superfood. Cottage cheese has more protein and less sugar than Greek yogurt. It's this super high-protein, super low-sugar, overlooked superfood that just isn't being presented in the right way."*

— Jesse Merrill

Merrill and Eisner launched Good Culture Organic Cottage Cheese in flavors that mirrored the playbook yogurt had used to become a mainstream food culture staple: pineapple, strawberry chia, blueberry acai, mango, and Kalamata olive. Just like yogurt — but positioned as something better.

That "better" positioning became their opening headline:

*"Our first headline was: 'Cottage cheese, but better.' It's cottage cheese, but there's something different. That invites curiosity — people want to understand why it's different. The messaging, the core creative idea — all of it needs to effectively capture that idea."*

— Jesse Merrill

**Key Insight:** *Find the category that innovation forgot. A commodity with a dormant but compelling story is a brand waiting to be built.*

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## Case Study: Schweppes and the Power of Positioning

Here's a classic positioning dilemma. Imagine you're launching Schweppes. You face a fundamental strategic choice: position it as a soft drink — with a potentially massive market — or position it as a mixer for cocktails, targeting a smaller but more defined audience.

Schweppes actually originated in 1783 as a soft drink — the original carbonated beverage. By the time David Ogilvy, the pioneer of modern brand positioning, was advising the brand, the soft drink market was dominated by Coke, Pepsi, Seven-Up, and a growing roster of competitors. Ogilvy understood the trap clearly: a soft drink positioning would leave Schweppes lost in a sea of soda pop, competing on price and shelf space with giants.

By repositioning Schweppes as a mixer, the brand could claim something far more valuable: category leadership. In the mixer category, Schweppes had no serious challenger. It became the top-of-mind brand for bartenders and consumers alike — a dominant position it has held for decades.

**Key Insight:** *A smaller market with no competition beats a larger market where you can't be heard. Positioning in the right category can be more powerful than the product itself.*

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## David Ogilvy: The Father of Modern Advertising

The strategic logic behind the Schweppes decision traces directly to David Ogilvy's landmark 1972 advertisement in the New York Times, titled "How to Create Advertising That Sells." In it, Ogilvy made a declaration that reframed how marketers think about their craft:

*"We have learned that the effect of your advertising on your sales depends more on this decision than on any other: How should you position your product?"*

— David Ogilvy, "How to Create Advertising That Sells," *New York Times*, 1972

For a commodity product or service, positioning is the single most powerful lever available. It determines which customers see themselves in your brand, how you're remembered, and whether you compete on price or on story.

In the chapters ahead, we'll explore the history of positioning in greater depth — and walk through the practical steps of how to position and promote your own start-up business.

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