5 Mental Models to Differentiate Your Business

Actionable ideas and frameworks for founders and executives

FRONTERABRANDS.COM

Hey there,

You'll find 5 useful mental models to differentiate your business in this guide.

This is meant to be concise — so I only added brief explanations.

But there is also article links if you'd like to know more about a specific idea.

It takes around 5 minutes to read.

I promise you'll get a good return on your 5-minute investment.

Let's start.

Ozan
Founder - Frontera



Website
Linkedin
Contact

1. The Peak-End Effect

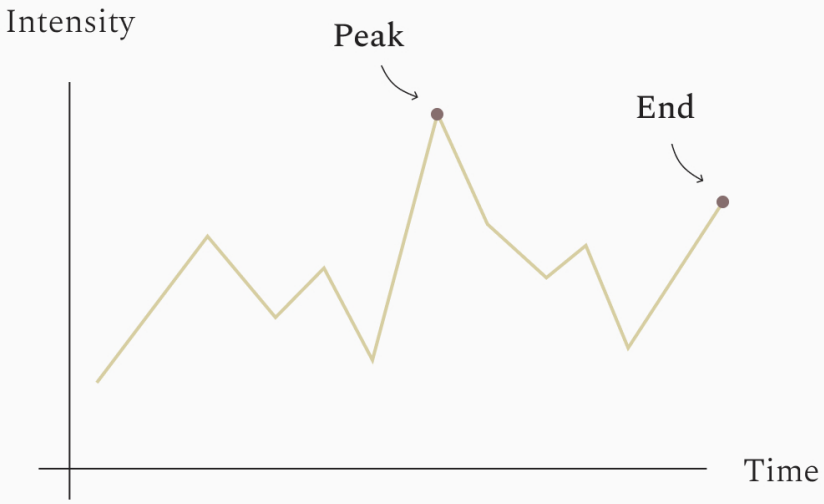
Imagine you go to Disneyland.

You wait in queues all day, get tired, and eat expensive food. But later, you only remember how amazing the roller coasters were (the peaks) and the fireworks show at night (the end).

This is the peak-end effect.

Our minds use the **peaks** and **ends** of experiences to build a memory.

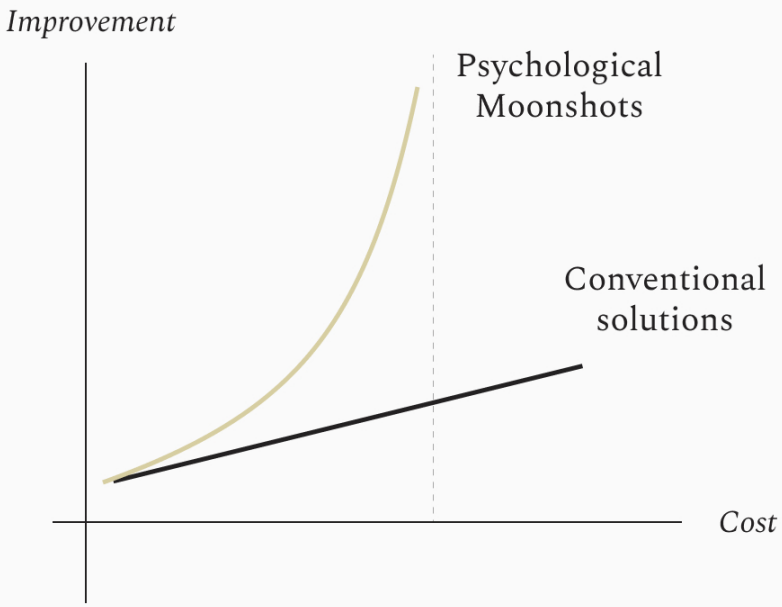
To use it in business, create positive peaks in your customers' experience and pay extra attention to the last touch point. DoubleTree Hotel surprises guests with a warm cookie. People forget all the average amenities in the hotel but remember that surprise.



2. Psychological Moonshots

"It's easier to make something 10x better than to make it 10% better."

A psychological moonshot is when you radically improve a product with little to no cost.



To find psychological moonshots, try reframing your business/marketing problems with these frames:

- **Friction/effort frame:** Netflix drastically increased watch time with auto-play (less friction). Luxury brands increase sales with waitlists and application forms (more friction)

- **Anxiety frame:** A construction company multiplied sales by giving storage and moving services (reducing moving anxiety)

- **Uncertainty/risk frame:** Uber map showed where your taxi is (reduced uncertainty) or 30-day refund guarantee in purchases (reduced risk)

- **Commitment frame:** “No credit card required” for trials (less commitment) to increase sales

- **Joy/excitement frame:** DoubleTree Hotels gives warm cookies to make the boring simple check-in process a memorable experience

- **Achievement frame:** Health organizations send text messages to blood donors when their blood is used by a patient. The donors become much more likely to donate blood again

- **Boredom frame:** Putting mirrors inside elevators to reduce people's complaints about slow elevators. Or Duolingo making language learning fun with gamification.

3. Blue Ocean Strategy

Many executives believe you have to go niche to beat the competition.

But Casella Wines entered the hyper-competitive US wine market in 2001.

And they dominated it with the Blue Ocean Strategy without going niche.

You know what they did differently?

Instead of focusing on *existing* wine drinkers, they focused on **non-customers**.

They believed most people avoided wine because it was too complex.

Varieties, vintages, different region names in French…

So they simplified it by **removing** the aging process and creating only two easy-to-drink wines with simple labels.

These decisions not only simplified wine for non-customers; but also lowered the costs for the company.

And Yellow Tail became the most popular imported wine in the US.

So Blue Ocean Strategy makes competition irrelevant by creating new markets.

Focus on how you can create value for **non-customers** to find a Blue Ocean.

And question what is unnecessary in the industry (like the complexity of wines). So you can increase value while reducing costs for business.

Red Oceans	Blue Oceans
Compete for existing demand	Create new demand
Try to beat the competition	Make the competition irrelevant
Work with existing assumptions	Challenge existing assumptions to innovate

4. The Halo Effect

The Halo Effect is when perception builds reality.

People do judge a book by its cover.

When you experience something positive at first, you intuitively have a better feeling about **all other aspects** of that brand.

It's one of Apple's marketing principles.

That's why they've been paying attention to all the details of the brand.

The packaging of iPhones, the design of the stores, and new product presentations...

Another example is **The Ritz-Carlton**.

Horst Schulze (its co-founder) paid extra attention to details.

He didn't want customers to wait for a solution while employees were asking for permission from their managers.

So he empowered all employees to solve any customer issue **without getting any approvals**.

And he authorized a $2,000 *per employee per guest* budget for this.

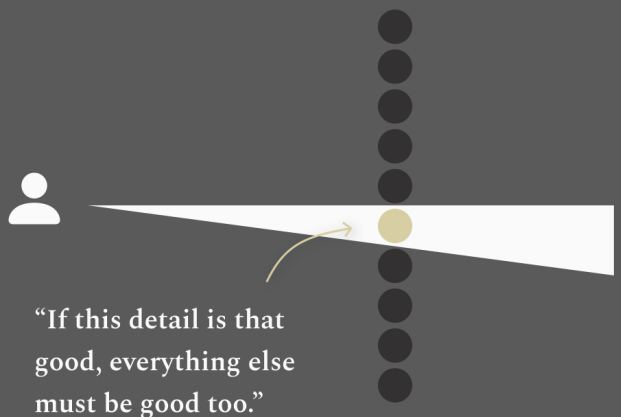
This rule created many legendary stories. Like when a Ritz-Carlton employee flew from Atlanta to Hawaii to return the computer a guest forgot before a big speech.

And it made The Ritz-Carlton synonymous with the word *luxury* in the hotel industry.

So details are not trivial.

Details are **the brand**.

And how you design details can be a great way to differentiate your business.



5. Blitzkrieg

German war tactic from the Second World War.

Most people relate it to speed, but it's only one aspect. The key is to concentrate all your forces on a **single weak point** of the enemy.

It's a useful business tactic to beat bigger competitors.

Startups manage to beat corporates with unlimited budgets by channeling all their strength on one point. A recent example is Figma vs Adobe.

Figma had limited resources. But they beat Adobe by focusing one point (UX design) and building a much better product than Adobe's alternative XD.

Extreme focus is a great way to differentiate.



Conventional

Widespread

Slow

Blitzkrieg

Concentrated

Fast

Now What?

As the former CEO of Coca-Cola Robert Goizueta said:

"*In real estate, it is location, location, location. In business, it's differentiate, differentiate, differentiate.*"

I hope you've taken away useful ideas from this guide as I promised you at the beginning.

And I hope they'll help you to differentiate your business. I'll be sending you more ideas to help you build a winning brand.

But before you go, here are two more ways that I can help you:

- **Check our services:** If you'd like your business to stand out and have clarity on *how* you'll win in the market, work with us. We help B2B brands with lean marketing teams nail down their messaging and marketing strategy.
- **Get the free Brand Power Assessment:** Discover if your brand is helping (or hindering) your business results. And get personalized tips to improve based on your answers. It's free, get it here.