

What's a USP?

By Scott Gears

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Got one? Two? Three?

If you have competitors, then you should have at least one Unique Selling Proposition (USP). The more REAL ones you have, the better - for your Branding, your business recognition, and your sales!

We all have competitors, and the more you have, the more important it is that you have a Unique Selling Proposition (at least one).

Allow me to explain. Let's use a recent example of a company that sells laser toner cartridges... Do you think they have competition online? You bet they do, another category that is swamped with resellers. Sound like yours?

The task of coming up with a USP can sometimes be tough. But every company needs this, it sets you apart from your competitors. Let me stress this again, it is one or more reasons why prospects should work with you, or buy from you, or do business with you, instead of your competitors, period.

Let me narrow this a little further, it used to be if you had the best price, - you got the business. Although still a minor USP, price alone should not be the only consideration, it's not really that unique... Yes, you still need to be competitive, but I don't want to be the cheapest guy... we're in this to make a profit, right? So don't make price your 'only' USP. Combine it with more value, something your competition doesn't do, or doesn't offer.

O.K., back to our example. This company needed more than price, their product pricing is right inline with everyone else, so now what?

First of all, you need to know what your competitors do offer. This is not a new concept. You can't compete if you don't know what you're up against. So take a little time and check out what they have. Do some research, you'd be surprised what you might find - or not. Special offers, free shipping, a contest, great customer support?

Take a step back, imagine you are the customer and you do buy toner from someone a few times a year. If they do not get great service or it's just average, then chances are you can sway them your way. This references "customer loyalty" another chapter, but it follows first getting the customer. So, let's get the prospect as a customer first.

Now, what do we do to sway these prospects? We offer them what the competition doesn't. This can be discovered with your competitive research. Oh, and if you still haven't found a USP or a few - then Hyperformance Media can help you with this as well.

Write down every idea that you and your team come up with. Please don't worry about how silly they might seem (at the time), just brainstorm with the data you have gained. The reason I say to include the silly ones, and others is because sometimes those little ideas that you laughed at can actually be morphed to create your USP. No idea is too far fetched at this point, and usually the ideas you laughed at are, in fact, some things your competitors don't offer. That's where we go next.

On the toner company we came up with all kinds, some were already offered by competitors, some were not. The idea is to initially come up with as many as possible. Here are some of what we narrowed the field to (we started with about two dozen);

- Price (of course)
- Free Shipping (varied by quantity/price)
- Great Customer Service (so everyone says)
- A Contest / Promotion (a what?)
- Free Gifts (vary)
- Referral Savings (with parameters)
- Reminders? (to buy)

The next step is again to nail down our list, get creative, really think here. This alone still makes us more competitive (once implemented), even if others use the same approach. Why? Because before we did this, there was a ton of competition, and as we add these USP's we now narrow the list of our 'real' competitors. We are now more competitive within our industry, because we now offer things that (most) of our competitors do not! We are getting more competitive immediately by implementing some simple offerings.

Let's take each one in this example and see how we can use it or discard it to our advantage.

Price - Still very important in any market, but very tied to customer value (or perceived value). If your product or service is not competing here - it does not necessarily rule you out, more on this later. However, this is usually where a shopper starts (because it's easy), and you want to be considered with this group. In this example, we agreed that (based on our research) we were in the market on price. So our price is competitive and that's great, but not unique enough to get the business.

Free Shipping - In our research, we found that most of the company's who were offering this service were just a couple dollars higher in price (covering their "free" offer). So while it may have some perceived value, it was not enough for this company to offer that, so we discarded this one. If however, your costs are such that you can ship for free and still be competitive and profitable, this is a worthwhile USP.

Great Customer Service - This is stated everywhere, making it tough for the consumer to know what is reality. It is hard to judge until you are a customer. It would be more valuable to offer testimonials of Great Customer Satisfaction. Not Customer Service, but Customer Satisfaction. There is a big difference here. So we DO want to take some of our really satisfied customers and put together, or request their testimonials. This is much more powerful than the words or promise of "Great Customer Service". So we will use this, but focusing on satisfaction with testimonials in our advertising pieces and website, etc.

A Contest/Promotion - This covers a broad area, but can be extremely successful when

implemented and marketed properly, so be creative and if possible, develop one for your business, product or service. After our discussions, and research, we have begun developing this idea. Example: Every time you buy from us, you get another chance at winning "Free Toner for a Year". I know you're saying... free toner for a year - what are you crazy? Bear with me on this... first of all, most of their customers use 4 to 6 toners in normal use in one year (In our contest, we can actually cap that in our rules, i.e., "Not to exceed 6 cartridges". So we associate our costs to that, which does not make this a cost prohibitive program at all, depending upon the program success. Again, the mileage and customers we gain from our contest is potentially huge, and if it works well, we continue it... at a maximum cost of 6 toners per year for a Grand Prize.

Free Gifts - Don't discount this one, many people grab hold of these 'offers' to feel like they are making out. All else being the same, the customer does get something for nothing. Now, if the item truly has no value, then the customer has little to no interest. And, it actually 'cheapens' the image of your firm (be careful). We decided with our products and business customer profile, this would not work for this business. But it could work for you or your products.

Referral Programs - Another potential attraction (savings) for your customer. I say potential because this type of referral program, like price, should not be the only USP. When used in conjunction with others, this can steadily grow your business (sales) as well. You need to develop a program that somehow rewards referrals. For example, it can be something simple like "Refer a customer to our business and when we ship their order you will receive or accrue credits, dollars, points, or 5% off your next order". Get the idea? The key is to make it of value, and still keep it cost effective.

Reminders - This was it! The big one, it was unique, it has value to the customer, and it reinforces our Customer Satisfaction! This was also laughed at when first mentioned.

So? What was the plan? We acquire a software program (our recommendation Mailloop™ Software) that can be set to automatically e-mail each customer based on their own usage when their toner and supplies were potentially running low (i.e., 30 or 90 days or any date we choose. Once set-up it is all automated (cost effective)! It also gave us their e-mail address (important anytime) and with our reminders we could include any special or seasonal offers that might further attract more sales.

So, what did this company find? In a nutshell - Their products are priced well to compete. In this case, we discarded free shipping as not really cost effective. We stressed Satisfied Customers in all of our marketing materials with testimonials and real-life examples. We are also developing a contest to further set us apart from our competitors. We could not find a free gift we thought would add any value to the customer (but continue to look). They are considering a Referral Program as well.

The real USP in combination with the others was our unique E-mail Reminder System. At that time, no other competitor was offering anything like this! This IS a Unique Selling Proposition and was perfect for our example. Put all these together, and this company has numerous 'edges' on their competition. Once customers are aware of these differences that set you apart from all the rest - growth is almost certain! That company is in a much better position to 'own' their market online, or at a minimum increase their market share. The more you get the word out, the more you're sure to benefit from these type ideas.

I understand this was a pretty broad example but you should get the idea. You won't always come up with an idea that no competitor has or offers, but if only 3-6 competitors offer that same USP, you are still in the top tier of your competition instead of lost somewhere un-noticed while buyers continue to purchase through your competition. You decide.

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