

Stand Out

Unique Selling Proposition

Objectives

- A** Describe unique selling proposition.
- B** Identify company's unique selling proposition.



1375 King Avenue, P.O. Box 12279, Columbus, Ohio 43212-0279

Ph: (614) 486-6708 Fax: (614) 486-1819

 **CopyIT!**® Details: www.MBAResearch.org Copyright ©2019
by MBA Research and Curriculum Center®

Table of Contents

A	A USP Is A-OK	2
B	Get Unique	6
	Why bother learning about unique selling proposition?	2
	What would you do?	5



You have a package that must be delivered by tomorrow. Who will you call? You're hungry for a yummy snack after working a late shift at the movie theater. Where can you find something to eat? You want an insurance agent you can really rely on, even if it costs a little more. Which one will you choose? Successful companies make an impression on customers by separating themselves from the competition in a unique way. They want customers to think of them—automatically—when certain needs or wants arise. FedEx has built a reputation for being the reliable business for overnight shipping. Taco Bell is open late for your fast-food cravings. And, of course you know that, like a good neighbor, State Farm is there. These are all examples of USPs—unique selling propositions. Find out more about what they are, why they're important, and how you can build an excellent USP for your business!



A USP Is A-OK

USP defined

USP, or **unique selling proposition**, is an attribute of your product or brand that separates your business from competitors. USPs can take many shapes and forms. They can be characteristics of the product, the offer, the guarantee, the price, the placement, or any combination of these elements, but they all have one thing in common—they provide a meaningful, one-of-a-kind benefit for the customer. This benefit is specific and exclusive to your company, something that can't be found anywhere else, and the USP is your way of communicating it to your target market. A USP answers this question for the customer: "Why should I buy from you instead of from someone else?" It presents a distinct, appealing idea that shows your company's special **niche** in the marketplace.

You've probably heard the expression "a diamond is forever!" And, you probably associate it with engagement rings. But do you know why? The De Beers company created this USP to encourage engaged couples to purchase diamond engagement rings. As you can see, the De Beers' USP—"A diamond is forever"—effectively communicates that this beautiful, practically unbreakable stone is the perfect way to express your eternal love. This USP, like many others, is geared toward emotions and intangible benefits rather than tangible product features. To view one of De Beers' famous advertisements using this USP, visit <http://www.youtube.com/watch?v=8pU6WQXkiOU>.

The term "unique selling proposition" was invented by Rosser Reeves, an advertising executive who worked for the famous New York agency Ted Bates & Company. The USP theory is based on extensive research the agency conducted in the early 1940s on successful advertising campaigns. In 1961, Reeves published many of his thoughts and ideas in his book *Reality in Advertising*.

What a USP can do for you

The marketplace is crowded. How can you make your company more visible to the customers you are trying to reach? How can you make your message cut through the clutter so they will really hear it? The most powerful way to do this is to create a USP. Not only will a good USP allow your company to stand out in the marketplace now, it can also lay a firm foundation for a lasting reputation that carries your company years into the future. Consider how Walmart has built a strong USP that lets customers know they can enjoy low prices and save money. This USP helped Walmart become one of the most successful businesses of all time. To learn more, read "How Walmart Model Wins With 'Everyday Low Prices'" by Rachael Hyde. You can find the article at <https://www.investopedia.com/articles/personal-finance/011815/how-walmart-model-wins-everyday-low-prices.asp>.

WAL★MART®
Save money. Live better.™

Credit: Walmart.com

If you want your business to be successful, it's important to identify and build a workable USP. You may have a unique product, but if you are not communicating its benefits to your target market, you are likely to lose business. Or, let's say your product is now mature and no longer unique in the marketplace. You can still effectively stand out above the competition, but you will need to choose a certain attribute upon which to build a knockout USP. For example, the first smartphone on the market had a ready-made USP—have the Internet in the palm of your hand! Now that smartphones have been around for several years, providers need fresh USPs—the best platform for apps, cameras, wireless charging, etc.

Apple's marketers want you to know that the iPhone X's Face ID feature gives you security and peace of mind. Check out one of their advertisements here: <https://www.youtube.com/watch?v=vcsGu9ug9J4>. Do you think this ad does a good job of communicating a USP?



Credit: Apple.com

▲ *Phone makers continuously strive to make their products stand out in the marketplace.*

Your USP can also greatly improve the performance of your work team. Once you have determined the unique benefit you will deliver to your customers, you provide a clear, driving focus for every employee in your company. Though each team member will have different responsibilities, the ultimate goal will be common for everyone—delivering on the promise you have made in your USP. The teamwork and commitment needed to fulfill *The New York Times'* USP—to investigate and report on difficult topics—is highlighted in this video: <https://www.ispot.tv/ad/IY9M/the-new-york-times-the-truth-is-worth-it-resolve>.

USP and marketing

Although your USP will affect every area of your business, it's particularly important in the marketing function. It is, after all, the message you are trying to communicate to your customers about your company. Marketers use USPs as part of their overall **positioning** and **product differentiation** strategies. Amazon's two-day shipping promise has set it apart from other e-commerce sites and has made it one of the most successful companies in the world.

As you've seen in the examples from this LAP, USPs often form the basis for a company's advertising and promotional campaigns. Because of this, marketers often attempt to capture the essence of the USP in a short phrase or slogan to be repeated throughout the campaign. This helps cement the idea in customers' minds, since they tend to remember just one thing from any particular ad or promotional campaign. You can probably think of dozens of USP slogans just off the top of your head. Here are a few examples:



- "Just Do It"—Nike: <https://www.youtube.com/watch?v=5evnzAzg-9M>
- "The Quicker Picker Upper"—Bounty: <https://www.ispot.tv/ad/wFza/bounty-the-quicker-downhiller-featuring-lindsey-vonn>
- "We know a thing or two"—Farmer's Insurance: <https://www.ispot.tv/ad/duGy/farmers-insurance-hall-of-claims-a-huge-drag>
- "Taste the Rainbow"—Skittles: <https://www.youtube.com/watch?v=NuwXsRHB9f0>
- "The nighttime, coughing, achy, sniffing, stuffy head, fever, so you can rest medicine"—Nyquil's classic advertisement from over 20 years ago: <http://www.youtube.com/watch?v=UNeIoyZ4II8>

Flashy, creative promotion can be fun. But smart marketers know that there has to be a real, substantial message behind the hype if the company wants to reach its target market and build a loyal customer base. Building your business's marketing efforts on the foundation of a strong USP ensures that your message won't be lost or forgotten. See how M&M's unique tradition of coating candy with a hard shell has stood the test of time in the "Sticky and Square" TV commercial: <https://www.ispot.tv/ad/w1hG/caramel-m-and-ms-sticky-and-square>.

Summary

A USP, or unique selling proposition, is an attribute of your product or brand that separates your business from competitors. It provides a meaningful, one-of-a-kind benefit for your customers and shows your company's special niche in the marketplace. A USP is important because it makes your business more visible in the crowd and helps you build a lasting reputation. It also provides a focus for your work team. Marketers rely on USPs as part of their positioning and product differentiation strategies.

TOTAL RECALL

1. What is a unique selling proposition?
2. What are the benefits of a USP?
3. How does a business's USP affect its marketing plans?

Unique selling propositions are designed to make a company's product stand out in the crowd. Let's say a certain company builds a USP for its over-the-counter allergy medicine as "the only solution for those pet allergies." Other medications may work just as well for pet allergies, but this company positions itself as the only medication for this problem. Is it unethical for a company to present itself this way? Or, is it just another way to advertise?

THE
GRAY ZONE

Get Unique

Generally speaking

Before you get started on your company's unique selling proposition, consider some general guidelines that all USPs should adhere to:

A USP must be easy to communicate. We live in an on-demand society, where customers want information now. If you cannot communicate your USP to your target market quickly and easily, it simply won't work. This doesn't necessarily mean that your USP itself must be short—but you must be able to condense the main message so that customers can hear and understand it within a matter

of seconds (in the case of an advertisement) or minutes (in the case of a sales presentation). In fact, many companies build advertising slogans based on their USPs. Learn more in "The Power of Advertising Slogans" by HubSpot: <https://www.youtube.com/watch?v=QTl6xUFxyOY>.

Consider a political campaign. It involves so many complicated issues, but candidates want voters to get a good idea of who they are and what they stand for—and they want to communicate that "USP" as quickly and simply as possible. That's why they choose catchy campaign slogans. Learn about more presidential campaign slogans here: <http://www.presidentsusa.net/campaignslogans.html>.



▲ *Successful USPs are short and easy to communicate.*

A USP must be meaningful to the customer. You can come up with a really clever USP, but if it's not meaningful or useful to your customers, it's worthless. Let's say your target market consists of wealthy customers who can afford to buy your expensive fashions. A USP based on bargain prices and "getting the most for your money" is not going to resonate with them, since price is not an object. You must make sure that the benefit you're offering is a benefit your customers truly desire. Volvo, for example, offers truck drivers the benefit of a smooth ride. Watch how the company dramatizes the message in its "Epic Split" commercial: <https://www.youtube.com/watch?v=M7FIVfx5J10>. Do you think it resonates with Volvo's target market?

A USP must be specific. Vague unique selling propositions cannot work. You can't say, "Playing mini golf here is inexpensive," or "This car's audio system sounds great." You must communicate the specific benefit customers will receive from giving you their business. For these examples, the benefits could be having a fun day out with the whole family for under \$40, or driving to work while enjoying your favorite music with crystal-clear quality. One example of a specific and successful USP is Domino's "Carryout Insurance." See how the advertisements illustrate the USP effectively: <https://www.dominos.com/en/pages/carryout-insurance/?lang=en>.

A USP must create desire and urgency. Like any element of an effective marketing strategy, a unique selling proposition should make customers want to take action as soon as possible. Think about products, such as gaming systems, that customers get up early and wait in line to purchase. They simply can't wait to get their hands on them. What USPs have contributed to this kind of desire and urgency?



Credit: CC Creative Commons/wikipedia.org https://en.m.wikipedia.org/wiki/File:Fedex-md11-N525FE-051109-21-16.jpg

A USP must be able to be fulfilled. There is no bigger mistake a company can make than making its customers promises it can't keep. It would be better to have no unique selling proposition at all than to have one you can't fulfill. Let's say you own the only tanning salon in town that offers airbrush tanning services. If you make that attribute your USP, customers can't show up to discover your airbrush machine broken or the tanning technician unavailable. You must do anything necessary to make sure they can count on your product. If they can't depend on that, you will lose credibility, and you will lose business. Starbucks' "Barista Promise: Love Your Beverage or Let Us Know" is a good example of a business committed to its USP of satisfying customers' requests.

A USP must last for the life of the product or brand.

Your unique selling proposition should be sustainable over a long period of time. The De Beers' diamond USP, for instance, has been around since the 1940s! Remember, your goal is to become an "automatic" in customers' minds when they encounter a specific need or want. The way to achieve this is by building an excellent USP and constantly repeating it to your target market. Customers will become confused if you switch USPs on them. The only good reason for changing your USP is if it isn't working. And, if you've followed the correct steps for building your USP to begin with, you shouldn't have a problem!



Credit: © Creative Commons / Starbucks. / Fora Dilma. / Elias Roviolo / Flickr

▲ Starbucks promises to satisfy its customers.

Time to get started

So, you're ready to identify and start building a great USP for your company. The following six steps will take you through the process, but first, stop and ask yourself if your business already has a unique selling proposition. It's possible that it does, and you just haven't realized it. Maybe you purchased your company from someone else and simply inherited the USP. Does the USP work? If so, there's no reason to change it; actually, changing it could confuse your customers and hurt your business. However, if the USP is not working, it's time to get started on a new one.



1

STEP

Start with a great product.

A unique selling proposition is worthless if it's not backing up an excellent good or service to begin with. Your product should fill an existing need for your customers. You cannot create a need where there is none. This is not to say that new products can't be successful, but they should correspond with new needs in the target market—usually caused by changes in society or technology. Take tablets, for example. A need for them didn't exist several years ago. However, changes in society and technology have now created a demand, and companies create their USPs from there—the most advanced operating system, the best display, etc. Both Microsoft's Surface Pro and Apple's iPad Pro offer many high performance features that computer users seek. See how Microsoft highlights the versatility of its operating system to accommodate creatives who develop new computer code in this advertisement: <https://www.youtube.com/watch?v=McQOXdjdVhU>.

**2**
STEP

Conduct reliable research on the needs, wants, and buying motivations of your target market.

It goes without saying that you should identify your target market before even thinking about building a unique selling proposition. No business can be all things to all people. If you try, you'll wind up disappointing everyone and pleasing no one. There are several ways to learn more about your target market's needs and wants, including:

- Hiring a professional market-research firm—You might not want to spend the money, but think of it as an investment, or spending money to make money. Making a profit depends on your ability to reach your customers with a message that makes them want to buy your product. A professional market-research firm will have more resources than you do to gain valuable information about your target market.
- Holding focus groups with customers and potential customers—If you cannot afford to hire a professional firm to do your research, holding focus groups with customers and potential customers can be a great alternative. This is a time when you can “pick their brains” about their needs, wants, and buying motivations. Be sure to offer them some sort of incentive for participating—coupons, free food, etc.
- Brainstorming with your staff—You may be a business owner or manager, but you're also a customer. What are your own needs, wants, and buying motivations? Put yourself in your customers' shoes to determine what they need you to offer them.

As the result of your research, identify the top 10 needs and wants of your target market.



3

STEP

Rank your company in relationship to your competitors.

Look at the top 10 needs and wants of your target market. They may include things such as value pricing, convenience, reliability, etc. Then, consider your own company as well as your competitors. Which business is succeeding the most at fulfilling which needs? It may be helpful to make a chart for this step.

Needs/Wants/ Buying Motivations	Us	Competitor #1	Competitor #2	Competitor #3	Competitor #4
Value pricing	2	3	5	1	4
Convenience	1	2	3	4	5
Reliability	5	4	1	2	3
Efficiency	3	1	5	4	2
Good customer service	2	1	4	3	5
Affordable delivery	4	5	3	1	2
Online shopping/ordering	1	5	4	2	3
Safety	4	3	2	5	1
Warranty	3	4	2	5	1
Fun/Pleasure	5	2	1	3	4

After completing the rankings, consider your company's position:

- What are your strengths and weaknesses?
- How are you particularly unique?
- What performance gap are you filling in your industry?
- Most importantly, how do you stand out? What is special about you that cannot be easily imitated or duplicated by others?

Answering these questions should lead you to your unique selling proposition. Remember, this is an exclusive, one-of-a-kind benefit that only your company can offer.

4
STEP**Articulate your unique selling proposition.**

Once you've determined what you can offer that your competitors can't, it's time to get your USP down on paper. Be creative. Remember, your USP can appear in many places, and in many combinations, including your:

- **Product.** Are you the only grocer in town who offers organic produce?
- **Offer.** Will your moisturizer create younger-looking skin in just one week?
- **Guarantee.** If your customers don't love their haircuts, do you promise full refunds?
- **Pricing strategy.** Do you offer the lowest prices on cable television, period?
- **Placement.** Are you the only company offering free Wi-Fi at local fast-food restaurants?



jacoblund/Stock/Getty Images Plus

▲ *Many cafés encourage business by offering free Wi-Fi to their customers.*

5

STEP

Integrate your unique selling proposition into all aspects of your business.

A USP doesn't do your company much good if you get it down on paper and then forget about it. You must integrate it into every aspect of your business. This includes, but is not limited to:

- Advertising
- Sales copy
- Business cards
- Brochures
- Flyers
- Signs
- Sales pitches and scripts
- Letterhead and letters
- Postcards
- Website
- Internet marketing



6

STEP

Put it on repeat.

To remember your USP and to automatically think of your business when certain needs or wants arise, your customers must hear your proposition over and over and over. Think of an advertising jingle that gets stuck in your head. It may be annoying, but it sure is effective, isn't it? And, if that company has done its job right, that jingle will contain its USP. (For a fun mash-up of popular commercial jingles, visit <http://www.youtube.com/watch?v=O6Ky6NXMUJo>. How many do you recognize? What USPs do they represent?)

Another reason to keep repeating your USP is to guard and defend it. As soon as they can, your competitors will attempt to neutralize your USP, either by minimizing it or copying it. The more you can take "ownership" of your USP, the better. Use your unique selling proposition in every situation you possibly can, as loud as you possibly can, as long as you possibly can!

Summary

USPs must be easy to communicate, be meaningful to the customer, be specific, create desire and urgency, be able to be fulfilled, and last for the life of the product or brand. To create a workable USP, start with a great product, identify the top needs and wants of your target market, rank your company in relationship to your competitors, articulate your idea, integrate it into all aspects of your business, and repeat it as much as possible.

TOTAL RECALL

1. List some general tips for creating a USP.
2. What are the six steps in the process of creating a USP?