**Performance Indicator:** Identify company’s unique selling proposition (PM:272)

**OBJECTIVES**

A – Describe unique selling proposition.

B – Identify company’s unique selling proposition.

**DISCUSSION GUIDE**

**OBJECTIVE A** (Slides 1–3)

(Slide 4)

• So What? (Why learn to identify a USP?)

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

**DISCUSSION #1:** Ask students to name some other companies that are “automatics” in their minds when certain needs or wants arise.

(Slide 5)

• USP, or unique selling proposition, is an attribute of your product or brand that separates your business from competitors.

1. USPs can take many shapes and forms.
	1. They can be characteristics of the product, the offer, the guarantee, the price, the placement, or any combination of these elements.
	2. But, they all have one thing in common—they provide a meaningful, one-of-a-kind
	benefit for the customer.

**DISCUSSION GUIDE** (Obj. A, cont’d)

1. The USP is based on a benefit that is specific and exclusive to your company, something
that can’t be found anywhere else.
2. The USP is your way of communicating the benefit to your target market.

(Slide 6)

1. A USP answers this question for the customer: “Why should I buy from you instead of
from someone else?”
2. It presents a distinct, appealing idea that shows your company’s special nichein the
marketplace.
3. You’ve probably heard the expression “a diamond is forever!”
	1. And you probably associate it with engagement rings.
	2. But do you know why?
	3. The De Beers company created this USP to encourage engaged couples to purchase
	diamond engagement rings.
	4. 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.
	5. This USP, like many others, is geared toward emotions and intangible benefits rather than tangible product features.

**ON THE WEB:** To view one of De Beers’ famous advertisements using this USP, visit <http://www.youtube.com/watch?v=8pU6WQXkiOU>.

**DISCUSSION #2:** Ask students to name some more well-known companies and their USPs.

 (Slide 7)

• Identifying your company’s USP has several advantages.

1. The marketplace is crowded.
	1. How can you make your company more visible to the customers you are trying to reach?
	2. How can you make your message cut through the clutter so they will really hear it?
	3. The most powerful way to do this is to create a USP.
	4. 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.

**DISCUSSION GUIDE** (Obj. A, cont’d)

* 1. Example—Walmart
		1. Consider how Walmart has built a strong USP that lets customers know they can
		enjoy low prices and save money.
		2. This USP helped Walmart become one of the most successful businesses of all time.

**ON THE WEB:** 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>.

1. If you want your business to be successful, it’s important to identify and build a workable USP.
	1. You may have a unique product, but if you are not communicating its benefits to your target market, you are likely to lose business.
	2. Or, let’s say your product is now mature and no longer unique in the marketplace.
	3. 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.
	4. Example:
		1. The first smartphone on the market had a ready-made USP—have the Internet in the palm of your hand!
		2. Now that smartphones have been around for several years, providers need fresh USPs—the best platform for apps, cameras, wireless charging, etc.

**ON THE WEB:** 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?

**DISCUSSION #3:** Ask students if they can think of any more examples of products that have become similar and, therefore, rely on fresh USPs to differentiate themselves.

**DISCUSSION GUIDE** (Obj. A, cont’d)

1. Your USP can also greatly improve the performance of your work team.
	1. 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.
	2. 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.

**ON THE WEB:** 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>.

(Slides 8–9)

• Although your USP will affect every area of your business, it’s particularly important in the marketing function.

1. It is, after all, the message you are trying to communicate to your customers about your company.
2. Marketers use USPs as part of their overall positioningand product differentiationstrategies.
3. 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.
4. As you’ve seen in the examples from this LAP, USPs often form the basis for a company’s advertising and promotional campaigns.
5. 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.
	1. This helps to cement the idea in customers’ minds, since they tend to remember
	just one thing from any particular ad or promotional campaign.
	2. You can probably think of dozens of USP slogans just off the top of your head.
	3. Here are a few examples:
		1. “Just Do It”—Nike: <https://www.youtube.com/watch?v=5evnzAzg-9M>
		2. “The Quicker Picker Upper”—Bounty: <https://www.ispot.tv/ad/wFza/bounty-the-quicker-downhiller-featuring-lindsey-vonn>
		3. “We know a thing or two”—Farmer’s Insurance: <https://www.ispot.tv/ad/duGy/farmers-insurance-hall-of-claims-a-huge-drag>
		4. “Taste the Rainbow”—Skittles: <https://www.youtube.com/watch?v=NuwXsRHB9f0>
		5. “The nighttime, coughing, achy, sniffling, stuffy head, fever, so you can rest
		medicine"—Nyquil’s classic advertisement from over 20 years ago: <http://www.youtube.com/watch?v=UNeIoyZ4II8>

**DISCUSSION GUIDE** (Obj. A, cont’d)

1. Flashy, creative promotion can be fun.
2. 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.
3. Building your business’s marketing efforts on the foundation of a strong USP ensures that your message won’t be lost or forgotten.

**ON THE WEB**: 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>.

**DISCUSSION #4:** Ask students to think of some more advertising slogans that demonstrate companies' USPs.

**OBJECTIVE B** (Slide 10)

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

1. A USP must be easy to communicate.
	1. We live in an on-demand society, where customers want information now.
	2. If you cannot communicate your USP to your target market quickly and easily, it simply won’t work.
	3. 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).
	4. In fact, many companies build advertising slogans based on their USPs.

**ON THE WEB:** Learn more in “The Power of Advertising Slogans” by HubSpot: <https://www.youtube.com/watch?v=QTl6xUFxyOY>.

* 1. Consider a political campaign.
		1. 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.

**DISCUSSION GUIDE** (Obj. B, cont’d)

* + 1. That’s why they choose catchy campaign slogans.

**ON THE WEB:** Learn about more presidential campaign slogans here: <http://www.presidentsusa.net/campaignslogans.html>.

1. A USP must be meaningful to the customer.
	1. You can come up with a really clever USP, but if it’s not meaningful or useful to your customers, it’s worthless.
	2. Let’s say your target market consists of wealthy customers who can afford to buy your expensive fashions.
	3. 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.
	4. You must make sure that the benefit you’re offering is a benefit your customers truly desire.

**ON THE WEB:** 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?

1. A USP must be specific.
	1. Vague unique selling propositions cannot work.
	2. You can’t say, “Playing mini golf here is inexpensive,” or “This car’s audio system sounds great.”
	3. You must communicate the specific benefit customers will receive from giving you their business.
	4. 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.

**ON THE WEB:** 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>.

**DISCUSSION #5:** Ask students to give more examples of USPs that are specific.

**DISCUSSION GUIDE** (Obj. B, cont’d)

1. A USP must create desire and urgency.
	1. Like any element of an effective marketing strategy, a unique selling proposition should make customers want to take action as soon as possible.
	2. Think about products, such as gaming systems, that customers get up early and wait in line to purchase.
	3. They simply can’t wait to get their hands on them.
	4. What USPs have contributed to this kind of desire and urgency?
2. A USP must be able to be fulfilled.
	1. There is no bigger mistake a company can make than making its customers promises it can’t keep.
	2. It would be better to have no unique selling proposition at all than to have one you can’t fulfill.
	3. Let’s say you own the only tanning salon in town that offers airbrush tanning services.
	4. If you make that attribute your USP, customers can’t show up to discover your airbrush machine broken or the tanning technician unavailable.
	5. You must do anything necessary to make sure they can count on your product.
	6. If they can’t depend on that, you will lose credibility, and you will lose business.
	7. 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.
3. A USP must last for the life of the product or brand.
	1. Your unique selling proposition should be sustainable over a long period of time.
	2. The De Beers’ diamond USP, for instance, has been around since the 1940s!
	3. Remember, your goal is to become an “automatic” in customers’ minds when they
	encounter a specific need or want.
	4. The way to achieve this is by building an excellent USP and constantly repeating it to your target market.
	5. Customers will become confused if you switch USPs on them.
	6. The only good reason for changing your USP is if it isn’t working.
	7. And, if you’ve followed the correct steps for building your USP to begin with, you shouldn’t have a problem!

**DISCUSSION GUIDE** (Obj. B, cont’d)

(Slide 11)

• The following six steps will take you through the process of identifying and building a USP for your company.

1. But first, stop and ask yourself if your business already has a unique selling proposition.
	1. It’s possible that it does, and you just haven’t realized it.
	2. Maybe you purchased your company from someone else and simply inherited the USP.
	3. Does the USP work?
	4. If so, there’s no reason to change it; actually, changing it could confuse your customers and hurt your business.
	5. However, if the USP is not working, it’s time to get started on a new one.
2. Step One—Start with a great product.
	1. A unique selling proposition is worthless if it’s not backing up an excellent good or
	service to begin with.
	2. Your product should fill an existing need for your customers.
	3. You cannot create a need where there is none.
	4. 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.
	5. Take tablets, for example.
		1. A need for them didn’t exist several years ago.
		2. However, changes in society and technology have now created a demand, and companies have created their USPs from there—the most advanced operating system, the best display, etc.
		3. Both Microsoft’s Surface Pro and Apple’s iPad Pro offer many high performance
		features that computer users seek.

**ON THE WEB**: 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>.

**DISCUSSION #6:** Ask students to give more examples of products and their USPs that have been created due to changes in society and technology.

**DISCUSSION GUIDE** (Obj. B, cont’d)

(Slide 12)

1. Step Two—Conduct reliable research on the needs, wants, and buying motivations of your target market.
	1. It goes without saying that you should identify your target market before even thinking about building a unique selling proposition.
	2. No business can be all things to all people.
	3. If you try, you’ll wind up disappointing everyone and pleasing no one.
	4. There are several ways to learn more about your target market’s needs and wants,
	including:
		1. Hiring a professional market-research firm
			1. You might not want to spend the money, but think of it as an investment, or spending money to make money.
			2. Making a profit depends on your ability to reach your customers with a message that makes them want to buy your product.
			3. A professional market-research firm will have more resources than you do to gain valuable information about your target market.
		2. Holding focus groups with customers and potential customers
			1. 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.
			2. This is a time when you can “pick their brains” about their needs, wants, and buying motivations.
			3. Be sure to offer them some sort of incentive for participating—coupons, free food, etc.
		3. Brainstorming with your staff
			1. You may be a business owner or manager, but you’re also a customer.
			2. What are your own needs, wants, and buying motivations?
			3. Put yourself in your customers’ shoes to determine what they need you
			to offer them.
	5. As the result of your research, identify the top 10 needs and wants of your target
	market.

**DISCUSSION GUIDE** (Obj. B, cont’d)

(Slide 13)

1. Step Three—Rank your company in relationship to your competitors.
	1. Look at the top 10 needs and wants of your target market.
	2. They may include things such as value pricing, convenience, reliability, etc.
	3. Then, consider your own company as well as your competitors.
	4. Which business is succeeding the most at fulfilling which needs?
	5. It may be helpful to make a chart for this step.
	6. After completing the rankings, consider your company’s position:
		1. What are your strengths and weaknesses?
		2. How are you particularly unique?
		3. What performance gap are you filling in your industry?
		4. Most importantly, how do you stand out? What is special about you that cannot be easily imitated or duplicated by others?
	7. Answering these questions should lead you to your unique selling proposition.
	8. Remember, this is an exclusive, one-of-a-kind benefit that only your company can offer.

(Slide 14)

1. Step Four—Articulate your unique selling proposition.
	1. Once you’ve determined what you can offer that your competitors can’t, it’s time to get your USP down on paper.
	2. Be creative.
	3. Remember, your USP can appear in many places, and in many combinations, including your:
		1. Product—Are you the only grocer in town who offers organic produce?
		2. Offer—Will your moisturizer create younger-looking skin in just one week?
		3. Guarantee—If your customers don’t love their haircuts, do you promise full refunds?
		4. Pricing strategy—Do you offer the lowest prices on cable television, period?
		5. Placement—Are you the only company offering free Wi-Fi at local fast-food
		restaurants?

**DISCUSSION GUIDE** (Obj. B, cont’d)

(Slide 15)

1. Step Five—Integrate your unique selling proposition into all aspects of your business.
	1. A USP doesn’t do your company much good if you get it down on paper and then
	forget about it.
	2. You must integrate it into every aspect of your business.
	3. This includes, but is not limited to:
		1. Advertising
		2. Sales copy
		3. Business cards
		4. Brochures
		5. Flyers
		6. Signs
		7. Sales pitches and scripts
		8. Letterhead and letters
		9. Postcards
		10. Website
		11. Internet marketing

**DISCUSSION #7:** Ask students if they can think of any more ways a business could put its USP in front of customers and potential customers.

(Slide 16)

1. Step Six—Put it on repeat.
	1. 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.
	2. Think of an advertising jingle that gets stuck in your head.
	3. It may be annoying, but it sure is effective, isn’t it?
	4. And, if that company has done its job right, that jingle will contain its USP.

**ON THE WEB:** 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?

**DISCUSSION GUIDE** (Obj. B, cont’d)

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

(Slide 17)

• The Gray Zone

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