**LEARNING GUIDE KEY**

**Part I—60 points**

**Objective A**

1. Unique selling propositions are attributes of products or brands that separate them from competitors. They provide a meaningful, one-of-a-kind benefit for the customer. This benefit is specific and exclusive to the company, something that can’t be found anywhere else, and the USP is marketers’ way of communicating it to the 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 the company’s special niche in the marketplace. (3 points)

2. 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. The marketplace is crowded. The most powerful way to make your company more visible and cut through the clutter 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. 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. (3 points)

3. Although your USP will affect every area of your business, it’s particularly important in marketing. 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. USPs often form the basis for a company’s advertising and promotional campaigns. For this purpose, marketers will 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. 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. (3 points)

**LEARNING GUIDE KEY** (cont’d)

**Objective B**

4. Before you get started on your company’s unique selling proposition, consider some general guidelines that all USPs should adhere to: (18 points; 3 points each)

* *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).
* *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. You must make sure that the benefit you’re offering is a benefit your customers truly desire.
* *A USP must be specific.* Vague unique selling propositions cannot work. You must communicate the specific benefit customers will receive from giving you their business.
* *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.
* *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. You must do anything necessary to make sure customers can count on your product. If they can’t depend on that, you will lose credibility, and you will lose business.
* *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. 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.

5. 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. (2 points)

**LEARNING GUIDE KEY** (cont’d)

6. There are several ways to learn more about your target market’s needs and wants, including: (3 points; 1 point each)

* *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.
* *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.

7. Your USP can appear in many places, and in many combinations, including your product, your offer, your guarantee, your pricing strategy, and your placement. (10 points; 2 points each)

8. The following are six steps for identifying and building a USP: (18 points; 3 points each)

**Step One**—**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.

**Step Two**—**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, holding focus groups with customers and potential customers, and brainstorming with your staff. As the result of your research, identify the top 10 needs and wants of your target market.

**Step Three**—**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. 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.

**LEARNING GUIDE KEY** (cont’d)

**Step Four**—**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, your offer, your guarantee, your pricing strategy, and your placement.

**Step Five**—**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, and Internet marketing.

**Step Six**—**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. 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.

**Part II—40 points**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **USP Rating Scale** | **Excellent** | **Good** | **Fair** | **Poor** |
| 1. Identified good or service | 4 | 3 | 2 | 1–0 |
| 2. Determined appropriate target market | 4 | 3 | 2 | 1–0 |
| 3. Determined target market’s needs | 4 | 3 | 2 | 1–0 |
| 4. Created easily communicated USP | 4 | 3 | 2 | 1–0 |
| 5. Created USP meaningful to the  target market | 4 | 3 | 2 | 1–0 |
| 6. Created specific USP | 4 | 3 | 2 | 1–0 |
| 7. Created USP that encouraged  target market to take action | 4 | 3 | 2 | 1–0 |
| 8. Created USP that could be fulfilled | 4 | 3 | 2 | 1–0 |
| 9. Created USP that should last the life of the product or brand | 4 | 3 | 2 | 1–0 |
| 10. Determined a variety of ways to communicate USP | 4 | 3 | 2 | 1–0 |

**Suggested** Criteria Levels: Part I—48 points  
 Part II—32 points