

LEAN THINKING IN WHOLESALE DISTRIBUTION...



Unique Selling Propositions

Why Should Customers Buy From Me Instead Of My Competition?

Introduction

One of the keys to successful marketing is identifying what makes your business unique and letting everybody know about it. This allows prospects to understand why they should buy from you and reaffirms to customers why they should continue to do business with you. This is often called a “Unique Selling Proposition” – a “USP”.

This article explains how to develop a unique selling proposition for your business. It explains what a unique selling proposition is and how to use it. It takes you through a process to clearly gain an understanding of what differentiates your business from the competitors in the **eyes of your current and potential customers**. “Why should customers buy from me and not my competition? The impact of the answer is a powerful tool in focusing your company on delivering the promise of the “USP”, thereby helping to improve your company’s performance.

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An Approach

An often used, but excellent example to illustrate the impact of a “USP” is Domino’s Pizza – you know the message - “fresh hot pizza delivered in 30 minutes or less - guaranteed.” What is the message here? Well, its how Dominos *stands out from the competition*. It makes them unique and distinctive. It is how Dominos took over the delivered pizza market. It clearly differentiates them in the eyes of their potential customers and keeps their current customers coming back for more. Notice though - Dominos did not even promise that the pizza would taste good! What Dominos did do is develop and unify the company “systems” to ensure the stated USP is met; regardless of how many of those notorious “fender benders” the “pizza delivery guy” happens to get into!

Another similar example might be “Your parcel delivered the very next day – or it costs you nothing!”

Both of these USP’s are powerful. The customer can actually measure what is promised.

Well developed USP’s can clearly answer the questions your prospects and customers may have about - “Why should I do business with ABC instead of someone else?” It can also help you answer some important internal questions:

- What positively differentiates my business from the competition? What is, or can be, distinct or unique about my business?
- What are the focal points around which the success of my business and profitability is built?
- What do I need to focus my management and employee team on to deliver the promise(s) of the USP’s and improve my internal company performance?
- How do I communicate my USP(s) to my marketplace and then connect it to my business performance?

A “USP” is always stated in terms of the benefit(s) it delivers to your prospects or customers. You must be able to state it clearly and then fulfill it effectively. It is not “me-too-ism” or a “gimmick”. You are making a promise to a prospect or customer that you do things a certain way, and that they will get certain results. It must be credible, not just words or “puffery”.

A “USP” is one or more reasons why prospects or customers should buy from you, instead of your competitors

Getting Started

How many USP’s do you have – one?....two?....three? What are they? How do they work? How are they used? If you have competitors (and I’m sure you do), you should have at least one “USP”. Remember, a “USP” is one or more reasons why prospects or customers should buy from you, instead of your competitors. Ultimately, your USP(s) will need to be in front of your prospects and customers at every possible opportunity – part of your sales “pitch” – for both inside and outside sales, brochures, advertisements, invoices, fax header sheets, catalogs, Newsletters, your website, on delivery vehicles, posted on the walls, etc.

The concept of USP’s is relatively easy to understand. The task of coming up with a USP can sometimes be tough, because it must truly be unique and set you apart from your competitors. It must be perceived as an advantage and a benefit to prospects and customers and significantly different from what your competitors are offering. Some of our clients have expressed it as a matter of “value” and a level of “customer intimacy”, their competitors don’t have.

I said this was tough - so don’t make “price” your only USP! Have a basis for competing that goes beyond price. Combine it, if necessary, with more value - something your competition doesn't do, doesn't offer, or would find difficult to do - or can't duplicate. It is important that the USP(s) not be easily copied.

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 some time and check out what they have. Do some competitive research, and this is important - how about a “Customer Satisfaction Survey Questionnaire” or a “Competitive Analysis”? You'd be surprised what you might find. You might find what you could offer, that the competition doesn't! **What is important here is that you have a way to determine:**

- *Which benefits are most important to your prospects and customers*
- *Which benefits are most difficult for your competition to duplicate*

To develop a meaningful USP, think about answering the following three questions:

- *What is it that your customers seek? What are their needs - both MET and UNMET needs?*
- *What is the competition offering or promoting as “unique and distinctive” to them?*
- *What can your company promote as your USP(s), which you can or could realistically and consistently execute and take pride in?*

By understanding the needs of the customer and understanding what the competition provides and promotes, your company can identify a “GAP” in the market place that isn’t being fulfilled. Think of it as identifying the UNMET need - what do your customers want that is not being provided by the competition, or if it is being provided, the competition does not do “it” well? Think of it in simple terms – **“Go Where The Competition Is Not!”**

The following exercises will help you “get the ball rolling”. They will help you begin to think about why prospects and customers choose to buy from you.

Your Company’s “IDEAL” Customer Profile

EXERCISE #1

Please think of your 10 “best” customers and list those characteristics that you feel make them your “best” customers. You will gain insights into what needs you are fulfilling for your customers.

“Best” Customers

Characteristics

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

EXERCISE #2

Identify your 10 “worst” customers, including those that may no longer be active customers, and list those characteristics that make them your “worst” customers. You will gain insights into those customer needs, or demands, which you might NOT want to meet, and therefore NOT have as your “USP”.

“Worst” Customers

Characteristics

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

EXERCISE #3

List What You Believe To Be All Your Company's Unique & Distinctive Strengths – Or Could Be

In the following exercise, work hard to identify what it is about your company that you feel sets you apart from the competition and makes you truly unique.

This exercise is usually difficult, so spend some time and really give some honest thought to the ways you feel your company is unique. The key to this exercise is for you to think about your company in terms of what it does or could stand for that is truly different from other companies in your marketplace.

Once you know these unique characteristics, from your perspective, you can begin to identify only those customers who truly appreciate and VALUE what it is that you uniquely offer - a WIN...WIN for both of you!

Write down every idea that you and your team come up with. Don't worry about how silly they might seem (at this early stage in the process), just brainstorm with the data you have. The reason I would include the "silly ones" is because sometimes those little ideas that you laughed at can actually be morphed to create your USP. No thought is too far fetched at this point, and usually the ideas you laughed at are, in fact, some things your competitors don't offer.

The next step is to nail down your list - get creative and really think here. That alone will make you more competitive even if others use the same approach. Why? You are now more competitive within your industry; because you now offer things that possibly some other competitors do not! You are getting more competitive immediately.

One way of forcing you to think about what is truly unique about what your company offers is to test what you think is a unique strength by finishing the following sentences: Please note there is a similarity in each of the incomplete sentences listed below – by design. It is simply designed that way to help stimulate and prompt your immediate and "first-in-mind" thought – pick whichever sentences work best for you.

My company is the ONLY wholesale-distributor, in my competitive selling area, who:

My company is UNIQUE and DISTINCTIVE from other wholesale-distributors, in my competitive selling area, because:

Ask the following question, after every strength you listed above, - "SO WHAT?" In other words, why is the strength you listed important? Is it truly "unique and distinctive"? Prove to yourself that the strength you listed is really unique and distinctive by starting each sentence with:

We are the only ones who _____.

We are different because _____.

The completion of the statements, above, does not have to be just a "phrase". It could be a set of performance standards, although we prefer only one sentence – clearly written. Don't get too caught up or worry about that now. Just get some honest thoughts down on paper.

The "life-span" of a USP can be limited. They will not last forever. A competitor could eventually duplicate, or even "better" your advantage. USP's need to be reviewed, at least, every two years. That is the further value of a periodic Customer Satisfaction Survey and/or Competitive Analysis.

Unify Your Systems To Execute The “USP”

Earlier we stated that Dominos Pizza had to **develop and unify their company “systems”** to ensure that their stated “USP” was met consistently. What did we mean by that?

Dominos made sure that a “system” - organizationally, procedurally, and from a technology perspective - was in place to support the execution of the “USP” - 100% of the time. Their “continuous improvement” focus was to squeeze-out all the “waste” in their processes that did not provide “value” to the customer and support their proclaimed “USP”. Our recent article “Lean Thinking In Wholesale Distribution - Are You Ready For Little Miracles?” explains this concept in more depth.

Some Examples of USP’s

Finally, here is a sampling of “USP’s” that some of our clients have successfully implemented. These may “wet your appetite”.

- *Daily truck deliveries within a specified and consistent 15 minute window - every day*
- *Daily express delivery prior to the beginning of the workday*
- *Electronic inventory management at the customer’s jobsite or in their stockroom*
- *Guaranteed delivery within one-hour - within a 15 mile radius (fee based)*
- *Business management services to Contractors, including:*
 - *Bidding & Quotation software education*
 - *Accounting Systems, collections and cash flow management education - taught by an Accountant*

Get started now and gain your Competitive Advantage!

MCA Associates, a management consulting firm since 1986, works primarily with wholesale-distributors. MCA Associates provides operational excellence - idea leadership - and implements continuous improvement solutions focused on business process re-engineering, supply chain management, sales development and processes, information systems and technology, organizational assessment and development, and succession planning.



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*Our recent article
“Lean Thinking In
Wholesale Distribution
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explains this concept
in more depth.*