

How to Create a

Point of Difference

That Guarantees you
Stand Out from the Crowd,
Dominate Your Local Market
& Generates a Consistent
Flow of Clients.



THE GROWTH FACTOR

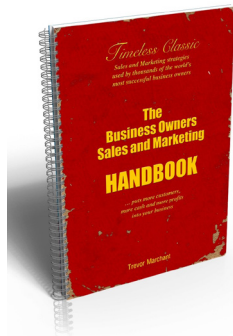
MX – The Growth Factor e-books

How to create a Point of Difference that guarantees you stand out from the crowd, ensures you dominate your local market and generates a consistent flow of clients

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This e-book has been published for business owners undertaking the MX Growth Factor program with their Accountants...



The information in this e-book is the result of combining two essays I've written for the Sales and Marketing Handbook – a publication available to all business owners and staff who attend my 'Business Growth Master Classes.' This means that whilst the aim of both essays is the same – to discuss the idea of having a Point of Differentiation (or USP) in your business – the approach I've taken is slightly different in each essay; hence you will see the importance of the ideas from two slightly different perspectives.



Why you need a Point of Differentiation (...or Unique Selling Proposition)

One of the first steps in creating a marketing plan is developing a USP, or Unique Selling Proposition (sometimes called a Unique Selling Point, positioning statement, or point of differentiation).

A USP is an ultimate statement of benefit, or the single most compelling reason why a customer should buy from you over your competition. In a short, meaningful, specific sentence, a USP describes your primary distinguishing feature to your target market and lets them know what's in it for them if they do business with you.

According to Rosser Reeves, the author of 'Reality in Advertising' (who coined the saying – USP) the three requirements for a USP are:

1. Each advertisement must make a proposition to the customer: 'buy this product, and you will get this specific benefit.'
2. The proposition itself must be unique – something that competitors do not, or will not, offer.
3. The proposition must be strong enough to pull new customers to the product.

Some of the most well know USP examples are:

Domino's Pizza – 'You get fresh, hot pizza delivered to your door in 30 minutes or less – Guaranteed – or its free.'

FedEx – 'Your package absolutely, positively has to be delivered overnight.'

M&M's – 'The milk chocolate that melts in your mouth, not in your hand.'

Wonder Bread – 'It helps build strong bones 12 ways.'

But what if such a proprietary advantage does not exist?

What if your product is basically the same as your competition's, with no special distinguishing characteristics?

When M&M established their USP: 'M&Ms melt in your mouth, not in your hand' – what could the competition do? Run an ad that said, "We also melt in your mouth, not in your hand!?" Doesn't quite have the same effect does it?

It reminds me of an example from the book *Scientific Advertising* by Claude Hopkins. This example has gone on to become a classic story used to describe USPs.

It goes something like this:

'Schlitz Beer had hired Hopkins to increase their falling market share. At the time the beer companies were frantically buying bigger and bigger advertising space to promote the word PURE. Everyone said their beer was pure, but no one bothered to explain to the public what 'pure' meant.

The first thing Hopkins did was take a tour of the Schlitz Brewery. He was shown plate-glass rooms filled with filtered air where beer was dripped over pipes to cool without any impurities. He was shown huge expensive filters that were each cleaned twice daily to ensure the products purity. He noticed that each bottle was sterilized four separate times before being filled with beer. He was even shown 4,000 foot

deep artesian wells dug to provide the cleanest, purest water available, even though the factory was right on the shore of Lake Michigan (which at the time was not polluted and could still provide clean water).

After his tour Hopkins exclaimed, "Why don't you tell people these things?" The company responded that every beer manufacturer does it the same way. To that Hopkins replied, "But others have never told this story..." And Hopkins went on to create an advertising campaign that explained to people exactly what makes Schlitz beer pure. It was highlighted with the tagline 'Schlitz beer bottles – Washed with live steam'. He told the same story any brewer could have, but he gave meaning to purity. That is what took Schlitz from 5th place to tie for 1st place in market share.

Creating a USP for Your Business.

When developing the USP for your business it can be helpful to try seeing it from the customer's point of view. In other words why should they buy from you?

Your USP should state the most important benefit to the customer in the target market you are trying to reach. Trying to appeal to everyone will not give you an effective USP. Focus on the clients that are your greatest income producers and direct your USP to them. You want to attract the ideal client, not just any client.

Here are some questions that a USP should answer:

What problem are you the answer to?

What problem does your business/product solve?

What quality makes you different, better or more desirable than the competition?

What opportunity can you present to potential customers that others can or do not?

Why should people buy from you – over and above anyone else your ideal customer could buy from?

When answering some of these questions, it is not enough to say “Our service is better,” or “Our product is better quality.” These statements are not compelling reasons to choose your business over any other business – even though they might be true.

Also be sure to focus on a uniqueness that is actually meaningful to your customers. There is no point in building your USP around a feature that is relatively unimportant to potential customers and will not move them to try your product or service.

You can start by crafting a statement that defines what makes your product or service unique and special. You might want to start with a long statement of two or three

paragraphs, and then work from there. If you already have an existing business, ask clients what they value most about the way you do business? And also ask yourself: 'In what ways do I, my business, my product, benefit my customers?'

Continue editing your statement until it is short, snappy, to the point, and describes your uniqueness in a way your customers care about. Once you get your USP finalized, start sharing it with your target market, and let them know what you can do for them. *Plaster your USP in your marketing materials, at networking events, on your business cards, on your website and any other time you are given the opportunity.*

Just remember, a USP is free, easy to duplicate and communicate, and above all, tells your prospects what's in it for them if they do business with you. Be sure to take the time to properly develop a USP that will work for you, your business and your target market.

Take a close look at any business that has been thriving over the last few years, and there's a very strong chance you'll see it has a clear USP, or Unique Selling Point.

It's something you need to develop as you start your own business. A USP is much more than just a way of positioning your business in marketing materials. It's something that needs to be at the very core of what you're doing – part of your business's DNA, if you like.

If you're the only business in your industry that gives free postage & packing, no matter what the order value, that's a USP. If your garage offers valet parking – even if your customers have only popped in to get a tyre changed, that's a USP.

Beware of thinking that competing on price or service is a USP – for a small business it can't be, because it's not unique. Most businesses think they offer the best service and are competitive on price. Actually only giant players like Wal Mart, Coles, Woolworths, Bunnings and other super retailers can genuinely use low prices as a USP.

Develop a strong USP and your customers will focus less on price

In fact, if you can develop a strong genuine USP, the prices your business charge becomes less important. Customers will pick your business for the USP and may be willing to pay a little extra. This can only be a good thing, as customers that pick you on price will leave you on price when someone cheaper comes along.

A strong USP helps you to focus your marketing efforts

Once you know your USP and it's been tested against customers, marketing your business suddenly becomes a lot

easier. You just play up the USP and don't allow anything to happen that could detract from it.

The USP of Krispy Kreme is that the doughnuts are baked several times a day on the premises. They market this by giving delicious hot fresh doughnuts away all the time, and tell repeat customers that the oven's on with a unique red 'hot now' sign that is supposedly only illuminated when the oven is actually on.

(Incidentally, because that's the USP, when Krispy Kreme allows old cold doughnuts to be sold in supermarkets, it's damaging the integrity of its brand for the sake of a few dollars revenue).

For a small business, a USP has to be simple and easy to maintain. I've been going to the same garage for 10 years because they talk to me like a human every single time, rather than assuming that as a man I should know what a sprocket-thingy-valve is. (My Dad knew all that stuff – but I wouldn't have a clue.)

Your USP could be that you open Sundays. Or that you'll never use automated phone lines. Or that your taxi company texts passengers when the car is 5 minutes away. Or that your **handymen are all women.**

All of these examples are really easy to market, because the reason to buy and the message is clear. Without a USP, you

may find marketing your business a struggle. Which is a shame, when such a simple concept can make it far easier for you to generate more customers and boost your profits.

The CORE Imperative of Business

Here's another way to look at your point of differentiation or USP.

I want to show you an extremely efficient form of marketing that cuts right to the heart of your prospect's mind and will have them ready to buy your products, your services, and your ideas almost instantly. This is another perspective on your USP.

This concept will give you a clear starting point and let you see through the 'fog' of business trends and theories.

What is the core imperative of business?

It's quite simple, really.

In order to do business in this world, what is the one thing you need? The one thing you absolutely, positively cannot do without?

It's not a business card.

It's not an office, a computer or a mobile phone.

The core of all business goes back to when human beings first began entering into the most rudimentary transactions with each other, when cavemen traded a woolly mammoth pelt in exchange for a new club.

From the dawn of time, all business can be boiled down to one single thing:

An offer.

That's right, an offer.

A 'quid pro quo.' This for that. You scratch my back and I'll scratch yours.

The coffee shop owner says – "you give me money and I'll give you coffee."

What does the banker offer? *You let me borrow your money and I'll give you some interest.*

What does the government offer? *You pay us taxes, and we'll build you roads, hospitals and schools.*

What do Accountants, Hairdressers and Taxi Cab drivers all do?

They make offers.

Business simply does not get done – in fact; it doesn't even

start – until an offer is made.

The Core Imperative of Business is simply this:

Make an Offer!

You could argue that this is an ‘over simplification’ however let me be clear on where this is leading.

At the very heart of your Sales and Marketing efforts is your BIG IDEA. For your big idea to get off the ground and get traction you have to frame ‘an offer.’

This is my offer... which I promise to deliver... when you pay me money... and in the process I am moving my BIG IDEA a little closer to realization.

So, what is your offer?

The next step in this process is to ensure your offer answers four questions – the questions the customer always asks. This is the inner dialogue that takes place in every buyer’s mind – including yours when you are considering a purchase.

The Big Four Questions

No matter how much confidence we radiate to the world around us, fear, scepticism, and a general lack of trust are playing games with our consciousness. Even within the most

outwardly confident people you meet or can imagine, this unspoken inner dialogue is still happening.

“ I’ve lived through some terrible things in my life, some of which actually happened. ”

Mark Twain

We are bombarded with questions like:

What do people really think of me – and do I care?

I can’t believe I said that. Did that sound stupid?

Does she love me?

Do I look fat in these pants?

What’s really going on here?

I’m worth more than this – how do I turn this around?

Like *Mark Twain*, a lot of this dialogue is ‘unfounded’ but never the less it’s *there*.

Why is this important? Why is this important to know from a Sales viewpoint, from an OFFER viewpoint?

Well, let me explain. There are four questions going on in the buyer’s mind – and they are mixed in with this internal

dialogue:

1. What are you trying to sell me?
2. How much?
3. Why should I believe you?
4. What's in it for me?

Your offer must answer these questions.

The first two questions are asked in tandem.

Your buyer is asking, "what is your offer and is it of acceptable quality for the price you are asking? Does this offer represent value for money?"

Buyers have to be convinced that what you're offering is a quality 'investment' and it is worth the money.

They have to be convinced that should they accept your offer they are better off. In other words, they have profited.

Whatever you're offering has to be of greater value to them than the money they are prepared to pay.

Give me two dollars and I'll give you a bottle of water.

Give me \$5000 and I'll remove your swollen appendix.

Give me \$20,000 and I'll give you this car.

Once the offer has been made, there are still two more questions to be addressed in the prospects mind.

Why should I believe you?

Indeed, why *should* anyone believe you?

This question goes to the core of buyer insecurity. Sometimes offers can sound fantastic on the surface, but therein lies the problem – they sound too good to be true.

People have to *trust* that they're not dealing with a charlatan peddling snake oil before they're willing to hand over their money. An offer only works if it has credibility behind it. Again only a fool would hand over money for nothing, and you don't want a fool for a customer.



Radio Station – WIIFM

The fourth question: **What's in it for me?** (WIIFM). Sounds like we've already covered it, doesn't it? But, we haven't.

When people ask, 'what's in it for me?' – They're really asking – 'how does this benefit me?'

People buy the 'product of the product.' They buy benefits. You buy the Ferrari – you buy 'speed and prestige' or maybe you buy 'romance.'

People buy benefits.

So, what are you really selling?

Answer this simple 5 – word question and you can give yourself an almost ‘unfair’ advantage in boosting your enquiry rate, outselling your competition and triggering an ongoing stream of creative selling opportunities.

Asking this simple question is the easiest way I know to get yourself and your staff to think outside the box and differentiate yourself in your marketplace.

Shameless over promising? Not at all, as you’ll now see.

Here’s the question:

What are you really selling?

‘Rainmakers’ – an endearing and acknowledging term I use to describe professional sales people – always know the answer because they put themselves in the customer’s shoes and answer the question, ‘if I was the customer, how would this product benefit me?’

For example:

You are not selling grass seed. You are selling a greener lawn.

You are not selling gas heaters. You are selling warmer, cosier winter nights at a 27% fuel savings.

You are not selling tickets to the 'test match.' You are selling memories of sunny days that a father, mother and their children will cherish forever.

You are not selling mortgages. You are selling a solution to a dream come true. (A new house.)

Perhaps lipstick king Charles Revson (founder of Revlon Cosmetics) said it best. "In the factory we make cosmetics. In the store we sell hope."

You get the idea?

We need to establish – very clearly – what we are selling and what follows – why should this customer do business with our company and with me?

The answer must be a benefit to the customer. (Better still – if it is UNIQUE).

The answer must fit the customer's agenda, not ours. The customer will do business with you because you will make them feel good, or you will solve their problem, or both. There must be a business benefit and a personal benefit – often interlinked – for the customer. The Rainmaker determines how the customer benefits directly and personally.

Another example:

When a man named Ray Jacuzzi was getting nowhere trying to sell his whirlpool to physical therapists, *he refused to give up.*

Instead he asked, ***“What are we really selling?”***

Another possibility arose – hot tubs for homes – and that idea catapulted him to stratospheric success.

Another example:

By the 1950s, almost every family in Australia owned a big square white refrigerator. As long as it kept the milk fresh and didn't 'conk' out completely, families were content to let it sit in the kitchen forever.

So how do we sell more refrigerators when everybody owns one?

What are we really selling?

Hey, we could start selling refrigerators as *kitchen décor!*

Let's produce them in decorator colours and styles to suit every taste and fashion. This way when people remodel their kitchens, they'll want new refrigerators to match.

That insight quickly became (and largely remains) the driving force behind new refrigerator sales.

So think for a moment...

What are you really selling?

Are you sure? What else could it be? How might you repackage your product, or add to it, to trigger new demand or crack open a whole new market? Think big!

“Knowledge is power, but
enthusiasm pulls the switch.”

Ivern Ball

Gloria Jeans sells more than coffee.

Disney World sells more than rides.

Ask “*what are you really selling?*” often enough and I guarantee this – bold new answers will arise, and with them, major opportunities to open new markets that can explode your sales revenue.

There is a marketing axiom that’s been around for a long time: ‘People make their decisions based on emotions and justify them with logic.’ There is some great truth to this phrase.

Apply that saying to the Four Questions. The first three questions address the buyer’s logic, the last one goes to the emotion. Address the emotion decision alone and, again,

you'll only have fools for customers.

But it won't be that way for you when your moment comes to make your offer.

You won't just make an offer...

You'll make an Irresistible Offer.

What is an irresistible offer?

This is an offer that compared to your competitors is just so good that the customer would be a fool to pass it up.

It is an offer that sparks the customer's imagination and creates an urgent, 'gotta-have-it-now' buying frenzy.

This is your offer said in such a way that it sets you apart from your competition... and it is often expressed as a creative yet meaningful slogan.

This offer is ideally unique to your business – but doesn't have to be, to be effective.

For example, a colleague of mine is the MD of an international Real Estate Franchise.

Their offer includes 'give me your house to sell and I'll sell it as quickly as I can and get the best price for it. And in return – you pay me some money'. The way they present their offer

includes the phrase – *'nobody does it better!'*

Now, I'm sure there are many other Real Estate franchises in the market who would argue that they can do it just as well... and in some cases better. But that's not the point.

The point is, this franchise is saying 'nobody does it better' and they are the ones recognized in the market for the *saying or the slogan*.

What they're really saying is, if you list your house, with us you can be confident that you are dealing with the best company – because nobody does it better.

The other dimension to this saying is that everyone who works for this franchise has to 'live up' to this saying. They have to deliver a product – second to none – if they are being true to their word.

The power of your offer is in the question:

Does the 'offer' engage the customer to want to do business with you as well as engage the staff from the CEO down to deliver on their promise?

That's the first test.

The second test is how *irresistible* can you make it?

- Avis Rent a Car 'We're number two. We try harder'
- Federal Express 'When it absolutely, positively has to be there overnight'
- Domino Pizza 'Fresh, hot pizza in 30 minutes or less, Guaranteed'

What do all three of these slogans have in common? They are powerful statements of uniqueness that helped to propel their respective companies to success.

Avis Car Rental knew that Hertz, the number one car rental company, was so much bigger than them that they couldn't compete head on, so they positioned themselves as the number two company that worked harder for the customer.

Federal Express Based their slogan on a promise of delivery reliability. Dominos based their slogan on the fact that most pizza eaters don't care how much stuff is on their pizza, but that it is hot, fresh and delivered quickly.

Your Unique Selling Proposition – USP

Each of these slogans is their respective company's unique selling proposition (USP). As previously discussed your USP is something that differentiates you from all your competitors both local and industry – wide. It's what makes you so unique

that people will choose to do business with you over any of your competitors. Your USP states your distinct advantage.

One of the deadliest mistakes small businesses make is not differentiating themselves.

Now more than ever you must differentiate your small business. Today there is an explosion of choices for consumers. We have so much choice and so little time.

During slow times, the same number of small businesses will be competing for a diminishing number of prospects. When this happens the competitive landscape gets tougher and choices for consumers get more difficult.

If you would just objectively look around, you would recognize that there is more abundant supply of everything than we need. Too many brands of cars, too many interchangeable restaurants, too many dentists, too many financial advisors, all peddling the same ordinary message with different 'bonnet' emblems.

Success now demands specific and unique relevance and importance to a target market, and the delivery of an exceptional experience for the buyer, from the first contact all the way through the sale and beyond. Provide that or perish.

You need a profound reason for your existence in this market. You wanting to make a living or grow rich is not a profound reason. Sorry.

If you want to survive during a slow economy you must differentiate yourself in the eyes of the prospect. Your USP is what states to the world why you are different.

Why is Your USP so Important?

To be successful in small business you don't have to be the best, you just have to **be different**... in a positive way. Identifying, developing and incorporating your USP into everything you do is challenging. But the reward is worth every effort. It will differentiate you, distinguish you, and give you advantage over everyone in your marketplace.

'Me too' businesses rarely survive. They usually end up in price wars because they don't have anything unique about them to establish value in the minds of their prospects. They are left with only one weapon to compete with – price... and in a 'price war' there is only one winner.

Make your USP Crystal Clear

The more clearly you announce your USP, the more often they'll choose you over your competition. You must use your USP to dominate your local market. If you sell spas and pools and a potential customer thinks of a spa or a pool your name must be the first one that pops into her mind.

Your USP must create a real and perceived advantage in your prospect's mind. For example, Dominos made a very bold

guarantee that if they didn't deliver your pizza within 30 minutes of ordering, it would be free! Dominos put their USP into action and built a multi-million dollar organisation.

Be Specific

How many small businesses do you hear saying, 'The Best Selection in Town' or 'Service with a Smile.' I have to say that these phrases are worn-out, tired renditions of a me-too business. Be specific with your USP. When Domino's stated that your pizza would be (1) fresh, (2) hot, and (3) delivered within 30 minutes, it was specific and measurable. 'Buy it today and install it tonight' – that's specific and measurable.

How to Identify and develop Your USP

Firstly don't hurry or rush the decision about your USP. You might spend thousands of dollars on advertising and promoting your USP – so you want to get it right, at least for a few years.

If your USP is a **promise** or has a **guarantee** you must make sure that you can deliver your USP promise. Dominos had a very bold USP. To get a pizza to someone's house within 30 minutes could be a difficult feat to accomplish on a consistent basis. But the rewards were fantastic.

So how do you choose a USP? One way is to identify which needs are going unfulfilled within your industry or local

market. These are called 'performance gaps'. Many successful businesses base their USP on performance gaps.

Here are some examples from different small business industries:

Example #1 – Auto Repairs

Performance Gap *problem*: Over many years (although it's getting much better these days) some auto-repair shops have developed a reputation for being dishonest, and of course this has a flow-on effect to the entire industry.

Potential USP *solution*: *If it ain't broke, we won't fix it!*

Example #2 – Dental Industry

Performance Gap *problem*: No one likes to go to the dentist because it's such a painful experience.

Potential USP *solution*: *Sedation Dentistry, the Safe, Pain Free way to Healthy Teeth.*

Example #3 – Real Estate Industry

Performance gap *problem*: People are wary of letting real estate agents sell their homes because they don't believe the agents will aggressively try to sell them fast enough.

Potential USP *solution*: Our 20 point *Power Marketing Plan* gets your house sold in 30 days or less.

Example #4 – The Steel Fencing Industry

Performance gap *problem*: The Steel fencing industry is not known for its *speed* when it comes to fixing problems – at least in Australia

Potential USP *solution* (Very Australian). *There's NO flies on the Steel guys.*

You can see how a performance gap can lead to a powerful USP. You can also have local performance gaps that will give you a great USP as well. For instance, if you are an electronics outlet and you have more inventory than anyone else in town you might have a USP that said something like:

'We have 10 times the selection of any other electronics store in town. Go visit the rest. Then come and shop at the best.'

As stated your USP doesn't have to be Unique.

Although a USP is a statement of your uniqueness it doesn't always have to be something that is only unique to you... if you 'state' it first!

For instance, if you were a furniture retailer and you proclaimed your USP to be 'buy today, we'll deliver tonight.' Most other competitors can do that too, but because you were the first to state it, it is yours exclusively.

This is sometimes called 'pre-emptive marketing.' You can pre-empt your competitors if you take a strong benefit, whether or not it's unique, and put your stamp on it first. All others who come after you will just be strengthening an advantage you have already placed in the minds of your prospects. You might remember how we previously would 'Xerox' things or reach for the 'Kleenex' tissues.

Here's another idea I use with my clients:

Write in the centre of a piece of paper what your business does

Then list all your benefits around this statement – example

Fixed Fast

Friendly

Fixed right

No waiting

15 minute arrival time

Contact if running late

Guarantee or free

On time



Plumbing Repairs

Prioritise your benefits... from the customers viewpoint... which one(s) do you think would appeal to them most...

for example:

On time

No waiting

a Guarantee or Free...

... so what about... fixed fast, friendly and fixed right... sounds okay... but you should expect this... so let's go for – on time, no wait, a guarantee or free...

USP...

On-time plumbing repairs with a no-wait guarantee – or it's free

If we heard a plumber say this... we would ask HOW do you do that? – and that's exactly what a USP is meant to do. Get attention and engage dialogue!

Live up to Your USP

It's okay to be BOLD when developing your USP/slogan but be careful to ensure you can live up to your USP. Your USP should have promises, guarantees, policies and procedures, employee evaluations and other reinforcing processes to make each USP come alive.

Having a strong USP can make your business *super successful*; on the other hand, having a USP that you *can't* live up to can be the 'kiss of death' for your business.

I've often wondered how many cold pizzas Dominos had to eat before they could consistently deliver on their promise.

... and now for one of the most important parts of any USP/slogan –

Integrate Your USP into everything you do

Once you've given your USP the green light you need to integrate it into everything you do. Your USP should be found somewhere in headlines, body copy of ads, direct mail, and yellow pages etc. You should repeat clearly and consistently in every one of your radio and TV commercials.

You should include it in your sales presentation, on your website, on the walls of your business and on your business card. You can't over do or wear out your USP, especially if it carries a powerful message.

“If you tell the truth, You don't have to remember anything.”

Mark Twain