

USP Creator

How To Develop Competition-Crushing Unique Selling Positions

By Jim Armstrong

This is a tool that you can use over and over again as you craft marketing messages, special offers and sales processes.

Part I: What The Heck Is A USP And Why Should You Care?

We live in a society where many products and services have been commoditized, meaning that consumers see these products/services as being essentially the same regardless of who offers them. Some examples include floor covering, the mortgage business, real estate, insurance, anything you can buy at Walmart, printing, marketing consulting, web design, yard care, remodeling contractors, etc., etc., etc. The list is almost endless.

Many big corporations have spent billions of dollars teaching (brainwashing?) the average consumer that low price is king. Walmart, Home Depot, and other box-stores and national chains have totally changed the conversation from “quality and service” to “cheap price.”

Low price is the last refuge of the mediocre marketing mind

One of many bad consequences of commoditization is that most small business owners think that they only way they can compete is by lowering their prices. The problem with this is that competing on low price is a suicide mission that will doom most small businesses to endless struggle or bankruptcy. I never counsel my clients to compete on low price. My job as a marketing expert is to show them how to charge premium prices regardless of what their competitors charge. (For great insights on pricing I highly recommend the book “How To Sell At Prices Higher Than Your Competitors,” by Dr. Larry Steinmetz.)

USP: Antidote To Low Price Pressure

Since virtually every business is faced with pressure (either real or imagined) to lower their prices, one of the first things I always do when developing a marketing plan is to develop USP's to counteract this. USP development is a critical first step when working with a business owner.

Apples-To-Oranges

If you were offered two identical apples, one priced at \$1 and another at \$0.50, which would you buy? All things being equal, probably the less expensive one. But what if the guy selling the apples educated you on the merits of the \$1 apple: that it was organically grown, had no pesticide residue, had three times the flavor and twice the vitamins as the other apple. And furthermore, what if he said that he was so confident that you would love the \$1 apple that it came with a money-back guarantee? Even though you are comparing two apples, it's no longer an *apples-to-apples* comparison: it's now *apples-n-oranges*.

Now which apple would you buy?

Pressure to lower prices results from consumers seeing a particular product/service as being essentially the same regardless of who is selling it. Consumers perform what they think are apples-to-apples comparisons between companies, then go with the cheapest, or pick one in the middle.

You never, ever, ever want to let your prospects (or your client's prospects) do apples-to-apples comparisons. You want them always comparing apples-to-oranges. Unique Selling Propositions are one of the most powerful and effective tools for creating this situation.

USP's Are Not *Universal*

I'll explain what a unique selling proposition is by first telling you what it is not. It is not a *universal* selling proposition. A universal selling proposition is something that everyone in a certain business category has. Almost all doctors offer free consultations. That's a universal selling proposition. The same with free estimates offered by remodeling contractors.

A unique selling proposition, on the other hand, is something that is unique to your business. It's something that almost no one in your business category offers. It separates you from everyone else. Here are two powerful examples:

- When it absolutely, positively has to be there over night (Federal Express)
- Fresh, hot pizza delivered in 30 minutes or less (Dominos Pizza)

Both of these companies built business empires on the strength of their respective USP's.

A good USP is not general, it's specific; it focuses like a laser beam on a specific, obvious benefit to the prospect. The benefit promised by Federal Express is clear and unambiguous. The same with Dominos.

You can have many USP's for many different sales situations. The main thing to remember is that a good USP is not general, it's very, very specific. The clearer you can make the benefit, the better.

The Unspoken Question On Every Prospect's Mind

A good USP answers the unspoken question on every prospect's mind:

Why should I do business with you versus each/every competitive option available to me, including doing nothing.

Most businesses do an incredibly lousy job answering this question. Here are some typical examples you'll see in most business advertising:

- Serving the twin cities for over 50 years
- Number one in customer satisfaction
- You've tried the rest, now try the best
- We care
- Honest
- Reliable
- Excellent in customer service
- Your satisfaction guaranteed (with no verbiage defining the guarantee)
- Head and shoulders above the rest
- We'll beat any price

Blah, blah, blah, blah...

These really aren't USP's at all: they aren't unique and they don't sell anything. They're the same worn-out, tired, useless, limp, copy-cat slogans that legions of small businesses stick in their ads because they are either too lazy or too unknowledgeable about marketing to do anything else.

Testimonial As USP

Testimonials are **the most powerful** USP's.

However, testimonials differ from traditional USP's in that the message is *implied*. Testimonials say to your prospect, "You can get amazing results like this, too," or "I can solve your biggest challenge, too," or "Hiring me is a very smart move," etc.

That's why you should gather and use testimonials in all of your marketing. If you don't have testimonials yet, that's okay. Get them from your current clients.

Guarantee as a USP

People are skeptical. And for good reason. At one time or another almost everyone has been ripped off, cheated, or been disappointed by inferior quality. A guarantee will go a long way towards soothing your prospect's fears about using your services.

A big mistake I see a lot of small business owners make is offering a guarantee, but they don't aggressively promote it in their marketing because they are afraid people will take advantage of them. This is really not smart. Think about it. You now have the liability of a guarantee, but you get none of the marketing benefits from telling people about it.

Shout your guarantees and warranties from the mountaintops, let everyone know, put it in all your marketing material. People will think, "Wow, if this guy is so sure about his product/service that he keeps offering these guarantees, it must be pretty good!"

Powerful guarantees and warranties will go a long way in establishing solid credibility with skeptical clients, and towards easing their fears.

Next is a guarantee that I developed for the flooring business, along with sales copy explaining how it works to the prospect. This is actually three USP's strung together; use them together or separately depending on the marketing message.

You Are Protected By Our 100% Iron-Clad, Triple Guarantee

Guarantee #1 "Zero Regrets Guarantee: You'll love your new floors or we'll replace them free!"

Here's how the "Zero Regrets Guarantee" works: if at any time during the first 30 days after installation you decide you don't like your new flooring for whatever reason, just let me know. I'll replace the materials free of charge. (With an outrageously good guarantee like this, I can't include the cost of installation, so you'll have to cover that.)

I offer this amazing guarantee because you're going to have your new floor for a long, long time, and I don't want you to have to live with a choice you'll regret. I want you to be head-over-heels thrilled with your selection. So if you are unhappy with the flooring, I'll replace it one time free of charge with another style of equal or lesser value. (If the new flooring you select costs more, you simply pay the difference.)

If you walked into any other flooring store and asked them for a guarantee like this, they will probably laugh and tell you "no way!" So how can I offer such a powerful guarantee? I couldn't unless I was absolutely confident in the quality of my products

and service. I am confident, and you will be, too...I guarantee it!

Guarantee #2 Lifetime Installation Warranty

Buying flooring is not like buying any other piece of interior décor, such as a sofa or a lamp. Why? Because unlike other products, flooring is installed or “manufactured” in your home. This makes the installation critical. I offer a lifetime installation warranty at Jimbo’s Floors. You NEVER have to worry about something going wrong with the installation. If it does, I’ll fix it FREE! And I’ll do it quickly.

Guarantee #3 Installer Professionalism Guarantee

Jimbo’s installers are neat, clean, well-groomed, well-spoken and professional. They are trained and certified. They are guests in your home, and they conduct themselves as such. They respect your home by using wall and corner guards, shoe covers and drop cloths. You’ll receive the highest-quality installation in the business. And after they’re finished, they will leave your home as neat and clean as when they arrived!

Some of my floor dealer clients are wary or downright scared to offer guarantees like these, especially the Zero Regrets guarantee. The following is from a manual I developed for flooring dealers where I explain why they should not be afraid of this kind of guarantee. Feel free to tweak and use this in educating your clients about why they should use powerful guarantees:

You might be saying, “Are you crazy? It scares the daylight out of me! How can I afford a guarantee like this?” If that describes you, let me share with you why you should not be afraid of this guarantee:

First, there are already many stores that already offer guarantees like this, and they’re doing just fine. You just don’t hear about it because they don’t promote it correctly. One of the stores I consult with is a member of a co-op, and they offer this guarantee. For the first five years they had this guarantee in place they self-insured it; meaning if a client wanted the flooring replaced the store covered the cost, minus the installation. The decision to implement this guarantee did not hurt them financially; the occasional cost incurred to replace a floor was more than made up for in additional sales made, and higher prices commanded, because of the guarantee.

Second, imagine the emotional state of a client who invests to have brand new flooring, and once it’s installed realizes she hates it. Now every day for the next 5-10 years she is going to

look at that floor and have negative thoughts about your store. Even though she knows it's not your fault, the negative thoughts are there. And every time she has guests over and ask her where she got the floor, she is going to mention your store, but in the same breath tell them how disappointed she is in the flooring. Now you have more people thinking negative thoughts about your store. Every time someone walks into that house, that expensive, new floor is will be a gigantic advertisement of negativity towards your business. How many additional sales do you think you will lose over the next 5-10 years because of that one unhappy client?

Now imagine if you gave her the option to replace it. She will now become the most rabid, raving cheerleader for your store. Now every time someone walks into her house they will get the story about how your store is so fantastic that you replaced her floors free.

Third, people feel extremely guilty, and hence extremely reluctant to take advantage of the guarantee. Every time my consulting client got a call, the customer felt so bad that he knew the person had to be absolutely unhappy with the flooring to endure the guilt.

Third, it's such an extreme hassle to have the flooring done a second time that very few people will opt to do it. They have to really, truly dislike the floor to endure the hassle.

Fourth, there is some expense involved because they have to pay for the installation. This will further discourage all but the most seriously unhappy clients.

Fifth, will you get taken advantage of occasionally by someone wanting to rip you off? Yes. But don't let that teeny, tiny, almost-imperceptible minority keep you from doing it. Most people are basically honest, and just like you and me, they don't want to live with the agony of the wrong decision.

Sixth, it will help enable you to command higher prices.

Seventh, a guarantee like this will absolutely eliminate some of the biggest fears of your clients. It has a gigantic "WOW" factor. People will not be able to help talking about your store.

Eighth, it will scare the daylights out of your competitors.

I know of business owners who have a guarantee but don't like to mention it in any of their marketing. They are afraid that this will increase the likelihood of getting ripped off. This is not smart thinking. Why? Because now you have the liability of a guarantee, but none of the marketing benefits. Tell everyone about your guarantee! Mention it in all your ads and letters.

If this guarantee makes you nervous, try it for 3-6 months and see for yourself. You can always stop offering it if you want to.

More Guarantee Examples:

Mortgage

You get the best home loan service ever, or it's FREE!

If at the end of the loan process you aren't thrilled with our service, we'll waive our fees.

I developed this when I was a partner in a mortgage company. As far as I know, there is no other guarantee like this in the mortgage industry.

Carpet Cleaning

I developed this when I owned a carpet cleaning company. It's actually three USP's in one.

You Are Protected By My 100% Bullet-Proof Triple Guarantee!

- **You Get The most thorough cleaning ever...or it's FREE!!** If you don't feel that this is the most thorough cleaning you have ever seen, we will clean your carpet again free of charge. If you still are not pleased for any reason, I'll refund your money and we'll part friends. *(This part was developed by Joe Polish for his clients in the carpet cleaning industry.)*
- **No spots will return.** Some stains are permanent. But any spot we can get out won't come back...ever. If one does, you have a full 30 days to call and I will come back at no charge, remove it for you, and make sure it stays gone.
- **7-Day Spot and Spill Insurance.** If you spill or track anything on your freshly cleaned carpet, I will touch it up free within the first 7 days.

I would use these USP's separately or together, depending on my marketing message.

The REI Guarantee

We stand behind everything we sell.

If at any time your REI purchase doesn't meet your expectations, you can return it for a replacement or refund. What's more, if you're an REI member, you don't even need a receipt—we'll have a record of your purchase.

I've purchased thousands of dollars worth of backpacking gear from REI and paid more than I would at other outfitters. A large part of my loyalty is because of this guarantee. I've made use of it a number of times and they DO honor it.

I've done quite a bit of work with flooring distributors as well as retailers. After interviewing top sales people at a couple of different flooring distribution companies, I discovered that part of the reason these sales people were so successful was they returned phone calls quickly. It turns out that when floor dealers have a question about a product, they don't want to wait hours or days for a return call. (Big surprise!) With this in mind, I created the following flyer and voice mail script for the sales reps, which includes a "prompt return call" guarantee:

You Are Protected By Our... Stress-Free Triple Guarantee

As a flooring retailer you have enough on your plate without the added stress caused by late deliveries, inaccurate price quotes and other "headaches" caused by distributors.

We want to be your flooring consultants for life! So we turn cartwheels and bend over backwards to help make your life *more* profitable and *less* stressful. And that's why we've created our 100%, Bullet-Proof Stress-Free Triple Guarantee!

1. On-Time Delivery Guarantee!

We realize that you are counting on prompt delivery in order to provide good service to your clients. So we walk over hot coals to guarantee that you get your delivery on the day we promised. If we see that events beyond our control are going to make us miss our delivery day, we will phone you on or before the day it's due and give you a heads up so you can notify your client. If we fail to communicate a delay in delivery, we will send you a \$50 gift certificate that you can apply towards your next invoice.

2. Price Accuracy Guarantee!

Incorrect billing and pricing is a giant pain in the you-know-what. You will have our latest price sheet at least one week ahead of any price changes. Period. You will be invoiced for the price listed on our current price sheet. Period. Same goes

with any price we quote you. If we make a mistake on price, WE pay for it. Not you.

3. Prompt Return Call Guarantee!

Nothing is more frustrating than leaving a message with your sales rep and not knowing when (or if) they are going to call you back. When you leave a message with your sales rep, they will return your call within two hours, guaranteed. If you call after 4:00 PM, your call will be returned by 9:00 AM the next business day, guaranteed. If they are late for any reason, your sales rep will give you a gift card for a large coffee at Starbucks!

Here's the voice mail script that I had all the sales people record on their cell phones:

Prompt Return Call Guarantee Voice Mail Script

"Hi, thank you for calling John Smith with XYZ Distributors, home of the prompt return call guarantee where I promise to return your call within two hours, guaranteed. If you call after 4:00 PM, I'll return your call by 9:00 AM the next business day, guaranteed. If I am late calling you back, I'll give you a gift card for a large Starbucks Coffee. So please leave your name and a number where you can be directly reached, and I'll phone you back within two hours. Guaranteed!"

Two things to notice:

- 1) I clearly define what the guarantee is ("I promise to return your call within two hours")
- 2) I back up the guarantees with some sort of benefit. i.e. "If I'm late calling back I'll give you a gift card for a large Starbucks coffee."

Lots of companies say they guarantee good service, but they rarely define what it is, or what happens if they violate their guarantee. In other words, their guarantees have no teeth, no power and no meaning.

By the way, I instructed the sales reps to hand deliver the Starbucks card if they were late on a return call. Why? It gave them another reason to visit the store and sell something. For the cost of a \$2 gift card, sales reps were able to sell thousands of dollars worth of products.

Keep your ears open for the hidden nuggets

Often times I've had business owners tell me that they provide a benefit to their customers that their competitors don't, but they have trouble communicating this benefit in their sales and marketing. Consequently, they have the financial burden of providing this benefit, but experience none of the competitive advantages of offering it.

For example, in the floor covering industry, installers are notoriously unprofessional, showing up at the customer's home looking ragged, smoking cigarettes, leaving a mess, etc. Another widespread problem, especially with big-box stores, are underpaid, untrained, uncertified installers. They are so rushed to do as many installations as possible each day that they wind up cutting corners. I learned all this through my interviews with several flooring dealers who told me they invest the time, energy and money into making sure their installers conduct themselves professionally, and to making sure that they are trained and certified. These dealers complained that customers were being lured away to Home Depot and other discounters by low prices, not realizing that they were opening themselves up to huge problems with the installation.

Using this information I created the "Installer Professionalism Guarantee" mentioned earlier.

Flooring distributors are in heavy competition with each other to secure the loyalty of flooring retailers, sending legions of sales people out to do cold calls and pound the pavement. Using the "Hidden Nuggets" method, I created an entire marketing system for distributors, including this series of USP's.

7 Ways New Century Distributors Will Make Your Life In The Flooring Business Less Stressful and More Profitable!

1. On-time Delivery Guarantee!

We walk over hot coals to guarantee that you get your delivery on time. If we are late for ANY reason, we take \$50 off your next order. (Minimum \$300 order.)

2. Real-time tracking of all orders!

Phone our tracking hotline at any time (123-456-7890) and we will access your account and let you know exactly where your order is at in the process and when you can expect to receive it.

3. Huge Selection of Products and Supplies

We are the most "customer friendly," "dealer focused" distributor in Nevada and Utah. We have a mind-blowing selection of carpets, vinyl, laminate, hardwood, stone, and tile, as well as every accessory known to man. We can literally be your one-stop-shop for flooring supplies.

4. We make you look like a knight-in-shining-armor to your

clients

Because we have invested in a World Class system of on-time deliveries, and a MASSIVE selection of high-quality products, we'll make you look like a HERO to your clients!

5. Most products are stocked "In Depth" for immediately delivery.

We have invested a king's ransom to make sure you can get the product you need right away, and make back- orders a rarity. Also, if there is ever a problem with a product, this enables us to replace it with lightning speed so your clients are not inconvenienced.

6. Flexible lines of credit!

Because of our size, awareness of the importance of good cash flow, and focus on what retailers need to be successful, we are able to offer lines of credit to even the smallest dealers in most cases.

7. We focus on what's important to YOU!

Unlike other suppliers you currently have, our main focus is assisting you, and giving you concrete, hands-on tools to bring more clients into your store right away.

Turning Industry Norms Into USP's

It's often possible to take something that is commonly done within an industry, but list it in such a way that it seems like a unique benefit and builds value in the prospect's mind.

Years back I owned (then subsequently sold) a carpet cleaning company. We sold our services using several different service packages, which I've listed below. I've highlighted the items that are commonly done by many carpet cleaning companies. However, by listing them we created the perception in the client's mind that they were unique, special and, most importantly, valuable.

(By the way, we were the highest priced carpet cleaning company in my area at the time, and these service packages were part of an overall strategy which allowed us to command premium prices.)

Carpet Cleaning Service Packages

Gold

The best way to care for your carpet investment.

- 1) Free bottle of carpet spotter.
- 2) Spotting for all difficult stains.
- 3) Detailed cleaning along edges, in corners, and behind doors.

- 4) Heavy-duty pre conditioning
- 5) Extract with our high-pressure truck mounted system.
- 6) Residue-free rinse
- 7) Final grooming
- 8) 22-point Quality Checklist
- 9) 100% Bullet-Proof Guarantee
- 10) We pre-vacuum
- 11) We move sofas, loveseats, chairs, coffee and end tables.
- 12) 2 Turbo Dryers used while we are on sight.
- 13) Replace furnishings with protective foil tabs and Styrofoam blocks under legs.
- 14) Apply fabric protector to keep your carpet looking great for years to come.
- 15) 1-year stay clean warranty—if you can't remove a spot with our professional carpet spotter, we'll come out and clean it free.

Silver

You do nothing, we do it all for you

- 1) Free bottle of carpet spotter.
- 2) Spotting for all difficult stains.
- 3) Detailed cleaning along edges, in corners, and behind doors.
- 4) Heavy-duty pre-conditioning.
- 5) Extract with our high-pressure truck mounted system.
- 6) Residue-free rinse
- 7) Final grooming
- 8) 22-point quality checklist
- 9) 100% Bullet-Proof Guarantee
- 10) We pre-vacuum
- 11) We move sofas, loveseats, chairs, coffee and end tables.
- 12) 2 Turbo Dryers used while we are on sight.
- 13) Replace furnishings with protective foil tabs and Styrofoam blocks under legs.

Bronze

Thorough cleaning with no frills

For empty rooms, or we'll clean around furniture. (client to pre-vacuum)

- 1) Free bottle of carpet spotter.
- 2) Spotting for all difficult stains.
- 3) Detailed cleaning along edges, in corners, and behind doors.
- 4) Heavy-duty pre-conditioning.
- 5) Extract with our high-pressure truck mounted system.
- 6) Residue-free rinse
- 7) Final grooming
- 8) 22-point Quality Checklist
- 9) 100% Bullet-Proof Guarantee

Next are a set of USP's I developed when I was in the mortgage industry. I actually developed this into a 10-minute Powerpoint presentation I would present to all new clients on a 40-inch flat screen TV in my office that I had installed for this purpose. (Huge "WOW" factor!)

1. Free Strategy Session

- A payment that fits your budget (not necessarily the maximum you can qualify for)
- How long you intend to stay in the house
- Expected changes in your financial situation in the next 3-5 years
- Future financial obligations (autos, college, new business start-up, etc.)
- Do you need credit repair (We provide credit counseling and three different credit repair options depending on our client's needs)
- Red Flag issues (These include un-provable mortgage or rent history, new start-up business, issues with the property, divorce issues, cash-to-close limitations, collections and judgments on your credit report, or any other items that can affect the loan.)
- During your free strategy session, we will address these issues, and others, to make sure you get the best loan for your unique situation.

2. Meticulous prequalifications—no last-minute surprises!

Unfortunately, many lenders issue prequalifications based on a single conversation and without verifying important documentation. This leads to borrowers finding out at the last minute that they don't qualify for the loan they were originally promised. At City Mortgage, before we will issue a prequalification letter we always review four things: 1) Credit; 2) Assets or cash-to-close; 3) Income & job history, 4) Red flag issues. This insures that there won't be any unpleasant surprises at the last minute.

3. Your powerful resource for closing those "unusual" loans!

City Mortgage has access to hundreds of loan options, thus enabling us to close some very unusual and "tough" transactions. We will use our considerable expertise and experience to find a home for those tough deals.

4. You are protected by the City Mortgage "No Surprises At Close Guarantee!"

Unfortunately, many of us have had bad experiences with lenders changing rates and fees at the last minute. This can be very stressful! When you work with City Mortgage, you can relax knowing you will get the rate and terms we originally promised, and our fees will be within \$300 of what we quoted you.

5. You are kept updated during the loan process!

At City Mortgage, we have designed a system of "World Class Service" where you will hear from us nine times during the loan process, both by phone and by mail. You'll always know exactly what's happening with your loan.

6. You get the best home-loan service ever, or it's FREE!TM

If at the end of the loan process you decide we have not acted in your best interest, we will waive any and all City Mortgage fees. If you asked any other bank, on-line lender, or broker for this kind of MONEY BACK guarantee they will probably laugh at you and say, "No way!" So how

can we offer such a powerful guarantee? Quite frankly, we couldn't unless we were absolutely confident in the quality of our service. We are confident and you will be, too...we guarantee it!

Many of the items I've listed are standard and customary among honest, ethical mortgage lenders. However, by listing them for the client—and presenting it as a powerpoint presentation—I created MASSIVE differentiation from my competitors. If my clients were shopping around, this stopped the shopping in its tracks. That's the kind of result you want to create for your clients.

As you are creating USP's for your business, write down your processes and services. You may be able to take items considered mundane and ordinary within the industry and package them in such a way that they build tremendous value in the minds of their prospects.

USP's From Thin Air

Oftentimes you can build USP's that require little-to-no extra work or expense, essentially creating value from thin air.

Carpet Cleaning:

- 22-point Quality Checklist
- 100% Bullet-Proof Guarantee
- 1-Year Stay-Clean warranty

Mortgage business:

- You are protected by the City Mortgage “No Surprises At Close Guarantee!”
- You are kept updated during the loan process!
- You get the best home-loan service ever, or it's FREE!™

Floor Dealers:

- Zero Regrets Guarantee
- Lifetime Installation Warranty
- Installer Professionalism Guarantee

When I say USP's “spun from thin air” I don't mean un-valuable. These USP's are extremely valuable to the client, providing great peace of mind and a feeling of security about working with us. What I mean is that they cost little or nothing to implement, and generally don't require huge overhauls of company policy to put in place.

Keep your ears open for these kinds of opportunities when working with your clients.

Create USP's By Renaming Common Industry Terms

A great example of this is Starbucks renaming small, medium and large as Tall, Grande, venti and now Trenta (extra large). Walla! Instant boost in perceived value and differentiation from all the other places hocking coffee.

Other examples:

- Mortgage: Instead of “consultations” we did “Strategy Sessions.”
- Carpet cleaning: Instead of “estimates” we did “Free Carpet Audits.” (“Carpet Audit” was developed by Joe Polish for the carpet cleaning industry.)
- Floor covering: instead of “estimates,” my clients do “Design Audits.”
- Martial arts schools: Instead of “initial consultations” I taught my clients to do “Sports Reviews.”

Keep an ear out for common terms that you can rename, especially if the service involves some kind of initial consultation.

Climb Into Your Prospect’s Brain

The best sales people and marketers enter a conversation that’s already taking place in the minds of their prospects. Therefore, the more you know about your prospect, the easier it becomes to get into their mind and identify their emotional triggers. Below are some tips for doing that.

- Demographics
 - Age
 - Income
 - Job status
 - Marital status
 - Children
 - Race
 - Religion
 - Sex
- Points of Pain
 - What are they afraid of?
 - What keeps them up at night?
- Hopes
- Fears

Part II: Developing Your USP

This section will be a tool you use over and over again as you develop USP's for marketing campaigns, specials, sales processes, joint ventures, etc. Here are some tips to get the most out of this:

1. Schedule an hour of brainstorming time. I've found that one-hour chunks are more effective than one marathon session.
2. Make sure you work in a quiet place where you won't be disturbed. All mobile devices turned off.
3. Use a notepad or computer to take notes. Sometimes I'll write down 25-50 USP's for a specific project, fine tuning the wording until it conveys the message I'm shooting for.
4. Some of the steps may seem redundant and produce similar answers. That's okay. I did this on purpose because it forces you to look at your business from different angles as you find and develop USP's.

Step 1: Identify Your Target Market

For joint ventures this can be a specific niche (contractors, interior designers, Realtors, etc.)

For clients, this can be homeowners with a combined household income of \$200,000 or more, homeowners in certain neighborhoods, etc.

Describe your target market. _____

Step 2: Identify Your Prospect's Fears

What are their greatest fears? What keeps them laying awake at night in a pool of their own sweat?

Your prospects

- Plumber: He's going to leave a big mess in my house
- Used car dealer: They're going to lie to me and sell me a lemon
- Floor dealer: What if I spend a bunch of money on new floors, but wind up hating the color?

Step 3: Identify Performance Gaps In Your Industry

What sucks about the service in your target industry? What are the obvious weak points?

- Floor covering: Unprofessional installers that are poorly dressed, leave a mess, rude, or do a lousy job.
- Remodeling contractors: Don't show up, don't return calls, unprofessional, leave a mess, "unexpected" cost overruns.
- Auto repair: dirty waiting rooms.

Step 4: Identify Commonplace Fraud That Occurs In Your Industry

Does your target industry have regularly occurring fraud?

Some industries are notoriously fraudulent (i.e. used car dealers). In many others, fraudulent practices occur regularly, but it's not as well known to the average consumer (i.e. floor dealers). In either case you have a powerful opportunity to set yourself or your client apart by being the "anti" fraudulent "knight in shining armor" in a given industry.

Examples:

Floor dealers

- Bait-and-switch
- Poor workmanship
- Not honoring warranties

Contractors

- Poor workmanship
- Take a deposit then never do the work
- Unlicensed; uninsured

Mortgage brokers

- Lie to their clients about interest rates and terms
- Bait-and-switch

Auto mechanics

- Charging for work they didn't do
- Lying to customers about repairs that need to be done

List any fraudulent practices that take place in your industry.

Step 5: What Annoys Prospects Shopping For Services In Your Industry

Virtually every industry has things that drive people nuts. By identifying these, you can create USP's that promise NOT to do those things.

Examples:

Floor dealers

- Scary-looking installers. Ripped up jeans, old t-shirts, smoke in the driveway, leave a mess.
- No communication throughout the buying and installation process.
- Missed deadlines.

Contractors

- Scary looking.
- Don't return calls.
- Show up late or not at all.

Auto mechanics

- Talk down to women
- Dirty waiting room
- Leave greasy handprints on the steering wheel

Mobile phone company

- Lousy coverage
- Being put on hold when calling in for customer service issues

Fast food restaurants

- Lousy food
- Unhealthy

Marketing consultants

- Unreliable
- Disorganized
- Don't return calls
- Don't keep appointments

- Don't deliver on promises
- Unprofessional

Make a list of everything that drives people nuts about your target industry.

Step 6: Identify Ways Your Business Stands Out From Competitors (Or *Could* Stand Out)

Identify pre-existing features and benefits in your business that are unique

- Unique product or service
 - iPhone
 - Crocs
- Unique way the product or service is delivered
 - 1-800-Flowers. Flowers delivered via mail services.
 - Cold Stone Creamery (ice cream mixed with toppings on a frozen slab)
- Guarantees
 - Guaranteed overnight delivery (Fed Ex)
 - Zero Regrets Guarantee: You'll love your new floors or we'll replace them free.

Or you can invent ways to make a common product or service unique

- Flooring
 - Zero Regrets Guarantee (not unique, but most dealers are scared of it and don't market it correctly)
 - Lifetime Installation Warranty (again, not unique, but most dealers are scared of this one too, and they don't market it correctly)
 - Installer professionalism guarantee.
- Mortgage services

- Money-back guarantee (If at the end of the loan process you feel we did not act in your best interest, we will waive our fees.)

Make a list of all the ways your business stands out, or could stand out, from competitors.

Step 7: Identify Opportunities For Unique, Powerful Guarantees

Many of the businesses you work with will NOT offer a product or service that's unique. Many of these businesses are so much alike that they have been commoditized, meaning that the consumer sees these businesses as essentially the same, therefore cheapest price becomes the deciding factor.

(Dan Kennedy says that if you are in a commodity business, get out. He doesn't mean to quit that industry, he means re-invent your business. USP's are one of the most powerful ways to do this, especially by using powerful guarantees.)

One of the quickest routes to a good USP in this situation is by developing jaw-dropping guarantees that are not common in your target industry.

- Fast or On-time delivery guarantee in an industry known for being slow or late.
 - Remodeling contractors
 - Mortgage loans
 - Heating and Air contractors
 - Plumbers
- Professionalism guarantee in an industry known for lack of professionalism, sloppiness, etc.
 - Floor covering: installer professionalism guarantee.

- Refund or replacement guarantee in an industry not known for having either.
 - Floor covering: Zero regrets guarantee
 - Window coverings
 - Plumbing
- No-surprises guarantee in an industry known for last minute price changes
 - Floor covering: guaranteed price quote
 - Remodeling contractor price guarantee
- Friendliness/Respect For Clients guarantee in an industry known for rudeness and disrespect (especially to women).
 - Auto repair
 - Contracting
 - Service industries
 - Gun store
 - Auto sales
 - Pawn shop
- Friendliness/Respect guarantee for women (or beginners) shopping in a male-dominated industry, or an industry where newbies could be intimidated.
 - Auto repair
 - Contracting
 - Gun store
 - Martial arts school

List all the possible ways your business could guarantee its product or service.

Step 8: Identify Problems That Your Product/Service Solves

Here are some examples:

Marketing Consulting

- Low revenue
- Lack of customers
- Lack of web traffic
- Working too hard for too little
- Lack of profits
- Having to compete on low price

Floor covering

- Worry about choosing the wrong floor
- Scary looking installers
- Safety from unethical dealers

Auto mechanics

- Safety from unethical mechanics
- No threat of being treated rudely

List all the problems that your product or service solves.

Step 9: Turn Industry Norms Into USP's

Make a list of industry norms that could possibly be turned into USP's.

Step 10: Spin USP's From "Thin Air"

Many times you can create USP's that cost little or nothing to implement, and don't require huge overhauls of company policy to put in place. Good opportunities to create value from thin air are:

- Guarantees
- Warranties

List possible ways to spin USP's from "thin air" in your business

Step 11: Identify Common Industry Terms That Could Be Renamed.

Renaming common industry terms is a quick way to create value and differentiate your business from competitors.

- Starbucks renaming small, medium and large as tall, grande, and venti.
- In the mortgage business, instead of “initial consultations” we did “strategy sessions.”
- In the carpet cleaning business, instead of “estimates” we did “Free Carpet Audits.”
- In flooring retail, instead of estimates, we do “Design Audits.”

List common industry terms that could be renamed. (HINT: if your business offers an “initial consultation” this can be a good place to start.)

Step 12: Identify The Nuggets

Go back through the steps and write down all the benefits that could be worked into USP’s. These can be guarantees, problems that are solved, performance gaps that are addressed, fears that are addressed, etc.

Step 13: Brainstorm and Condense

For each benefit you wrote down in the previous step, write as many concise phrases as possible to succinctly describe that benefit. When I'm doing this exercise, I'll force myself to come up with at least 25 phrases.

Example:

Let's say one of the benefits I have listed in step 9 is "If you are unhappy with your floors, you don't have to worry because we'll replace them at no charge."

I'll brainstorm 25 phrases that condense this into a phrase that will work as my USP.

1. If you don't love your new floors, just let us know and we'll replace them at no charge.
2. If you don't love your new floors, we'll replace them at no charge.
3. If you don't love your new floors, we'll replace them FREE.
4. You'll love your new floors, or we'll replace them FREE.

Etc., etc., until I've come as close to 25 as possible. As I'm doing this I'll condense and revise, trying to say it with as few words as possible. Then I'll choose the best one. I'll repeat this for any other benefits I've listed in the previous step.

Brainstorm and Condense all the benefits you have listed in the previous step. (Use additional sheets if necessary.)

Step 14: Implement The USP's Into All Marketing

- Websites
- Print ads
- Direct mail
- Business cards
- Brochures
- TV ads
- Radio ads
- Billboards
- Window signage
- Banners
- Company vehicles (Carpet cleaning vans, plumbing vans, etc.)
- Yard signs (Contractors, Realtors, etc.)
- Invoices
- Letterhead
- Company shirts, caps.
- Voice mail (i.e. "Thank you for calling City Mortgage where you get the best home loan service ever or it's free.")