

Creating your Unique Core Differentiators

Key takeaway:

Most people ultimately buy from you based on why you are better than your competitors. If there is no, or little, difference than it comes down to price. Price wars will usually stop any growing business in its tracks.

What We Covered:

- Perception is the reality
- There are 3 types of UCD's
- A UCD can be the difference between success and failure for 5 reasons
- Some examples
- Finding your UCD
- Articulating your UCD

Unique Core Differentiators (UCD's)

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What's Your Positioning Message?

http://www.uschamberssmallbusinessnation.com/toolkits/guide/P03_1072

This short article from the US Chamber of Commerce Small Business Center is an excellent introduction to the role of differentiation in positioning a product in the marketplace. Essentially "differentiating" requires that the business owner identify or create meaningful differences between their product and others that can be leveraged to provide a selling edge. These can then be communicated through the "packaging, pricing, features and benefits, product design, colors, advertising and promotion mediums, public relations events, and even spokespersons". In other words the differentiators should, once identified, become part of the product's branding and work hand in hand to be part of the brand value.

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Proposition

<http://www.businesstown.com/mindspring/marketing/strategy-positioning.asp>

Some examples of unique selling propositions – those succinct, memorable messages that can so effectively position a product and differentiate it from rivals. USPs are only one way to differentiate but they are particularly important when competitive products or services have virtually identical features that offer like benefits.

From the MindSpring Biz site.

Some Examples of UCDs

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FedEx: Decades of innovation

<http://www.fedex.com/us/about/today/history/?link=4#2>

The story on how FedEx went about ensuring “Absolutely, positively overnight”.

Some Examples of UCDs

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What’s Your Unique Selling Proposition?

<http://www.attractcustomers.com/usp.htm>

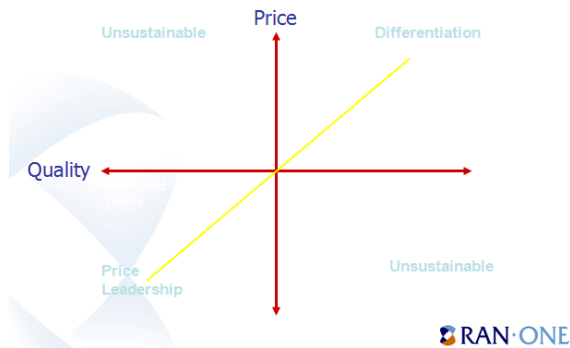
Questions to ask yourself about your firm and its products when trying to think of UCDs and a few examples of how to develop UCDs.

From the Fast Forward Marketing & Public Relations website.

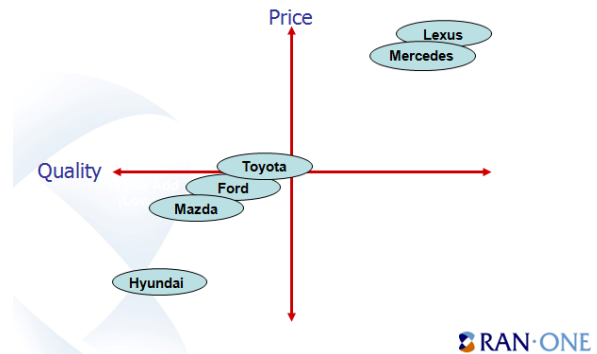
Advisor Hint

You might want to use the strategic positioning graph to compare your clients price/quality positioning with that of their competitors. Ask them what quality aspects are allowing them to charge a premium. If there is nothing obvious, or if their quality offering is not matched by a price premium it could be a great opportunity for a business diagnostic.

Valid and sustainable competitive positions



Case Study – Vehicles



Finding Your Own UCDs

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Ten Powerful Differentiation Strategies
By Dr Sheldon Nix

<http://www.smithfam.com/news/sept99x.html>

The title says it all. From the Smithfam.com site.

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How To Strengthen Product Positioning

http://soho.cch.com/text/P03_1074.asp

This article includes links to information on how quantitative and qualitative research methodologies can be employed to assess how customers actually perceive the differentiators of any product and to what degree they value them as determinants in a purchase choice. From the CCH Business Owner's Toolkit site.

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RAN ONE Solutions

Use the customer review diagnostic with your clients. An independent party (such as you) can often get better quality information than the owner will. Customers sometimes feel uneasy complaining to the owner and will instead shop elsewhere or accept a lower level of service that could spell the reason why other A and B customers avoid your client.

Analysing the results in your Action Plan

Advisor Hint – 7 Steps to discovering your UCD

Step 1: Use your 3 biggest benefits:

Clearly describe the 3 biggest benefits of owning your product or service. Let me be blunt. Your prospect doesn't care if you offer the best quality, service, or price. You have to explain exactly **WHY** that is important to them. Think in terms of what your business does for your customer and the end-result they desire from a product or service like yours. So, what are the 3 biggest benefits you offer?

Step 2: Be Unique:

The key here is to be unique. Basically, your UCD separates you from the competition, sets up a "buying criteria" that shows your company is the most logical choice, and makes your product or service the "must have" item. (Not your competitor's.)

Write your UCD so it creates desire and urgency. Your UCD can be stated in your product itself, in your offer, or in your guarantee:

PRODUCT: "A unique golf club swing that will instantly force you to hit like a pro."

OFFER: "You can learn this simple technique that makes you hit like a pro in just 10 minutes of driving practice."

GUARANTEE: "If you don't hit like a pro golfer the first time you use this new swing, we'll refund your money."

Step 3: Solve An Industry "Pain Point" Or "Performance Gap":

Identify which needs are going unfulfilled within either your industry or your local market. The need or "gap" that exists between the current situation and the desired objectives is sometimes termed a "performance gap". Many businesses that base their UCD on industry performance gaps are successful.

For example, Dominos Pizza used the "Pizza delivered in 30 minutes or it's free" UCD to become wildly successful. This worked because of the need or "gap" in the market - After a long day at work many were just too tired to cook. But the kids are starving and don't want to wait an hour! They want something NOW. Call Domino's.

So, what are the most frustrating things your customer experiences when working with you or your industry in general? Alleviate that "PAIN" in your UCD and make sure you deliver on your promises.

Advisor Hint – 7 Steps to discovering your UCD (cont.)

Step 4: Be Specific and Offer Proof:

Consumers are sceptical of advertising claims companies make. So alleviate their scepticism by being specific and offering proof when possible.

Step 5: Condense into One Clear and Concise Sentence:

The most powerful UCDs are so perfectly written, you cannot change or move even a single word. Each word earns you money by selling your product or service. After you get your UCD written, your advertising and marketing copy will practically write itself!

Now take all the details about your product/service/offer from the process in your action plan and sculpt them into one clear and concise sentence with a compelling reason fused into every single word

Step 6: Integrate your UCD into ALL Marketing Materials:

Variations of your UCD will be included in the **ALL** your marketing materials such as your...

- Advertising and sales copy headlines;
- Business cards, brochures, flyers, & signs;
- Your "elevator pitch", phone, and sales scripts;
- Letterhead, letters, & postcards;
- Website & Internet marketing.

Step 7: Deliver on your UCD's Promise

Be bold when developing your UCD but be careful to ensure that you can deliver. Your UCD should have promises and guarantees that capture your audience's attention and compels them to respond to you. Having a strong UCD can make your business a big success, or a big failure if you don't deliver on it thereby ruining your reputation. In the beginning, it was a challenge for Federal Express to absolutely, positively deliver overnight, but they developed the system that allowed them to deliver the promise consistently.

Making your UCDs the Core of your Business

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Increase Your Income: How To Differentiate Your Business And Gain A Competitive Advantage By Sue Barrett

<http://www.homebusinesscenter.com/articles/differentiate.html>

Apart from including a handy list of possible areas to consider for ideas on differentiators this article is a reminder of the underlying strategies:

- Learn what customers want
- Analyse the competition
- Think out of the box when considering differentiators