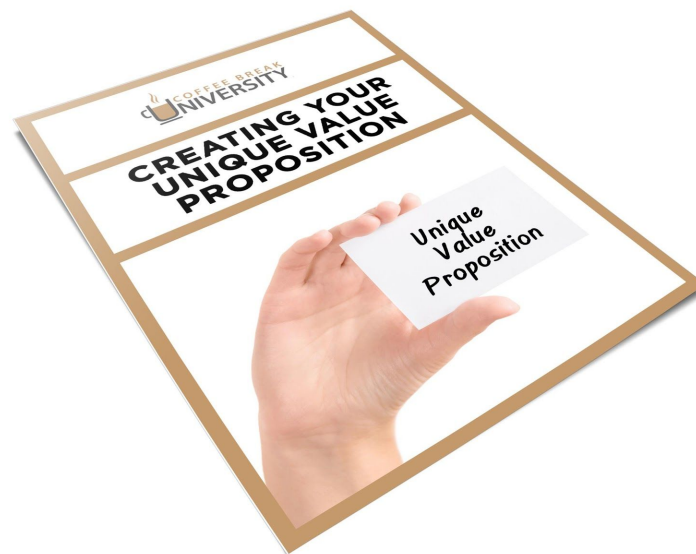


CREATING YOUR UNIQUE VALUE PROPOSITION

What Makes You Stand Out from The Crowd?



COURSE BOOK



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INTRODUCTION

Did you know that 25% of new businesses fail within the first year?

While there are a number of different causes for this, the number 1 management mistake is going into business without clarifying their reasons for doing so. As a result, they fail to create their own niche in the market. Who needs another business selling the same kinds of products as everyone else?

Sound depressing? It's not. This is good news for you.

One of the biggest reasons businesses fail to be truly successful is that they never took the time to determine what makes them special. Why should people buy from them in the first place? What is the real reason they are in business?

Instead, these businesses market themselves based on a hunch and a hope, with a touch of planning in between

You're not going to make that mistake.

In this course, we're going to cover one of the most important things you can do in your business – whether you're just starting out or you've been in business for a while.

Here's what you're going to be able to do when you're done:

- Identify the what and why of Unique Value Propositions
- Research and gain a detailed understanding of your target market
- Use tools and tactics to spy on your competition
- Identify a product or service that will blow away the competition



➤ Write your own Unique Value Proposition

There are activities to complete after each section, as well as a Workbook for the assignments. Keep that close at hand and be prepared to get down to business.

WHAT IS A UNIQUE VALUE PROPOSITION AND WHY DO YOU NEED ONE?

A unique value proposition (UVP) is a statement that explains how your business is different from everyone else's in the market. It tells your customers how you can better meet their needs and what makes you special. Your UVP essentially tells them why they should buy from you instead of from your competitors. It takes some creativity to come up with a compelling UVP, but it's the biggest decision you'll ever make for your business.

Here some examples of unique value propositions:

"We help large companies reduce the cost of their employee benefits without impacting the benefit program's quality or cost."

"We create robust, easy-to-use online systems for mid-sized manufacturing companies."

"I write web content that sizzles and converts so you don't have to worry about doing it yourself."

Why You Need A UVP

The simple reason that you need a UVP is that, no matter what product you're selling to which market, there are other companies you're competing with, and you need to stand out. You want your market to think of YOU when they need your products or services. If you create a good UVP, it will stick in their memory and put you above the rest.

Your UVP also helps you by clarifying and defining your own unique

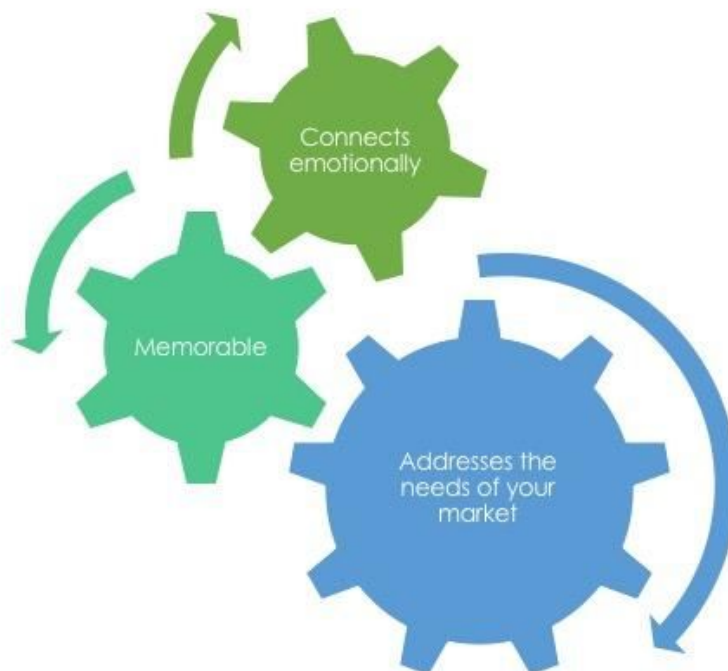


strengths. It helps you to better understand what your company is good at and the unique place you occupy in the market. It creates focus for you and your employees, as well as your customers.

The UVP is a simple communication tool that's important in branding. It improves customer understanding and engagement. People need to understand your product or service and the results it will provide for them. Without a proper understanding, they may not buy, and in a worst-case scenario, your product won't meet their expectations.

The Elements of a Good UVP

There are three things that make a good UVP:



1. It specifically addresses the needs of your market.

Your UVP should be something your market can't live without, that solves their problems, or makes their lives easier.

2. A good UVP is memorable.

It has to stick in people's minds so that you're the one they think of when they need your products.

3. It connects with your buyers emotionally.

UVPs speak to the fears, worries, desires, and frustrations of your target market.

A good UVP is especially essential in a crowded market. If you're up against a large number of competitors, you need an especially strong UVP to cut through the noise. On the other hand, even if your business is the only game in town, you still need to create a UVP that speaks to your audience. It's not only about battling the competition, but also establishing your brand in the minds of your customers.

Failing to Plan is Planning to Fail

Amazingly, a majority of those who start their own businesses fail to create a unique value proposition. Of those who don't, almost 100% fail. However, creating a UVP that suits your business and speaks to your audience doesn't automatically guarantee success. Your products or services need to deliver on the promise that your UVP is making. Otherwise, it won't get you very far.

The Creative Process

Your unique value proposition won't appear out of thin air. Since this is such an important decision, it's a process that takes some time. However, it's not difficult to come up with the right message if you follow certain steps. Pay



attention to your market, check out your competitors, and analyze your products to find their unique selling point. If you put in the time and refine as necessary, you can create the right UVP for your business.

Assignment:

- Answer the following questions:
 - Do you already have a UVP?
 - What is it?
 - How effective do you think it is?

STEP 1: UNDERSTAND YOUR TARGET MARKET

In order to create a winning UVP, you need to understand the people in your target market at an individual level. This means not as a mass of demographic statistics, but as actual human beings. Your UVP needs to appeal to their needs and desires, as well as their frustrations, worries, problems, and pain points. When you connect in this way, you create an emotional bond. The first step is getting to know these individuals.

Study Demographics

Start by looking at demographics. Find out your target customers' age, gender, occupation, education level, and income. Try to be as specific as possible. Although you may have a good idea about your target market's demographics, don't leave it up to guesswork. When creating a demographic profile, rely on hard data wherever possible.

Observe Your Market

Gather data about your market both online and offline. Online, you can use social media sites, forums, reviews and blogs. Find out where your customers hang out online and spend time there. Offline data gathering methods include surveys and focus groups.

In addition to looking for demographic information, also look for psychological data. Demographics tell you who the buyer is. Psychographics tell you why they buy the way they do.



Psychographics include:



- What are they concerned with?
- What are their fears and problems?
- What kind of lifestyle does the customer see themselves as living, or want to live?
- How do they decide what to buy?
- What is their other buying behavior, such as when and how they buy, what products they typically buy, and so on.
- The customer's values and attitudes.
- What brings the customer fulfillment.
- What makes the customer take action?

Engage Your Market in Conversation

Get into conversations with your target market to learn more about them. A common offline market research method is to conduct surveys. Surveys work well but they're one-sided. A better approach is to get a dialogue going. You can do this through social media sites like Facebook, online forums, email interaction, or your blog. Engage people in conversation related to your product or just come right out and ask them how they feel about it.

Take Good Notes

When conducting market research, it's important to take good notes. Record all of the data you gather and organize it so that it's easy to analyze. Separate data into categories, such as demographics and psychology. Look for data that's consistent from one person to another.

Try to find ways to quantify your results. When it comes to market research, objective data is the most important. Subjective data, such as someone's feelings about your product, should be used to support the objective data.

Draw a Picture

Take all of the consistent trends you find and create a picture of your ideal customer. Identify their demographic information, their opinions, their buying habits, and all the other data you've gathered. Once you've done this, it's much easier to create a unique value proposition. You now have a good idea of what your customers want and need in the products they buy. You can write your UVP so that it speaks directly to those wants and needs.

You can even look at the physical picture you've drawn as you're doing your writing, so that it sounds as realistic and personal as possible.



An Edge on the Competition

Armed with all of this information about your target market, you'll have an edge over the competition. It'll be easy to see what mistakes they are making and how they are not delivering. You and your company can then fill in the gaps and give your market exactly what they want.

Assignment:

- Gather market research data by searching online for demographic information.
- Join at least one niche forum, one group on Facebook, and one group on LinkedIn. Read what's being said daily and take notes.
- Do a Twitter search for your main keyword and save the search, then identify hashtags you can search and keep track of. Check daily and take notes on questions, answers and topics being discussed.
- Ask and answer at least one question each day. Take notes on responses.
- Look through the information you've collected and draw a picture on paper of what you feel the typical person looks like in your market.

STEP 2: SPYING ON YOUR COMPETITORS

One of the key elements of a good UVP is that it's unique. It offers something nobody else in the marketplace is offering. In order to come up with something unique, you need to know exactly what your competitors are offering so that you can offer something that's more attractive or valuable for your target market. Study your competitors' products and strategies so that you can create something that really stands out.

Research Products

Spend time researching your competitors' products. If possible, buy them and use them yourself. In particular, look at how they meet (or don't meet) the needs of your customers. Stay up-to-date on each new product line your competitor introduces. It also helps to understand how your market feels about your competitors' products, so keep your eyes and ears out for any mentions of them.

A good way to compare products is to create a product comparison table. This is a table that lists the features or characteristics of several products in a way that makes it easy to understand their differences. The simplest product comparison table is a straightforward checklist that lists features. Take several products and create a list of features for comparison.

For a better comparison table, you can rank products. There are two approaches to doing this. One is to take each feature for several products and choose the best, which you give a "1" while the others get "0." For example, you have four apps that all offer voice recognition. You try each and decide that Product 3 has the best voice recognition capabilities, and you assign Product 3 a "1" score. You then list the products on the table and it's easy to see which performs best.



The other approach is to rank each product on a scale of 1-5 or 1-10 for each feature. This gives you a better idea of how they compare to each other. Don't forget to include other characteristics in addition to features such as price, customer support, integrations, and anything else that might affect the customer experience.

These product comparisons are typically done by a company's product manager, but for even better results, you can get your customers or members of your target market involved. This yields more accurate and objective information on your customers' preferences.

Study Their Marketing

Gather your competitors' marketing materials and study them. Look at which benefits they are emphasizing to their customers. Make sure you pay attention to the specific language and communication methods your competitors use to relate to their customers. Is it more casual or more formal? Do they focus more on visuals or audio materials?

Take a look at the channels your competitors use for marketing also, since that's where your customers are. What different marketing methods are your competitors using in each channel? You're going to try to do something different with your message, so you need to have a very clear understanding of what your competitors are already saying. The last thing you want to be is a copycat.

And don't forget to look at the keywords your competitors are targeting since that will show you exactly which search terms you might have to compete for, or which ones you want to avoid.



Understand the Relationship with Their Customers

Find out what your competitors' customers think about them. Look at websites that have customer reviews of their products. Search for the company's name on related forums. You can often turn up information by simply searching your competitor's name in Google along with related terms like 'great deal' or 'terrible.' Especially when customers are dissatisfied, you can discover areas where you can excel.

Customer Service Considerations

Even if you offer similar products in a similar way, customer service is one area in which it's easy to excel over the competition. When researching your competitors, pay attention to how they treat their customers and how their customers feel about it. If you have better customer service, this is an incredible edge.

Your Competitors' Report Card

After you've gathered all of your information and checked out your competitors everywhere possible, add up all the data. Create a 'report card' for your competitor that shows where they excel and where they fall short. Take a look at your strengths and weaknesses and compare.

Your company's natural strengths – the areas where you excel without necessarily trying – offer the best starting point for creating your UVP. For example, if you're naturally faster at what you do than the competition, this is a good point to emphasize.

Online Tools



This type of competitive research used to be time consuming and expensive, but now it's incredibly fast and easy, because most of it can be done through the Internet. Find your competition everywhere you can online and follow everything they do. You don't need to pay money to conduct surveys or focus groups. With social media and online forums, you can simply find your competitors and be a fly on the wall. You can sit back and observe, and the market will tell you everything you need to know.

Objectivity

It's easy to let your own ideas and prejudices creep into the research process and sway your opinion. However, you need to be as objective as possible. You're looking for accurate data on which to base the creation of your UVP.

Try to be self-aware during this process. Ask yourself, "Am I being objective?" or "Is this based on data or is it just what I think?" For example, if you find yourself doing a product comparison and listing your product as "1" for nearly every category, you might want to take a step back and look harder at each product.

A good way to check yourself is to get someone else involved in each part of the process. Your team members or employees can be a great help here. Even better, enlist a third party who isn't directly involved like a friend or family member.

Try to rely as much as possible on data from your customers or target market. This also ensures that your data will be objective and accurate. Businesses often fail in their research efforts because they rely too much on their own opinions rather than objective data from the market.





STEP 3: DEVELOP A PRODUCT THAT BLOWS AWAY THE COMPETITION

A unique value proposition is only going to get you so far if you don't have a great product behind it. Your product needs to live up to the promise of your UVP, surpassing other products on the market and providing the customer with unique benefits.

Review Your Research

By this time, you've researched your market and your competitors, and you should have a stack of data. It's time to analyze this data to discover exactly what your customers want and how your competition is meeting their needs.

Make a chart and do a side-by-side comparison of your products with those of the competition. You should also examine your sales data and customer feedback.

When looking at this data, there are a few important questions to ask yourself:

- Do your current products and services uniquely address your customers' needs?
- What exactly is unique about your products and sets them apart from other products available to your customers?
- Where do your products and services fall short? Wherever there's a weakness, this is an area you can focus your energies on improving.
- How can you offer a solution to your customers that your competition



isn't offering?



New and Improved

At this point, you'll need to ask yourself whether you can make improvements in your product or whether you need to develop something entirely new. Your analysis of your products' weaknesses along with customer feedback and sales figures will help you decide this. Sometimes, your current products can simply be repackaged and sold with the new UVP.

If you need to develop something new, you can use your old product's weak points as the basis of the new product's UVP. For example, you have a software program that a number of your customers complain is complex and counter-intuitive. After you rebuild the program so that it's more user friendly, create a UVP that says something along the lines of, 'You don't

have to pull out your hair figuring it out.'

When you rebuild a product, you have the option of creating a "new" product or selling the old one as "new and improved." Both have their advantages. Try to find out from your customers which would be a better option for them.

Laser-Target Your Market

One good way to differentiate your business is to choose a more specific sub-set of the market. Take a certain demographic of your market and laser-target it.

For example, if your products appeal to an age group that stretches from twenty-somethings to over fifty, focus on one small part of that spectrum, such as customers in their early twenties. You can focus on a demographic subset based on anything – geographical location, language, economic status, occupation, family structure, etc.

You can do this through a number of methods. For example, you can brainstorm using mind maps. Start at the center with something like, "Our Customer." Then, branch out to each group you can clearly identify; for example, "20-somethings," "urban dwellers," "Spanish speakers." Then, identify which groups are the largest segment or most likely to be good targets.

If you're not sure how your target market breaks down, a good way to find out is through surveys. Conduct surveys online at contact points with your target market and ask questions that would reveal demographics. If you're in touch with your market through social media, you can easily see their demographics by looking at their profiles.



Get Ideas from Established Brands

Another simple bit of research that can help you generate ideas is to look at other brands and their products and figure out what makes them unique. Pay attention to how they tailor their message to their target market.

Assignment:

- Review all of the data from steps 1 and 2 and answer the following:
 - What do you already offer that's better than your competitors?
 - What aspects of your competitors' business can you improve on?
 - What needs of your target market are not being met that you can fill?
 - What sub-sections of your target market are being ignored or not having their needs met? How are their needs different?
 - Which of the above areas take advantage of your strongest skills and resources? Which ones can you be the best at?

STEP 4: CREATE YOUR UNIQUE VALUE PROPOSITION

You now have all the knowledge you need to write a first draft of your UVP. It's time to put all your research together and create a unique value proposition that tells your laser-targeted market why they should buy from you.

In order to do this, here are a few questions to get your creative process started:



- Whose needs am I addressing? (Look at your target market's demographic information)
- What do I offer that no one else can?
- Why should people buy from me and not another company? (Note: this doesn't have to be based on your products. It could be your unique understanding of your customers, your delivery method, or extra services you offer)

Writing Your UVP

The process of creating a UVP involves brainstorming and refining. When brainstorming, get down as many ideas as possible and don't worry about which ones are good and which ones aren't. The goal is to come up with quantity. Later you'll narrow it down, and the more you have to consider, the better.

Tips for Writing Your UVP

Keep It Short but Compelling.

Your UVP should be something your customers will 'get' immediately. After you've narrowed down your list, take each idea and see if you can trim it without losing the meaning or impact.

Talk to Your Market.

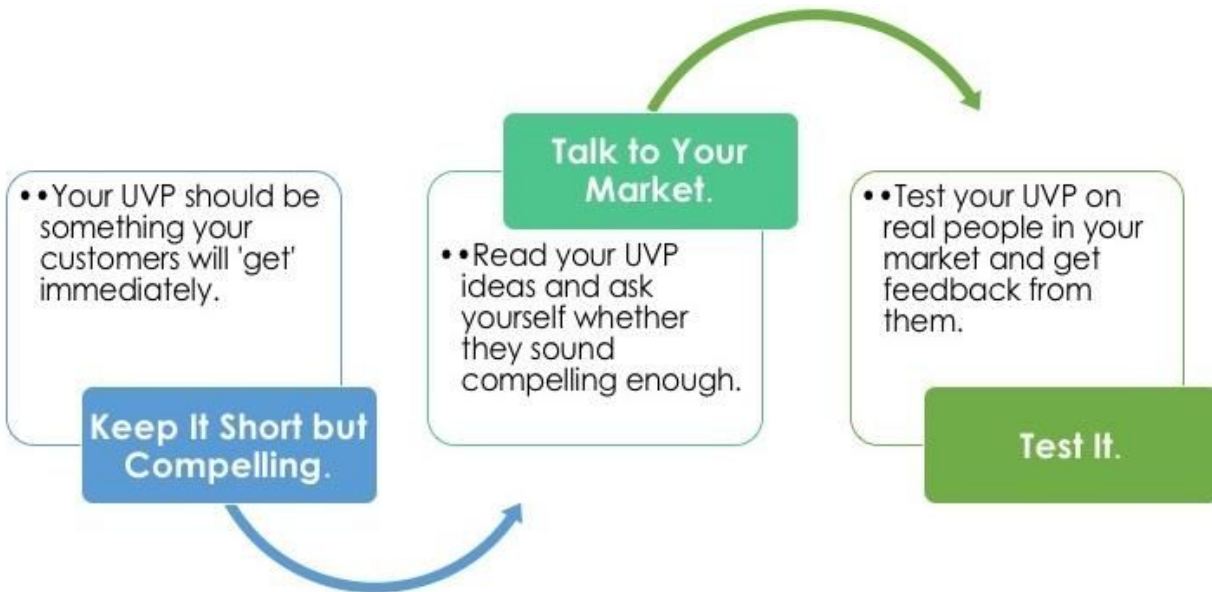
In previous steps, you detailed the characteristics of the ideal customer who represents your target market. Run each of your ideas by that fictitious person. You may even put a physical picture of the person on the wall and speak out loud. Read your UVP ideas and ask yourself whether they sound



compelling enough.

Test It.

Test your UVP on real people in your market and get feedback from them. Offer a small incentive like a freebie or discount for participating. Use their feedback to make tweaks.



Methods/Tools

Since the focus of the UVP is the value it offers your customer, start brainstorming by considering the benefits you offer. How does using your product or service enrich the lives of its users? Since this is the core of your UVP, it's a good place to start.

When brainstorming, get as many people involved as possible. It's alright to brainstorm alone, but multiple heads are better than one. Your team members or employees may think of something you hadn't considered. Also,

try to get input from others, such as people in other departments or people who are unrelated to your business. Users can offer especially valuable ideas.

As with brainstorming for any kind of ideas, use the session to generate ideas and don't judge them. Just get as many ideas as possible on the white board and don't start evaluating and narrowing until you have plenty of ideas to work with.

A popular tool that you can use for brainstorming is the mind map. With a mind map, you start with the main idea in the center and then create nodes branching out. For your UVP, you could start with "UVP" or "our offering" in the middle, and then branch out with each benefit to your customers. You can then branch out from each of these nodes with further information. At the end, you'll be able to visualize all your offering's benefits and details, and choose those that are the most important.

For the actual writing of your UVP, it's best to write several different versions. The more versions you have to compare and evaluate, the better. As a second stage to your brainstorming, once you have all your key benefits narrowed down, you can challenge each team member to write their own UVP, three different UVPs, etc., and then list them all together for evaluation. Another way to make it collaborative is to have your fellow brainstormers vote on the one they think is best, and then discuss why.

Examples of Great UVPs

To give you some examples for comparison, here are some of the best-known UVPs used by major brands.

"When it absolutely, positively has to be there overnight."



This Federal Express UVP speaks to a major customer concern – 'It has to get there overnight.' Although 'absolutely' and 'positively' mean the same thing, the repetition drives home the point that you won't be let down.

"We're number two. We try harder."

Avis says its number two and capitalizes on its underdog status. This UVP turns a weakness into a customer benefit. They'll work harder for you than the number one company, which is already where it wants to be.

"Melts in your mouth, not in your hand."

Although there is some contention among schoolyard kids over this claim by M&M's, it's unique and memorable. You can't eat a handful of these candies without thinking about this tagline.

"Every day low prices on a broad assortment - anytime, anywhere."

Everybody knows Wal-Mart as the go-to store when you want something cheap. This UVP capitalizes on it and sticks 'every day' at the beginning to emphasize the store's consistency.

Why Be the Best?

One of the best UVP strategies is to forget about telling your customers that you're the best. They'll find that out on their own. Create a UVP that implies, 'We may not be the best, but we're the only ones who...' That tells your target market the unique benefit they'll get using your company.



Assignment:

- Brainstorm various UVPs for your business. Come up with at least 3 or 4 different versions. Look at your picture of your ideal customer as you write.
- Review what you've written to make sure it follows the 5 keys to a good UVP - short and sweet, memorable, emotional, relevant, and clear.
- Test your UVPs with real people and get feedback. Edit and rewrite as needed
- If you're having trouble, look at more examples of well-known UVPs.

CONCLUSION

By this point, you should have a good sense of your market, your competitors, and a draft of your own Unique Value Proposition.

To summarize, let's review all the different stages of creating your Unique Value Proposition that you've learned in this course.

Since completing all the sections, you now know:

1. The reasons it is so critical for you to have a Unique Value Proposition to stand out from the crowd and drastically improve your odds of success.
2. How to research your target market so you can understand individual needs and desires. With that understanding, you can start to form an emotional bond and draw a detailed picture of your ideal customer.
3. How to spy on your competition so that you can figure out where you can better meet your market's needs or do it differently.
4. How to develop a product or service that will blow away your competition. Ideas included creating something new, improving an existing product, laser-targeting a market segment, or borrowing an idea from another industry
5. How to create your written Unique Value proposition, making sure it talks to your market, is short and compelling, and is tested frequently.

Without a Unique Value Proposition, success is luck at best.

But with a good UVP, your success becomes worth investing in. It's worth investing your time AND even getting other people to invest money!

No amount of research will make success a certainty, but with a good UVP



you have a solid foundation and you're no longer walking blindly in the dark. You now have a clear picture which can drive all your decisions moving forward.