

Unique Selling Proposition

“The one and only one purpose of business is to create a customer”- Peter Drucker

Dr. ASHOKAN.C

HoD & Professor,
JBS@JCET

Lakkidi, Ottapalam
Palakkad-679301

Date of Submission: 06-10-2022

Date of Acceptance: 19-10-2022

I. Introduction

Every Business/Product/Service is unique in this World. The job of a marketer is to find a suitable customer for a product/service. This article explains how USP (Unique Selling Proposition) can be used as a tool for marketing one's product/service. The process of creating a USP consists of identifying features of a product/service, converting those features into benefits and finally arriving at a USP. The USP creation is a delicate task and once the USP is created, it will do wonders for the product/service in terms of differentiation.

What it is

'USP' means unique selling proposition and it has stood the test of time in marketing history. USP is a powerful tool that is essential for effective marketing. USP is a 'cue' which saves a lot of time for the customer to choose a product among competing products. By stating clearly and simply how your offer is different from others, one can stand out from the rest of the competition and make more market share. You can either use a single USP for your entire range of products or can be different for different products.

Why it is important

Today's market is highly competitive and to survive in this market place, you should be a nose better than others. To stand out in today's crowded market, you should be BETTER or CHEAPER than competitors. The process of identifying USP helps in identifying the key features of a product and converting that into benefits and rating those benefits in terms of importance and ultimately arriving at a USP.

Advertising is a good source of understanding how USP works in a market place. Advertising agencies have a very limited space to communicate to customers the features of a product. So very smartly they convey the message. A few examples are as follows.

TATA MOTORS: Tata Motors is one of the oldest and trusted brands with extensive distribution and strong market penetration in India

MARUTI SUZUKI: Suzuki is Japan's 4th largest automobile manufacturer

BMW: BMW is **technologically advanced and luxurious product portfolio delivering ultimate driving experience**

HYUNDAI CARS: Hyundai operates the world's largest integrated automobile manufacturing facility in **S Korea**, which is capable of producing 1.6 million units annually

BENZ: Mercedes-Benz vehicles are **designed to provide owners with a world-class luxury experience**. That is the Mercedes-Benz value proposition. Each interior is designed for encompassing driver comfort and engagement and outfitted with only the best in quality materials.

M&M: Mahindra SUV's have a stronghold in the Indian commercial taxi market which have good performance on tough terrains

What is Rolls-Royce USP?

I would say **tranquility** is our USP that is always associated with Rolls-Royce cars. Our brand stands apart.

Each and every feature is unique to Rolls-Royce that makes it a class apart from all other cars. Our technology and engineering lend us a huge edge over all other cars.

ITC is rated among the World's Best Big Companies

HUL (Hindustan Unilever Limited) is **India's largest fast-moving consumer goods company**

P&G is one of the oldest and most stable consumer products company spread over 180 countries

Johnson & Johnson has innovative healthcare products and is a trusted brand

Dabur is the world's largest Ayurvedic and natural health care company based out of India

Honda offers designer, comfortable and luxury cars at affordable prices

Bajaj Wide variety of motorcycles for the average Indian

TVS One of the largest three two-wheeler manufacturers in India

Royal Enfield: Make bike like their motto "Made like a gun, goes like a bullet"

A thought: if you find that your customers are switching to competitors or buying purely on price

- Have you identified the USPs for your products and services?
- If so, are you communicating your USPs clearly to customers?

What you need to know

USP is a very simple concept and companies can easily implement it to achieve better results. The following 3 steps are involved in identifying the USP of a product.

1. The features of the product you want to promote
2. How/why the customer uses the product/service
3. Features of your competitor's product/service.

One may have the information about the above details, if not one can conduct a focus-group to do an in-depth interview to find out the underlying reasons for purchasing the product. When finances allow, one can have marketing research and can verify facts.

What you should do

1. Follow 80/20 rule: Identify the most profitable product in your portfolio and work on it. The most profitable product should be given the top most priority.
2. List all the features of the product. Features should include quality, reliability, price, speed etc.,
3. Convert each feature into benefits. Each feature talks from the point of view of the producer, benefit talks from buyers' point of view.
4. Some benefits will be more important to the customer than others. Look down your list of benefits and rank them in priority order.
5. Consider each benefit in turn and indicate whether this benefit is:
 - a. Standard to all competing suppliers' products or services (S)
 - b. Something that is different and special to you (D)-these are candidate unique selling propositions
6. If all your benefits are rated 'S' then this indicates that there are no obvious differences between your products/services and those of your competitors. In this case there are two things you can do:
 - Consider how your company scores against your competitors on those benefits that the customer considers to be most important. Look for those benefits where your rating is high and shows the biggest difference between you and the competition. This analysis will reveal whether you have particular strength that may be exploited in a similar way to USP.
 - Consider how you could develop your product or service features to deliver new customer benefits that are not provided by other suppliers.
7. Repeat this process for all other major products or services
8. When you have done this, think about your promotional activities.

What to do now

When you have defined a USP for your product/service, then decide on the message and media you want to communicate to the target audience.

Where to find out more

There are a lot of sources to find out the USP of competitors like medias, packaging, slogan and other marketing communications. See if you can spot what the company see as their USP and the message they are using to communicate with their target audience.

An example in practice

Let us look at the example of

The table shows how the optician has identified the features of the service into benefits that customer will value, ranked the benefits in order of importance and identified the benefits as being 'standard' or 'different'.

Features	Customer Benefit	Importance (/10)	Standard or Different
40-minute eye tests	Detailed eye examination	9	S
Competitive prices	Customers will not pay more than at comparable local practices	9	S
Qualified dispensers	Customers get professional advice on lens options and frame styles	8	S
Wide range of frames	It is likely that a frame will available in the style that you want.	8	S
Friendly and personal service	The practice cares about customers	7	S
Instant photo machine	Customers can see what they look like in different frame styles	7	D
Automatic reminders for next eye test	Customers don't have to remember when they are next due for an eye test	5	S

A simple technique which makes the task of converting features into benefits is by asking the question ...which means that...

Note that last feature relating to eye test reminders did not yield a clear customer benefit at the first attempt, so the techniques were reapplied. On the second attempt a clear customer benefit does result.

You can see in this example that only one feature is unique to this optician, the special photo-equipment which allows the customer to see how they look in a small selection of frames and in doing so helps them to make the final choice. This is helpful because display have clear lenses, which means that customers with a sight correction and wearing the new frames cannot see themselves clearly in the mirror. These special photographs enable the customer to wear their own spectacles and see clearly how they look from different angles.

This equipment, and the customer benefit it delivers, therefore provides a USP for the optician. This USP can be highlighted in promotional activity, and hopefully as this benefit is important to the customer (7/10), attract new business. However, no USP will last forever in the market like 'Yahi Hai Right Choice Baby: Ha Ha' & 'Nothing Official About It'. Competitors will easily copy your USP and you may become obsolete.

Dr. ASHOKAN.C. "Unique Selling Proposition "The one and only one purpose of business is to create a customer"- Peter Drucker." *IOSR Journal of Humanities and Social Science (IOSR-JHSS)*, 27(10), 2022, pp. 09-11.