

USP Vs. UVP...why should you care about such technical things?

Whenever I take on a new client one of the first things I want to know is “what is your USP?”. Why is that so important, and how can looking at this question on a regular basis help your business.

USP (Unique Sales Proposition) is that one thing that separates your offering from that of competitors. It is what makes you different. It is the one thing that you want to communicate to prospective customers above all else. Some equate this with an “elevator speech”, but that tends to be a little more wordy than I like to see. I like to think of a USP phrase as something that could fit on a billboard advertisement and still be read by someone going by at 55 MPH. Five to seven words should do it.

Business owners that don’t have their USP at the ready are usually found spending most of their time working “in” their business rather than “on” it. That’s one of the “Top Ten Reasons Businesses Fail”.

UVP (Unique Value Proposition), not to be confused with the former, is the perception by your customers that rationalizes why they do business with you. Where the USP is usually something like “My offering is the best buy, the cheapest, the best quality, is quicker than all others”...the UVP generally includes the customers’ own reasons in addition to the prime USP. It’s more about “This offering is also the most convenient, the company’s logo is my favorite color, I like my representative” type of reasoning. It’s the total value package and that can include many details not even considered by the supplier.

When I take on a new client, they will typically waver on the question of USP. It might be years old or it may even have been forgotten due to many changes in business climate over the years. This can signal serious problems in marketing as it may show that the client has lost touch with the very fabric of why customers should do business with them. I like to explore this carefully and arrive at a USP that the client can comfortably parrot to any prospect. It needs to communicate clearly the main advantage that the company holds in its market, and it needs to convey succinctly a superiority that would encourage a reasonable person to become a customer.

USP alone may not convince a prospect to do business with you, but it should be able to help them arrive at a UVP in their mind that makes doing so a rational choice. Ideally it should make it an easy choice!

If you’ve been in business a number of years you probably have a well established USP. Are your sales people doing the right things to reinforce that with your potential customers? When sales flatten or decline, it is often best to go back to basics. Try the following...

At your next staff meeting ask attendees what they think your company’s USP is. Are they all on the same page? Do their ideas jive with yours? Are they current?” This topic should be reviewed at regular intervals...at least annually to ensure that it still applies and is still true.