WHITE PAPER

Create a Unique Selling Proposition for Your Global Market

Determining your company's unique selling proposition (USP) is essential marketing and selling your products or services more effectively. Following these steps will help you to create your company's optimal USP and ensure your sales force and intermediaries apply it effectively to increase sales in overseas markets.

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INTRODUCTION

Most Canadian companies are very good at selling their products in Canada. They have expert salespeople who know the product line, the value it can have for prospective customers and how it outshines the competition. And if the company decides to start exporting to the United States, its salespeople can often use these same skills with prospects south of the border.

Selling is a tougher challenge, however, when you venture beyond the U.S. market. Rather than send their own salespeople overseas, many of Canada's exporters rely on intermediaries, such as agents or distributors, to do their international selling for them. Since different markets will value different things about your company, products or services, it's important to determine your Unique Selling Proposition (USP) to help your intermediaries sell effectively.

SWITCH FROM SALES REP TO INTERMEDIARY CAN BE CHALLENGING

According to Mel Sauvé, CEO of Burlington's **Global Growth**, the switch from company sales rep to intermediary isn't always problem-free.

"The reality," says Sauvé, "is that most companies haven't documented what their sales representatives are doing or how they're doing it. Their reps know how to compete and they know how to verbalize a product's advantages to clinch a Canadian or U.S. sale. But when the company turns to an agent or distributor to sell overseas, it no longer benefits from the skills of its own salespeople—it's now completely dependent on the ability and knowledge of its intermediary. So if the first task of an exporter is to appoint good agents or distributors for its overseas markets, the second is to train them on how to sell the company's products. Unfortunately, the training that most exporters give their intermediaries is very poor."

In Sauvé's experience, many exporters think that if they teach an agent how to use the firm's products, and familiarize them with its features, no more training is necessary. But in reality, it doesn't work that way. While your intermediaries certainly need a solid knowledge of how your products work, that's not enough—they also need to know how to sell those products. And that, says Sauvé, means teaching them to use your company's unique selling proposition (USP).

WHY DO YOU NEED A UNIQUE SELLING PROPOSITION?

Reduced to its essentials, a USP is a summary of what makes your business unique and valuable to your target market. It answers a basic question all customers ask, which is this: How can your company give me more benefits than your competitors?

Sauvé believes that creating an effective USP is vital for any Canadian exporter. "To my mind, this is likely the most important thing you have to do in an international market. Global competition is tough, and you're up against companies that are highly experienced and very, very sophisticated. So you have to arm your agents and distributors with as much strategic knowledge and detail as you possibly can. Providing them with a well-crafted USP, and training them to use it, is crucial if you want to compete at the global level."

WHAT RESEARCH SHOULD YOU DO?

The essential ingredient for an effective USP is a clear understanding of your competitive advantage in your international markets. This involves getting as much information as possible about your key competitors in those markets. "You should develop a business intelligence report for each major company you're up against," says Sauvé. "Go after pricing details and pricing quotes, for example, and investigate their marketing strategies. Your own customers, if they've dealt with the competitor before, may be willing to share such information with you. They may also provide further intelligence about what other competitors are doing."

A market scan (also called a competitive scan) can be a useful strategy for identifying your competitive advantage. Scans generally include the following steps:

- **Collect information**

  First, look for information that will reveal as much as possible about your most important competitors and their products. Obtain their price lists, marketing materials, brochures and annual reports. Check out their presences on social media. Look for articles about them in the trade press, industry association publications and so on. Go to trade shows where you can examine their products and see them demonstrated.

- **Drill down to the details**

  Next, sift the information for data that will help you assess your competitive position relative to the market leaders. Look at their products, pricing, market share, brand strength, marketing strategy, innovation record and whatever else may reveal their strengths and weaknesses.

- **Analyze the data**

  Use a competition grid to organize your competitors' data and compare it with the corresponding data for your own company and products. Together with your overall knowledge of your target market, this process can reveal not only the gaps in your own competitive position but also how to fill them. In addition, it can expose weaknesses in your rivals' positions and suggest ways of exploiting those weaknesses.

You should also find out what your competitors say about you. Major international companies are unlikely to disparage your business or your products directly, but may use more subtle tactics. When speaking with a prospective customer, for example, they may mention that there's a small Canadian firm (yours) in the market, and put an emphasis on the "small." Or, if they're local to the market, they may mention that they can service their customers more effectively than a company operating out of North America. The best way to find out what's being said (and to prepare your counter-arguments) is usually to talk with your potential customers in the market.

HOW DO YOU CREATE YOUR SELLING PROPOSITION?

Once you understand your competitive position and that of your rivals, you can start developing your USP. There are numerous ways to do this; the following process is based on the approach that Sauvé uses with his exporter clients.

- **Tell the customer what you're offering**

  This is the big-picture version of what you offer your customers. It's essentially a summary of your overall positioning. For example: *We specialize in making super-widgets, which are proprietary and unique to our company. They have these specific features that provide this specific value, and they are well accepted by these other customers of ours.* You'll likely need to revise this statement once you've worked through the rest of the USP process, so that it accurately reflects your differentiators, your value to the customer and your proof of your claims.

- **Differentiate yourself from your competitors**

  Identify three to five (no more) significant things about your company and/or products that set you apart from your competition. If possible, identify characteristics that are different in *kind* (nobody else does this/provides this) rather than in degree (our prices are lower/our service is better).

- **Identify the value you provide**

  "This is the part that a lot of companies miss," says Sauvé. "Surprisingly, while they know the features of their products relative to the competition, they're not so clear on the value of these products to the customer, and they forget to talk about it. But value is what customers are looking for in the long term, so you have to show them what they'll get out of your product if they buy it."

The features trap

Many companies focus too much on the unique technical features of their products and forget the value that these features can bring to a customer. A firm making radiation detectors, for example, positions itself as "the only company that has two photomultiplier tubes per crystal, allowing you to find more radioactive material in a load of scrap." And then it stops, without mentioning the value of this to the customer. They could easily have added that using the detectors can protect the company against melting radioactive materials in its furnace, which will contaminate the steel-making process and require a month-long shutdown and perhaps $10 million for cleanup costs.

Similarly, a company making wire ropes for open-pit mining shovels says its ropes last twice as long as standard ropes. But they don't mention the value this feature brings to the customer—fewer rope change-outs, less downtime, increased safety, lower costs and higher productivity.

Value in this context can have various components, depending on your company and what you make. Here are some examples:

- *Costing:* If you have products that will reduce customers' costs and improve their bottom line, this provides excellent value.
- *Productivity improvements:* Even if customers have to pay a little extra for a premium product, the value of the resulting productivity increase will more than justify the expenditure.
- *Safety:* A product that is exceptionally safe to use has extra value. This would also apply to products that are especially friendly to the environment.

- **Prove your claims**

As with the value identification step, companies often overlook this essential part of their USP. But proving your claim is an extremely powerful sales tool and shouldn't be neglected.

There are various approaches you can use to prove your case:

- *Testimonials and case studies:* If you obtain a testimonial from a satisfied customer, also try to get the contact information (email or phone) of the person providing it. This will make it very easy for your sales prospects to talk to the person who gave the testimonial. That conversation, if it happens, can strengthen the impact of the written testimonial and convince the prospect to buy your product.

A related tool, the case study, describes a problem that one of your customers had and shows how your product became the solution for it. While a case study doesn't necessarily have all the punch of a testimonial, it's still a very effective way of proving your point.

If it's possible, localize your testimonials and case studies. If your agent is selling in Asia, for example, a testimonial would ideally be from a company in that region. But if you're new to a market and don't have local testimonials or studies, use what you do have, even if they're from Canadian companies—any testimonial is better than none.

– *Performance comparison data:* Many companies track the performance of their equipment. One example would be the longevity of wear parts such as bushings. A business may be using a brand of bushing that lasts for 1,500 hours; if your product will replace it and last 2,000 hours, you should let the company know and provide them with real-world performance data. Alternatively, you can run a test, get the comparative data yourself and present it to the prospective customer.

– *Trials and demonstrations:* You can tell a prospect you'll install your product for them (or they can do so). They can try it for a while and if it performs, they promise to buy it, and if it doesn't, you'll take it back. Another approach is to sell the product to the prospect on the condition that it will perform and, if it doesn't, they can return it.

"The important thing," says Sauvé, "is to have a very clear understanding of how you and your products surpass what specific competitors are offering, and how you can defend your product against their claims. Just as important, your agents and distributors must also know how to do this, and you have to train them to do it. So if a potential customer tells your agent they're seriously considering a product from one of your German competitors, and asks why they should buy from your company instead, your agent should know exactly what you do better than that specific German business."

In short, your international intermediaries should be intimately familiar with your USP, and be trained to use it with your customers.

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Good and not-so-good USPs

The following well-crafted USP is directed to a technical audience that understands the problems of assembling large steel buildings. It is clearly written, addresses a specific type of potential customer and covers all four of the crucial points of a USP:

We produce a full range of direct tension indicator (DTI) washers using a proprietary manufacturing process that you'll find nowhere else in the steel-frame construction industry. With our DTI technology, you can cut the time needed for accurate inspection of bolted joints by up to 50%, leading to lower labour costs and faster project completion. More than 110 companies worldwide specify our DTI products for fastening their steel-frame structures, including… [company names].

In contrast, the example below does almost everything wrong. It tries to sell a product that is indistinguishable from its competitors' offerings, while the value it promotes is merely what any of its competitors would provide—there's nothing extra. The presentation is repetitive, riddled with clichés and business jargon, and doesn't offer the slightest proof of its claims:

Our all-new accounting solution will make your business's accounting functions easy and dependable. It's amazingly easy to use for organizing expenses, tracking billable hours, creating user-friendly reports on your bottom-line profitability, and generating great-looking invoices that will impress your customers and incentivize on-time payment. It's simply the most effective, leading-edge accounting software solution out there.

USING YOUR USP

By this point, you've created a USP that accurately represents your company, your products and what you offer your customers. You can now use it to help you and your international representatives come to grips with your competition. For example:

- **Creating marketing materials**

  Just having a USP isn't enough—it also has to be rendered in formats that give your representatives the selling tools they need. "For an agent's toolkit, for example," says Sauvé, "you could use a two-page brochure. One paragraph tells the customer what you're going to do for them, a second lists your differentiators and a third covers the value you offer. The second page is the prove-it section, including the testimonials. The brochure should be set up so the agent can easily have it translated and printed in the local language. This means keeping the word count low and making the brochure's original English or French simple and clear, so it's easy to translate."

A second tool that Sauvé favours is a PowerPoint presentation structured in the same way as the brochure. PowerPoint has a bad reputation in some quarters, but a well-executed presentation is an excellent agent-training resource. Moreover, Sauvé adds, "I've seen agents take the PowerPoint, keep the same layout but translate the English, and then use the presentation to walk the customer through our USP."

The third tool could be a three-minute (no more) video that covers the USP's key points: positioning, differentiation, value and proof. If the proof is a customer testimonial where the customer is actually praising the product on screen, it's even more powerful. "As you can tell from all this," Sauvé observes, "the marketing materials the agent uses are designed to repeat the pattern of your USP over and over again."

- **Answering the four customer questions**

  Your USP-based marketing materials can also help your representatives answer the four key questions that potential customers almost always ask. If you've trained your agents and distributors properly, they'll be able to give convincing responses to all of them. These questions are:

  – *What are you going to do for me?* The immediate answer to this is your positioning summary.

  – *How are you different from your competition?* Here, your agent rolls out your key differentiators.

  – *What value will you bring to my business?* Depending on your product and the customer, your agent may want to emphasize pricing, productivity, or some other key value.

  – *Can you prove it?* Testimonials and case studies are the most convincing proof. If these are available, the agent should emphasize them.

- **Shaping your online presence**

  You can also use your USP to shape your online presence. The opening paragraph of your website, for example, can set out your positioning statement in a couple of sentences. Once that's delivered, you can elaborate on the other key points of your USP. Other social media, like Facebook, can also reflect the perspectives of your USP. An added bonus of using your USP in these ways is the consistency it will provide across your marketing and sales messages.

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