



Developing your Competitive Advantage and Unique Selling Proposition

If you know what products or services you're going to be selling, and you've done your market research, ask yourself an important question:

Why would a client prefer to buy from me rather than from my competitors?

The answer to this question is:

Because I have a Competitive Advantage to win their business.

Competitive Advantage

Competitive Advantage is what sets your business apart from your competitors. It highlights the benefits a client can receive if they choose to do business with you. It could be your products, your service, your reputation, or even your location. For example, do you offer home delivery, a money back guarantee, a two-hour call-out service or child-care facilities? Offering such convenient benefits boosts consumer interest, particularly if yours is the only business providing them.

How to identify your Competitive Advantage

A Competitive Advantage comes from knowing your competitors, knowing your strengths and knowing your clients' needs and current frustrations. We highly recommend you undertake market research and analysis to help you determine what sets your business apart from your competitors.

To identify your own Competitive Advantage, first try to understand that the buying practices of clients depend on whether:

- they trust you
- you fulfil a client need, e.g. convenience
- you offer a higher level of quality in your goods or services
- your product or service has benefits that others do not.

Here is a simple example of the Competitive Advantage for a sandwich shop: *To make and serve the highest quality gourmet sandwiches in the local area.*

Another example, this time for a floral delivery service: *The freshest flowers delivered on time, every time, guaranteed.*

In both of these examples, the statements highlight the Competitive Advantage of the business while also defining each business's core purpose.

Make sure your Competitive Advantage has what it takes

A successful Competitive Advantage:

- must reflect the competitive strength of your business, e.g. quality of service
- is preferably, but not necessarily, unique
- is clear and simple
- will normally change over time as competitors try to cash in on your idea
- must be supported by honest and ongoing market research
- must highlight benefits to clients rather than boast of the business itself
- incorporates the core statement of business purpose.

It all comes down to the satisfaction of clients' needs. Clients only buy benefits. They buy what the product or service can do for them, not the features of the product or service itself. So make sure that your Competitive Advantage is defined by the clients' needs and that it clearly states the reasons why a client would be better off bringing their custom to you.

Use the table below to help you formulate the Competitive Advantage for your business.

Answering the following four questions can help you formulate the Competitive Advantage for your business:
Why do clients buy from us?
Why do our clients buy from our competitors and not us?
Why do some potential clients not buy at all?
What do we need to do to be successful in the future?

How do you let your clients know about your Competitive Advantage?

Now that you've identified your Competitive Advantage, you need to make sure your clients know about it too. You can do this by creating a Unique Selling Proposition.

Unique Selling Proposition

Your Unique Selling Proposition (USP) is the marketing statement you use to impress on your future clients the merits of your business. It is the selling message or slogan you use to ensure clients understand quickly and easily the benefits you offer that your competitors don't. Think sales slogans! Think catchy! Think fresh! It's a statement highlighting your main selling point.

Unless your clients hear your USP, they may never know why yours is the business they should buy from.

How do I develop my own USP?

To develop your USP, start with your Competitive Advantage. Once you've defined this, it is time to tell the world what it is.

Here are some examples to help you understand what a USP is and how it relates to and differs from your Competitive Advantage.

A fish and chips shop might have as its Competitive Advantage: *The fastest service of the freshest fish in town*

So its USP or sales slogan might be:

Fresh fish fast or

Pull up and pick up or

So fresh they jump into your car.

On the other hand, a floral delivery service might have as its Competitive Advantage: *Fastest local delivery at affordable prices*

So its USP might be:

We deliver on service, on price and on time or

Fresh flowers delivered fast or

Time left over to smell the roses.

Take notice of radio or television advertisements that have stuck in your mind and try to identify why they have. The catchier your USP the better, because you want your clients to remember it the next time they want to buy what you have to sell.

You need to ensure that your USP is focused on clients' wants and needs, so tell them:

- the main benefit they get from doing business with you
- how you are different from what your competitors offer them.

If you can exceed your clients' expectations, you're certainly going to get more interest than those businesses that merely satisfy clients' expectations.

Knowing your Competitive Advantage and having a well designed USP mean you have a strong foundation on which to build your marketing strategy. Your USP will feature in your advertising and keep your business on the tip of your target market's collective tongue.

You can use the table below to focus on the important points of your USP.

What is it the clients want?	
What need or want are they really trying to satisfy?	
What is the main or dominant reason for my clients buying from me?	
What can I do that matches or exceeds those expectations?	

What do I do to make sure the client gets what they want?	
What do I do which no one else does? (my Competitive Advantage)	
What is unique about my business?	
What is my unique 'story'? e.g. product selection, service standards, staff training	
How can this be made different from my competitors?	

So to keep ahead of your competitors you need to:

- determine your Competitive Advantage
- develop your Unique Selling Proposition
- put your USP into action in a well planned and enticing advertising strategy.

Keep your USP under review

You also need to review your USP and your Competitive Advantage. Just because you've developed and marketed via your USP doesn't mean it will work forever. Your marketplace is constantly changing as, perhaps, are your clients' wants and needs. You need to keep your USP fresh and viable in today's marketplace.

If you have a good USP and you know how to get it out to your market effectively, you're making it work for you while you get on with providing the actual products or services it promotes.