

USP

Unique Selling Proposition

Magic System Tools

Module Two:

**How To Change The Demand
Away From Price And Examples
Of The USPs That Do That**

Dear Student,

I'm Michael Senoff, founder and CEO of HardToFindSeminars.com.

For the last five years, I've interviewed the world's best business and marketing minds.

And along the way, I've created a successful home-based publishing business all from my two-car garage.

When my first child was born, he was very sick, and it was then that I knew I had to have a business that I could operate from home.

Now, my challenge is to build the world's largest free resource for online, downloadable audio business interviews.

I knew that I needed a site that contained strategies, solutions, and inside information to help you operate more efficiently

I've learned a lot in the last five years, and today I'm going to show you the skills that you need to survive.

It is my mission, to assist those that are very busy with their careers

And to really make my site different from every other audio content site on the web, I have decided to give you access to this information in a downloadable format.

Now, let's get going.

Michael Senoff

Michael Senoff

Founder & CEO: www.hardtfindseminars.com

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Module Two

How To Change Demand Away From Price And Examples Of The USPs That Work To Do That

Many small businesses try to compete on price then blame Wal-Mart when they fail. As “the low-price leader,” Wal-Mart pretty much owns the market on bargain hunting, but that doesn’t mean you can’t compete. It just means you should probably stop trying to compete on price.

When creating a USP, your main job is to change the demand away from price by taking a hard look at the marketing assets a business has so you can uncover a different reason customers should buy.

And in Module Two, you’ll hear the many ways that can be done. Richard says over the last 20 years of creating USPs, 9 out of 10 of the businesses he’s worked with were failing because they were trying to compete on price. So changing focus and demand away from that area is one of the most important things you can do. Here’s how.

You’ll Also Hear...

- More than 10 examples of businesses that stopped selling on price, how they became huge because of that bold move, and a look at how their USPs worked to get them there
- A quick story about a grain-bin commodity client Richard had that was competing on price – and the dissection process that led them to realize he didn’t need to do that, along with the USP Richard came up with (and the 80% increase in profits that followed)
- The 7 core elements a USP must have in order to sway demand away from price

- The power of USPs that create “innovative demand” (changing the way people think about, and buy in, an industry) – a look at a few businesses that successfully did that, and how
- The surprise asset Richard uncovered for a contractor who was struggling in one of the most saturated markets out there, how he changed focus off of price and onto performance, and the amazing results he got from that one USP alone

If everything seems the same, we’ll buy on price... unless, of course, something else pulls us in a different direction. That something else should be your USP.

It’s little wonder why so many small businesses go under nowadays when they continually try to compete on price, throw more and more money into advertising and slashing prices to do it, then blame the big box stores when that formula fails.

There is a way that works, but it usually starts by giving up that unnecessary price war. And in Module 2, you’ll hear how to change demand away from it.

Contact us now to find out how much more your company sales and profits can grow with a proper USP and one that’s successfully executed.

Go to our website at: www.USPMagic.com

Call us directly at 1-801-889-1505

Or e-mail Richard directly at: Richard@USPMagic.com

Remember: Every minute that goes by without a unique selling proposition in place is costing you thousands if not millions of new dollars for your business.

Michael Richard, we're at the beginning of module two. You're going to share with the listeners some good examples of USPs. What is a good example that you'd like to start with?

Richard I think certainly well known to everyone would be Walmart. Walmart is the number one company in the world and they did it by owning a USP around low prices every day. Often times you'll see them run an advertisement which is: the average family will save over four hundred dollars a year on their grocery bill shopping at Walmart. They got even more specific. They got quantitative. They got bolder in helping people understand their USP.

Now, there's also something important in a USP is being able to execute. Well, Sam Walton did find a way to bring product to his shelf cheaper than other delivery systems and he could turn around then and deliver to the mass public cheaper. He was able to back up his low price USP with reality in that he did develop a less expensive delivery system. Walmart owns the low price guarantee. Now, most small businesses don't want to

be or can't be the low price leader. You have to think of a different USP for your business- unless you can be! Maybe you are the low price leader. They own that low price USP.

From what I understand, Sam Walton was able to go to his suppliers and get them to come down lower on their pricing. He was able to get them trucked and transported efficiently to the stores destination. Between those two abilities, he delivered a product at a retail price lower to the customer. He did a really good job at systemizing his inventory. That is what led him to the ability to lower his prices. That backed up his guarantee. That backed up his low price USP.

The neat thing is that you see Target building stores right next to Walmart and doing very well! How can that be? That's because Target has a different USP than Walmart. The USP isn't in the product. The pots and pans and the toothpaste aren't any different really at Target. What they did was go after a different customer. A higher income customer. One who liked a little wider aisle, and a little bit nicer product, but not a lot. But

who had more money than the Walmart customers. Target basically said, "You can go to Walmart, go ahead, we don't care. We are going to appeal to a customer who has more dollars." They didn't even try to compete with Walmart, which is why they are doing very well. Their USP was in who they targeted. Who they went after as a buyer. That can be a USP.

The Hyundai came out with a USP during the recession of '08 and '09 and that is that if you have trouble and lose your job, we'll make your payment. That's pretty bold! That's a good USP! It's very specific; it's very quantitative. They've also got the longest warranty in the industry. That is bold and that's specific.

Midas Mufflers: "guaranteed for as long as you own your car." That's very bold. It's a good USP. Visa: "Everywhere." All of their commercials just hammer on American Express not being accepted. Visa kind of owns the trait of "everywhere." You can build a USP brand by being a USP "everywhere" but also the

brand "everywhere". You own that trait which is unique from their competition.

Kentucky Fried Chicken: "Eleven herbs and spices." Very specific. Very strong. People know why they're going there.

They taste better because of the secret herbs and spices.

They've done very well with their brand. Nyquil: "The nighttime coughing, achy, stuffy head, fever, so you can rest" medicine."

So I'm not going to sell you a daytime medicine, I'm going to sell you nighttime and make you rest better. Very, very strong USP. It owns that market. They do very well.

We've got a client that's in the agriculture business and sells equipment to farmers that have grain bins. We took a look at all of their marketing assets and, just like we've taught here about this USP, is look at hidden marketing assets. We found out that the customer service record in that company was very strong.

The product did not fail. It did not go down or cause the farmer to lose money in the grain bin because of failure of the product.

Well, we then created a lifetime guarantee, money-back. The owner had no problem with that because he had already been doing it. If he ever had a problem, he would replace it free. But he hadn't had very many problems. So we turned his asset into the strongest guarantee on the market. They're up eighty percent over last year. They're just going to have a better year because sales people in the field can now go back and say, "You got to have our product in your grain bins because we are the only ones that offer a money-back guarantee." Very, very strong.

We have a client in the contractor business, selling contractor equipment. That is very competitive... I mean anyone can go buy contractor equipment, anywhere. Well, his performed better. We talked to his customers, we looked at the competition, we'll get into that in module three and that is how we craft the USP. But found out that the contractors who own his product had a much higher profit level in their business. Thirty percent or more profit because of using his equipment.

That became his USP. "I guarantee that if you buy our

equipment, you will have a thirty percent increase in profit in your contracting business." Boom. Thirty percent increase within sixty days for that client, using that kind of strong USP.

Again, none of these clients are spending more money on advertising. They're getting these increases because of our ability to find and craft these USPs that not only matter to the contractor, they matter the farmer in the field, but they also bold, they're quantitative, and they can be backed up by the company.

We had another manufacturer that was very good at getting their product out on time, so we created a guarantee that the product would ship when the manufacturer says it will ship or they would reduce the invoice by ten percent. Wow! Now that matters to the customer! That's what they care about is getting their parts on time. If they don't, then their parts aren't on time and they're losing money.

You can't just say "We got fast delivery." Everybody says that. You have to take the asset and turn it into something that matters, which turns into a USP. FedEx was a great example. "Absolutely, overnight." became their USP. People began to understand that they're going to get their package overnight. And it just led the industry. They still own that position. Even though UPS has come along and tried, FedEx still owns that position in the minds of customers.

We all remember Domino's Pizza, a while back, who said "Thirty minutes or it's free." That's a good example because that USP took Domino's to the top of their industry. And now they're going down. Now they're declining again because they don't have a USP that is unique. You can get pizza anywhere now at five minutes or less. There's not a unique selling proposition anymore and they've gotta find something else.

Michael They say, "Get the door, it's Domino's." That's not a definitive USP.

Richard That's right.

Michael How about Papa John's? They've got a good one.

Richard Excellent. Well, it's the ingredients that they hit- the fresh ingredients. The other good one is Papa Murphy's. There's an example of taking pizza and changing our demand about from buying it already baking to baking it ourselves. They did what we call innovating demand. That's what Domino's did twenty years ago when they changed our demand from pizza to speed. That was very brilliant. We didn't want pizza, we wanted it in thirty minutes. That's what built their brand for a while. But Papa Murphy's is saying, 'Hey, you bake it. If you bake it, we can save you money- number one. And number two it'll be fresher, it'll smell better, fresh ingredients we're gonna use.' They've got a very good USP and are booming in the industry.

Michael How about Apple? Does Apple have a USP? Or Microsoft?

Richard Apple's USP is innovating demand. What I mean by that is that we anxiously await, every year, for the new features and the new benefits and products that Apple is going to put out. We don't know what it's going to be. They are innovating demand, meaning, they are creating the products for us before we even ask them to. They're telling us what we want before we even tell them. That's Apple's brilliance. That's Apple's USP, their ability to tell us what we want in our communication device without us telling them.

A lot of companies think that they should wait for customers to tell them what to do. That's not Apple. No one is telling Apple what to do. And they're all waiting for Apple to tell us what we want. They come through every year with new features and benefits on their communication devices, their phones and smart-phones, such that they own us as we think about what we want in our devices. No one calls up Steve Jobs and said, "Hey, Steve, why don't you create a device that I can carry on my hip or in my pocket that I can communicate with?"

Michael How about Microsoft?

Richard It's the same thing. They are actually these are innovators that these are leaders that out there creating new products and services without us inputting. Sure, we get feedback on all products and services. But Microsoft would be much the same way. They're out in front with their technology, ahead of us. That's what makes them unique.

Michael How about Amazon?

Richard Same thing. Speed, delivery, they're changing how we buy. They're changing how we're going to select products and buy them. I don't need a store anymore. I can buy it overnight through the mail. Again, it's them changing us, not us changing them. That is a very strong USP.

Take it down to a small company level. You should ask the question, 'Do I need to change what the customer is buying and they not even know it? Do I have the ability to innovate their

demand? They've been wanting my product, well now there's twenty other products like mine out there. What do I need to change them demanding? Do I want them to demand speed? Do I want them to demand quality and performance better than just a product? Maybe I need to innovate demand.'

For example, on the contractor's thirty percent increase in profit guaranteed, now we're changing the demand of the contractor away from lowest price- which most of them are focused on buying low priced things- to performance in my business for profit. You see, if this client of mine went on out and just kept selling contractors products, he would have failed because he's not the lowest price. They would have bought a different price. We had to change the demand of the contractor away from price to 'performance in my contracting business for profitability.' Once you do that, it works.

I think one of the most important things that we can emphasize on this interview, Michael, is this low-price USP problem that many, many small businesses have. Probably nine out of ten

that I've worked with over the last twenty years were competing on price. They were having to bid jobs or set prices at a level that was lower than the next guy's. Well, that was making them go out of business. They couldn't make money. We've heard a lot of small businesses on Main Street in America blame Walmart because Walmart comes into town and drives them out of business because Walmart is the low price leader.

We really want to help everyone listening to this who owns a business who might be competing on price that then the task and the challenge is to create a USP that is not based on price. If you're not the low price leader, then you better tell me why I should buy from you. It's clear that low price is not the only USP because Mercedes is still out there, BMW is still out there, Target has a little higher prices and is still out there... Nordstrom- higher price, higher ends- still out there.

There's plenty of businesses that are doing very well higher priced. It's because they created a USP, not based on price that matters to enough people. That's what business owners need

to do. If you're struggling on price, you gotta take a hard look at the marketing assets that you have. These hidden marketing assets. Uncover an alternative reason for people to buy. Otherwise, they will buy on price.

If you and I go shopping and we have three different choices to make and we have the three same products and same level of customer service, we're going to choose the lowest price. If one of them convinces us to pay another dollar or two, we'll go there. But it's gotta be a unique reason. It's gotta be a USP that pulls us over there.

One of the definitions of the USP is that it needs to be bold enough to pull enough people over to buy from you. It can't just be, "we're a little higher price because we're a little better quality." That's not going to cut it. You gotta to give me a very bold reason to move over. I hope that helps, especially for everyone that's listening who might be struggling with this price issue. Don't blame it on Walmart! I hope we've given you some great examples of good USPs.

Just to summarize module two, a good USP should be bold, it should be overt, it should be something that stands apart, it should be something that matters or fills a void for the customers, you should be able to describe it in about ninety words or less, it should matter to enough people to pull them over, and it should be something that the competition cannot or will not do, and certainly needs to be something that you as a company can execute on. That's the end of module two.

Module three, now, we're going to go forward and talk about how we actually craft a USP, how we find what we need to build a USP.

Contact us now to find out how much more your company sales and profits can grow with a proper USP and one that's successfully executed.

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Or e-mail Richard directly at: Richard@USPMagic.com

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This is the end of Part Two, please continue to Part Three.