

# Why Should I Buy From You?

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# WHY SHOULD I BUY FROM YOU?

**At the junction of Interstate 80 and Highway 281 in Nebraska, stands a convenience store with a large, well-lit sign.**

**The sign reads “We Have the Best-Looking Cashiers.”**

**Customers judge the offer you put before them, then compare it to your competitors' offers. If there is no meaningful difference, customers base their buying decisions on price.**

Price competition drives prices lower and lower until they approach the variable costs of the most efficient provider, and that's not you. The most efficient provider is usually a big company with the resources to operate very efficiently (think WalMart, Home Depot and Amazon).

This means a small business that competes on price alone is in big trouble.

Small businesses that thrive have a well-defined Unique Selling Proposition (USP). They have claimed a USP that clearly answers the question: “Why should I buy from you?” They emphasize points of difference, other than price, that matter to customers.

## USP CRITERIA

**There are only two criteria for a USP:**

- It must be important to your customers,
- It must be unique to your business.

That's it.

What's important to the customer is the priority. So how can you know?

Begin with the understanding that customers buy for only two reasons: pleasure or pain.

Every purchase either satisfies a desire or reduces pain. Which applies to your products?

For example: a customer may buy a 60" flat screen TV for the pleasure of impressing his buddies at a football watch party, or a client may hire an attorney to address the pain of an IRS audit.

## BENEFITS VS. FEATURES

The next step is to define your USP in terms of "benefits" that address the pain or pleasure, rather than "features" that merely describe your product or service. Here are some examples.

**Feature:** 60" inch TV with 2 million pixels per square inch.

**Benefit:** Life-like picture quality that puts you in the game.

The features of the TV sound cool, but it is the benefit that communicates to the customer exactly how the TV impresses people.

**Feature:** Attorney with 25 years experience.

**Benefit:** Get your lien released TODAY.

The attorney may have been in business for 25 years, but the client pays for his ability to get a lien released today.

## THINKING LIKE YOUR CUSTOMERS

Below are some questions to get you thinking from your customers' perspective.

- What matters most to customers and why?
- What annoys your customers about your industry and how could you improve it?
- How would each of the below affect their pain or pleasure?

Quality

Reliability

Safety

Image

Convenience

Availability

Trust

Communication

Fear

Consistency

24 hour access

Financing

## THE “SO WHAT?” PRINCIPLE

As you explore benefits, ask “so what?” of every answer you come up with. Keep asking until you reach a clear point of pain or pleasure. Here's an example.

You may decide that durability is the important factor of a product you sell to contractors. However, durability is a feature, not a benefit. Why does it matter?

You might answer that the product won't break down...So what?

Breakdowns mean your customer will have to get the product fixed...So what?

Even under warranty, he would have to come to your store...So what?

Coming to the store will throw him off schedule...So what?

Falling behind schedule damages his reputation as a reliable contractor...So what?

**A damaged reputation will cost the customer future work.**

USP: "We protect your reputation."

## BE UNIQUE

The second criterion for a great USP is that it is unique to your business.

Most of us cannot rely on developing the iPhone replacement or a wind-powered automobile to make us unique. Fortunately, we don't have to.

We can make use of what is known in marketing as the "strategy of preeminence." The strategy is to gain preeminence – uniqueness - by being the first to claim a meaningful USP. Even if every competitor could claim the same benefits, you stake your claim by being first. Let me give you several examples.

Claude Hopkins, 1866 – 1932, is widely regarded as the father of modern marketing. (He invented the coupon!) Among the many of his clients you know today (Quaker Oats, Palmolive, Van Camps, Pepsodent) was Schlitz beer. Claude took Schlitz beer from number five nationally to number one in a matter of a few months. He did it by describing the steam cleaning and cold filtering Schlitz used to process its beer.

As a result, Schlitz acquired a USP as the purest beer in the United States. The interesting fact was that every beer producer in the US used precisely the same processes.

Claude used the strategy of preeminence to claim the USP for his client.

The same strategy is used today by Enterprise Rental cars whose USP is "We'll pick you up!" Any competitor could have made the same claim, but not now. What is Hertz going to say: "We will pick you up, too!"?

Look around and you will find many examples of the strategy of preeminence: the Dallas Cowboys – "America's team"; Burger King - "Have it your way"; FedEx – "When it absolutely, positively has to be there overnight;" Volkswagen - "German Engineering." Could the Green Bay Packers or Wendy's or UPS or Mercedes-Benz have made the same claims? Of course!

Some USPs are as simple as great parking, easy access, or good lighting. And then there is that preeminence niche claimed by the store in Nebraska... "We have the best-looking cashiers." Yes, I stopped, and no they didn't... but I stopped.

Once you have defined your USP and have seen customers respond to it, claim it by putting it everywhere – on your web site, on your business cards, at the bottom of your invoices, on the big sign out front. Take every opportunity to remind customers why they should buy from you. Make sure your team understands your USP and delivers on it, then refuse to participate in the life of price competition.

## HOW ABOUT YOU?

Do your customers choose based on price? Do you know why your best customer buys from you? How would your life change if you no longer had to compete on price alone?

If you have any further questions, please don't hesitate to mail me at [Martin@annealbc.com](mailto:Martin@annealbc.com) or visit [www.annealbc.com](http://www.annealbc.com)



## Martin Holland

Martin Holland is the son of a successful entrepreneur. He grew up hearing about margins and markets, R&D and sales, risk and return on investment. He learned to love the language and rigors of business and grew to believe that business is both the most human of all endeavors and the highest calling. After selling a company in 2011, Martin became a coach in order to help other owners build profitable businesses that do not require their day-to-day involvement.

A native of Norman, Martin earned a B.A. degree from Hastings College in Hastings, Nebraska and a Masters in Business Administration degree from the University of Oklahoma. Over the past 7 years he has written business plans that have raised over \$52.4 million in bank and investor financing. He has helped 157 (and counting) business owners reduce stress and increase performance through clarity of purpose, better marriages, more money, and more free time away from the business.