



TIP OF THE MONTH

Choose your FABs & USP very carefully.

“If you don't have a competitive advantage, don't compete.” Jack Welch, GE

“There is nothing more exhilarating than to be shot at without result.” Winston Churchill, Time ‘Man of The Year’ 1940 & 1949

“Induce your competitors not to invest in those products where you expect to invest the most...that is the fundamental role of strategy.”

Bruce Henderson, Founder of Boston Consulting Group

“The greatest mistake managers make when evaluating their resources is failing to assess them relative to competitors.” Collins & Montgomery (HBR, Aug/Jul 1995)

Is your Unique Selling Proposition (USP) relevantly unique?

Secondly, have you assessed whether you're communicating Features, Advantages and/or Benefits (FABs)? In building your essential customer value proposition, Ian Rheeder looks at how to use FABs and USPs to relevantly differentiate your products and services.

The curse of irrelevant USPs

A light beer was differentiated using mud-wrestling babes in a TV campaign. Beer sales decrease. Why? Because the psychological positioning of this image was not a Key Success Factor in unlocking their health conscious target segment. All they should have done was use athletically lean looking models and mention that the product had less calories.

The curse of misusing FABs

One of the mistakes marketers make is they presume that customers know how to convert features and advantages into benefits. But consumers are lazy thinkers. So in creating a competitive advantage, let's take a closer look at FABs and iron out a few common blunders.

Features	Advantages (vs. competitor/s)	Benefits (“Which means that...”)
Diesel engine	Travel 300km further per tank of diesel vs. petrol.	Which means that: “You will save 30% in fuel bills.”

In his book, *The Psychology of Persuasion*, Dr Robert Cialdini mentions that humans are more likely to do something when you supply a reason. And it's this reason that marketers need to carefully research before communicating. This rationale or value proposition then creates a strong propensity to purchase. Looking at the above example, by just communicating a *feature* (diesel engine) it's certainly not compelling enough; in fact many consumers have no idea what the advantages and benefits of diesel are. Even mentioning the *advantages* of diesel vs. petrol may not convince a skeptic, but by emphasizing the relevant benefits (needs and wants) to the customer, they can be moved from mere interest to desire. Therefore when selling or promoting a product we should merely describe the features and advantages, but *emphasize* the benefits. And then, don't forget to communicate your superior benefits vs. the next best alternative.

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