

HOW TO DEVELOP A COMPELLING UVP FOR COMPETITIVE DISPLACEMENT



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Synopsis:

- What UVPs and competitive displacement strategies are, and why they are important for your business
- Five steps for effectively conveying your UVPs to your audience
- Demand generation techniques to empower competitive displacement programs



On average, every brand has an average of 4 competitors (<u>6sense, 2023</u>). This means that, whatever your market niche, your prospective clients have multiple options available to fulfill their needs. Successfully convincing them to shift from their current solution to your offer is, therefore, imperative for <u>gaining market share</u> from competitors.

This is an essential tactic during times of economic uncertainty, especially as **buyer scrutiny increases**, reducing spending, and prompting the **re-evaluation of tech stacks**.

This presents both a challenging environment and opportunity for companies to take advantage of competitors that halt research and development (R&D) efforts, cut marketing budgets, and ultimately fail to adjust their service models to the evolving needs of their buyers.

In this scenario, maintaining brand awareness and strong client relationships is even more critical for competitive positioning. For this, it is essential to identify and action optimizations for your solutions (in comparison to competitor offerings), to showcase your brand as the change agent that delivers the highest return on investment (ROI).

Leveraging a clear unique value proposition (UVP) throughout the buying journey is a crucial element for ensuring the success of your competitive displacement efforts.

WHAT IS A UNIQUE VALUE PROPOSITION (UVP)?

A unique value proposition (UVP) is a statement (or statements) that concisely convey the distinct value that sets your brand and offerings apart from competitors. A compelling UVP highlights key benefits, succinctly communicating why prospects should opt for your solution over that of your competitors.

Developing an effective UVP requires a deep understanding of your target audiences, market research, and competitive analysis. This enables the unique benefits of offerings to be aligned with buyer needs and pain points—in particular, those that competitive solutions fail to match.



UVP VS USP

Although the terms UVP and USP (Unique Selling Proposition) are often utilized interchangeably, many businesses have distinct definitions for them. As a result, there is not an industry-wide consensus on the differences between UVP and USP.

However, I will refer to UVP in this article as the internally-set, core business value proposition that differentiates a company from its competitors, and is leveraged to guide business strategies. This encompasses external messaging across all channels, including marketing materials, and how sales teams present the USPs of solutions in their outreach campaigns.

WHAT IS COMPETITIVE DISPLACEMENT?

Competitive displacement refers to the process of targeting and converting competitor clients to gain market share. Marketing strategies driving competitive displacement aim to position your brand and solutions toward these accounts.

This should include de-risking your offerings and highlighting unique advantages to showcase your brand's specific capabilities compared to competitors.

Crafting relevant messaging for competitive displacement requires insights into the issues and pain points encountered by prospects working with competitor solutions. This strategy also supports more accurate and efficient product development efforts for adapting to these needs as necessary.



5 steps to craft a compelling UVP



Below are five steps to guide the development of your UVP and drive the implementation of high-performing marketing and sales strategies:

္လာ္က်ိဳး 1. Conduct competitive analysis

In short, competitive analysis verifies how well competitors are meeting the needs of the market. This includes the unique benefits of their solutions, their target markets, and **market segmentation** strategies (to name but a few).

In order to identify the strengths and weaknesses of competitors, as well as opportunities to exceed their outcomes, businesses should conduct research on their solutions, product market fit, and marketing tactics. These can then be analyzed to glean insights into how to drive competitive business strategies.

This information can be collected from a myriad of sources, including:

- Competitor websites
- Competitor social media channels
- Annual revenue reports (when available)
- Ist and 3rd-party surveys
- Competitor SEO and intent keyword analysis
- Private or public LinkedIn, Slack, or other group channels where solutions are discussed

Review sites

Competitor traits to consider when conducting competitive analysis:

- Product features and pricing
- Reviews and social proof, to gauge how well competitor solutions meet target account needs
- **Sales strategies**, such as partnerships, cross-selling, and geos, as well as how audiences are engaged
- Most common objections and reasons for not buying, sourced from loyal clients who switched from or considered your competitors
- Marketing strategies, content, and marketing channels utilized, as well as their corresponding levels of engagement



The SWOT matrix in competitive analysis

To streamline the competitive analysis process and simplify the review process, consider performing a **SWOT analysis**. This technique categorizes competitor insights gained from research to identify their strengths and advantages over your brand. This also includes their weaknesses, and possible opportunities that can give your product strategies and marketing campaigns a competitive edge.

StrengthsHow the organization currently
outperforms competitionHeaknessesAreas of failure, struggle,
or subpar performanceOpportunitiesStrengthMarket opportunities, acquisitions,
and relevant tech updates that
could enhance performanceHeatsWarket opportunities, acquisitions,
and relevant tech updates that
could enhance performanceStrengthWarket opportunities, acquisitions,
and relevant tech updates that
could enhance performanceWays in which the competitor's
success may hinder your growth
or performance



Internal

External



2. Analyze marketing and sales performance

Build on your competitor analysis by benchmarking your own marketing and sales efforts with competitor comparisons. This can identify points of improvement, which will then inform your UVP and overall marketing strategies for engaging the buying group at target accounts.

Start by gauging your audience's perception of your brand and offerings. You can collect this data from multiple sources, including **social listening**, reviews, and testimonials. This will reveal how your audience and clients view your brand against your competition, and also guide UVP optimizations.

Another powerful strategy is combining these insights with feedback that sales and Client Success (CS) teams have collected directly from clients and prospects.

This feedback could regard:

- Your sales and onboarding processes
- Learnings from deals that failed to close
- Any observations in the case of clients switching to competitors

Implementing this process will unveil any issues that can be resolved quickly, in order to **improve your overall user and client experience (UX and CX)** and reinforce your UVP with existing clients.

Interviewing loyal clients is also another effective strategy for evaluating the market perception of your brand—particularly when collecting information from clients that have switched over from other providers.

Be sure to ask questions to uncover the motivation for the switch: what improved when changing providers, and what factors they believe should be optimized in your services. These interviews can also be leveraged to build **powerful testimonials** to support **lead nurturing strategies** across the entire buying journey.

 $\frac{\text{Discover how to craft client journeys}}{\text{that drive conversions}} \longrightarrow$



3. Identify and position the core value of your offerings

Next, identify the main pain points your clients seek to resolve with your solutions. This will enable you to implement a client-centric approach to align with these needs and effectively address them with a robust UVP.

Moving forward, combine these insights with your competitor analysis to cement your key differentiators. Be sure to regularly assess these differentiators in line with the latest client feedback and competitor developments to ensure your core values are in line with the latest market shifts.

This process will result in an interesting approach to developing and positioning the core value that differentiate your services from the competition.

4. Follow messaging best practices

UVP messaging should be transparent and direct. **Below are best practices to ensure messaging resonates** with your audiences:

- Strive for clarity and brevity, ensuring the meaning is clear
- Utilize relevant and results-oriented language, to best cater to a client-centric view
- Avoid hyperboles, to not drive the audience away with unbelievable claims

Be sure to craft UVP messaging with vocabulary that resonates with your audiences and, if possible, each <u>buyer</u> <u>persona</u> (within your buying groups).

One technique for enabling this tactic is to create data sets listing the common language of different personas (ideally industry-specific) and organize them in word clouds. These can highlight their frequency of use to guide teams building messaging and outreach.

5. Measure the success of your UVP

As your solutions, industry, and market conditions evolve over time, it is crucial to stay agile and pivot your messaging as necessary to meet the <u>changing needs of your buyers</u>—and tailor strategies to drive their progression through the buying journey.

Perform <u>A/B testing</u> and measure marketing performance against outcomes achieved in previous campaign iterations. These data insights can then be combined to inform updates to your messaging and UVP.

Once you have conducted your analysis, compare your performance to competitors (even if qualitative is only possible), to determine the competitive positioning and efficiency of your new messaging.

By adopting this process, you will ensure that your UVP is relevant for your audience (and buying groups) as the market shifts and their demands inevitably diversify.



Next steps for leveraging competitive displacement

Your UVP can play a key role in activating competitive displacement campaigns to drive performance throughout the buying journey and win more market share.

Here are some tactics to boost the efficiency of your competitive displacement strategies:

- Leverage client feedback and social listening of your competitors' products to identify areas of improvement in your product development efforts. This can also steer the development of marketing materials that de-risk your offer
- Assess the performance of legacy marketing strategies and previous messaging to improve points of friction, especially with regard to product descriptions, as well as mission and value statements (informed by your UVP)
- **Review your** <u>ICPs and buyer personas</u> to ensure their relevance with the evolving needs of your audience
- Create style guides to ensure messaging clearly conveys your UVP, is relevant to the needs of your target accounts, and reflects your brand voice. If necessary, review existing content active across your marketing channel mix, such as website and social media copy
- Identify competitors' clients and target qualified accounts for your next campaigns
- Launch long-term brand awareness campaigns highlighting your UVP and key benefits compared to competitors

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Why demand generation is essential to win market share



Demand generation plays a crucial role in competitive displacement.

The focus of demand generation strategies is on developing long-term brand awareness and interest by driving engagement with the entirety of the buying group at target accounts—and continuing this process to generate and capture demand for your products or solutions.

A key element of demand generation is positioning the value of offerings against those of competitors.

Furthermore, effective demand generation programs are built on ensuring a cohesive client experience (CX) for the entire buying group <u>throughout the buying journey</u>. These elements of demand are essential for fostering client loyalty and proactively shielding your strategies from similar tactics employed by competitors.

To support this process, ensure that your demand generation tactics are aligned with your competitive displacement campaign and UVP, to promote messaging that positions your offerings in a way that resonates with your audience.

An important element of this is driving sales and marketing alignment and implementing interdepartmental processes to ensure that all teams receive the support they need.

For example, sales teams should be provided with sales enablement resources that leverage new messaging and emphasize your UVP (e.g. short-form checklists, tools, templates). These should be primed for use in outreach to speak directly to common pain points and establish trust.

In order to yield the best results from this strategy, sales teams ought to share intelligence with marketing teams on the performance of marketing materials. This feedback will help to shape how materials evolve in line with prospect behavior and needs, as well as serve as an indicator of brand perception.

Amplifying targeted marketing efforts toward competitor client accounts, especially in critical moments such as contract renewals, is also key to encourage prospects to shift from their current options to your services. This should include showcasing your brand and UVP to decision makers at these accounts to inform them on your services and guide the evaluation process.



Finally, it is essential to establish overall goals and KPIs for measuring the performance of your demand strategies. While these should be adjusted as necessary, defining metrics beforehand enables teams to assess progress and align strategies accordingly to achieve goals.

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7 demand generation marketing tactics to gain market share

Below is a selection of demand generation strategies designed to aid competitive positioning:

- Creative marketing and guerrilla marketing strategies: Drive attention to your brand through unconventional tactics and interactions, shedding light on a major problem that your services solve
- Brand evangelism: Leverage loyal clients (and decision makers at buying groups) to build social proof and boost word-of-mouth marketing
- Webinars and events: Offer valuable insights that help your audience address common challenges and pain points
- Thought leadership: Position your brand as an industry expert and a trustworthy source, establishing your value as a solution provider
- Partnerships and co-marketing campaigns: Leverage non-competing brands that engage a similar audience to yours to share costs and data (while respecting privacy compliance)
- Content marketing and lead nurturing initiatives: Attract traffic and earn brand exposure, while building trust with prospective clients already in your sales funnel
 - **Paid media**: Drive awareness, prime prospects, and boost website traffic

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Key takeaways



Guide your competitive displacement efforts and earn market share with these key takeaways:

- Focus your marketing strategies on competitive displacement: Most prospects already have a solution in place, or multiple options to consider. De-risk your offering with marketing that cements its value and encourages prospects to make the switch
- Conduct in-depth competitive analysis: Locate the advantages and weaknesses of your competitors' products and marketing efforts to inform your strategies
- Inform your marketing strategies with data-driven insights: Collect <u>lead intelligence</u> of past marketing and sales campaigns, competitive analysis, and market research
- Craft clear UVPs: Convey the key features of your services to stand out as a preferable solution over your competitors
- Ensure uniform messaging that clearly expresses your UVP and brand voice: Strive to achieve a cohesive brand voice across channels, reviewing existing assets as necessary
- Strive to identify competitors' client accounts: Find accounts that will serve as targets for your future campaigns, especially in critical periods such as before contract renewals
- Leverage demand generation marketing strategies: Drive efficiency with your competitive displacement programs by focusing on CX, UX, and brand awareness to support the buying journey
- Continuously assess your campaign performance: Adjust your demand generation marketing initiatives as they unfold to meet goals and boost ROI

INCREASE YOUR MARKET SHARE WITH INFUSE COMPETITIVE DISPLACEMENT

Our demand experts are available 24/5 to engage your competitors' clients with long-term demand generation campaigns to cement your positioning in your target market.

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About the Author

<u>Alexander Kesler</u> is a visionary B2B digital marketing leader with over 20 years of experience in building highly successful organizations. As Founder and CEO of INFUSE, one of the fastest-growing private companies in America, he specializes in driving growth through demand generation marketing.

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