**USP + Validáció**

Unique Selling Proposition

Market Validation

# USP

Your unique selling proposition (USP) is what separates you from the competition. For customers, it’s a reason to trust and choose you ahead of someone else.

**WHAT IS A VALUE PROPOSITION?**

Value proposition – is a positioning statement, the simplified version of the positioning of the company. It tells why customers should do business with you rather than your competitors, and makes the benefits of your products or services clear from the outset.

The main components of the Value proposition that you need to define:

* For (Target customers)
* Who are dissatisfied with (the current alternative)
* Our product is a (new product)
* That provides (key problem-solving capabilities)
* Unlike (the product alternatives)

USP Analysis

### Understand the Characteristics That Customers Value

### Rank Yourself and Your Competitors by These Criteria

Table

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# MARKET VALIDATION[[1]](#footnote-1)

Diagram, schematic, timeline

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1. **PINOCCHIO** — It’s a non-functional version of the value proposition, and works particularly well where**size, shape, weight, portability are the key elements to be tested**. An example is **how Jeff Hawkins tested the Personal Digital Assistant**[**Palm Pilot**](https://en.wikipedia.org/wiki/PalmPilot) after the market failure of the first handheld computer, the [GRiDPad](https://en.wikipedia.org/wiki/GRiDPad" \t "_blank). In order to test the key value proposition of portability and size, [he cut a block of wood to fit his shirt pocket](http://pretotyping.blogspot.co.uk/2010/08/one-of-my-favorite-pretotype-stories.html), and he carried it around for months, pretending it was a PDA. Through that, he realised that he would have personally used it, and that he was ready to undertake the technical challenge to build it. These days **3D printers can be a lot of help for these kind of tests**, and they work best if followed by a few rounds of interviews or trials with prospect customers willing to help.
2. **LANDING PAGE** — This is the classic trick of **creating a fake page for a product that doesn’t exist yet in any form**. A few pounds on a domain name, a bit of creativity and some [useful tools listed here](https://medium.com/early-stage-startup-validation/how-to-setup-a-landing-page-for-validating-a-business-or-product-idea-d72c35fc012c), and a landing page is ready to present the value proposition and collect orders. Luke Szyrmer, agitator of the London Lean Startup scene, wrote [an interesting book](http://www.launchtomorrow.com/) about this practice. A **landing page is extremely helpful to determine the level of interest for a value proposition**. The key thing to be considered is that a certain amount of budget needs to be reserved to drive qualified traffic to the page, usually in form of Google or Facebook ads. The superpower of a landing page is that **it provides real data about acquisition and activation**, ultimately allowing founders to assess the acquisition costs and the conversion rate of an online business and draft a financial plan if required. Moreover, gathering email addresses of potential customers provides a useful list of people to be interviewed to refine and iterate the value proposition and its presentation.
3. **CONCIERGE SERVICE**– This option replaces complex and expensive software development with the founders’ work. It requires to launch a landing page with a form, and then have the founders doing what a software would do to fulfil customers requests. It works particularly well with **marketplace businesses**. A notable example is [**how Nick Swinmurn validated the online shoes giant**](http://fortune.com/2012/09/05/nick-swinmurn-zappos-silent-founder/)[**Zappos.com**](http://www.zappos.com/) (acquired by Amazon for $1.2B in 2009). After he had the idea of selling shoes online, he didn’t build a complex supply chain or invested on a huge stock of shoes. Instead he made a deal with a few shoes shops in his neighbourhood, took pictures of the shoes and published them on his website. In case a customer ordered, he would go at the shop, buy the shoes and send them by post. It involved a lot of work to do for each single order, but **the concierge service is not made for scaling, and not even to make a profit.** Instead, it helps enormously to validate a value proposition and to de-risk the whole new venture. In case orders start piling up, entrepreneurs like Nick would have collected enough validation to be able to meet with investors, and get funds to automate the most time consuming and customer critical operations, starting in this way a proper business that delivers the value proposition.
4. **RE-LABEL** — This is probably the most controversial one, and works with a few number of new ventures. It involves **putting a different label on an existing product that represents the value proposition intended to be tested**. It might be something from another country, or packaged differently and proposed to a different segment, or sold through a different channel at a different price, etc. In case the test produces positive results, the next step is to make the real thing happen. Depending on the business, a landing page might be needed as part of the test.
5. **PRETEND-TO-OWN** — This technique is about borrowing or renting something needed for a business idea before investing money to buy it. Again, the idea is not to necessarily make a profit out of this exercise, but to validate the value proposition. Businesses like [HSS hire](https://www.hss.com/hire) or [Appear Here](https://www.appearhere.co.uk/) are largely serving these kind of business needs: before rushing to buy a tool or sign a contract for renting a prime commercial space for a shop, they allow entrepreneurs to “pretend to own” something, **postponing a sizeable investment until they have enough validation about the value proposition**. For example, a film sound service testing the value proposition for an advanced recording technique won’t buy an expensive new equipment immediately, but they would sub-rent that from another service when customers order it until they have enough repetition of orders to justify the investment. It’s mostly common sense, really.
6. **MINIMUM VIABLE PRODUCT, or MVP** — This is one of the [key principles of the Lean Startup methodology](http://theleanstartup.com/principles), and involves some more development work and investment than the options above. It dictates to **create an actual product with a number of features reduced to minimum**. In Eric Ries’ words, the objective is to “*collect the maximum amount of validated learning about customers with the least effort*“.  
   Twitter, for example, started as a way for broadcast SMS among a group of people, and there were no @replies, #hashtags or retweets. Fin-tech startups like [Monzo](https://monzo.com/" \t "_blank) or [Tide](https://www.tide.co/) launched early versions of their app-only banks using prepaid card or not allowing customers to set standing orders. A MVP it’s a **minimalistic exercise to provide target customers with the absolute minimum set of features that will make the product credible and loved**.  
   The best things of MVPs are two:  
   — **Not all MVPs involve developers**. One notable example is [how Drew Houston validated Dropbox’s concept without writing a single line of code](https://techcrunch.com/2011/10/19/dropbox-minimal-viable-product/). The service he had in mind was so complex that it was impossible to demonstrate a working prototype without a sizeable upfront investment. He had two choices: either spending years of development for a product nobody might have wanted, or faking it. He went for the second, and he produced a 3 minutes video explaining how Dropbox worked. Then he posted the video to a community of [early adopters](https://studiozao.com/how-to-identify-early-adopters-for-a-new-business-idea/) obtaining validation from thousands of users who applied to be in the waiting list for the first release. (want to see the actual video? it’s [here](https://www.allencheng.com/dropbox-mvp-explainer-video/)!)  
   — **MVPs are not only for the tech industry**. Success stories as [Bleecker burgers](https://www.bleeckerburger.co.uk/) or [Pizza Pilgrims](http://uk.businessinsider.com/pizza-pilgrims-was-founded-out-of-credit-cards-and-a-van-2017-3) demonstrate how an MVP might take form of a food truck in a street food market. It gave founders time to engage with customers, get their feedback, refine the value proposition and learn how to set up a value chain without risking to sign lifelong debts for a proper brick and mortar restaurant from day one.
7. **PROVINCIAL** — in case the highest costs of delivering a value proposition are associated with scaling the product, it makes sense to**run a test on a very small sample of customers, or a limited area**. For example, the founders of a mobile application that helps people find cafes that only serve only organic coffee should start from the city or the neighbourhood where they live, and launch a MVP hard-wiring the names and location of the cafes they already know directly in the app instead of setting up a data base with thousands of places across the nation. A notable real example is how Uber was launched. When they started to test the market to deliver their value proposition of simplifying cab hailing, Uber founders started from a three cars fleet in NYC and then [launched in 2010](https://techcrunch.com/2010/07/05/ubercab-takes-the-hassle-out-of-booking-a-car-service/) in a single location, San Francisco, targeting the high-end of the market (black limo kind of cars) that they had identified as the [early adopters](https://studiozao.com/resources/how-to-identify-early-adopters-for-a-business-idea). This allowed them to iterate and validate the proposition and be credible in front of investors.

1. <https://davideturi.medium.com/how-to-select-a-test-to-get-market-validation-for-a-new-product-or-business-idea-68e09c9e1902> [↑](#footnote-ref-1)