

Value Proposition



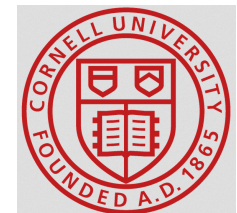
Lisa Fernow

Business Experience (30+ years)

- > Global marketer, strategist, consumer insights
- > President, Fernow Consulting



NORDSTROM



Session Agenda

12:15 – 12:45

Value Proposition Lecture

- What is a value proposition and why have one?
- Framework, examples, and considerations

12:45 – 3:00

Work Session

Dog



A dog would teach our child responsibility



Dog

He's so
cute!

It would teach
the children
responsibility.

We could
breed
him.



He'll pee
everywhere

Who's going
to take care
of it?

What about
food and vet
bills?

Am I a bad
parent if I
say no?

What is a value proposition? (company's p.o.v.)

> American Marketing Association:

- What is **promised** by a company's marketing and sales efforts, and then **fulfilled** by its delivery and customer service processes.

> UW Lean Canvas:

- Single, clear, compelling message that states **why you are different** and **worth buying**.

What is a value proposition? (consumer's p.o.v.)

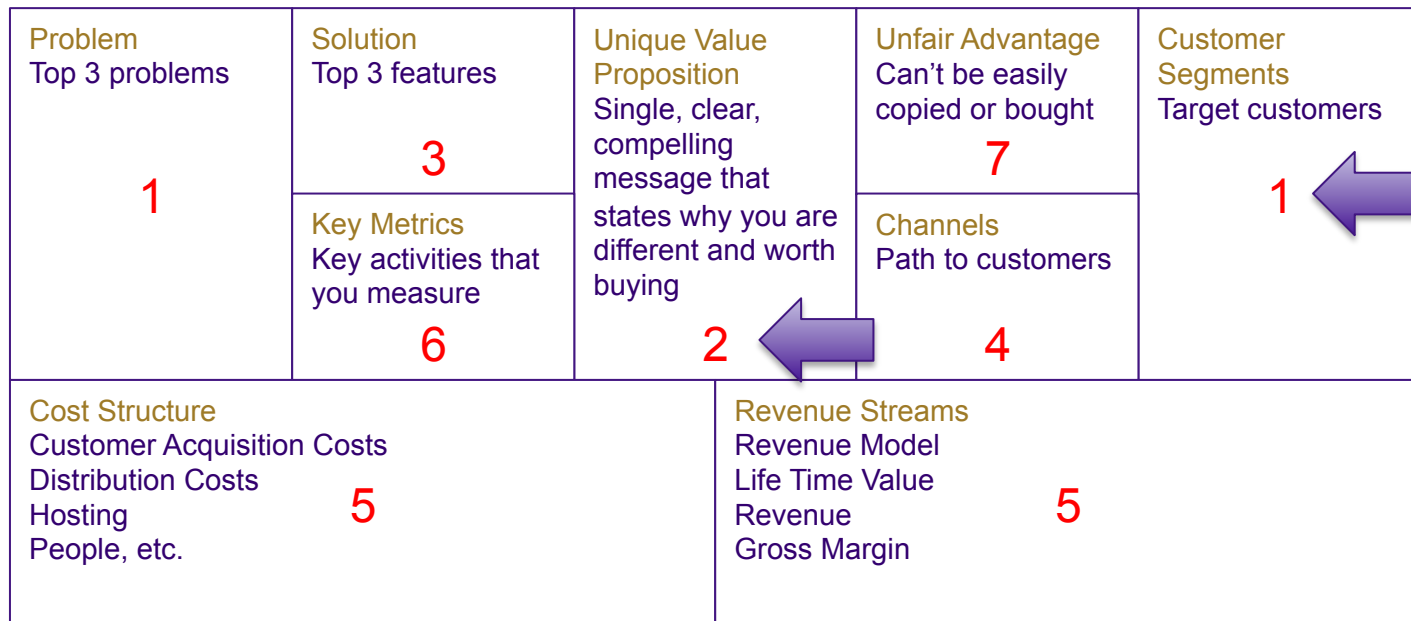
> What I get versus what I pay



Why have a value proposition?

- > Everyone in your company understands the promise you must deliver on, and can talk about it in a consistent way
- > People can easily decide whether to choose you

Where value proposition fits with lean canvas



Value proposition framework

For...

Target customers who have a problem

We offer a...

The category you compete in/with

That delivers...

The benefit – how it solves their problem

Because...

Reasons why – differentiating proof points

Optional Section 😊

All that's required is...

What customer pays – price, time investment, risk



(B2C Value Proposition)

- > **For** people who just need a ride
- > **Uber** is an on demand cab service
- > **That** offers the easiest way to get around at the tap of a button
- > **Because**
 - > You can get a taxi, private car or rideshare from your mobile phone
 - > Uber connects you with a driver in minutes.
 - > Your credit card will be automatically charged
- > **All that's required is** for you to install the app and create your account in minutes. Price reflects demand – up to you to agree.



(Contractor Value Proposition)

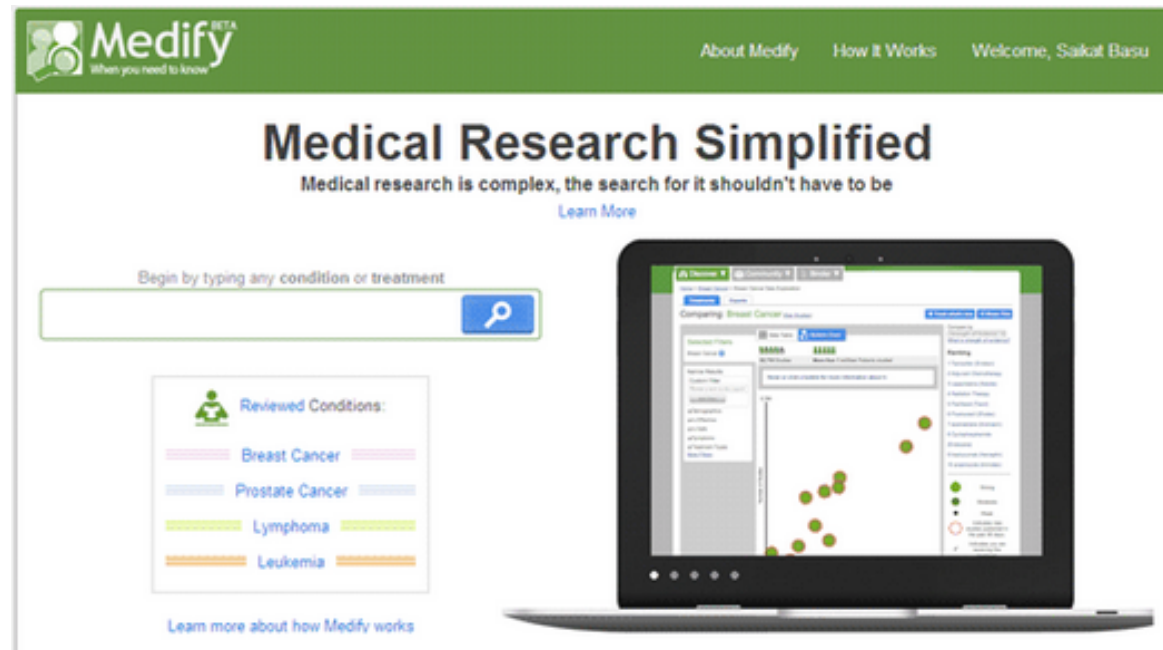
- > **For** people who want to be their own bosses
- > **Uber** is an on demand cab service
- > **That** lets you earn money as an independent contractor
- > **Because** you get paid in fares for driving on your own schedule
- > **All that's required is** you must be 21+; have access to a 4-door car 2005 or newer; meet insurance, licensing and registration requirements; and pass a background and driving record check. You pay for gas and maintenance.

UBER NEEDS PARTNERS LIKE YOU.

Drive with Uber and earn great money as an independent contractor. Get paid weekly just for helping our community of riders get rides around town. Be your own boss and get paid in fares for driving on your own schedule.



Choice of target is critical



Quick exercise

- > What problem / unmet need are you addressing?
- > Who is your target audience – who *really* cares?
- > Jot your ideas down, and circle the ones that you suspect will be the most important



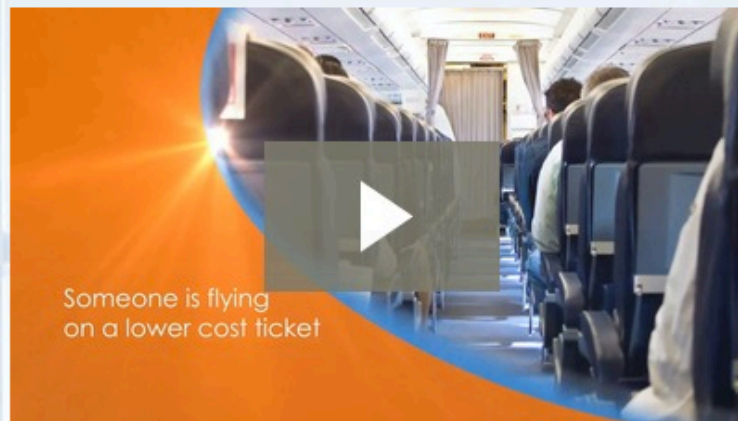
(B2B Value Proposition)

- > **For** corporate travel program managers who hate to overpay
- > **Yapta** is the travel price assurance expert
- > **That allows** you to book airfare and hotels with confidence you'll get the lowest available price
- > **Because** Yapta automatically gets you refunds when prices go down after booking, without disrupting your travelers' plans in any way – typically saving 1-2% of your total travel budget
- > **All that's required is** to pay based on performance or by transaction. You'll be up and running in 2-3 weeks, no software changes.



Watch how
FareIQ works →

Request a Demo →



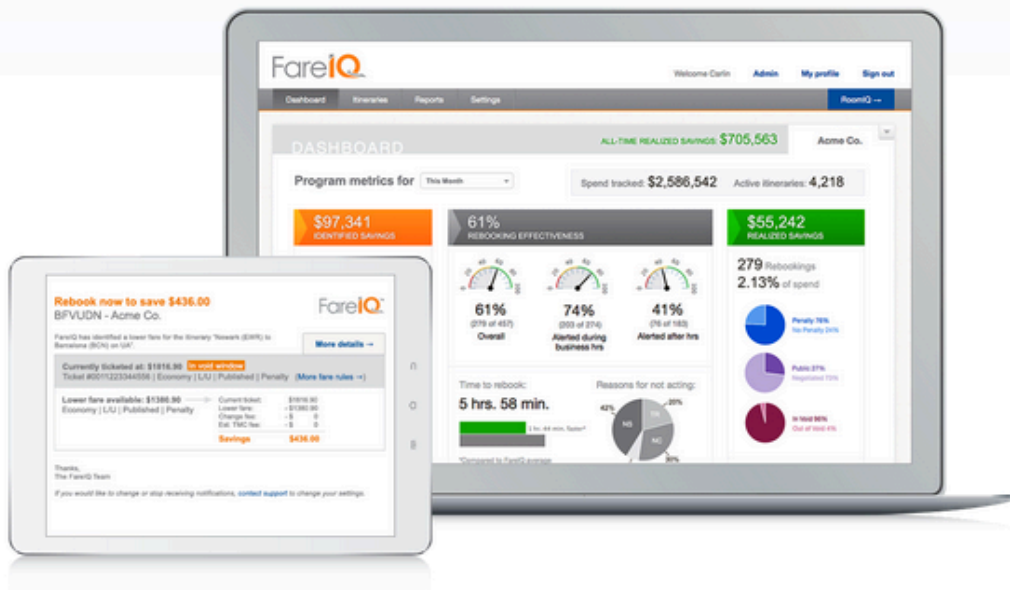


Save \$369 per trip

One easy setup. Two amazing tools. Maximum travel savings.

Contact Us to Start Saving →



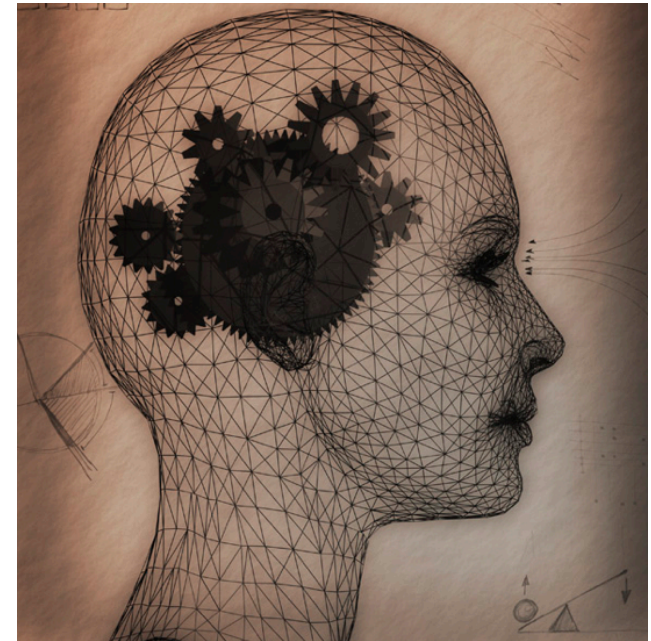


Save \$260 per ticket
Even after airline change fees

Contact Us to Start Saving →

Decision-making is rational and emotional

- > As much as 95% is rooted in the unconscious!
- > OMG!!!!



The best proofs

- > Demos
- > Testimonials
- > Supporting facts - be specific

Quick exercise

- > What category are you in?
- > What rational and emotional benefits will your target get from using your product?
- > What makes you uniquely able to deliver these benefits?

Jot down your ideas and circle the ones that you think will be most compelling to your target

What you pay ...

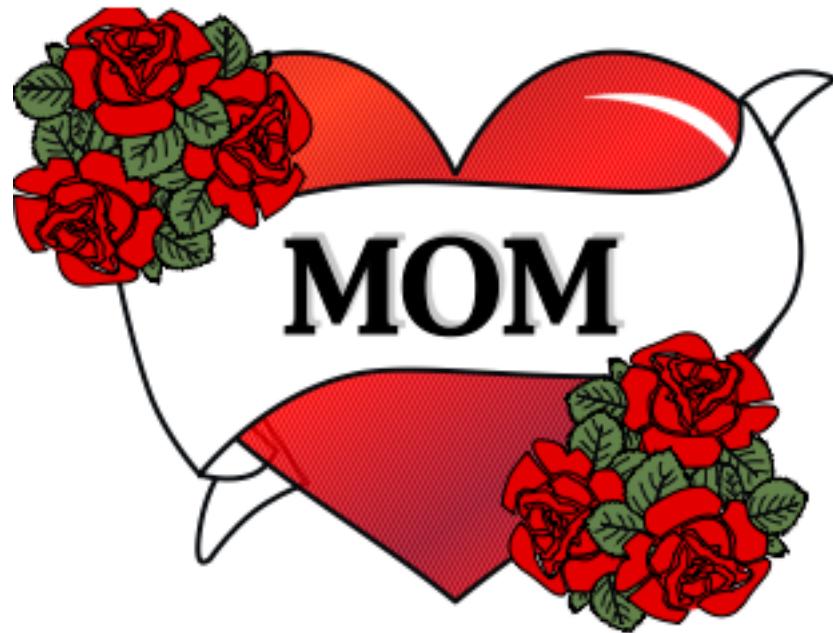


Remember your M.O.M.

Motivations –

Objections =

Movement



Motivations – Objections = Movement



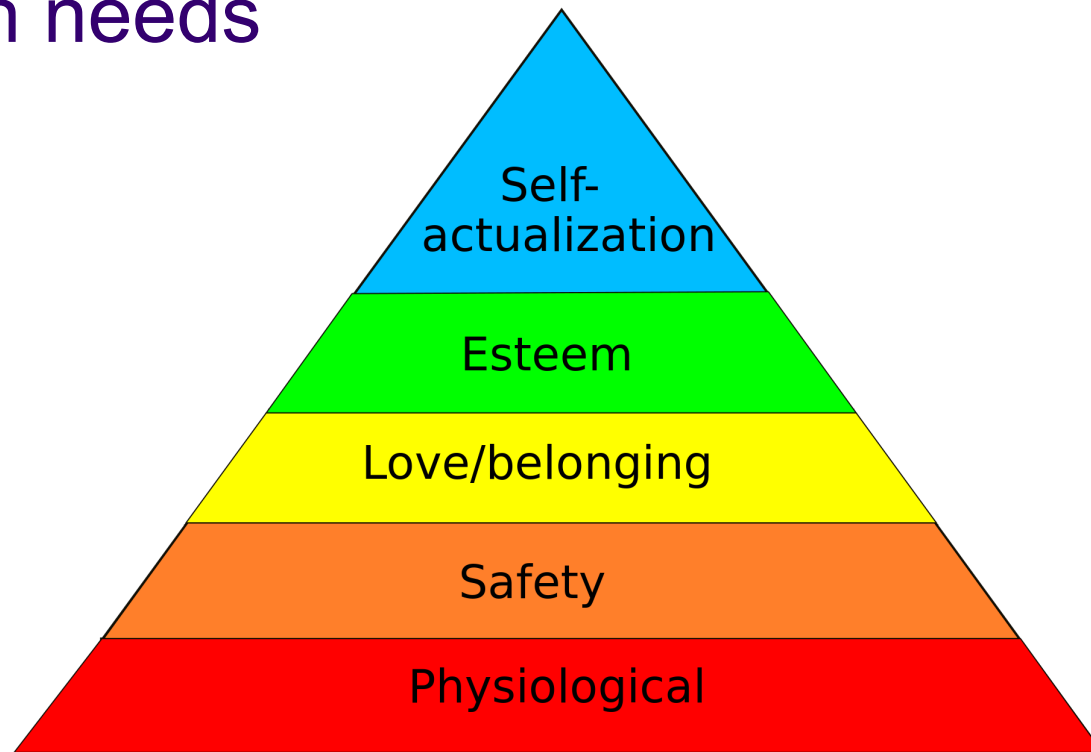
Motivations: what I get

- > Functional Benefits
 - > Financial
 - > Convenience / time savings
 - > Life saving / extending
 - > Better experience
- > Emotional Benefits
 - > Safety / security
 - > Reputation / status
 - > Self expression

Objections: what I pay

- > Hard costs
 - > Financial
 - > Perceived / actual time and effort required to consider, buy, use and maintain over time
- > Soft obstacles
 - > Risk of buying from a startup
 - > Inertia / fear of making the wrong choice
 - > Not a top priority
 - > Concern how others will react

Human needs



Quick exercise

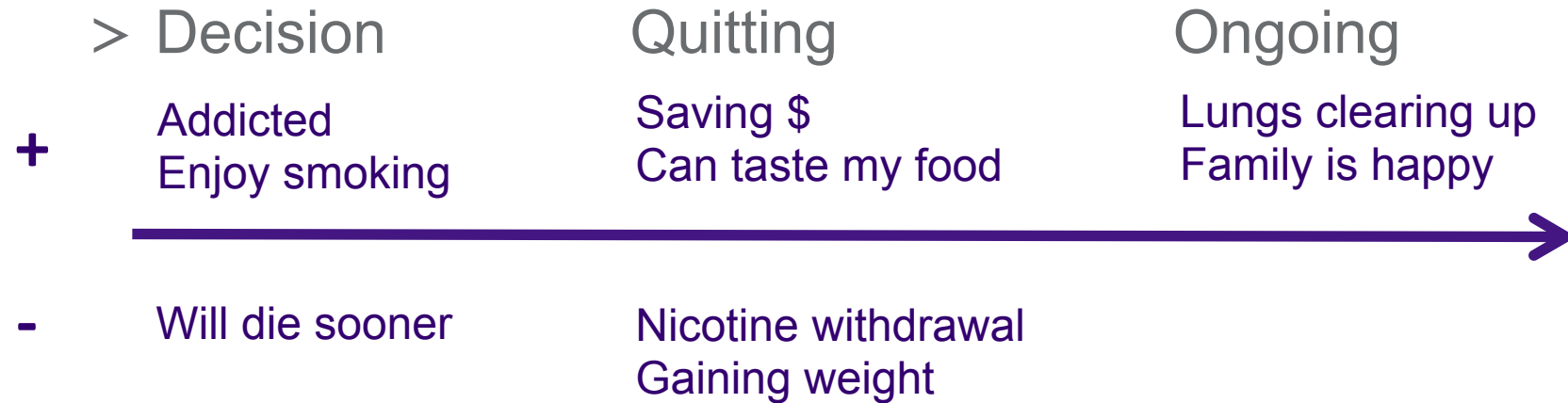
- > What will your target audience pay in terms of \$, time, risk, emotional costs – can any of these be minimized and reframed as a benefit?
- > Which can you address directly in the value proposition statement?
- > Which should you show, not tell?

Jot down your ideas and circle the ones that you think will be most compelling to your target

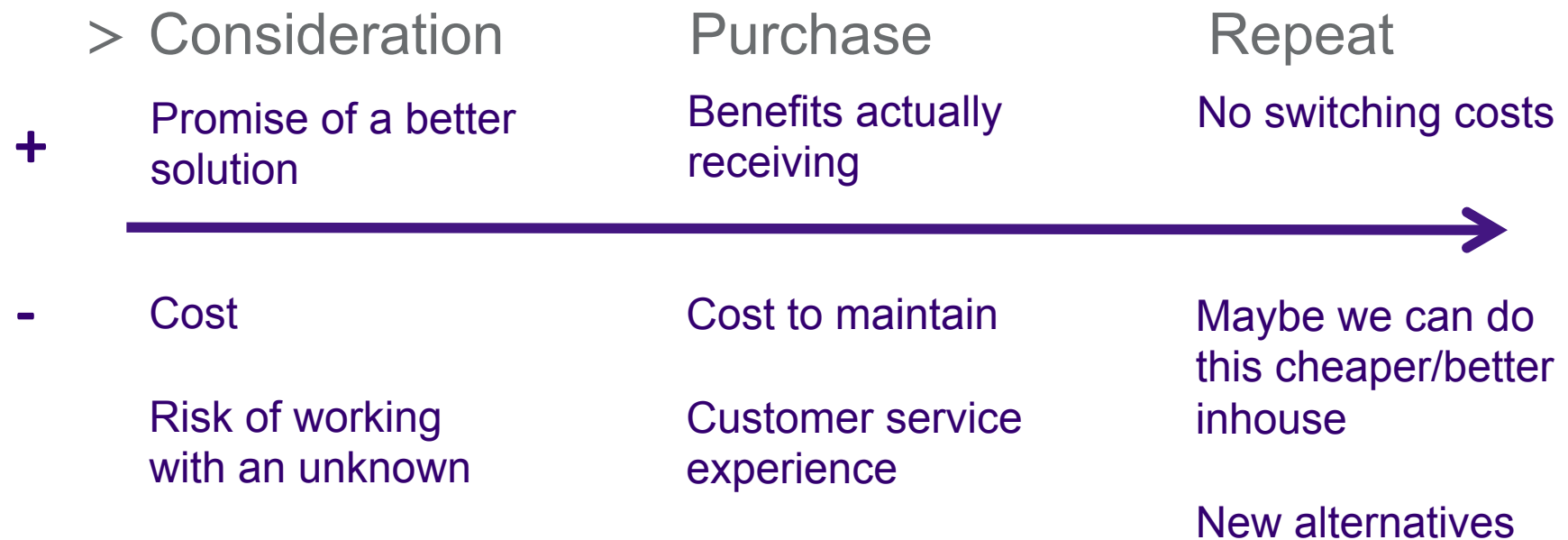
Quitting smoking



Quitting smoking - stages



The value proposition must be compelling at every stage



Quick exercise

> Consideration

Purchase

Repeat

- > Which benefits and reasons why will be most motivating, at each stage?
- > Which costs will be most difficult to overcome, at each stage?
- > Which of these should be addressed in your value proposition statement?

Jot down your ideas and circle the ones you think will be most compelling to your target

Blah, blah, blah... Better

- > Best of breed
- > Innovative
- > Fast
- > Powerful
- > Easy to use
- > Cost-saving
- > Awesome

- > #1 rated by _____
- > Only
- > Faster than a speeding bullet
- > More powerful than a locomotive
- > Takes 5 min
- > Saves 10%
- > (Show don't tell)

Summary: Considerations

- > Choice of target is critical
- > Decision making is rational *and* emotional
- > Remember your M.O.M.
- > The value proposition must be compelling at each stage
- > Write statements in plain English, and be specific

Writing your value proposition

- > Tough to write
- > Even tougher to deliver
- > Validate and refine
- > Expect to evolve

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All that's required is...

What customer pays – price, time investment, risk