



High-Definition News

Marketing as Dating: It's 11:00pm. Do You Know Where Your Value Proposition Is?

By Clark Crowdus

Value Proposition found on San Francisco's Craigslist "Personals" section

"The girl you marry – 34"

"Think librarian, beautiful but demure, 5'5", slender, sexy, "sharp as a tack" and successful, but with a soft side, too. Nurturing but independent. Feminine but one of the guys at times. Former tomboy. Write me, but only if you have substance and only if you are real."

Nearly everything we say or write contains one value proposition or more, including personals ads like the example above, resumes and cover letters, even the clothes we wear suggest a value proposition.

And while the value proposition is one of the most pivotal tools in the marketer's bag of tricks, it's also one of the most neglected. The 'value prop'—defined as a statement of who the target market for a particular product is, what key benefits the product will deliver, and the price that will be charged—is a clear statement that identifies value: value that customers want, and value that you can deliver. The 'value prop' needs continuous attention because the marketplace never stops changing, morphing, and dynamically evolving. So, to leave your value propositions unattended, even for a short time, can erase their relevance.

As we know, the appeal of the value proposition must be tuned to very specific customer or audience needs. But as we also know, those needs change. When there's a disconnect between need and the value proposition, relationships can be harmed.

Take, for example, the strained relationship between the major payment card associations and merchants. Merchants are vocally concerned—and in some instances legally engaged—about the rising cost of credit and debit card acceptance. This is clearly a matter of merchants no longer being fully convinced of the value of instantaneous, guaranteed payments and the incremental sales

the value of instantaneous, guaranteed payments and the incremental sales generated by payment products—for the fee charged. A sharpening of the value proposition is clearly needed here.

Or, why have the Teamsters, the Service Employees International Union, and other unions recently split from the AFL-CIO ‘umbrella’ union in the U.S.? Because the AFL-CIO failed to adjust its value proposition to the changing needs of union members and leadership.

And what about the personals ad above? This person may assert she is “the girl you marry,” but is her value proposition convincing enough to make you respond to her pitch? In an effort to be appealing to a broad range of potential suitors, the value propositions in the ad are in conflict. Which is she? Nurturing or independent? Feminine or “one of the guys?” The strong and very positive points she made about herself are offset by the strong, but opposite points. In this case, clarity is lost and reader may end up confused.

In any event, the value proposition must be supported by clear communication. It’s a given that humans are dichotomous and complex, but when it comes to marketing and value propositions, you have to take into consideration human limitations. If the receipt and processing of the value proposition’s message requires too much work, or if the message has become irrelevant, nothing will happen.

Following are some ideas about how to keep your value propositions relevant:

Know your customers — You must know your customers better than your competition and find out what’s really important to people. Discover and leverage their real and emotional needs. Understand that the environment is dynamic and that needs change rapidly. Tool up to track those changes.

Fit the value proposition(s) — Based on customer knowledge, create clear, concise, and relevant value statements fitted directly to specific needs. Positioning and communication are the drivers here.

Monitor the marketplace — look for opportunities for new value propositions via early warning techniques and continuous scanning of the marketplace. This will also tell you when existing value propositions are losing impact and wearing out.

Build products and services which address evolving needs — address new consumer problems with new value propositions either in the form of new products or services or new benefits for existing products.

Review pricing — Be sure prices are in balance with the value being offered. If the gap between perceived value and price widens too far, sales will falter. A permanently reduced pricing level in a value-added category signals that customers are just buying “value”—not “value-added.”

Whenever you are trying to market product, even if the “product” is you, be clear on a few things: who you’re targeting, what they want, and the value you provide that fits those wants. Then, craft a clear ‘value prop’ that hits the target, and keep making changes to keep pace with your changing audience.

That way, even if it’s late, you’ll know where your value proposition is.

Your feedback is welcomed and should be directed to Clark Crowder, Principal, High-Definition Consulting Group at clark@high-def.biz.

Resources:

The following resources are recommended by High-Definition Consulting Group:

Web site: MarketingProfs.com site for marketing professionals and academics

<http://www.marketingprofs.com/preview.asp?file=/3/perla8.asp>

Article: "Value Propositions" FastCompany

<http://www.fastcompany.com/magazine/37/ideazone.html>

Article: "Storage Vendors: Where's the Value Proposition?" Blog

http://searchstorage.techtarget.com/columnItem/0,294698,sid5_gci1113024,00.html

Article: "Value Proposition: A Key Step Towards Success" Ontario (Canada) Association of Architects

[http://www.oaa.on.ca/client/oaa/OAAHome.nsf/\(SucceedLatest\)/Succeed?OpenDocument](http://www.oaa.on.ca/client/oaa/OAAHome.nsf/(SucceedLatest)/Succeed?OpenDocument)

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