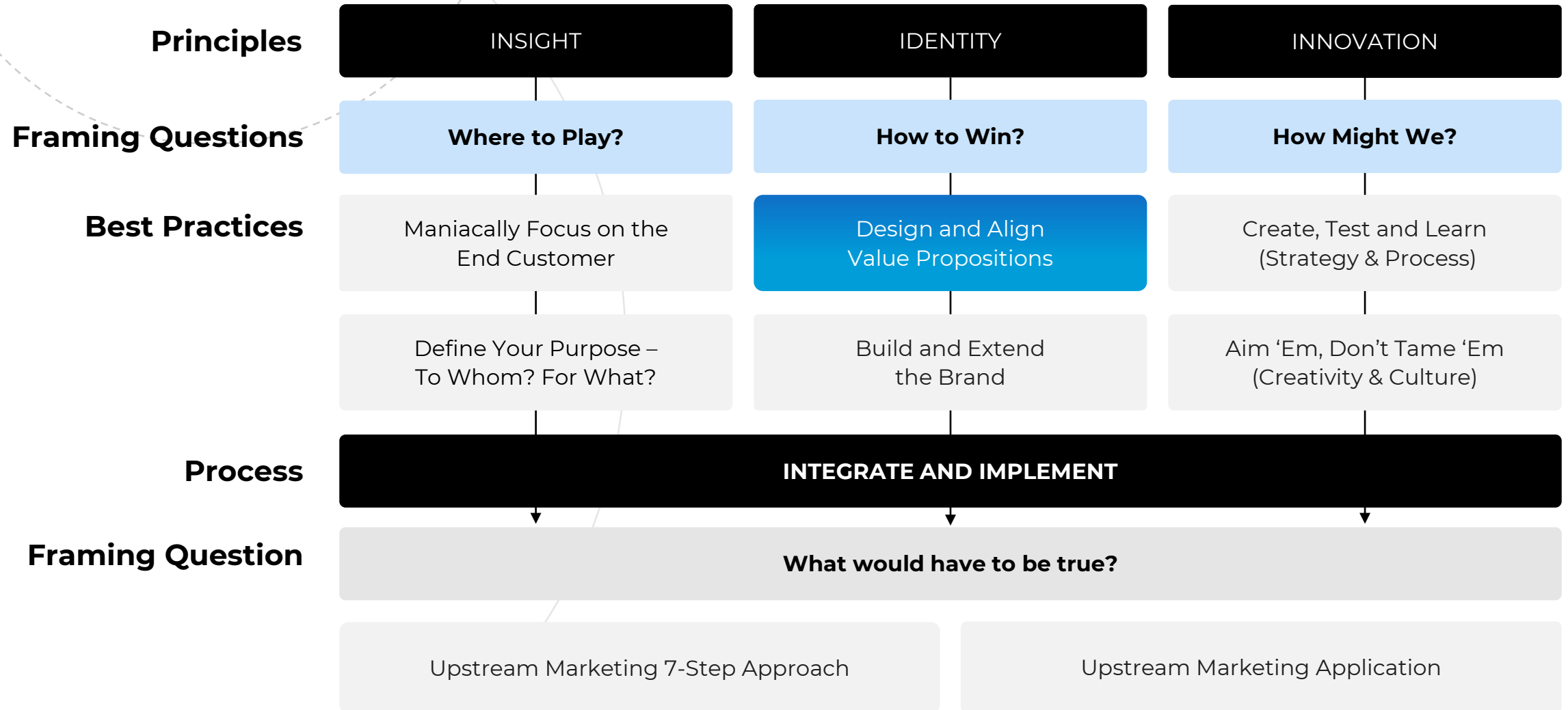




# DESIGN AND ALIGN VALUE PROPOSITIONS

# Design and Align Value Propositions



# What is identity?



How employees, customers, and investors see and experience a company or product relates to its identity

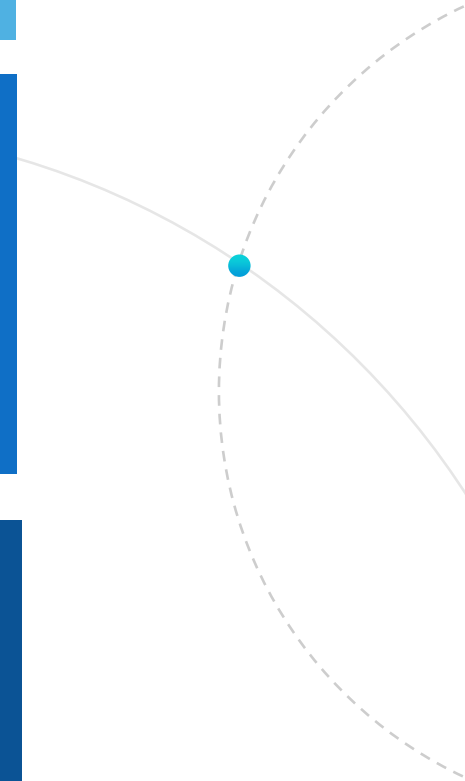
Identity, value propositions and brand strategy are related concepts – each should inform and reflect the other

# Corporate statements and analogies ...

	Direction	Role	Analogy
Corporate statements	<b>Mission</b>	Explains the organization's core purpose and direction	The <b>heart</b> of your business
	<b>Vision</b>	Describes the ideal future state. What do you want to be when you grow up?	The <b>eyes</b> of your business
	<b>Values</b>	Describes what the organization believes in and how it behaves	The <b>soul</b> of your business
Upstream Marketing statements	Value Proposition	Determines which benefits to stand for and deliver on to align with target customer needs	The <b>arms and legs</b> of your business
	Brand Strategy	Establishes the long-term plan for developing and delivering an aspirational brand identity	The <b>face</b> of your business

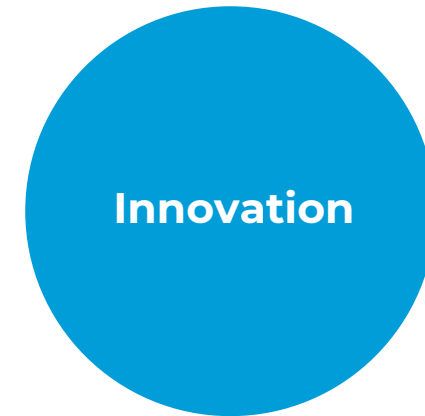
# Value proposition vs. brand positioning ...

Term	Definition	Audience
<b>Value Proposition &amp; Value Planks</b>	<ul style="list-style-type: none"><li>• Is the <b>core offering</b> that defines <b>which benefits to stand for</b> and deliver on</li><li>• Unlike a corporate mission or vision statement, a value proposition focuses explicitly on <b>customer needs</b>, delivering concrete products and services customers buy</li><li>• Value planks are the <b>set of enduring strategies</b>, or "planks" that fulfill the customer need and serve as the basis of the VP</li></ul>	Internal & External Version
<b>Brand Positioning</b>	<ul style="list-style-type: none"><li>• Defines your target market, frame of reference, <b>key benefits and reasons to believe</b></li><li>• The positioning often <b>synthesizes the value proposition</b></li><li>• Positioning development involves the "art of sacrifice" – strategic choices must be made across these four positioning elements</li></ul>	Internal



# The Value Proposition has three parts

<b>Customer Need/Situation</b>	<b>↔ Value Planks ↔</b>	<b>Assets, Capabilities, Action</b>
Deep insight into target customers' situation and needs	The set of benefit planks that fulfill customer needs	Products, services, programs, and operations to deliver the benefits customers seek

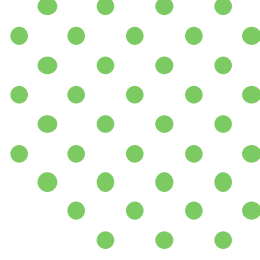


# Case example



Consumer Need/ Situation	Value Planks	Assets, Capabilities, Action
Convenient shopping experience	Any time, any place online shopping	24/7/365 access Knows you, knows your preferences Cross-channel capable (desktop, mobile)
Variety and choice	Expansive selection	Widest product selection Reviews and product information
Speed and efficiency	Next day, same day, hourly delivery	One-day shipping, local deliveries Logistics infrastructure Low cost structure
Free shipping and easy returns	 (handled as sub-brand)	With membership fee: Free shipping, Unlimited streaming of available movies, Book borrowing from Kindle, Etc.
Consolidated media purchases		

# Case example



Consumer Need/ Situation	Value Planks	Assets, Capabilities, Action
Safely get from point A to B	Fun, Friendly Flying Experience	Safe, clean planes, People-first culture, Stringent hiring
At a reasonable cost	Low Fares / Efficient Operations	Secondary airports, One plane type, No meals
No hidden fees	"Transparency"	Free check bags, No change fees, Free live TV
Hassle-free travel, with no surprises	Simple Experience	No first class, No assigned seats
Convenient schedule and purchase process	Convenience and Coverage	Point-to-point (vs. hub & spoke), Frequent departure times, Secondary (less congested) airports

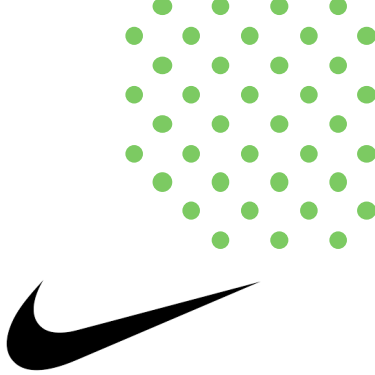


# Case example

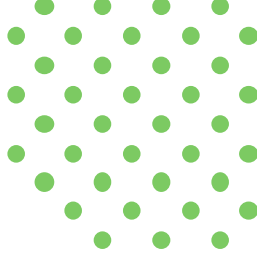


Consumer Need/ Situation	Value Planks	Assets, Capabilities, Action
Great tasting coffee to start the day	Best Quality Coffee in the World	Highest quality coffee, rom top growers, Proprietary custom roasting process, Supply chain leadership
Service experience that feels like I'm valued	Uplifting Service Experience	Customer intimacy (names, drink orders), Mobile app digital engagement
Fits my community	Local Coffee House Ambiance	Store designed to reflect neighborhood
A comfortable place between home and work	"Third Place" (Beyond work and home)	Place away from home and the office, Free WIFI, comfortable seats, Designed for work, study, socializing
A place I feel welcome and can trust	Diversity, Inclusion & Social Impact	Paid college tuition, Community, Ethical Sourcing, Environment, Racial bias training

# Case example



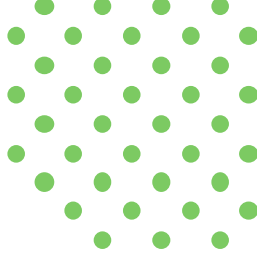
<b>Consumer Need/ Situation</b>	<b>Value Planks</b>	<b>Assets, Capabilities, Action</b>
Access to Nike products in one place	Nike Branded Shopping Experience	Direct, online access to Nike footwear and apparel products
Stay on top of what's new with Nike	Member Exclusive Products	Early access to new products, Exclusive access to member-only products, Favorite gear reserved in your size
Improve athletic performance	Expert Guidance & Advice	Chat with real athletes with real answers to get recommendations on training and products
Connect me and my community	Connect to Sport, Anytime, Anywhere	Access over 100 on-the-go workouts, weekly challenges and personalized training plans
Expand and personalize my experience	One-of-a-Kind Experiences	From courtside to race day, get priority access to evens and sessions



# What Is Value?

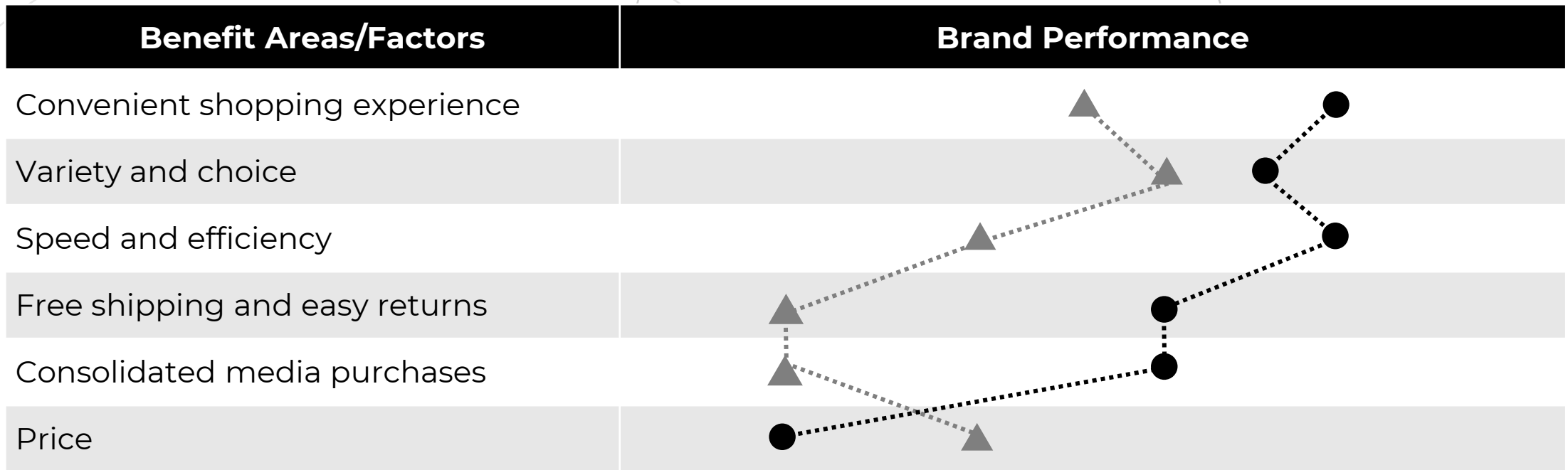
Value proposition development recognizes two basic ways to win: either lowering cost or differentiating through enhanced benefits.

$$\text{Value} = \frac{\text{What you get}}{\text{What you pay}}$$



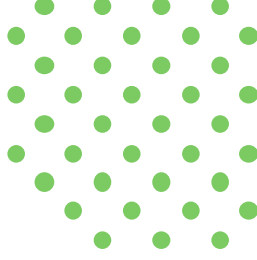
# Developing and tracking value propositions

## Online Retailer Value Proposition Curve

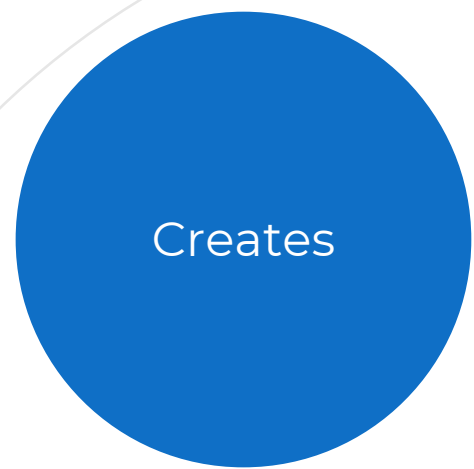


Brand A =

.....●..... Online Competitors = .....▲.....



# Benefits of a strong value proposition



Creates

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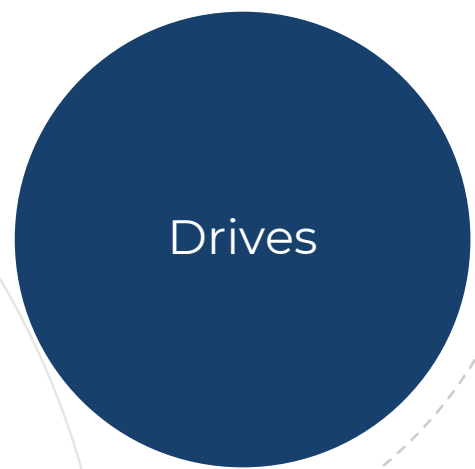
a multidimensional  
definition of brand value



Surrounds

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and deepens relationships  
with customers



Drives

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Strategies and actions  
across the organization



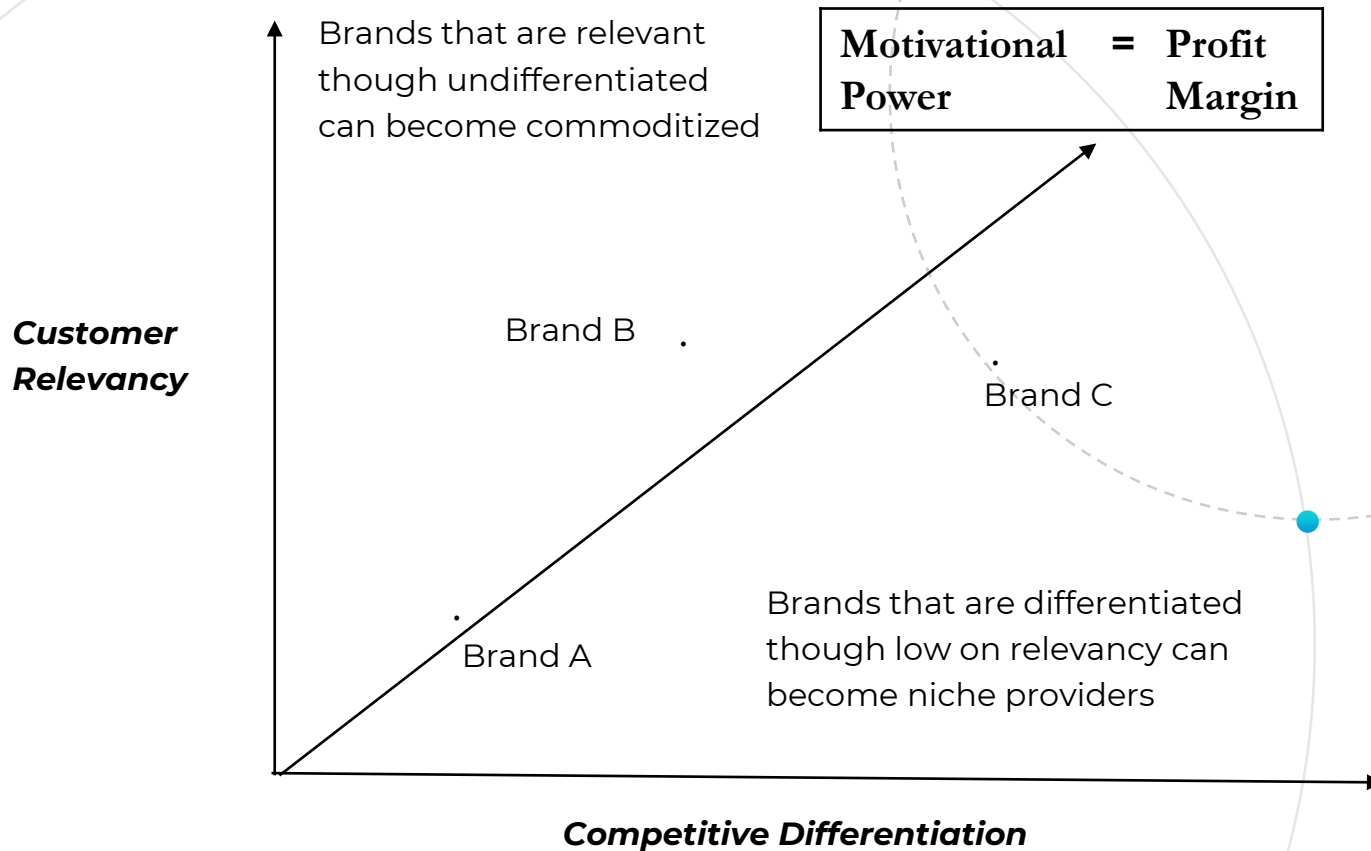
Provides

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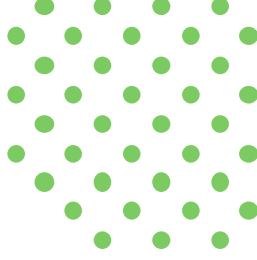
Strategic guideposts to  
focus innovation and  
assess opportunities

# Strong brands and businesses must clear three hurdles

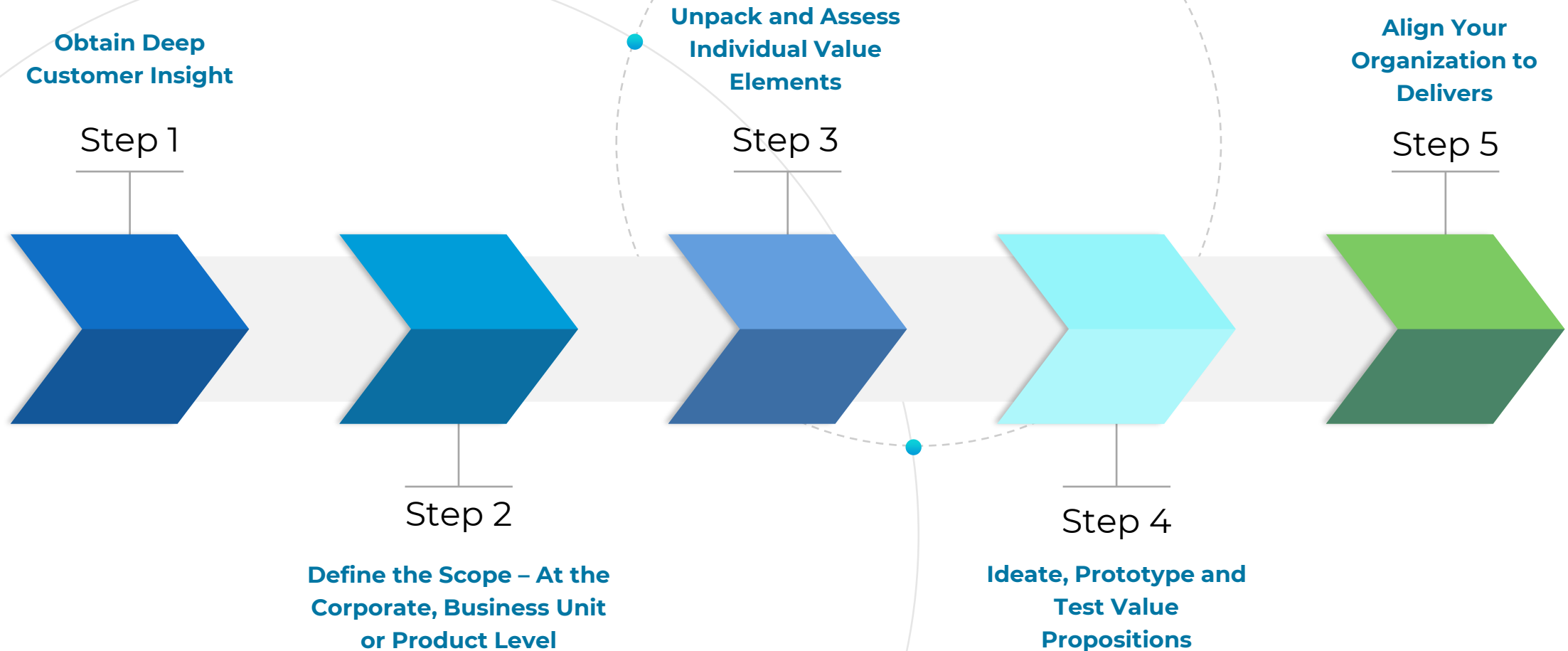
## Successful Brands and Businesses Must Be Relevant and Differentiated

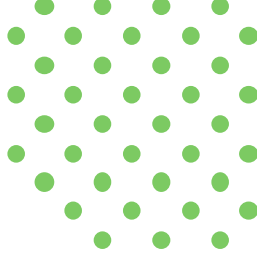


1. Relevance: Do the value planks offer meaningful benefits to customers?
2. Distinctiveness: Are the planks unique compared to other offerings in the marketplace?
3. Sustainability: Can you credibly deliver the offering and make money, both today and in the future?



# How to design and align value propositions





# Value proposition – common questions

Is there a right number of planks?

Is there a desired order to the planks?

Do individual planks need to differentiate?

Where's the cost plank?