

Charles Consulting Group

How to Attract Buyers: Tell them “What’s In It for Them” – Establish Your Value Proposition

“A value proposition is a clear statement of the tangible results a customer gets from using a vendor’s products or services.”

How many times do you see a company pitch their product or service without regard to what your needs or wants are? I know that my time is much too limited these days to take on the task of building a bridge between what the vendor’s solution is and what my needs are. The smaller the bridge, the more likely I am to want to know more if it is something that interests me.

How do you get my attention? For me it starts with your *value proposition*. A value proposition is a clear statement of the tangible results a customer gets from using a vendor’s products or services. It is important to take time to get it right or else you could find your sales are not living up to the level you forecasted or the level you deserve. An on-target value proposition enables you to separate your offering from the competition. If you are perceived to have the better solution, one that meets the buyer’s needs better than anyone else, you can not only win more deals, but you can get the price you want.

What steps can you take to make sure your value proposition is on target? Actually it’s not very hard, it just takes a little time and effort. Here are the steps you should go through:

1. Clearly define your target market

This requires that you gather a consensus within your company about what you believe is your target market. Here it is best to be as specific as you can. An overly broad target makes it hard to build an effective value proposition. Focus during the early stages of a product’s life cycle is most often the best way to gain traction. If you think you have several target markets, that’s fine, but keep them separate for the rest of the process.



2. Specify what you believe are the benefits

For each target market, list the expected benefits. You may want to do this feature by feature, giving you a feature/benefit list in support of your value proposition. You should also step back from the granularity of the feature/benefit list to come up with more broad-based benefits that could be included in the value proposition itself. This exercise should allow for a free-flow of ideas since the results will be reviewed in subsequent steps. This is not the step to refine the ideas, but to keep an open forum for creative thinking.

3. Compare your benefits against the competition

Collect your major competitors’ marketing collateral and list their stated benefits. Compare these findings to the list you created for your product. You will be looking for similarities and differences. At this point, you should not make any adjustments to your list unless you made a glaring oversight. Until you complete the next step, you are not ready to make any judgment about your list versus your competitors’.

4. Survey Customers and Prospects

Ask your customers and prospects about their needs and wants as they relate to your solution. The reason for interviewing both customers and prospects is because you may come up with important differences. Assuming you have customers already using your solution, they oftentimes are satisfied with your general approach and are looking for refinements and enhancements. On the other hand, prospects may bring a different perspective since they have not settled on any one vendor or approach. Some, in fact, may be looking for the next level of capabilities because they see it as giving them a competitive advantage.

From the list of needs and wants, dig deeper to determine which benefits are most important to customers and prospects. These become key factors when creating the value proposition.

An additional step you may wish to take, and one I strongly suggest, is to interview some of your competitors' customers to validate their respective vendor's stated benefits. You can also find out what other benefits they either derive from that vendor's solution or wish they were able to derive.

5. Compare Your List of Benefits versus the Survey

This is a key step to both building your value proposition and ascertaining your chance of success in the marketplace. For benefits that you have on your list but which did not appear on the survey list, you need to either revisit or toss them. It may be a benefit that is ahead of its time. If that's the case, you should not put it into the value proposition but use it when talking about your company's vision. Look to see if it is viewed in a different context by those surveyed and make the appropriate adjustment to your description.

Benefits seen by your clients, prospects, competitors, and your competitors' clients become the list of candidates for your value proposition.

6. Build the Value Proposition

The value proposition will tell the buyer "what's in it for them." Using the list you created from the steps above, it is now time to come up with a solid value proposition. There will be several ways to assemble the key benefits into words that quickly and succinctly tell the buyer why your solution is the one they should look at to meet their needs and wants. If you have difficulty deciding which version resonates best, then it is time to test each one looking for the one that causes the buyer to want to know more. If you have more than one target market, you may find that you need to use different value propositions for some or all markets.

The goal of getting the value proposition "right" is to give your product a magnetic quality—one that quickly draws the buyer into wanting to know more. Once they are satisfied that your product lives up to the value proposition, you have given them the reasons to buy from you versus the competition. You have made it easy for them to build the bridge from where they are in terms of *needs* and *wants* to where you are in terms of a *solution*. You have told them "*what's in it for them.*"



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Michael Beek

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Sales & Marketing Intelligence

Charles Consulting Group helps its clients achieve market leadership through sales and marketing intelligence. The Group focuses on understanding the motives of buyers and working with its clients to take action based on the findings to sharpen their marketing and sales tactics and strategies. These actions result in increased revenue through an improved win/loss ratio.

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