

Value Propositions – Why Should Customers Vote for You?

Election fever is here and the news is full of political heavy weights trying to convince us what they stand for and what they're going to do for us. By the time you read this article the election may well be done and dusted but it serves as a good reminder of the importance of understanding and communicating your business's Value Proposition. Just as politicians need to win votes by selling us their story, business owners and managers need to know exactly what make their business valuable to customers and what sets it apart from the competition. Why should customers vote for you?

If you were interviewed on the news this evening and asked for your Value Proposition, what is it that you would promise the listening public? Why should a potential customer choose to buy from you? If you're just another travel agent customers will negotiate with you on price. On the other hand if you're seen as the only choice in your niche and can clearly communicate the value you can offer then you can charge a premium.

A Value proposition identifies the key features and benefits of what you can deliver and the potential value of them. It is important to be certain about the difference between features and benefits, simplistically a feature is what or how you deliver whereas a benefit is intrinsically what value your features bring to a specific customer or group.

There are two stepping stones to a good value proposition that must not be ignored – firstly, define your target market, the tighter the definition the stronger your proposition will be, who do you want to or can sell your services to. Secondly, understand what your target wants and needs, what is of value to them and be sure that your view is not just based on assumptions – research what they value and need, better still – ask them.

Once you understand who your customers are going to be and what they want then match your service capabilities to demonstrate how you can deliver these requirements. That is, how do you deliver and what is the value.

At the same time have a look at the competition and understand how you can differentiate yourself – and remember the competition is not just other agencies.

The value proposition should be concise and to the point and should answer any “so what?” questions – if you read your value proposition and it opens a “so what” door then it is not complete. I.e. just saying we have a state of the art reservation system is not complete without the benefit statement or so what comment - we have a state of art reservation system that will save you time by not having to scroll through X number of airline websites and it will also find the lowest cost airfare for you.

The system is the feature – the time and cost are the benefits.

We have a state of the art GDS - so what? – it will save you time and/or money.

The final point that some businesses make in their service proposition is that of providing some form of proof or evidence that what you are saying you can do, you can actually do.

Some incorporate some broad based statements of achievement whilst others refer to testimonials or factual data – the secret here is really to give the target audience some degree of comfort that it is not all smoke and mirrors but something that you can really deliver.

To define your Value Proposition try using the simple outline below to get you started:

Value proposition outline

- | | |
|--|------------------|
| • Business overview – who are you, what do you do, | 2 - 3 lines Only |
| • Services – Benefits | 2 - 3 lines |
| • Points of differentiation – what makes you different | Body of text |
| • Summary / Closing / Salutation | 2 – 3 Lines |

Remember this is a value proposition not a proposal so no rates or fees.

For those with corporate customers, your value proposition will be different for each customer group – that is, businesses, holiday makers, sporting groups etc etc will all have differing requirements and therefore see different value in what you are delivering. So don't try to build a generic value proposition – Identify the target customer groups that you want and build a value proposition to meet that particular target audiences needs.

The sanity check is really that if you cannot build a good value proposition then are you indeed targeting the right customer groups?

So the checklist is:

1. Define the market/s that you want to be in
2. Understand the needs and the value that you can bring to these customers
3. Describe what you can deliver and the benefits of your delivery
4. How are you different
5. Provide proof or comfort

Lastly, make sure your value proposition reflects your style or business culture – have a look at some other propositions, go to the web and have a look at how other businesses (not just travel) are positioning themselves and think about whether their style suits you.

Tip – when having a look at other propositions see how many make statements that really mean nothing – such as “We understand your business” – avoid these.

What to do with your value proposition? You can use your value proposition in many ways - promotional material, website, client proposals but to me the most valuable way to use your value proposition is in the education of your staff. If all of your staff understand your service offering features, benefits and value to clients and can communicate these with all their interactions then you will find that you have the foundations of a good business.

There is no better way to promote your business than to have staff that can clearly articulate what they do and how they benefit people or businesses, whether they are talking to customers, suppliers or even their mates at a BBQ.

In summary, a value proposition is not rocket science it is simply an understanding of who your target market is, what they want and need and how you can deliver it – ideally better than everyone else.

Good luck with the campaign!



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