

Value Proposition Assignment:

1) Write out 5 compelling reasons (value propositions) why I should do business with the business that you did your competitive analysis on. Add two follow up sentences to this value proposition showing how the reader will benefit from this value proposition.

Example: ***When we're working on your house, you'll like it.*** *We sweep and clean up each day. We talk to you at each stage of the construction process, explaining where we are, what's to come, and see if you're happy with the progress.*

2) Try to re-write your value propositions 3 times. If you re-write them 3 times, they will flow and read really well. Three revisions is typical industry protocol in Advertising.

3) Grammar and spell check your documents.

4) Turn in your Competitive Analysis papers and your 5 Value Propositions (with supporting sentences) at the same time. Please make sure there is some consistency between the papers (if you CA says customer service is a strength, then a VP should have some customer service aspects)

Ent 460-W

Creating a Value Propositions

After performing a competitive analysis, you should be able to determine the strengths your company has over its rivals. These strengths now need to be turned into 5 compelling statements that should answer the question "Why Should the Customer Do Business with You?"

This is important because if there are no perceived differences between providers, the customer will choose the provider with the lowest price.

Your mission: Create five (5) compelling reasons (value) why the customer should choose you, and be *glad to pay you more money for your products / services*.

For Example, here are 5 compelling reasons to choose a remodeling contractor:

- 1. When you talk, we'll listen.***
- 2. When we're working on your house, you'll like it.***
- 3. When we're done, your house will increase in appraised value for what you paid, and it will appreciate after that.***
- 4. We'll minimize disruptions to your daily living.***
- 5. We'll encourage you to customize the project even as it is being built.***

Generally, the buying public will want:

- 1. They want it done right.**
- 2. They want it done quickly.**
- 3. They want it easily.**
- 4. They want a good value.**
- 5. They want you to personalize it.**

Need a reason to get this card?

We'll give you 10.



1. 2 miles per \$1 spent on purchases for a full 12 months
2. 1 mile per \$1 spent on purchases after that
3. Redeem miles for travel, cash back, gift cards and more
4. Fly on any airline, any seat, anytime
5. Miles don't expire
6. 0% intro APR on purchases and balance transfers
7. No annual fee
8. \$0 fraud liability if your card is lost or stolen
9. Free employee cards with individual spending limits you can set
10. Free Year-End Summary** to help you track expenses by category

**Please see the Important Disclosures for more details.

BK128377

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New Policyholder Survey data through August 2007. GEICO auto insurance is not available in Mass. The GEICO gecko
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The Eight Major Denominations of Value

1. Economic Value and Risk: (increase revenues, reduce costs, improve profits, better utilize assets).

2. Time Value and Risk: (shorten time to market, maximize uptime, reduce cycle times, free-up time for other things).

3. Quality Value and Risk: (reduce product defects, long product life, better service to customer).

4. Guidance Value and Risk: (access to expert advice, reduce chances of mistakes, resource of experience).

5. Political or Image Value and Risk: (look good to others, positioning for promotion, improve public image).

6. Relational Value and Risk: (repay a loyalty or commitment, strengthen a relationship, avoid potential conflicts).

7. Simplicity Value and Risk: (made the choice easy, reduce headaches, avoid potential risks, chose path of least resistance).

8. Emotional Value and Risk: (feeling of doing the right thing, need for recognition, feeling of security).

Footnotes:

These denominations represent the various outcomes or results our customers might want from our product or services solutions.

Make sure you understand what kinds of value your customers want to derive from the relationship with your company. Some of them are tangible, others exist only in the buyer's mind.

For each value, there is a corresponding denomination of risk. For example, a customer may choose to take the Quality Risk if the Economic Value is great enough. Always remember, any decrease in perceived risk is, in effect, an increase in perceived value. So, maximize value and minimize risks as well.