



MODULE

SUSTAINABILITY MARKETING COMPETENCES

Unit 4 | Activity 3 Value Proposition



25min



- Have several model templates ready
- Pen and blank paper
- Coloured pens/pencils (optional)
- Access to internet

DESCRIPTION

This activity focuses on understanding your value proposition towards your customer segments, whether you are in the B2C, B2B, or both. It strengthens your understanding of your customers' jobs, pains, and gains. Along with earlier activities, you can use this information in your marketing efforts and refine your communication to directly address the values your business creates for your customers.

THE ACTIVITY

Look into whether you have any information about your existing or potential customers/businesses that you're aiming for.

Make a VPC for each of your important customer segment profiles.

Step 1: Fill out points in Customer profile - jobs.

Fill out as many as you can.

Step 2: Fill out points in Customer profile - pain.

Fill out as many as you can imagine.

Step 3: Fill out points in Customer profile - gains.

Fill out as many as you can.

Step 4: Fill out points in Value proposition profile - products and services.

Fill out as much as you can when you look at your customer profiles' job points.

Step 5: Fill out points in Value proposition profile - pain relievers.

Fill out as much as you can when you look at your customer profiles' pain points.

Step 6: Fill out points in Value proposition profile - gain creators.

Fill out as much as you can when you look at your customer profiles' gain points.

Step 7: Evaluate your Value Proposition Canvas. Evaluate your VPC.

How does it look, and is there anything that you can use in your marketing strategy?

Are there any solving mechanisms that you need to inform in your marketing and storytelling?

Step 8: Make a VPC for your next segment until you're done.

Move on to the next customer segment profile and repeat steps 1 to 7.

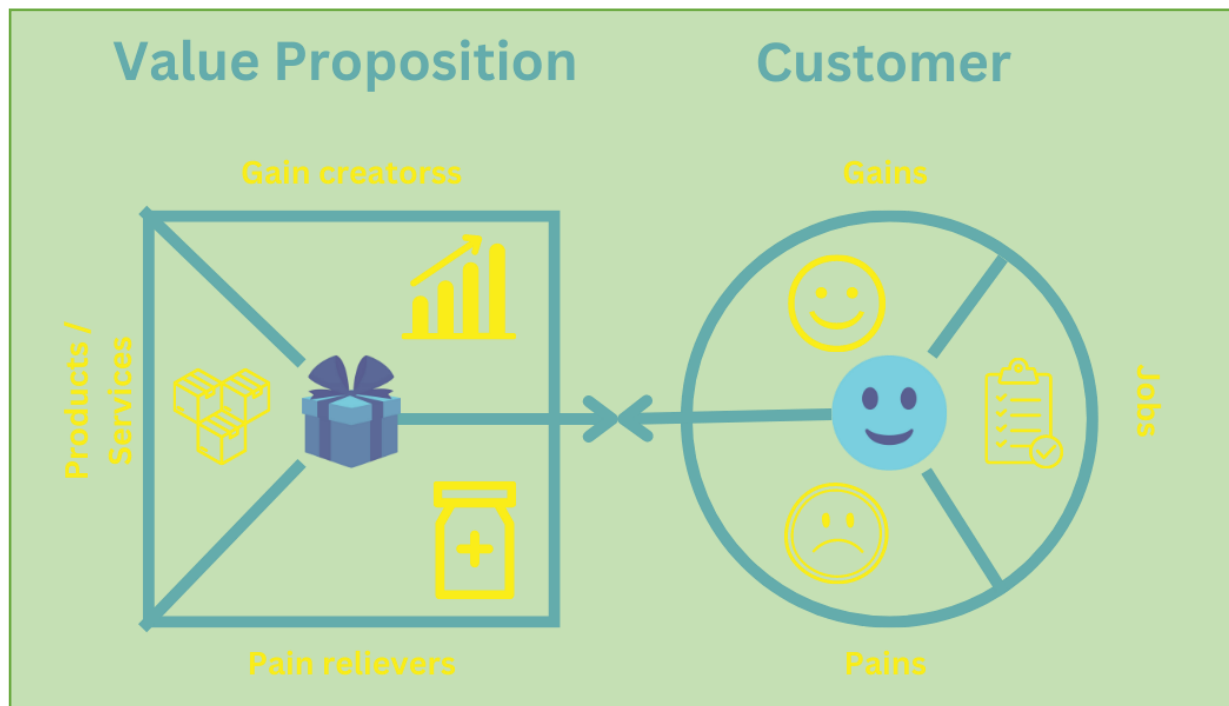
Step 9: Ask your customers and collect data.

Use your VPCs to create surveys, interviews, questionnaires to ask your customers and involve them even further.

Remember the OMD and BML methods of thinking.

Your marketing strategy will thank you gratefully.

THE THEORY



According to strategyzer.com, 70% of new products fail when introduced to the market. This is usually due to a lack of understanding of your business's value proposition, whether it's a new product, service, or other offering.

The Value Proposition Canvas by Alexander Osterwalder is a great business and marketing tool that helps you determine what problems your business is solving and what's important to your customers. The Value Proposition Canvas helps you assess if there is a fit between your offering and customer needs.

The Value Proposition Canvas is an extension of the Business Model Canvas by Alexander Osterwalder and Pigneur Yves. However, in this case, we delve deeper into the two building blocks: Customer Segments and Value Proposition. You have already completed the groundwork in the previous activities of this module, so you know your segments and have created personas as well.

The Value Proposition Canvas (VPC): It is crucial to start from the right side and examine each customer segment profile. Note that the points may vary from one customer profile to the next, so it is important to create a VPC for each customer segment you find interesting to target.

Another extremely important point to remember is to start, as mentioned, from the right side—the customer's side—and focus on that first. This way, we approach the model from the customer's perspective, building the entire model around them and not just what your business has to offer.

Also, keep in mind that surveys, interviews, and other methods can help further clarify, strengthen, and refine your value proposition. Data is key to success! The more data, the better.

Bonus info: Think about factors such as time, money, quality, experiences, environment, and sustainability frequently.

Customer Side:

Jobs - What does the customer need to have solved? This can be functional, emotional, or social. For example, regarding a specific unknown car brand:

- Functional - Getting from point A to point B.
- Emotional - Providing a smooth ride, perhaps with good navigation, etc.
- Social - Giving the impression of being smart and high class, so the customer has something to show off.

Pains - Negative factors - What worries, fears, risks, etc. do customers have regarding this market?

Using the same car example:

- How efficient is the car?
- How environmentally friendly is it?
- If it's electric, how far can it go between charges?
- Is it reliable?
- And so on.

Gains - Positive factors - What do customers expect, wish for, or happily anticipate? Continuing with the car example:

- Finding out it's more environmentally friendly than expected.
- Covering longer distances on fuel or electricity, making it less expensive and better.
- Having cool features and design to impress friends and family. Ensuring comfort and reliability. And more.

Value Proposition (Business Side):

Products and services - List all the products and/or services that help solve the jobs of the customer segments.

Pain relievers - List the pain relievers that address the pains identified in your customer segment profiles. This may cover all of them or only some.

Gain creators - Identify the factors that your business contributes to create the gains for your customer segment profiles.

Basically, draw lines connecting the points in the "Products and services" section to the points in "Jobs," lines from the points in "Pain relievers" to the customers' pains, and from the "Gain creators" to the customer gains.

If you can connect the majority of the points, then there is a fit. If you can't, then there isn't a fit, and you need to investigate why. Can the gap be closed relatively easily, or do you need to provide more information, conduct more research, or take a completely different approach?

If you can draw lines, it is still relevant to see if there are more jobs, pains, and gains that you can easily address and possibly communicate in your marketing.

By going through this process, you already have strong arguments and points for your marketing to convince customers to buy from you and partner with your business.



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