
Identifying Your **CORE** **VALUE** Proposition





“Marketing is telling a story about your value that resonates enough with people that they want to give you money.” **Seth Godin**



INTRODUCTION

Do you know what your business's core value proposition is? If you don't, you are not alone. Many small business owners can't identify their company's core value proposition—and that's a serious problem.

Your core value proposition should be at the heart of your business's marketing message. If you don't know what it is, your prospective customers won't, either—and that puts you at a huge disadvantage compared to your competitors.

Read on for a step-by-step guide to identifying your business's core value proposition.

WHAT IS A CORE VALUE PROPOSITION?

Just what is a core value proposition? Simply put, it's the value that customers get from doing business with you.

A core value proposition is not necessarily about monetary value (although it may be). Rather, it's the key benefit that keeps customers coming back to your business again and again.

Your core value proposition is not your product or service. It's the overall essence that makes your business stand out from the competition.



Let's look at Starbucks as an example. What are some of the things customers get from Starbucks? Customers may say:

- Coffee
- Tea
- Food
- Free Wi-Fi
- Friendly service
- Music
- Clean environment

Sure, these are all things you can get at Starbucks. However, you can get the same things in dozens of other establishments – not to mention at home for free. So why do people take the trouble to visit Starbucks and wait in line to pay \$5 for a cup of coffee?

It's not the products and services Starbucks delivers that keep customers coming back--although products and services do contribute to the company's core value proposition. A business's core value proposition is intangible and emotional. It's the *experience* of Starbucks that is its core value proposition.

Now that you've got the idea, think about some of your favorite brands and see if you can identify their core value propositions. Here are a few examples:

- Apple: Simplicity
- Disney: Happiness
- Coca-Cola: Refreshment
- Walmart: The lowest prices

Just like Starbucks, your company's products and services aren't the primary reason you have loyal customers. The value you add beyond your products and services—your core value proposition—is the reason customers keep coming back.

WHAT IS YOUR COMPANY'S CORE VALUE PROPOSITION?

Now that you know what a core value proposition is, how can you identify your core value proposition? Here's a 3-step process to help.

STEP 1: BEGIN BY ASKING YOURSELF AND YOUR EMPLOYEES:

- What value does our business provide?
- What do people "get" from us?
- What do our best customers like most about our business?

Write down the answers you come up with. You may find that everyone agrees on your company's core value proposition. (Great!) You may find that everyone has a different opinion. (You've got some work to do.) You may even find that you're struggling to come up with answers at all. (You've got a lot of work to do.)

What Is a Coffeehouse's Core Value?



IT'S NOT ME, IT'S YOU

When creating marketing materials, most business owners write about themselves – what their businesses sell, the cool features of their service and so on. Effective marketing focuses not on you, but on what customers experience when doing business with you—that is, your core value proposition.





STEP 2: NEXT, ASK YOUR BEST CUSTOMERS SOME QUESTIONS. Many small business owners rarely ask their customers what they think. That's a big mistake. Your customers' opinion of your business is the determining factor in whether it succeeds or fails, grows or stagnates.

If you own a B2B company or service business where you and your employees know your customers personally, create a short list of five to 10 of your most loyal customers—the ones you think would never even consider switching to your competition. Then poll those customers by phone, face-to-face, via email or in an informal focus group.

Ask them:

- **What do you enjoy most about doing business with us?**
- **What does our business offer that our competitors don't?**
- **Why did you choose us over our competition?**
- **Why do you keep doing business with us?**
- **What words would you use to describe our company?**
- **If you were referring a friend to our business, what would you tell them about us?**

You don't have to ask all of these questions; this is just a list of ideas to get the conversation going.

Here are some intangible benefits that may be core value propositions for your customers:

- **You have more experience than competitors do**
- **Your business is always reliable**
- **You save them time**
- **You make them look good (to their boss, peers, spouse, etc.)**



ARE YOU HOLDING YOUR BUSINESS BACK?

If customers say you, the business owner, are the core value proposition, you have a problem. If your core value proposition relies on you personally providing service and interacting with every customer, your business will be limited in how far it can grow.



Use the Core Value Proposition Worksheet to collect your customers' ideas about your business's core value proposition.

If you own a B2C company, such as an e-commerce business or retail store, you will want to survey a wider customer base. You can use survey tools such as [SurveyMonkey](#), [Zoho Survey](#) and [PollDaddy](#) to create customer surveys and compile customer responses. Focus on your best customers, because their insights are the most valuable. Segment your email lists and send your survey email to the customers who do business with you most often.

You can improve survey response rates by offering a small incentive to complete the survey, such as entry into a prize drawing or a discount code. Keep your survey brief and let customers know how long it will take to complete (this shouldn't be more than a minute or two). Include space for customers to write responses in their own words rather than just clicking a checkbox. You'll draw upon these words in identifying your core value proposition.

STEP 3: GATHER AND REVIEW ALL THE FEEDBACK YOU'VE COLLECTED FROM YOUR EMPLOYEES AND CUSTOMERS.

Some common themes will emerge. You should be able to boil down the responses and themes into a core value proposition that you can use in three ways:

1. Share your core value proposition with employees and partners.

When your entire team is on the same page about your core value proposition, you can deliver on it consistently.

2. Promote your core value proposition in your marketing. Use your core value proposition as the foundation for all of your business's marketing messages. From your website to your print ads to your marketing emails, it should all convey your core value proposition.

3. Monitor, maintain and develop your core value proposition.

Once you've identified your core value proposition, don't rest on your laurels. Your core value proposition will need to evolve over time to keep pace with competitors and keep your customers satisfied. Regularly survey your employees and your best customers to see what they identify as your core value proposition. Then adjust your marketing messages accordingly.

CONCLUSION

By identifying, understanding and using your core value proposition, you'll create more effective marketing messages and be better able to meet your customers' expectations. You'll also know where to focus your efforts to sustain and enhance your core value proposition—the foundation for your business growth.

CORE VALUE PROPOSITION WORKSHEET

List the intangible benefits customers like about doing business with you. (The first column is filled in as an example.)

Customer 1	Customer 2	Customer 3
Simplicity EXAMPLE		
Experienced EXAMPLE		
Reliable EXAMPLE		
Fast EXAMPLE		
??? EXAMPLE		