

Discovering Your Value Proposition:

6 Steps to standing out in a crowded marketplace



Join the conversation on Twitter

E #webclinic





Today's team



Dr. Flint McGlaughlin Managing Director



Solomon Osiatynski

Research Analyst



2 marketing experiments

Experiment: Background

Caution, politically sensitive material ahead...

Please bear in mind that MECLABS is not supporting any single political philosophy. We are simply trying to identify transferrable principles that can help marketers on any side of the political spectrum.



Marketing**experiments**

Experiment: Background

Experiment ID: Heritage Email Test Location: MarketingExperiments Research Library Test Protocol Number: TP2085

Research Notes:

Background: The company is a non-profit conservative policy think-tank funded primarily through individual donors.

Goal: To increase the size and number of donations.

Primary research question: Which email will generate the highest amount of revenue?

Approach: A/B multifactor split test



Marketing**experiments**

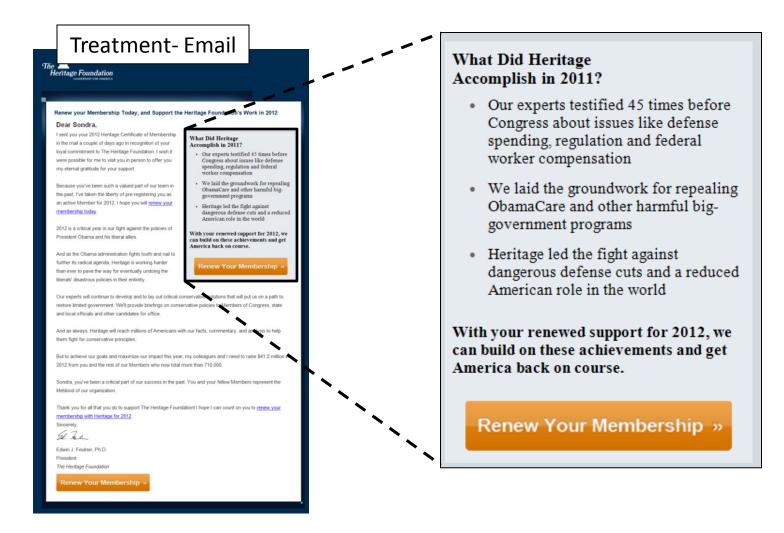
Experiment: Control

	Control - Email		
Dear S I sent y Member possible you my Becaus our tear also pre Member 2012 is And as working policies Our exp us on a Member And as analysit	CONTUTOR - ELITIAN EXEMPTION	atties. No is Il put cles to o raise	Renew your Heritage Foundation membership for 2012 Renew Online »
represe Thank y renew y Sincere Ledwin J Preside The Hei P.S. Yo for this	I. Feulner, Ph.D.	you to genda e	

2 marketing**experiments**



Experiment: Treatment





2 marketing experiments

Experiment: Side-by-side



Treatment

What Did Heritage Accomplish in 2011?

- Our experts testified 45 times before Congress about issues like defense spending, regulation and federal worker compensation
- We laid the groundwork for repealing ObamaCare and other harmful biggovernment programs
- Heritage led the fight against dangerous defense cuts and a reduced American role in the world

With your renewed support for 2012, we can build on these achievements and get America back on course.

Renew Your Membership »





Experiment: Results

14.66% Increase in average donation size

The new email's donation rate increased by 14.66%

Design	Average Donation (\$)	Relative Difference	Statistical Level of Confidence
Control	\$36.48	-	-
Treatment	\$41.82	14.66%	95%

What you need to understand: By focusing on what the organization actually did with the donated money in the previous year, the treatment was able to increase clickthrough rate by 20%, and average donation size by 14.66%.



2 marketing experiments

Experiment: Background

Experiment ID: Gates Energy Exploration & Extraction Test **Location:** MarketingExperiments Research Library **Test Protocol Number:** TP1576

Research Notes:

Background: A large energy company seeking to increase whitepaper download leads

Goal: To increase the number of leads

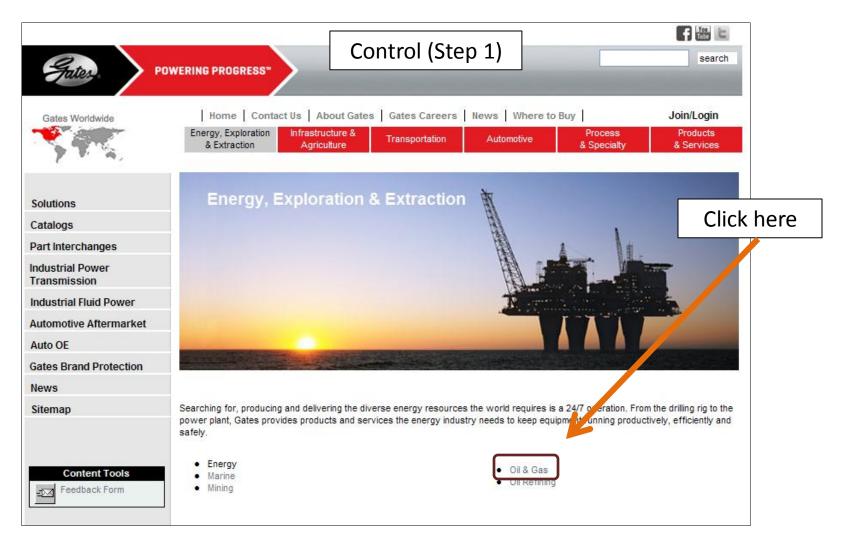
Primary Research Question: Which treatment will generate the most whitepaper downloads?

Approach: A/B multifactor split test



2 marketing experiments

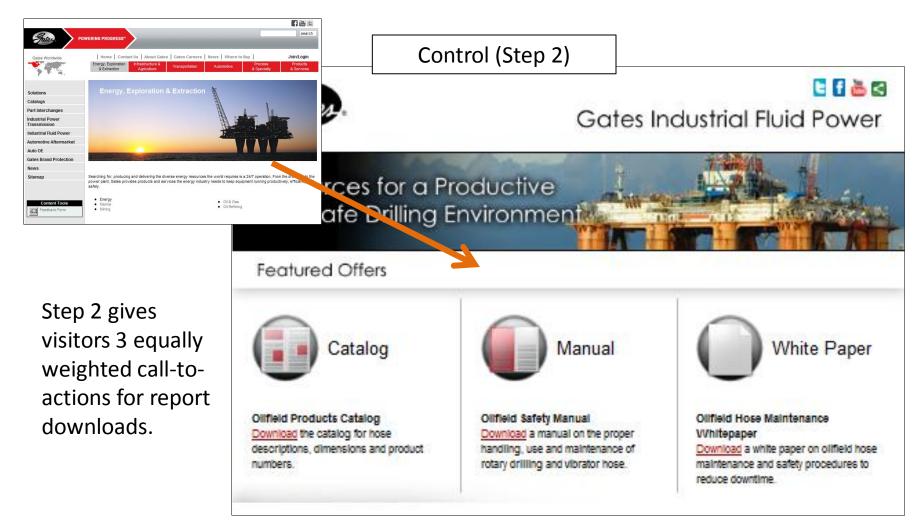
Experiment: Control





2 marketing experiments

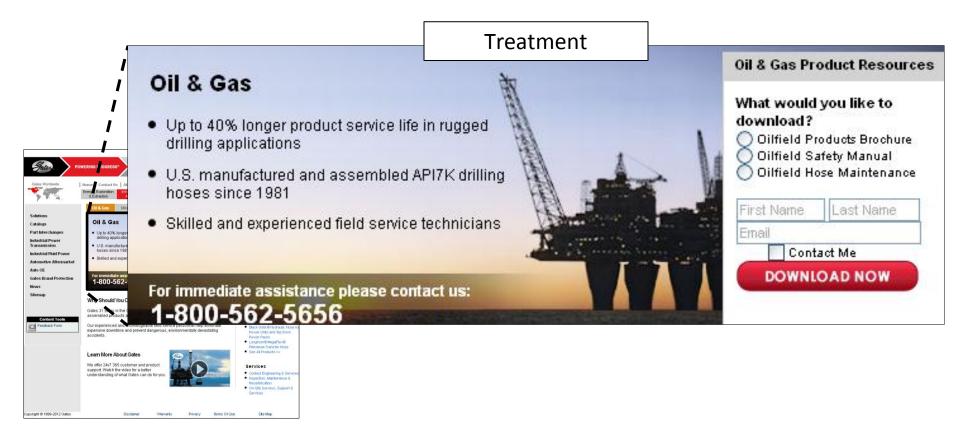
Experiment: Control



🕒 #webclinic

2 marketing experiments

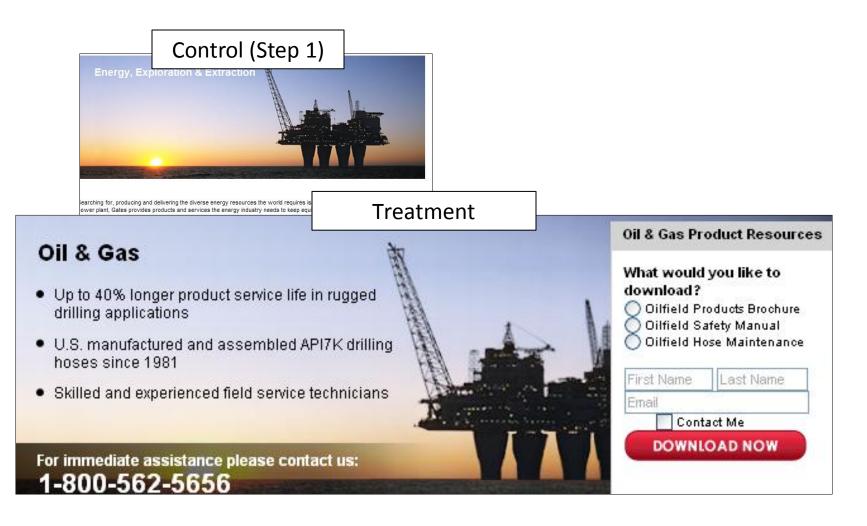
Experiment: Treatment







Experiment: Side-by-side





2 marketing experiments

Experiment: Results

245% Increase in conversion rate

The new CTA process design improved conversion rate by 245.6%

	CR	Relative Difference	Statistical Confidence
Control	1.3%	-	-
Treatment	4.6%	245.6%	99%

What You Need to Understand: By reducing the amount of friction in the CTA process and adding a simple radio button CTA to the first step, the team at Gates was able to increase conversion by 245%.



2 marketing experiments

What was the difference?



Treatment

What Did Heritage Accomplish in 2011?

- Our experts testified 45 times before Congress about issues like defense spending, regulation and federal worker compensation
- We laid the groundwork for repealing ObamaCare and other harmful biggovernment programs
- Heritage led the fight against dangerous defense cuts and a reduced American role in the world

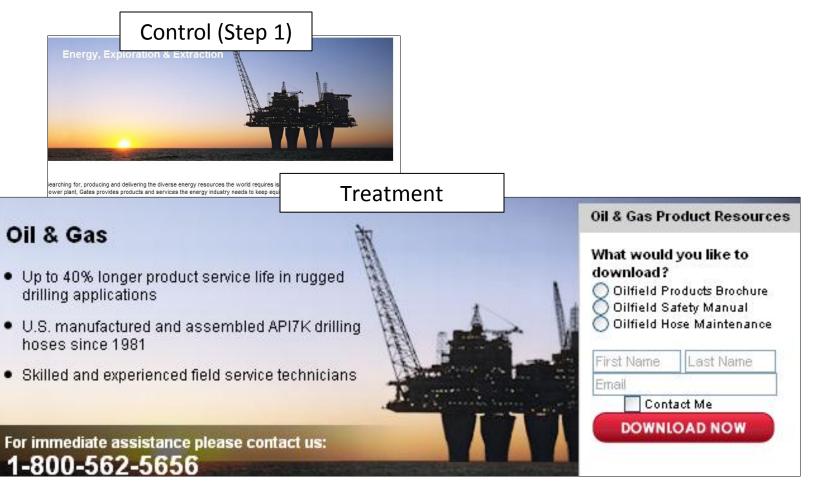
With your renewed support for 2012, we can build on these achievements and get America back on course.

Renew Your Membership »



2 marketing experiments

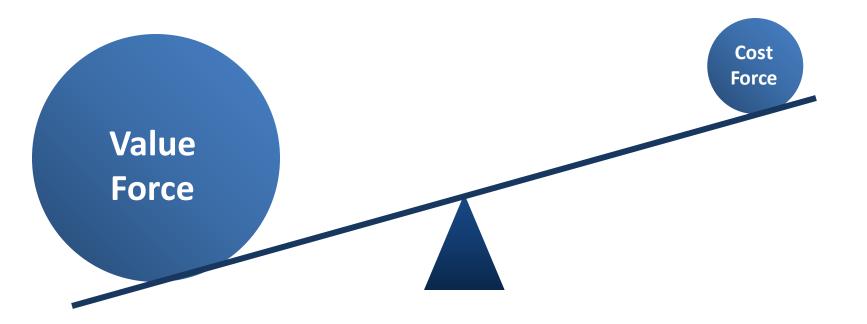
What was the difference?





2 marketing experiments

 $Nf = {}^{p}Vf - {}^{p}Cf$







How we think about value proposition

C Key Principles



$$Nf = (CI \stackrel{!}{:} Cr)$$

$$Vf = (Ap/Ex)$$

$$Cf = (Mt + Mn)$$

Wherein:	
<i>Nf</i> = <i>Net Force of the Value Proposition</i>	Cr = Credibility
<i>Vf</i> = Gross Force <i>Of</i> the Value	Ap = Appeal
Cf = Gross Force of the Cost	Ex = Exclusivity
P = Perceived	Mt = Material
Cl = Clarity	Mn = Mental



2 marketing experiments

Today's Question



How do you formulate a value proposition in highly competitive marketplaces?

- Politics?
- Retail?
- Resale?
- Energy?

- Insurance?
- Non profit?
- Financial Planning?





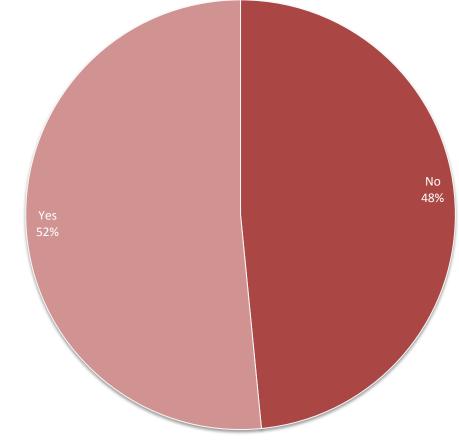
PART 1: A Foundational Understanding of the Term 'Value Proposition'





2012 SURVEY DATA

Survey Question: Are you confident that each member of your marketing team can clearly and succinctly state your company (or product) value proposition?



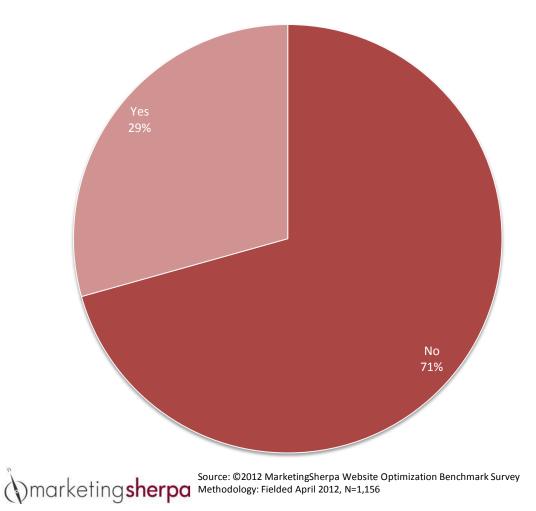
Source: ©2012 MarketingSherpa Website Optimization Benchmark Survey Methodology: Fielded April 2012, N=547





2012 SURVEY DATA

Survey Question: Has your organization tested your value proposition(s)?



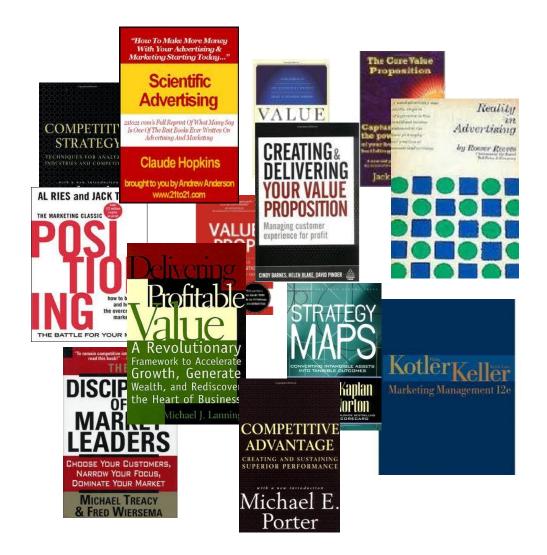
🕒 #webclinic

2 marketing experiments

Research Overview

Ongoing literature review of:

- More than 1,100 academic articles
- 20 popular authors including:
 - Starch
 - Hopkins
 - Reeves
 - Kotler
 - Porter
 - Lanning
- Review spanning from 1890s to present





2 marketing experiments

Research Overview

Daniel Starch publishes first advertising textbook. Defines advertising as "the presentation of a proposition to the people in such a manner as to attempt to induce them to act upon the proposition."

Rosser Reeves publishes influential book that established what he calls the "Unique Selling Proposition (USP)" **Phillip Kotler** publishes the definitive textbook on marketing used in colleges today. Carries over Reeves' notion of "Unique Selling Proposition (USP)"

Michael Lanning coins the term "value proposition," applying it to the field of business management.

1910s 1920s	5 1930s	1940s	1950 s	1960s	1970s	1980s	1990s	2000s	2010 s
Walter Scott publishes first book about the psychology of advertising, generating a new interest in the science of advertising.	Claude Hopkin publishes very inf book called "Scier Advertising". Carr notion of "propos the center of all advertising.	luential ntific ries over	David Ogily 35 rules of ac which coins t "Basic Selling (BSP)"	lvertising he concept	influer acader	ael Porter puntial business b mic articles on gic differentiat	ooks and the topic of	terms propos selling "point "point "diffe little-to	r Authors use the "value sition", "unique proposition", of difference", -of-parity", rentiation" with o-no universal ng or alignment.



Research Overview



Business Software Suite #1 On-Demand. 6459+ World Clients Award-Winning Solution. Free Trial www.XXXXXXXXX.com/Business













31% Conversion





















100% Satisfaction Guarantee

our FREE Account to Get Ansteet ac lost Accurate Mailing Lists Ava	
and a second secon	
narite maindes or above setted	Part Ant
	-
Setup your FREE access to	What People Are Saying
() Examinent incomes and own over delaters	For expressibly long that around the second
- Ender a district and and a district of pression	
Present of Academic States (1997)	Starting Service
The same	Installer and an opposite of Children as
3 Access water and and a firm and a Conter which the hopes	administrating the speeds matrix at accurate trade to and cleared
PRODuctor pages	pademic service, bit-referring b because a bit free up other to of
Terter	within a worke, but in make some
the test of te	Hadday that has & finally the.
	For great are able alreading
OLARY	
	Adheses for real house and \$4 pricket
	Indexe Reveals









The second secon

Los Vegas	The second second	C Road top C Darway 1 (1980) Longing Son
\$169		Compte
Best by 20 for 11		
Advance particum: 1 deals		The Alles and
· Complete Server	*Intahmi	100 33 (11, 38) 10 38
	 Tool a card circle 	Adult (billion () then)
Situliar Desilications		President and
 Untendo Untendo	22 · Cattan 4425	
	Chesse Mr. Tolkeel Annualizes	1
Rome Leonardo da Vinci	The second second	- Alter a de
\$294		* advartagement





26

2 marketing experiments



If I am your ideal prospect, why should I buy from you rather than any of your competitors?





What is a value proposition?

Value Proposition Question: If I am your ideal prospect, why should I buy from you rather than your competitors?

- 1. You are fundamentally answering **a first-person question** posed in the mind of your customers.
- 2. A value proposition focuses on a **specific customer segment**. This requires you to consider who you are not going to serve and the associated tradeoffs.
- 3. A value proposition has a **specific action in mind**. It is seeking to answer "why" for a specific "what."
- 4. A value proposition must differentiate you from your competitors. In at least one way, you must have an **"only" factor**.



The Challenge of a Competitive Environment

- 1. The internet is a unique phenomenon in the human experience. Its evolution has impacted commerce on multiple levels. Here is an important one:
 - a) In the past weak competitors could survive via their geographic proximity. Their value proposition was derived from nearness which translated into convenience, time-savings, etc.
 - b) However, the internet has positioned many of us just one click away from our best competitor.
- 2. If you are not unique in at least one dimension of value, then you are don't have the potential of being the best solution.
- 3. If you are not the best solution, then why would you expect anyone else to select you you are just surviving on pockets of ignorance.

2 marketing experiments



Today, we will walk through 6 ways to stand out in a highly competitive market place.





PART 2:

6 Ways to Differentiate your Marketing in a Crowded Marketplace





6 Ways to Differentiate your Value Prop

Techniques for getting your value proposition to stand out in a crowded market space

TECHNIQUE #1: Focus on your "Only-Factor."





TECHNIQUE #1: Where is the "only-factor?"





2 marketing experiments

TECHNIQUE #1: Focus on your "Only-Factor"

Value Proposition Heuristic

$$Nf = {}^{p}Vf - {}^{p}Cf$$

$$P = (Cl : Cr)$$

$$Vf = (Ap/Ex)$$

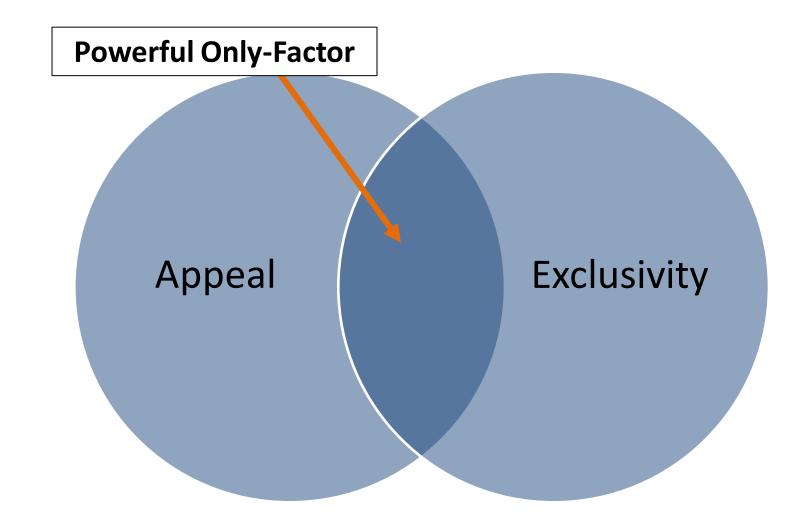
$$Cf = (Mt + Mn)$$

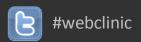
- An appealing offer without exclusivity has its force diluted by the competing options.
- An exclusive offer without appeal has its force undermined by a lack of attraction.



2 marketing experiments

TECHNIQUE #1: Focus on your "Only-Factor"







TECHNIQUE #1: Focus on your "Only-Factor"

Not This

{Keyword XXXXXXXX Software} Award-Winning XXXXXXXX Software. Fully Integrated. Free Trial www.XXXXXXXXXX.com/XXXXXXXX



[But This	
XXXXXXXXX S	oftware Suite	
#1 On-Demar	nd. 6459+ Wo	rld Clients
Award-Winni	ng Solution. F	ree Trial
www.XXXXX	(XXXX.com/X)	< X X X X X X X X X X X X X X X X X X X



2 marketing experiments

TECHNIQUE #1: Focus on your "Only-Factor"





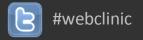


6 Ways to Differentiate your Value Prop

Techniques for getting your value proposition to stand out in a crowded market space

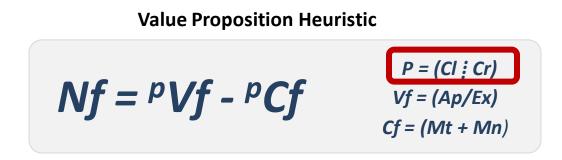
TECHNIQUE #1: Focus on your "Only-Factor."

TECHNIQUE #2: Provide Clear Evidentials





C Key Principles

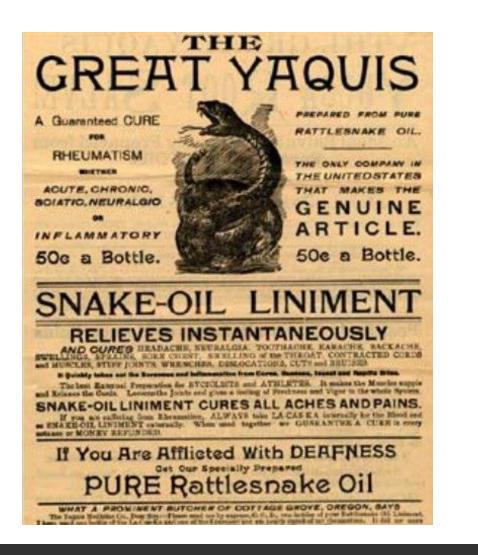


• Value accepted is contingent upon **value believed**. Value believed is contingent upon **value understood**.



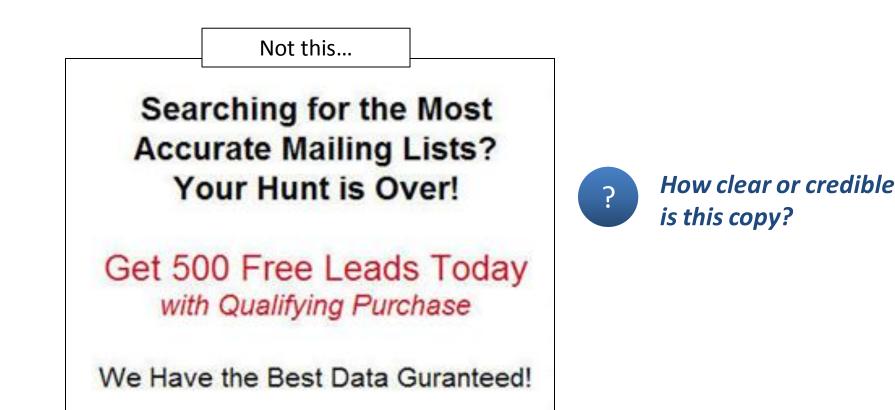












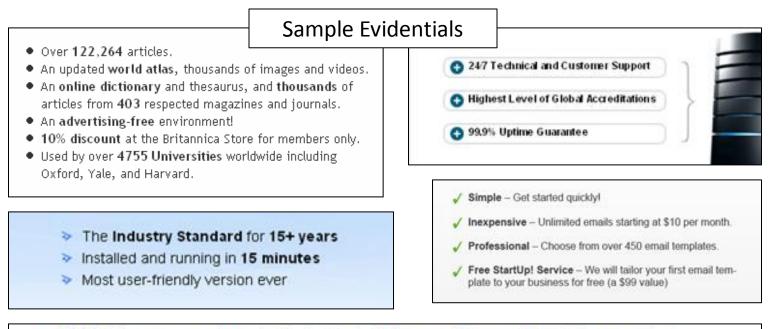








2 marketing experiments



- 600 full-time researchers dedicated to building, verifying, and updating your data
- Our tele-research associates make over 80,000 calls a day to phone verify your data
- 100% money-back guarantee on every single lead

The Objective: To codify essential text bytes that support claim that can be used stategically as bulleted information



2 marketing experiments

6 Ways to Differentiate your Value Prop

Techniques for getting your value proposition to stand out in a crowded market space

TECHNIQUE #1: Focus on your "Only-Factor."

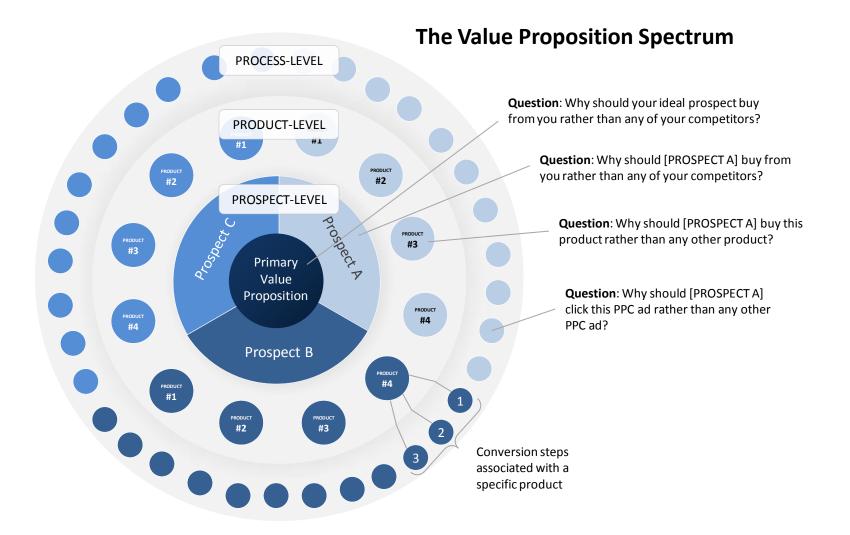
TECHNIQUE #2: Provide Clear Evidentials

TECHNIQUE #3: Strengthen the process-level value propositions





THE VALUE PROPOSITION SPECTRUM







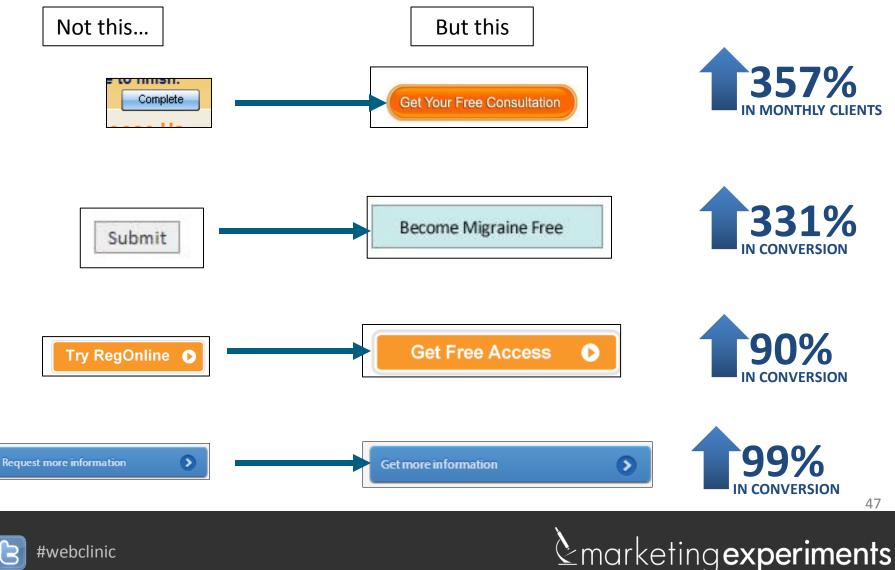
Can you identify the process-level value propositions?





2 marketing experiments

TECHNIQUE #3: Strengthen the process-level VP





6 Ways to Differentiate your Value Prop

Techniques for getting your value proposition to stand out in a crowded market space

TECHNIQUE #1: Focus on your "Only-Factor."

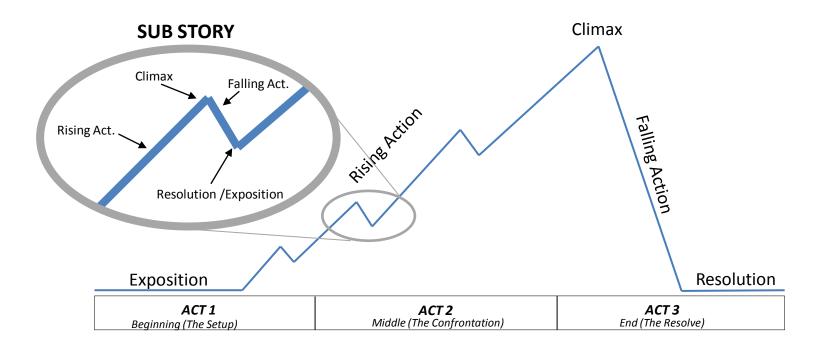
TECHNIQUE #2: Provide Clear Evidentials

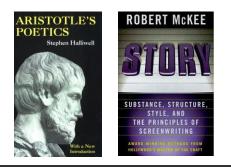
TECHNIQUE #3: Strengthen the process-level value propositions

TECHNIQUE #4: Build a Compelling Narrative



TECHNIQUE #4: Build a Compelling Narrative





People's thoughts tend to arrange themselves in story, therefore understanding your visitor's thought sequence comes down to understanding the basic structure of a story. **Telling your story can be a powerful device for communicating a value proposition.**



TECHNIQUE #4: Build a Compelling Narrative





6 Ways to Differentiate your Value Prop

Techniques for getting your value proposition to stand out in a crowded market space

TECHNIQUE #1: Focus on your "Only-Factor."

TECHNIQUE #2: Provide Clear Evidentials

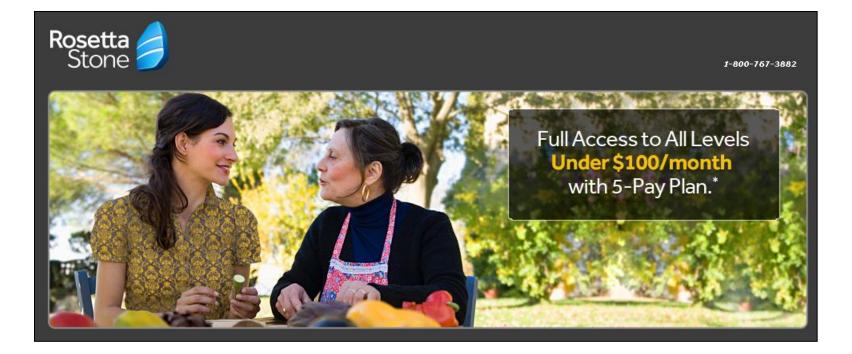
TECHNIQUE #3: Strengthen the process-level value propositions

TECHNIQUE #4: Build a Compelling Narrative

TECHNIQUE #5: Utilize Value-Laden Images



2 marketing experiments





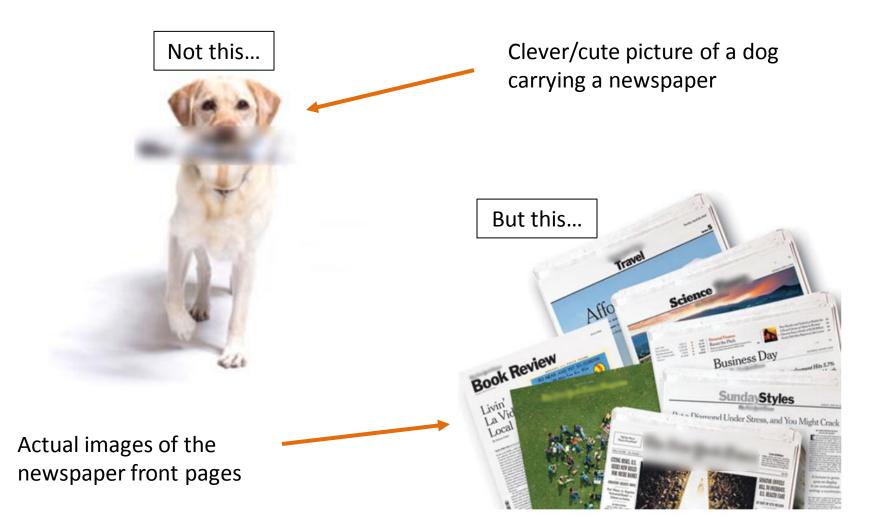
Where is the value in this image?

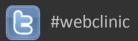


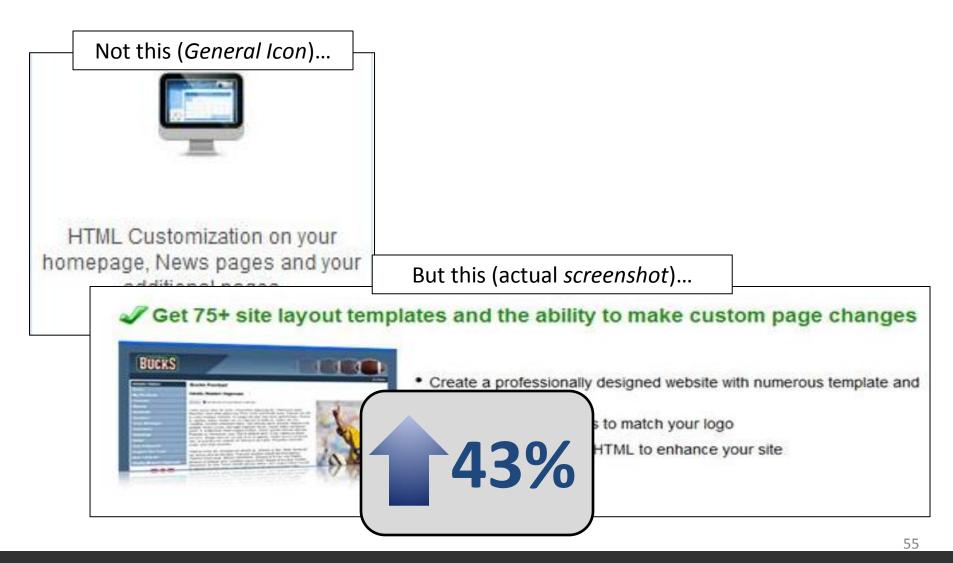
2 marketing experiments















6 Ways to Differentiate your Value Prop

Techniques for getting your value proposition to stand out in a crowded market space

TECHNIQUE #1: Focus on your "Only-Factor."

TECHNIQUE #2: Provide Clear Evidentials

TECHNIQUE #3: Strengthen the process-level value propositions

TECHNIQUE #4: Build a Compelling Narrative

TECHNIQUE #5: Utilize Value-Laden Images

TECHNIQUE #6: Link your Brand Equity



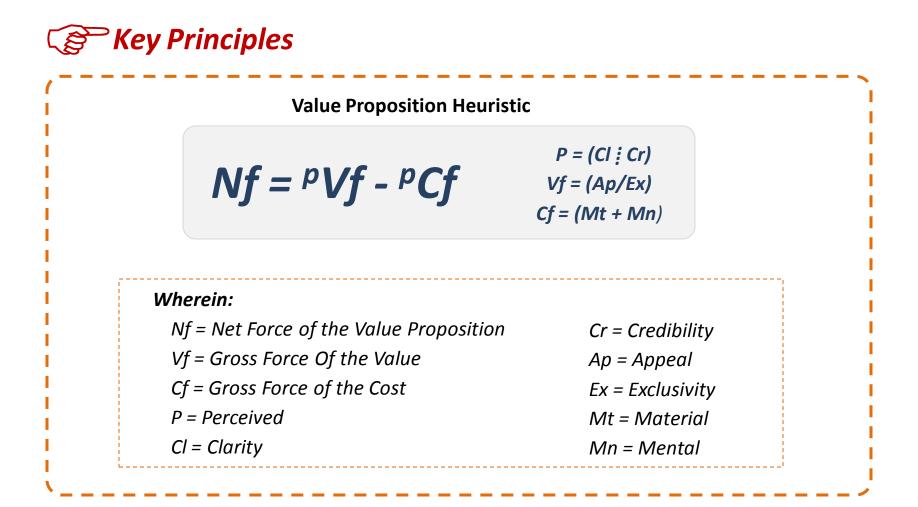
2 marketing experiments

ON VALUE PROPOSITION AND BRAND

- 1. Brand is the aggregate experience of the value proposition as the customer experiences this value, they develop a belief about its source.
- 2. The brand awareness is a result; the value proposition is a cause. The strength of the brand is derived not from declaration, but through expectation.
- 3. The notion of a brand promise is fundamentally flawed. The point of the brand is not to make a promise, but to create an **expectation**.
- 4. Marketers need more nuance. Our work does not entail forcing conclusions, but rather offering reasons which lead to an "**inevitable conclusion**".
- 5. Effective brand strategy is implicit rather than explicit; it is achieved not with remonstration but by implication.



Summary: Putting it all together





2 marketing experiments

Summary: Putting it all together

```
Techniques for getting your value proposition to stand out in a crowded
market space
   TECHNIQUE #1: Focus on your "Only-Factor."
   TECHNIQUE #2: Provide Clear Evidentials
   TECHNIQUE #3: Strengthen the process-level value propositions
   TECHNIQUE #4: Build a Compelling Narrative
   TECHNIQUE #5: Utilize Value-Laden Images
   TECHNIQUE #6: Link your Brand Equity
```



Marketingsherpa CAPTURE. B2B summit 2012 CONVERT.

OPTIMIZE YOUR SALES AND MARKETING FUNNELS

Live-Streaming Summit Option August 28-29 | \$899

Learn proven strategies for maximum results from the convenience of your desktop

Footage available up to 90 days after live recording

meclabs.com/b2bstreaming



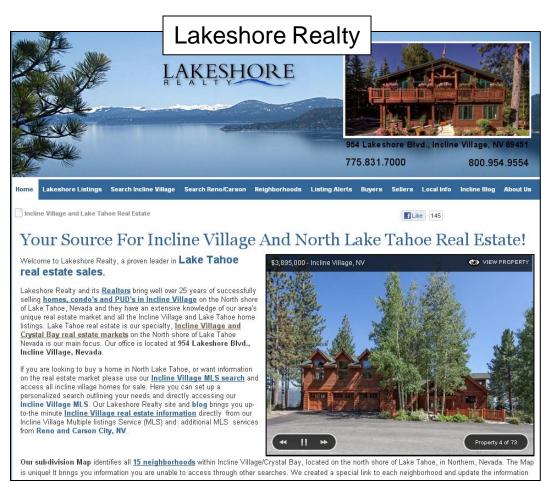


Primary Objective: To capture real estate clients, focused in the North Lake Tahoe market

Primary Traffic: SEO & Social Media

Value Proposition: "We are the best source of news and information for Incline Village & North Lake Tahoe Real Estate community"

Page URL:<u>http://bit.ly/q8hg6i</u>



Primary Objective: Get leads for term life insurance

Primary Traffic: AdWords and MSN Keywords: Term Life Insurance, Compare Life Insurance, Term Life Rates

Value Proposition: "We have the lowest rates in this area and we'll give you a free info booklet to find out more information."

Page URL: bit.ly/mj0jy3



Primary Objective: to gain leads

Primary Traffic: PPC, opt-in email marketing, email marketing lists, email marketing providers

Value Proposition: "Our industry knowledge"

Page URL: <u>http://bit.ly/OLPwNu</u>



Primary Objective: Collect email lead convert on top spotlight programs

Primary Traffic: Email, PPC union discounts, Union Plus, referrals from union sites

Value Proposition: "Union Plus negotiates valuable & unique benefits on behalf of union families with built-in protections and enhancements."

Page URL: <u>http://bit.ly/aR8GX</u>





Primary Objective:

eBook sales

Primary Traffic: Organic

SEO / dog raw food diet , raw dog food diet, raw food dog

Value Proposition:

"Inside information from a dog who has been through all the diets"

Page URL: <u>http://bit.ly/NXCct8</u>

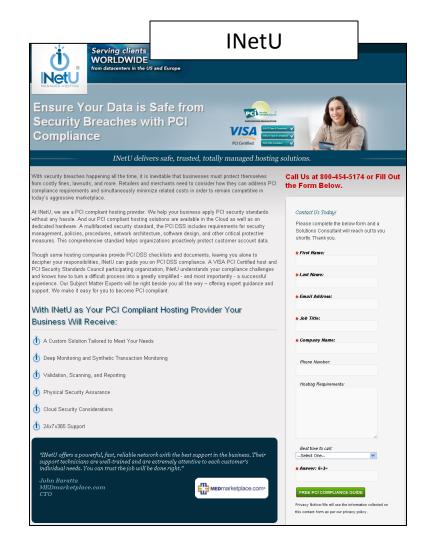


Primary Objective: Lead generation form completion or call in

Primary Traffic: SEO (PCI hosting, PCI compliance services, PCI compliant web hosting)

Value Proposition: "INetU delivers safe, trusted and totally managed hosting solutions"

Page URL: <u>http://bit.ly/QFMmjE</u>



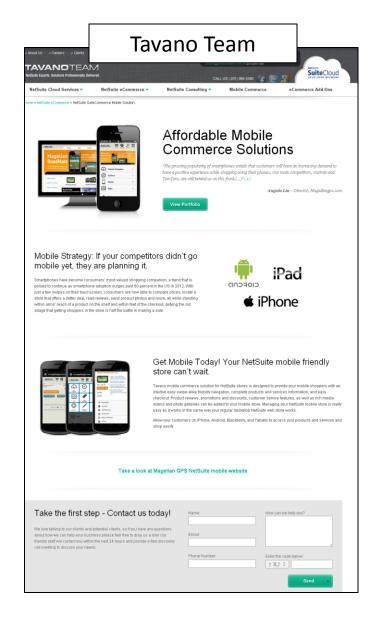
Primary Objective:

Contact us to discuss customer needs and send them an estimate

Primary Traffic: SEO & email campaigns

Value Proposition: "Offer mobile friendly website for NetSuite platform"

Page URL: <u>http://bit.ly/QzidAh</u>



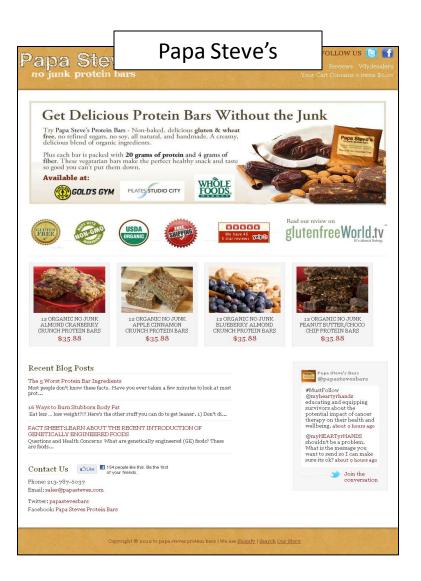
Primary Objective: to sell a box of protein bars

Primary Traffic:

facebook ads, organic search, blog posts, word of mouth, retail traffic

Value Proposition: "A 20 gram whey protein bar that is all natural that actually tastes really good"

Page URL: <u>http://bit.ly/gAJwQW</u>

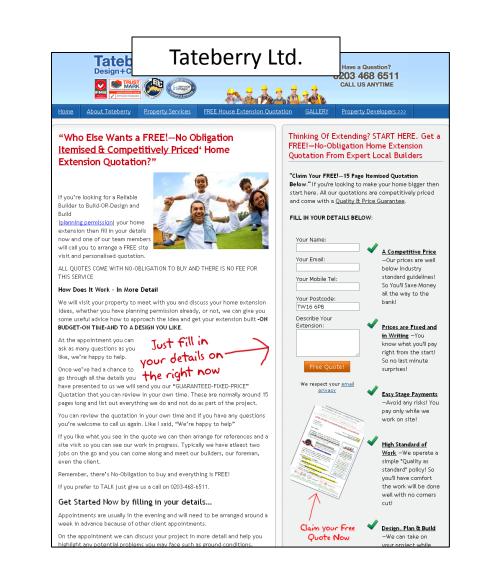


Primary Objective: to get a prospect to register for a free quotation

Primary Traffic: Adwords; Home extension quotation

Value Proposition: "Free quotation, fixed price guarantee, easy payment terms and good quality workmanship"

Page URL: <u>http://bit.ly/MooOZ3</u>



Primary Objective: take action to choose plan

Primary Traffic: Organic, Craigslist

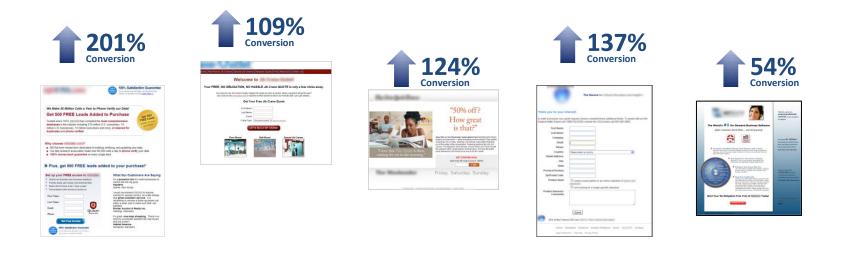
Value Proposition:

"Custom web design and hosting for one low monthly rate."

Page URL: <u>http://bit.ly/QGejb0</u>



Call for Research Partners



Our average test last year inside one of the world's largest banks produced a **108%** conversion increase. This is not uncommon – many of our partners see **triple-digit sales increases**.

To apply for a research partnership, fill out the post-clinic survey and check "research partnership."



2 marketing experiments

MarketingExperiments Optimization Newsletter

FREE subscription to more than \$10 million in marketing research

Join 98,000 of the top marketers from around the world as we work together to discover what really works.



- First access to \$10 million in optimization research
- Four live web clinic invitations per quarter

Subscribe for FREE!

MarketingExperiments.com/subscribe



