



Entrepreneurship 101

Session 4. Value Proposition



Learnkey



What is a Value Proposition?

Tells your customer:

- The stated benefits of your product/service.

Its purpose:

- Customers know why to buy your product/service.
- Tailored to different customers seeking different benefits.



Competitive Advantage

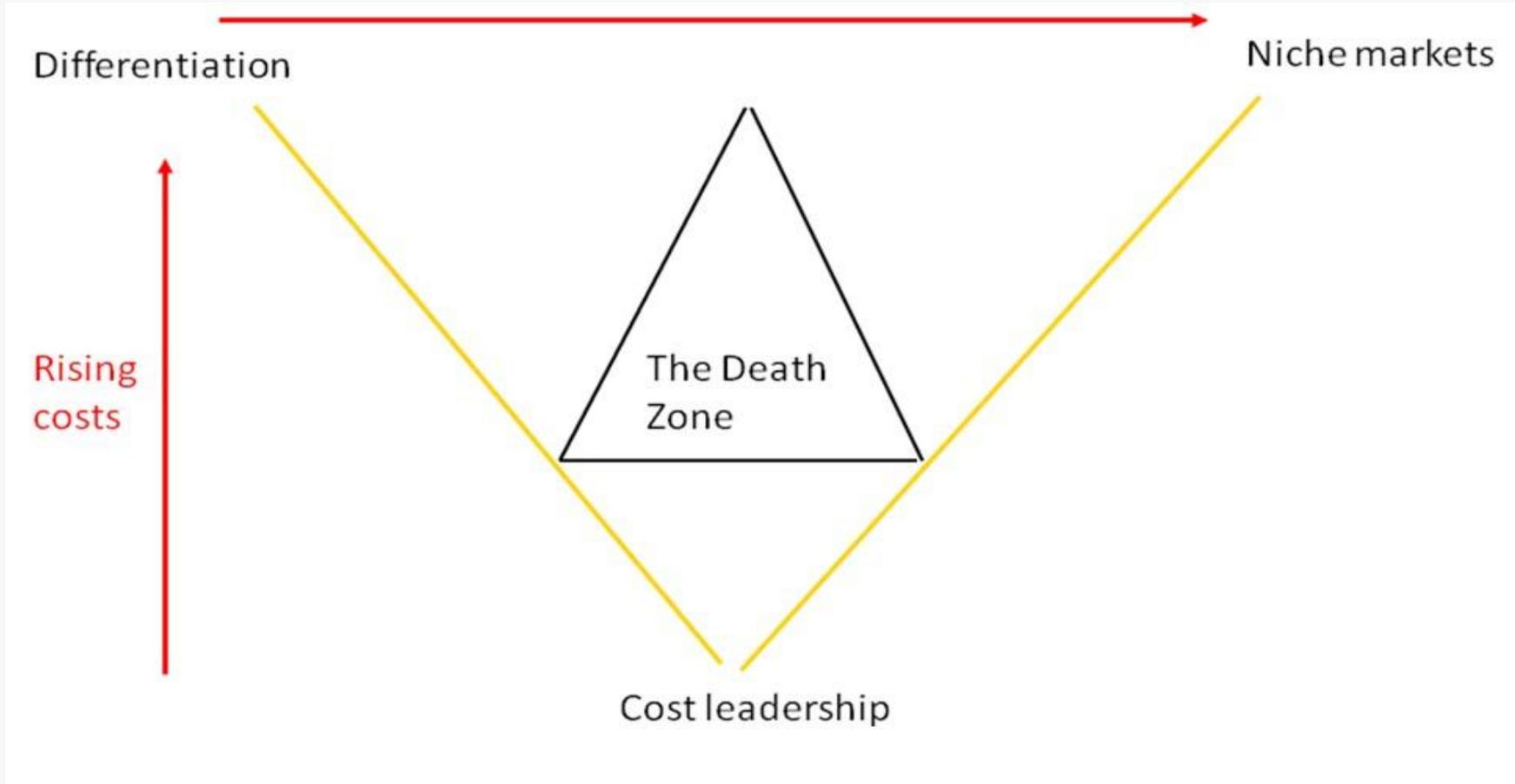
Gaining an edge over the competition.

Three main types:

1. Cost-leadership (the low-cost option)
2. Differentiation (the distinct option)
3. Focus (the niche option)



Three Bases of Competitive Advantage



Types of Value Proposition



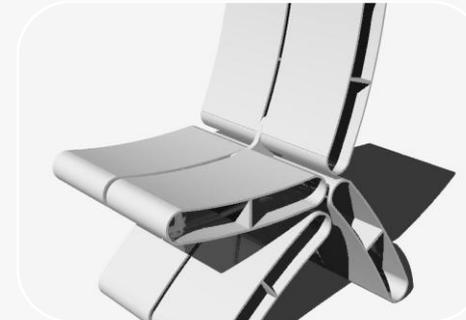
Newness



Performance



Customisation



Design



Brand/Status

Types of Value Proposition



Price



Cost reduction



Risk reduction



Accessibility



Convenience or usability

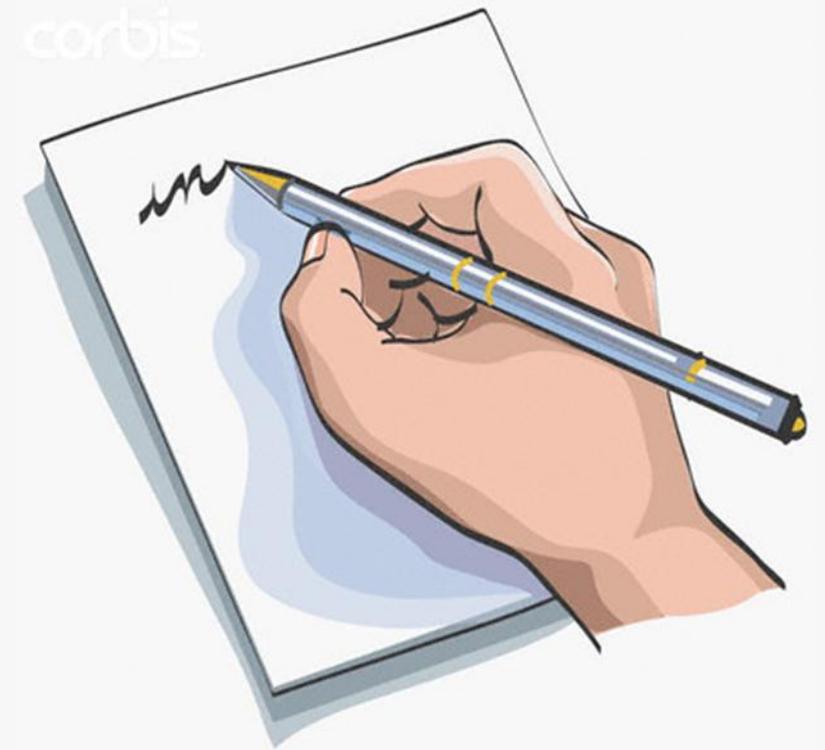
Examples of Value Proposition

- Amazon: Low prices. Fast Delivery. Large Choice of Products and Services.
- Nike: Accessibility. Innovation. Customisation. Brand/status.
- Ikea: Durable and fashionable furniture at low prices.
- McDonalds: Fast and efficient service. Consistent quality menu items.
Distinct products. Good value offering and pricing.

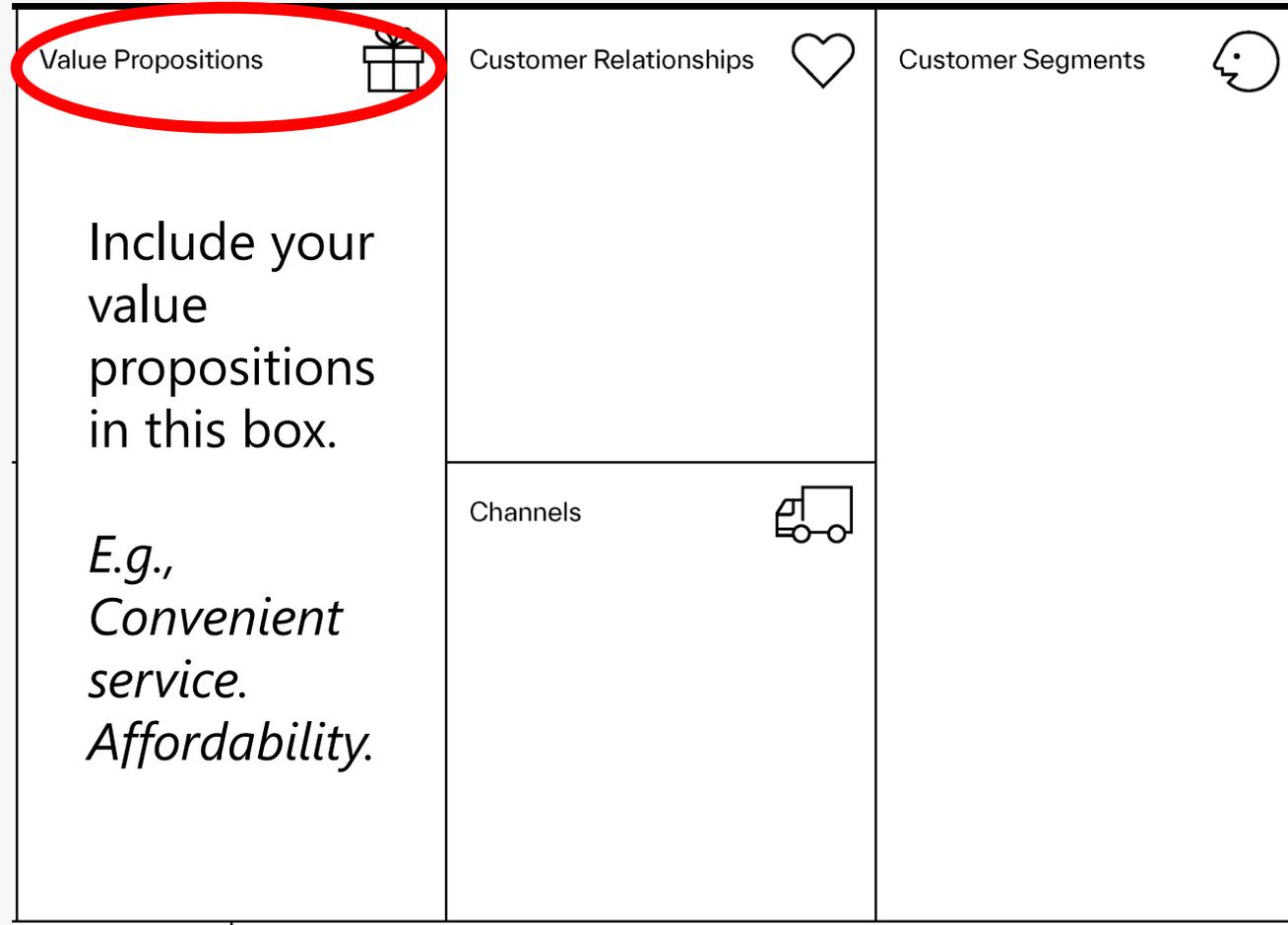


Constructing Value Propositions for Your Business

1. Establish what are your customer needs.
2. Establish what is your promise of value.
3. Establish what differentiates you from the competition.
4. Provide proof and quantifiable evidence of value.



Business Model Canvas – Value Propositions



Key Takeaways from the Session

Align your value propositions with:

- Your competitive advantage.
- Your customers' pain points/problems.

Value propositions can be based on:

- Product features and benefits.
- E.g., newness, performance, price.

They must be of **value** to your customer segments.

