

Creating an Impactful Customer Value Proposition for B2B Technology Products



Introduction

When glancing through the top ten of the B2B marketing bullshit-bingo, it's easy to see where the CMOs of B2B companies invest their funds today: Inbound marketing, content marketing, automation, data analytics and so on. Inbound marketing, content, analytics and automation are peaking in the B2B marketing landscape, and for a reason. They perfectly support the B2B buying behaviour.

Unfortunately companies are often investing in the trendy marketing gimmicks at the expense of fundamental product marketing components such as product differentiation and positioning, economic value creation and distinctive product messaging, which are crucial components of successful international technology marketing.

As a result, B2B buyers are blasted with content, online ads and free Ebooks, which they now ignore. Furthermore, distinguishing the value of competing solutions and suppliers based on poorly crafted product messaging is impossible for the buyers.

Grip Marketing brings together a team of global technology marketing and PR specialists able to rapidly adapt its world-class marketing skills for any hi-tech segment. Before kicking off any content marketing and PR campaign, we recommend B2B technology companies to first fix the less trendy but fundamental product marketing stuff in order to create a distinctive and lasting platform for the content marketing and PR campaigns. Eventually, that's what converts the website hits into qualified contacts.

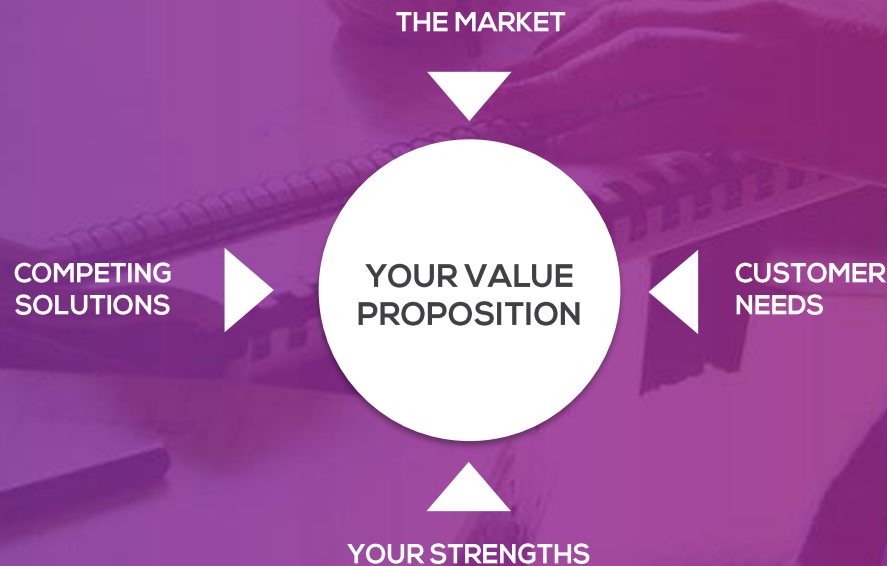
This ebook skips the trendy topics and goes straight to the basics of building impactful product messaging for technology products in B2B markets. The method is based on international academic research and is field proven by world class technology brands globally.

Defining an Impactful Customer Value Proposition

Success in today's highly competitive B2B technology markets greatly depends on your ability to articulate and differentiate the customer value of your products. The vehicle for this is your customer value proposition and most of the time it gets only a brief, passing moment to convey the message to the reader.

Thus, carving out an impactful customer value proposition, which doesn't need a second read to be understood is crucial. It has to explain your unique strengths but only those which resonate with the customer needs. Additionally, your customer value proposition must clearly differentiate your products from the competing solutions. A good value proposition also connects to topical market segments and naturally includes the relevant search keywords on the headline level.

Your value proposition usually gets only one chance to convince and most of the time you are not there to give further explanations!



Customer Value Proposition – Wikipedia definition

“In marketing, a customer value proposition (CVP) consists of the sum total of benefits which a vendor promises a customer will receive in return for the customer’s associated payment (or other value-transfer).”

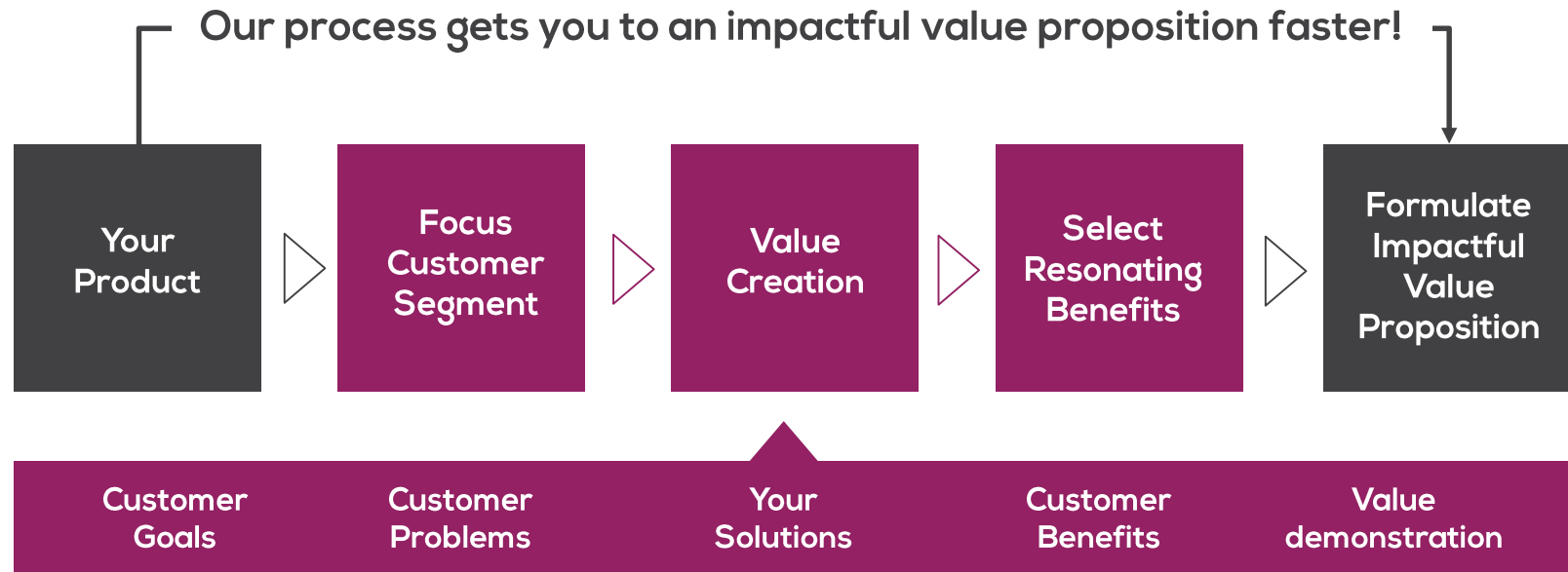
Customer Value Management was started by Ray Kordupleski in the 1980s and discussed in his book, Mastering Customer Value Management.

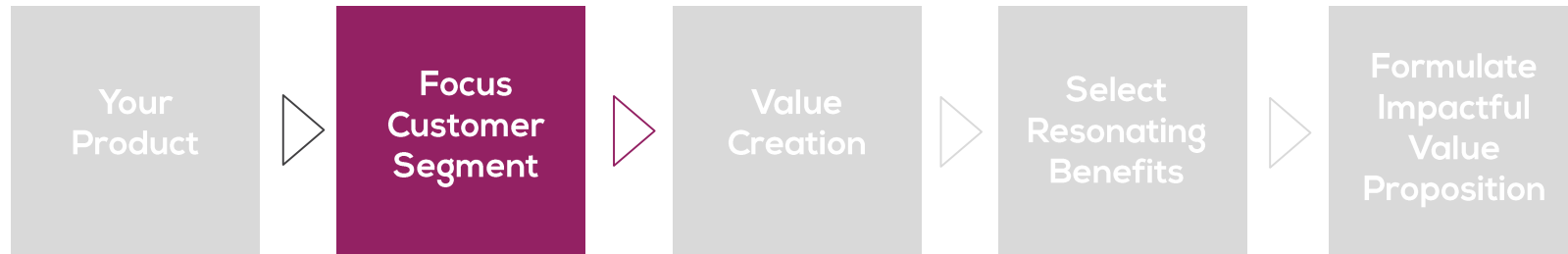
A customer value proposition is a business or marketing statement that describes why a customer should buy a product or use a service. It is specifically targeted towards potential customers rather than other constituent groups such as employees, partners or suppliers. Similar to the unique selling proposition, it is a clearly defined statement that is designed to convince customers that one particular product or service will add more value or better solve a problem than others in its competitive set.”

Customer Value Creation Process

Creating an impactful and clearly differentiating value proposition which anyone can understand is not a walk in the park. To make your work easier, we are introducing a simplified, yet effective version of a value creation process used by several world-class technology brands.

The process automatically takes into account customer segmentation, provides guidelines for value creation and, to avoid so called *bad pizza place* effect, it gives a strategic tool for choosing the optimal set of resonating benefits. Finally in the end you will be able to come out with the 3-5 key value statements for your product or solution.

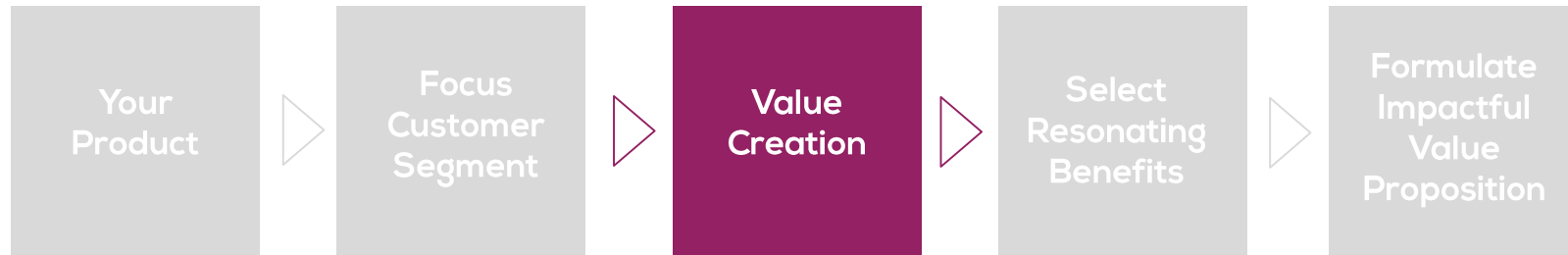




The first step of creating an impactful customer value proposition is defining or choosing the customer segment for which the value statement will be targeted.

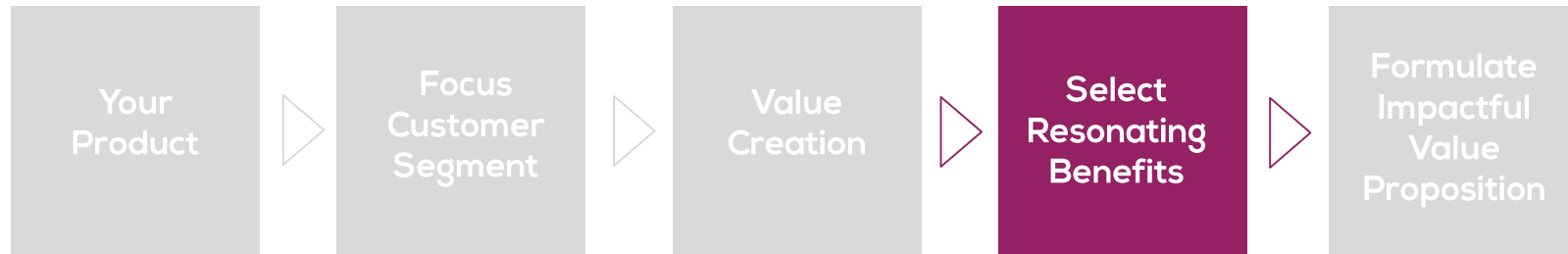
Grouping customers with similar characteristics into segments makes it easier to tailor the most impactful messages for each segment. Segment based value statements can be focused around the most relevant customer benefits which are common for most of the companies in the segment. This results in a powerful value statement. Messaging should start by focusing on the most important customer segment.

This ebook does not discuss the various segmentation principles such as needs, tiers or firmographics. However, typically B2B companies are able to segment their customers according to the 80:20 Pareto Principle where there is a limited customer segment which contributes the majority of the company's sales, providing a good starting point for the value argumentation work.



After the focus segment is chosen the next step is to define how the target customers perceive the value provided by your product. The below value creation method helps you to figure out why customers need your product, what is your solution and how it benefits the customers.

Op	Ch	So	Be	Pr
Customer's Opportunity	Customer's Challenges	Your Solution	Customer Benefit	Customer Value Proof
<p>All customers have business goals which they try to achieve. Typical business goals boils down to three fundamentals: Save OPEX, Reduce Capex and Grow Revenue. Creating a great value statements requires marketers to understand how the proposition links to one or several of these goals.</p>	<p>"Sell problems that your products solve". Companies invest in products only because they have various challenges and obstacles that prevent them achieving their business goals. Impactful value statements highlights the challenges that the products of the company solve.</p>	<p>The functionality that solves the customer's challenge, be it a complete product, a solution or only a feature or a functionality is described in jargon-free laymans terms so that anyone can understand it without any interpretation.</p>	<p>A great value statement is centered around the customer benefit provided by the product. The benefit should be described in a simple and compelling way and quantified measure of the customer value compared to competing or substituting solutions increases the effectiveness of the value statement.</p>	<p>Finally, value statements are only your own words until a credible proof is provided. Value statements should be backed up by for instance a customer testimonial, external statement, a test result, business case, value calculation or other similar proof.</p>



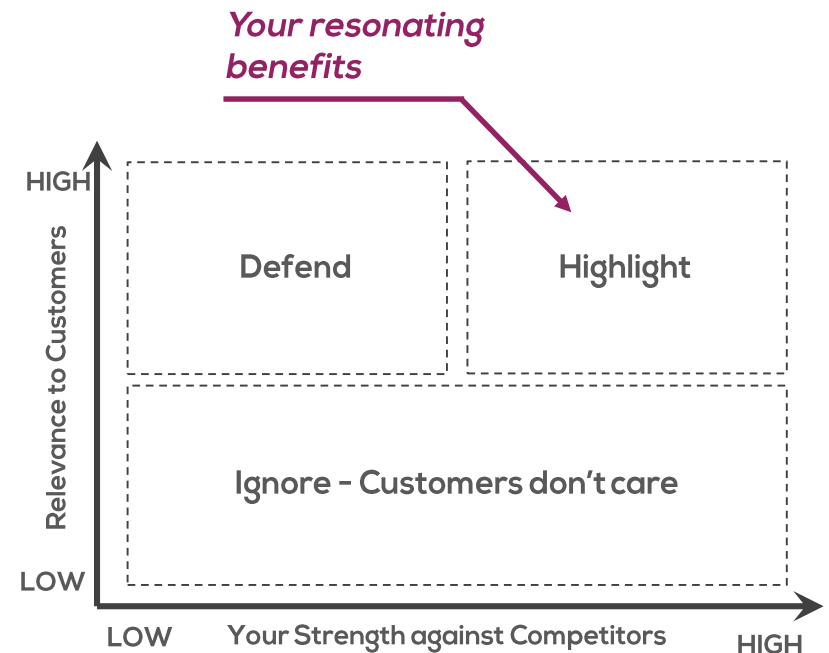
When building the value creation matrix, it is easy to come up with tens of different benefits that your product provides to the target customers. You might think they are all worth telling to potential buyers but unfortunately a list of ten or more benefits on the back of a brochure is pretty much the same as a menu in a bad pizza restaurant. When the customer gets to the end of reading the menu, he or she doesn't remember any of the items on the list so making a choice is almost impossible.

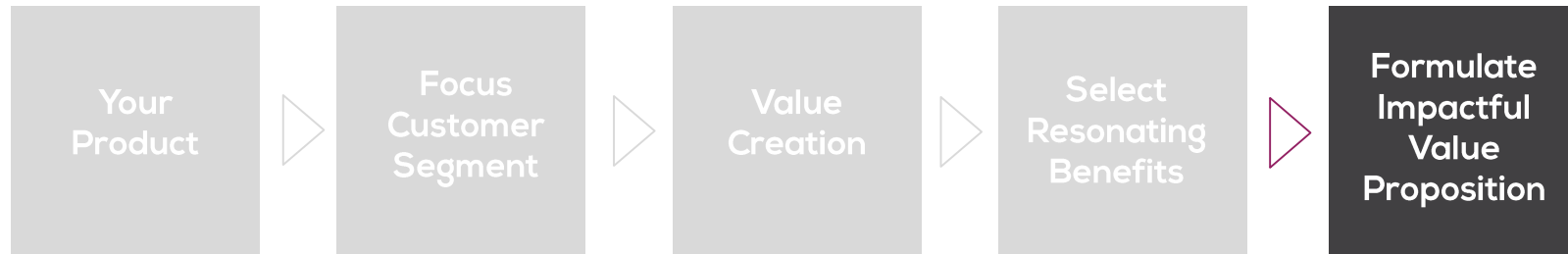
The more focused your value statement is, the more impactful it becomes. For the customer, it is quick to understand and, if crafted out correctly, it addresses only the relevant customer values, it automatically delivers your unique selling points and highlights how you differentiate from the competition. There is no one right amount for value statements, however, 3-5 statements which highlight correct points provides you room for argumentation and still is easy to digest for the customers.

TIPS:

Highlight the benefits which are relevant to the target customers and where you beat the competition.

Build defensive argumentation for areas which are relevant to customers but where you are weak compared to competition.





After you have chosen your 3-5 resonating benefits, it is time for formulating the value statements. Formulate short and easy to understand sentences which ideally explain the “why“, what” and “how” aspects of the benefit.

Typically, it makes sense to begin a statement with the perceived benefit (such as Save costs), followed by the how aspect (e.g. through 30% higher power efficiency) and finally highlighting the proposed solution (e.g. provided by HydroFlex 100).

Numbers are great attention grabbers and give instantly very concrete impression of the customer benefit and value.

The human brain best adopts information through combinations of visual graphical illustration and textual explanation. Consequently, creating a simple visual, a diagram or a chart for each value statement conveys your message with the greatest efficiency.

Repeat the same messages in all communication channels and maintain identical expression as far as possible. For search engine optimization, utilize relevant keywords in the messaging.



“Sell problems that your products solve,
not products that your company makes.”

Want to beat competition
and impress customers
already on your value
statement?

Don't waste your time - Hire
Grip Marketing today!



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