

by Rus Kinzinger

## PURPOSEFUL STEPS TO A **POWERFUL** **VALUE PROPOSITION**

**Quick—in language that speaks to donor benefit, what is unique, compelling, and clearly distinguishes your store(s) from your competitors? Go ahead . . . think about it for awhile, then, write down your response.**

Now, ask your lead sales associate to do the same. No skipping this detail. You'll miss an important baseline if you bypass these first two steps.

How did you do? Was your response at the tip of your tongue or did you have to grind it out? How did yours compare with that of your sales associate? Were you even on the same page? If your answer compared favorably with that of your staff member, you likely already have a clearly defined value proposition. For you, all that remains is asking, "Is it good enough?" and "Does your store actually reflect the value proposition?" If you didn't do so well, however, read on. This article is for you. (If you did well, read on anyway. Maybe there is an idea or two that will make yours even stronger.)

### **Not Great Odds**

In the world of consumer merchandising, being undistinguished is the kiss of average, or worse yet, death. In other words, if there is no difference between your offering and that of others, why should anyone want to come to your store? There are many other choices. Theoretically, your odds of being selected to fill a shopper's need are  $[1/x](e)^\lambda$  where  $x$  equals the number of

other choices,  $e$  quantifies prior experience with the store, and  $\lambda$  represents the relative effect of travel time versus store size. When  $\lambda$  equals 1.0, travel time and store size will have an equal but opposite effect on the likelihood of a consumer shopping at a store location. (We will assume the need for the product or service is a constant.)

Interpreting, our formula says that if there are numerous alternatives, no prior (or poor) customer experience, and/or if your store is not highly accessible, your odds of getting a shopper's business are not good—to put it mildly. Clearly, retail survival (and growth) must be an act of sheer intentionality, which of itself, must be driven by intelligent design.

### **Inertia**

Let's introduce another concept. Shoppers tend to overvalue the products or services they currently purchase, and undervalue those they don't. This simply restates the law of inertia, i.e. that a body at rest tends to stay at rest until a force of equal or greater magnitude is applied. In shopper jargon, this means that if you've not been shopped in the past, you'll likely not be shopped in the future.

That is, unless your offering has a

perceived benefit to the customer that is unique, compelling, and clearly distinguished from competitors. You must also do a better-than-average job of making it known. If shoppers, therefore, tend to overvalue the choices they currently make, and undervalue the potential benefit of alternative choices, you will be shopped only when the perceived value of what you offer breaks the inertial chains which hold the consumer to his or her current patterns. How do you do that? Entice the customer with an offering that is unique, compelling, and clearly distinguished from competitors in the benefit(s) offered. When you do so, you'll unleash an anti-inertial force that will move a shopper from "What I have is good enough" to "Hmmm . . . that looks interesting. Think I'll check it out!"

### **Make Customers Out of Shoppers**

How do you get there? Here's what I suggest.

- **Talk to your customers.** After all, they're the best source of the value you represent to the public. Why do they shop you? What could you do better? How do they say you're different from the competition? Listen carefully. Important information will be exchanged here.
- **Identify your target market.** Which audience(s) are you marketing to? Who shops your store? Male? Female? What age? A particular ethnic group? Who would shop you if they knew you were there? Are you offering products that are consistent with what your target market wants to buy?
- **List your competitors.** Who are they? What do they bring to the

marketplace? Identify the "hook" that each inserts into the marketplace? Remember, for you to say that yours is a better offering, you must know specifically how and where you differ from your competition. (By the way, your competition is sometimes cloaked in the wrappings of something entirely dissimilar? It might even be a football game.)

- **Identify what is unique, compelling, and clearly distinguishes your product or service.** We touched on this step earlier, but now it's time to formalize your thoughts. What is unique about your offering? What is compelling to the customer? And so forth. Here's where knowing your competition will help. If you hurry the process and blend as "unique and compelling," for example, you will lose the knockout punch you can achieve if you consider separately.

You may invest several hours or days in this step. If done properly, however, the rewards for doing so should greatly exceed the effort. With aggressive consideration, you may even discover that your current offering lacks any semblance of retail sex appeal! If it does, don't dismay—you have uncovered a significant barrier to profitability. Remember, if your offering fails to excite you, imagine what it's doing to your customers!

- Now that you have identified the ingredients, **develop a simple**

**statement that communicates benefit** to the shopper (as well as to your sales associates). Be sure to use customer-speak. State what is unique, compelling, and clearly distinguishes your offering from competitors—in ways that matter to your shopper. To say that you have the greatest selection of widgets is not important if your customers want thingamajigs.

- **Live it!** Words are meaningless if not lived-out in the everyday.

There you have it—two important concepts coming together to add strength to your offering. The first (customer inertia) recognizes that without exceptional effort to the contrary (on your part), customers who have not shopped you in the past, will likely not do so in the future. Fortunately, the second concept (carefully defining your store's uniqueness) can trump customer inertia. Both require work on your part, but remember this: success is best assured through intentionality. Rarely does it just happen.