



UNIVERSITAT DE VIC  
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# Entrepreneurship

## Session 03: Value Proposition

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January - May, 2022/23

UVic-UCC

Faculty of Business & Communication

# Key People



# Who should we consider in a company?

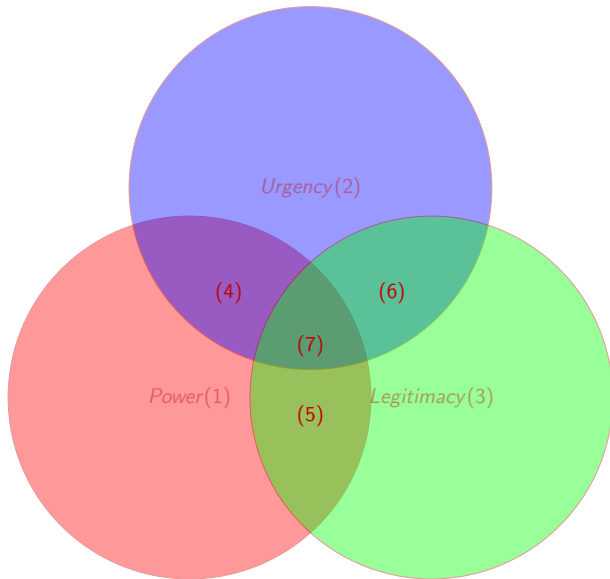


# Why do we care about stakeholders?



- Understand the impact of your company's activities on others
- Link the relationships between them
- Need to build a relationship with them

# How can we classify them?



# How can we classify them?



## (1) - Distant stakeholders

- Power (Yes) - Urgency (No) - Legitimacy (No)
- CEOs
- Be transparent and keep them informed at all times

# How can we classify them?



## (2) - Discretionary stakeholders

- Power (No) - Urgency (Yes) - Legitimacy (No)
- Philanthropist
- Visitors to give money

# How can we classify them?



## (3) - Stakeholders claiming

- Power (No) - Urgency (No) - Legitimacy (Yes)
- Dissident voice, person protesting outside
- not important



# How can we classify them?

A background image of a graduation ceremony. Several graduates in black gowns and caps are visible, with their hands raised and caps tossed into the air. The scene is set outdoors under a large white tent.

## (4) - Dominant Stakeholders

- Power (Yes) - Urgency (Yes) - Legitimacy (No)
- Presidents of universities or deans of business schools
- Communicate with them on a regular basis and respond to inquiries efficiently and accurately

# How can we classify them?



## (5) - Perky Stakeholders

- Power (Yes) - Urgency (No) - Legitimacy (Yes)
- Use power to coerce
- Another organization may use publicity

# How can we classify them?



## (6) - Stakeholders dependents

- Power (No) - Urgency (Yes) - Legitimacy (Yes)
- Are passionate and attract dominant stakeholders
- Students in an organization

# How can we classify them?



## (7) - Definitive stakeholders

- Power (Yes) - Urgency (Yes) - Legitimacy (Yes)
- Who finances the organization

# Exercise

A close-up photograph of a hand holding a white chess piece, specifically a king, over a chessboard. The piece is held in the foreground, slightly out of focus. In the background, several other chess pieces, including a dark king and a white knight, are visible on the board. The background is blurred, showing a person's face and a blue shirt.

Identify the stakeholders of your company

For each type of stakeholder, identify one or more types of customers

# Customers



# Type of customers



## End User

- Use the product
- Seek a deeper understanding

# Type of customers



## Opinion Leaders

- Customers who have no involvement
- Celebrities, journalists, industry analysts ·



A woman with curly hair and glasses looking at the camera.

## Recommanders

- Evaluate the product and communicate it to the public
- Make or break reputation

# Type of customers



## Economy Buyers

- Approve large-scale purchases
- Mercadona, El Corte Inglés...

# Type of customers



## Decision makers

- They have the power to approve purchases
- CEO, mother or father...

## Spoilers

- People who can veto or stop
- Identify what can motivate them to do it



# Exercise

A close-up photograph of a hand holding a white chess king piece, poised to move it. The background is blurred, showing other chess pieces on a wooden board and a person's face in the distance.

## Conduct customer interviews

Conduct an interview for each team member. It is better to opt for diversity of customer types to get a broader vision

# Customer Segments

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# Why customer segments?



## Introduction to Customer Segmentation

- Unless you have a very low number of clients, it is impossible to treat each of them separately
- You cannot provide a personal treatment with all your clients
- One solution is to divide them into manageable categories and select your strategy accordingly

# Customer Segments



## Demographic segmentation

- Race, ethnicity, age, sex, religion, education, income, marital status, and occupation
- Example: 1,700 ripped jeans (22-35 years old, salary >40k€)



# Customer Segments



## Geographic segmentation

- Where are the clients located?
- Example: Nespresso (shopping centers)

# Customer Segments



## Technographic Segmentation

- Based on favorite technologies, software and mobile devices
- Example: Apple vs Android



## Segmentation behavior

- Uses, loyalty, awareness, purchase patterns
- Example: Christmas shoppers against all consumers for a year

# Customer Segments: McDonald's Example

Type of segmentation	Type of segmentation	McDonald's target segment
Geographic	Region	National / international
	Density	Urban / rural
Demographic	Age	8 - 45
	Gender	Male & Female
	Life Cycle Stage	Single stage: young, single not living at home Newly married couples: young, no children Full nest II: child under six or more
	Income	Low and medium
Behavioral	Degree of loyalty and loyal	Hardcore Switchers
	Targeted benefits	Cost benefits, time efficiency
	Personality	Quiet and careless
	User status	Potential and regular fast food consumers
Psychographic	Social class	Lower, working and middle classes
	Lifestyle	McDonald's targets resigned, feisty, and mainstream people according to the characterization of the cultural customer developed by Young & Rubicon

# Customer Segments: Banking Example

## The marginalized meitat

- Younger than the average age of 45.5 years
- They have high annual income
- They are not satisfied with the bank
- They do not visit bank branches
- You are more likely to pay someone else to manage your finances

Corresponding marketing strategy: provide consistent and clear marketing messages, such as posting rates

# Customer Segments: Banking Example

## Disconnected Skeptics

- He has an average age of 55 years
- Earn below average
- Is the least satisfied with customer services
- They are less likely to use available services such as the Internet or mobile banking
- Has a high concentration of accounts in other institutions

Corresponding marketing strategy: the door is open to attract clients from other institutions for this dissatisfied group

# Customer Segments: Banking Example

## Satisfied traditionalists

- He has an average age of 68 years
- Those less likely to use online, mobile and debit services due to age and habits
- Has a high income
- Expect a variety of product offerings

Corresponding marketing strategy: They are offered a broad product base

# Customer Segments: Banking Example

## Fighting the Technicians

- It is the youngest group with the least income
- Active in your finances
- Comfortable to make decisions
- Very receptive to other financial institutions with tempting offers
- Most likely to use online, mobile and debit platforms

Corresponding marketing strategy: They are offered a broad base of face-to-face and online products



# Customer Segments: Banking Example

## Sophisticated Opportunists

- Most satisfied with their main financial institution
- Very knowledgeable about the banking system and finance
- Use online and mobile services
- Has deposit income per household

Corresponding marketing strategy: Provide adequate and innovative tools to manage your own financing

# Exercise

A close-up photograph of a hand holding a white chess king piece, poised to move it. The king piece is white with a dark brown base. In the foreground, several dark brown chess pieces (a king, a queen, and a rook) are visible on a wooden chessboard. The background is blurred, showing a person's face and a blue shirt.

Do a customer segmentation

From the interviews select a customer segment. Identify it correctly.  
You can have more than one customer segment.

# Unique Value Proposition

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# Inability to launch new products...



Launch a product

Click to go to the video

# Inability to launch new products...

72% failure

(Simon and Kucher, 2014)

# Why do we buy a phone?



# Why do we buy a phone?



## iPhone

- Newness
- Performance
- Customization
- Getting the Job Done
- Design
- Brand / Status
- Cost reduction
- Risk reduction
- Accessibility
- Convenience / Usability
- Trust
- Price

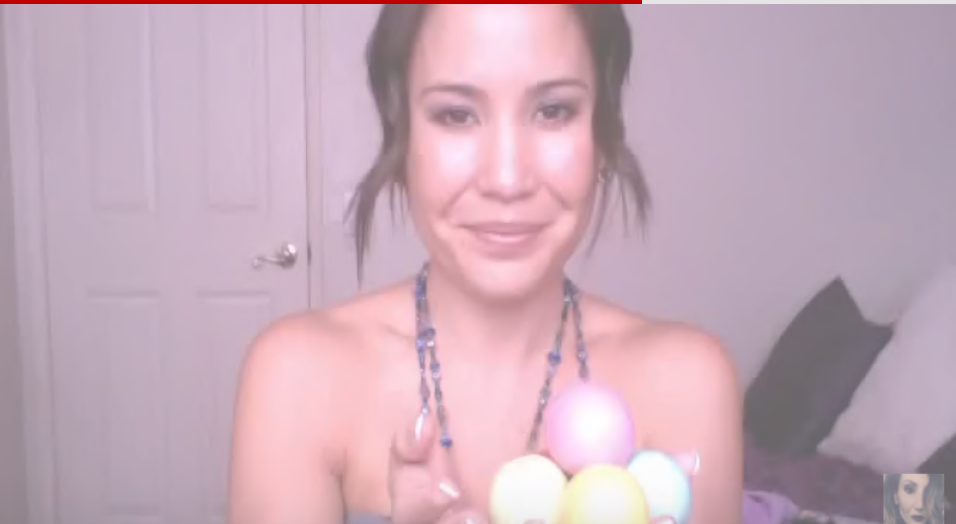


## Single Value Proposition: Example





## Single Value Proposition: Example



EOS youtuber

Click to go to the video



## Single Value Proposition: Example



**\$24.99**

Target



**\$750.00**

Barneys New York

## Single Value Proposition: Example



# How to know if a value proposition is good: Three Types of Value Propositions

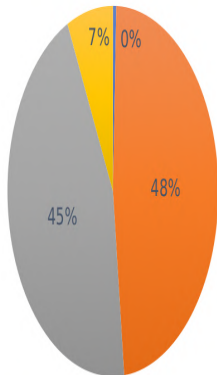
<b>Value Proposition</b>	<b>All benefits</b>	<b>Favorable Points of Differentiation</b>	<b>Resonance approach</b>
Consists of:	All the benefits that customers receive from a market offering	All points of differentiation favorable, a market offer is related to the next best alternative.	One or two points of difference (and perhaps one point of parity) improves will provide the greatest value to the customer for the foreseeable future
Answer the question from the client:	Why should we buy your offer?	Why should we buy your offer instead of the competition?	What is worth it for the feature of your product?
Requires:	To know the offer of the own market	Know the offer of the own market and the best alternative of the competition	Learn which market offer offers superior value to customers, compared to the best alternative
Means to know about:	The benefit	The value	Customer value

# Responses from potential customers & Value proposition

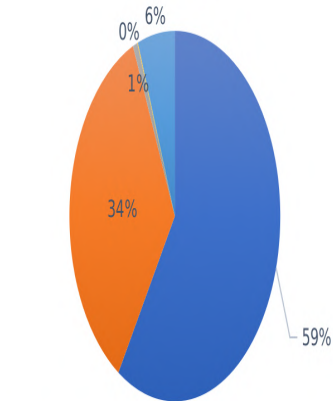
Satisfy the needs of the customer	Easy to differentiate from the competition	Able to substantiate	Conversion
No	Yes	Yes	I don't need it It's not important enough for me It's not a big/important problem
Yes	No	Yes	What is your best price? I can do without I'll buy it next time
Yes	Yes	No	I'm skeptical I can't take the risk You need more proof
Yes	Yes	Yes	Conversion

## Remember: The need lasts, the product doesn't

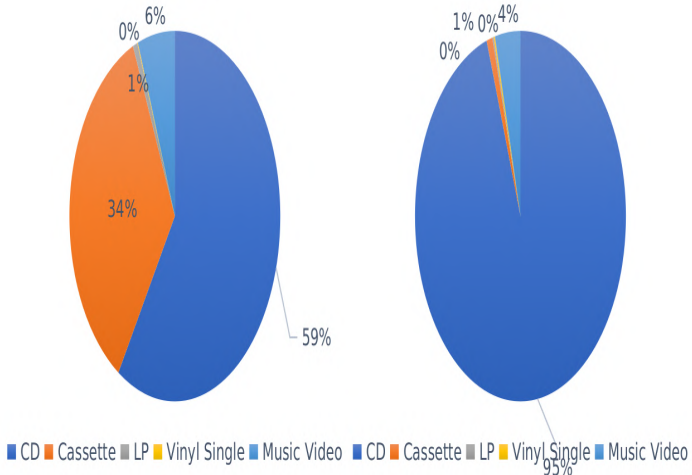
1982



1992



2002



■ CD ■ Cassette ■ LP ■ Vinyl Single

■ CD ■ Cassette ■ LP ■ Vinyl Single ■ Music Video

## Example



Clayton Christensen's Milkshake

[Click to go to the video](#)

Clayton Christensen, Harvard Business School

▶ ⏮ 🔊 0:11 / 4:55



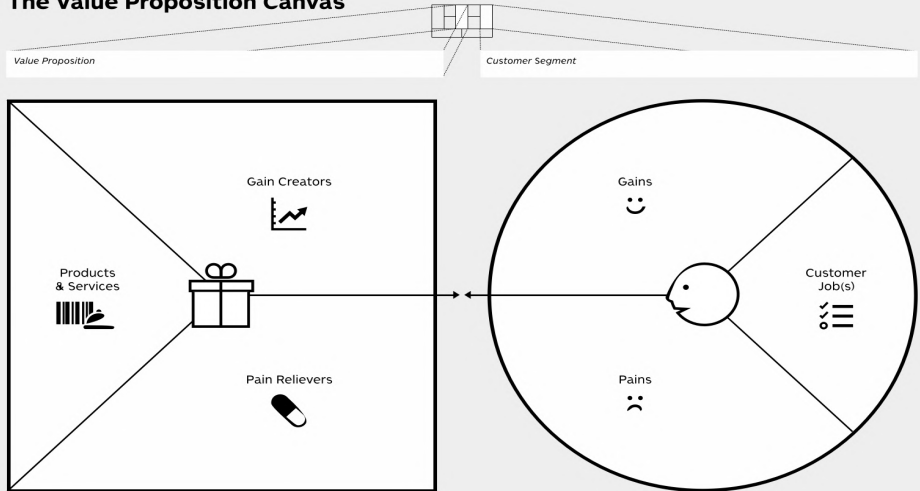
# The Canvas of the Value Proposition

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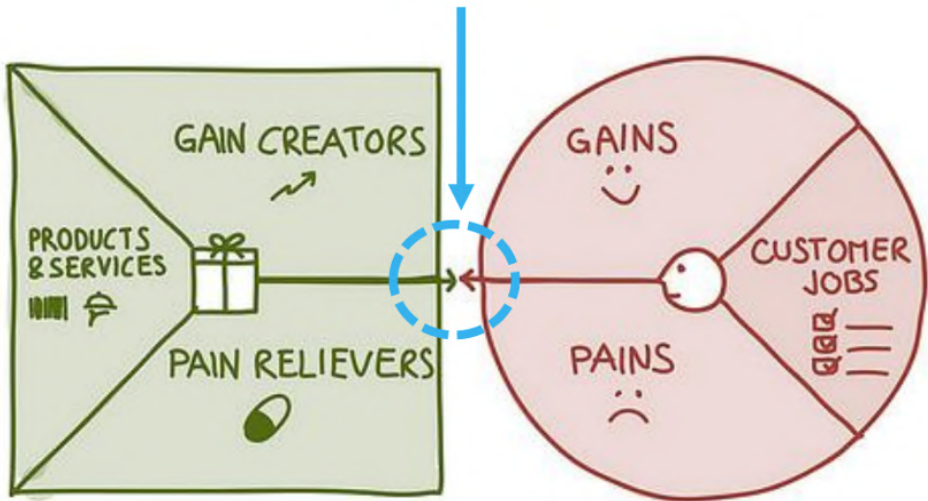
# Fit Customer Segment and Value Proposition

## The Value Proposition Canvas



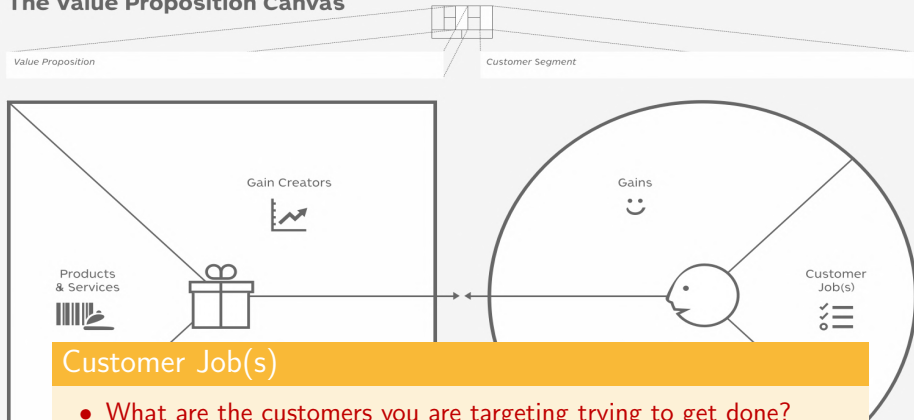
# Fit Customer Segment and Value Proposition

## Fit



# The Canvas of the Value Proposition

## The Value Proposition Canvas

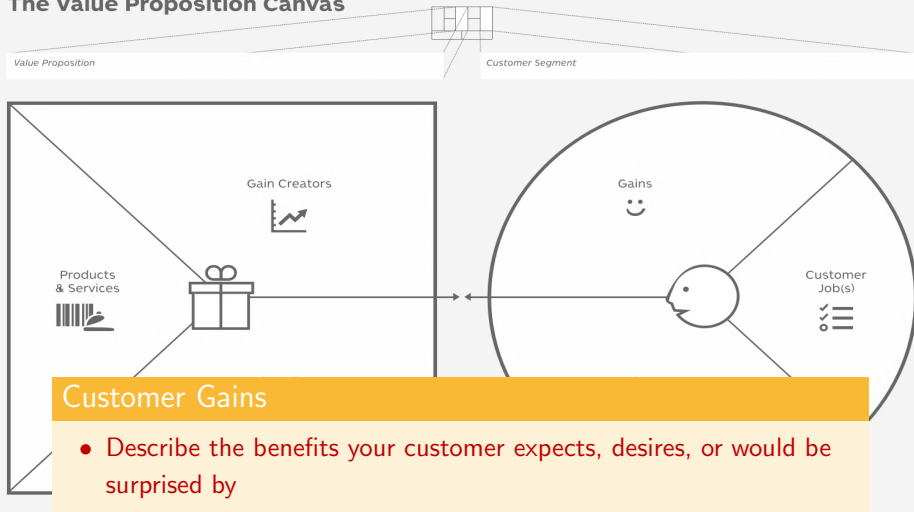


### Customer Job(s)

- What are the customers you are targeting trying to get done?
  - Tasks they are trying to perform and complete?
  - Problems they are trying to solve?
  - Needs they are trying to satisfy?

# The Canvas of the Value Proposition

## The Value Proposition Canvas



### Customer Gains

- Describe the benefits your customer expects, desires, or would be surprised by

# The Canvas of the Value Proposition

## The Value Proposition Canvas

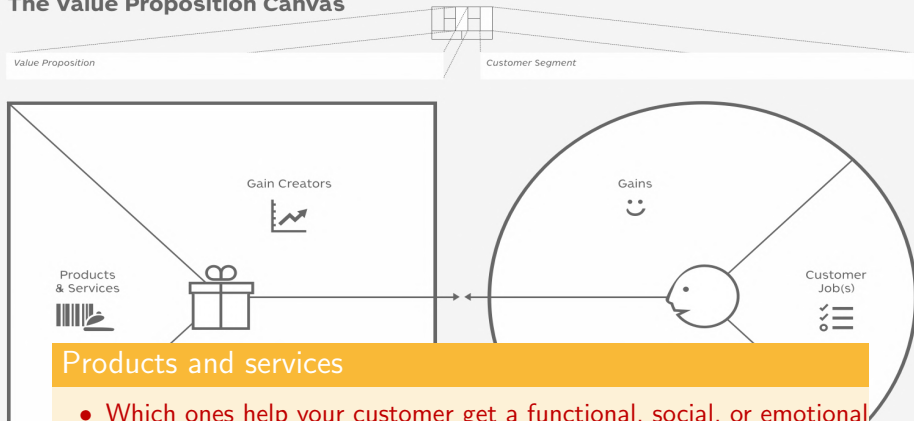


### Customer Pains

- Describe the negative emotions undesired costs and situations, risk your customer experience before during, and after getting the job done
- What would mean that once using the product or service, you would not use it again?

# The Canvas of the Value Proposition

## The Value Proposition Canvas

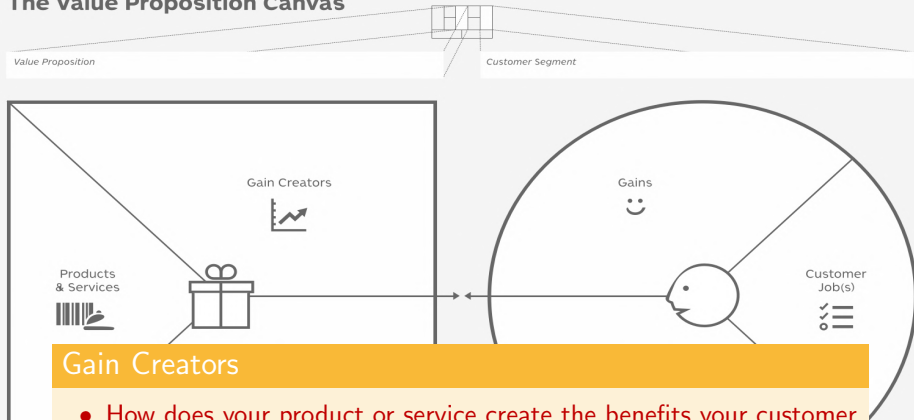


### Products and services

- Which ones help your customer get a functional, social, or emotional job done, or help him/her satisfy basic needs
  - Rank them according to the importance to your customer?
  - Are they crucial or trivial

# The Canvas of the Value Proposition

## The Value Proposition Canvas

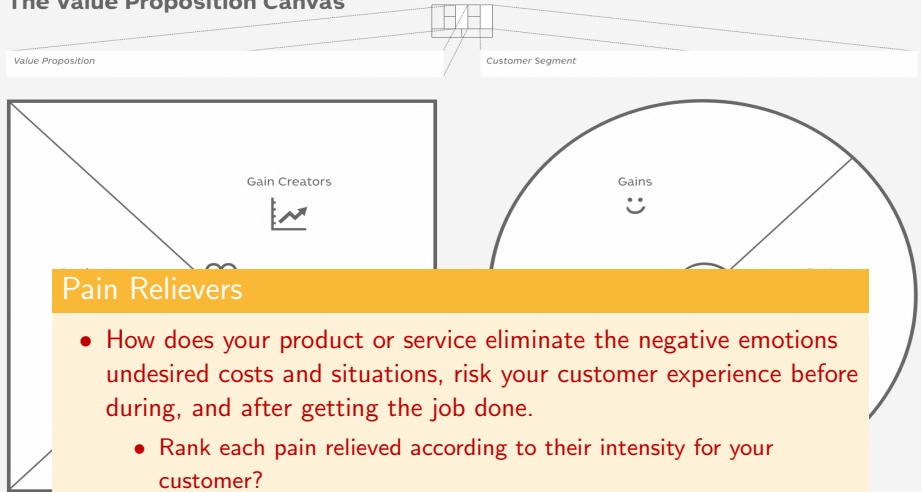


### Gain Creators

- How does your product or service create the benefits your customer expects, desires, or would be surprised by.
  - Rank by relevance – significant or not?
  - How often?

# The Canvas of the Value Proposition

## The Value Proposition Canvas



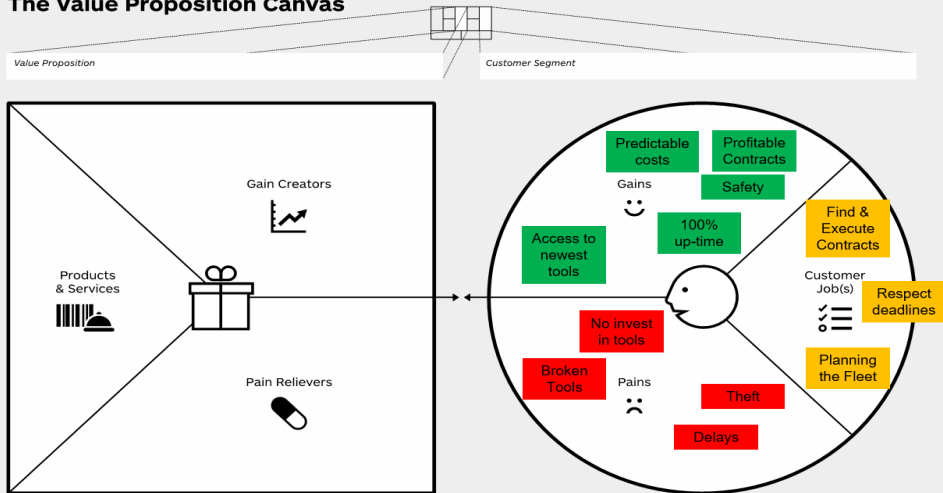
### Pain Relievers

- How does your product or service eliminate the negative emotions undesired costs and situations, risk your customer experience before during, and after getting the job done.
  - Rank each pain relieved according to their intensity for your customer?
  - Intense? Light? Often?



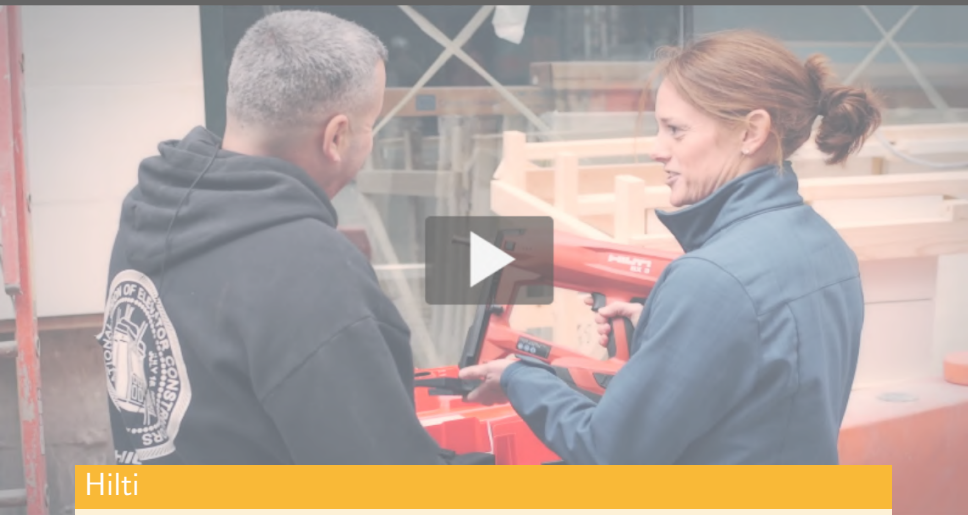
# The Canvas of the Value Proposition

## The Value Proposition Canvas



# Understand the solution

## Hilti Tool Fleet Management

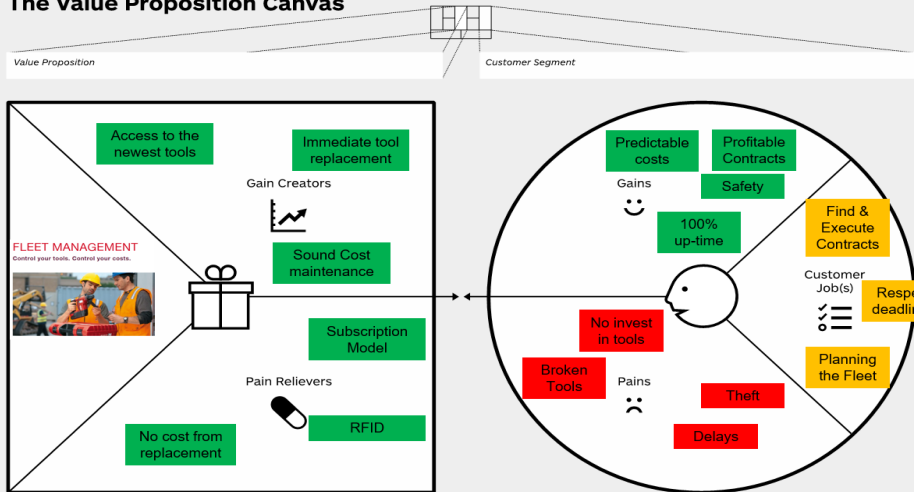


Hilti

Click to go to video

# The Canvas of the Value Proposition

## The Value Proposition Canvas



## Make a value proposition canvas

- Do one for each customer segment
- For each value proposition canvas, create a short paragraph for each target segment using the following rubric to get you started.
  - For... (target audience)
  - Who...(need or opportunity)
  - The... (product, service, solution)
  - Is a... (product category)
  - That...(compelling reason to buy)
  - Unlike... (primary competitive alternative)
  - Our product/service... (primary differentiation)

# Questions & Answers!