

Value Based Marketing

Today's global and local business climate is perhaps as unpredictable and volatile than any other time in history. The future of many small businesses is extremely uncertain and non-guaranteed by any means. This is a time where the strong survive and the weak go back to the drawing board. Make no mistake about it, unless you are in the repossession industry, you are in a dog fight to gain new business. You may even feel like you have been shoveling sand against the tide.

Although business is slow, this is a terrific time to create, develop, and/or adjust your marketing plan. Take a step back and decide how you are going to work smarter instead of harder. As you develop an updated marketing plan keep one thing in mind, your customers don't really care what you do, what you make, or what your service is. What appeals to your customer is what the value of your product or service is to them. What will he or she gain by 'investing' in your business? This is the central question you should answer throughout your marketing plan.

Putting some context around this concept, let's look at the famous coil shaped toy invented by Richard James in 1943, the Slinky. Below are two different examples of a marketing approach, each with the same desired outcome of selling a Slinky.

- A non-value based marketing strategy would be as follows:

The Slinky is a metal or plastic spring that 'walks down stairs, alone or in pairs' and is fun for 'a boy or a girl'. The cost of the Slinky is \$2. Let me demonstrate how it works.

- Now let's take a look at a value based marketing approach:

The Slinky is a fun toy that will keep the children occupied for hours and allow adults to finish work, make dinner, or just have time for themselves. Many adults even use it to relieve stress. Let me demonstrate some of the fun activities you can do with the Slinky. Let's have the children each try one and you'll see how appealing the Slinky is to them. The cost of each Slinky is \$2, a small price to pay for the hours of fun (and peace) that will be had by all.

As you can see in the value based approach, there are many different reasons to buy the Slinky and the customer would be hard pressed to find a legitimate reason to not pay \$2 for each Slinky. In this example, the approach is to focus the benefits of the purchase on the betterment of the consumer's position. The message sent is basically this:

'You can make your kids happy and get some time for yourself. You can even use the product for your own stress relief, all for \$2.'

This is the key to value based marketing. The marketing approach needs to focus the value proposition on the consumer's wants and needs. The plan should create a multitude

of benefits for the consumer to the point that the cost of buying the product or service far outweighs the cost of not making the purchase. If you can establish value marketing, you will reach the consumer on a more personal level and make a much stronger connection. Remember, it's not what you do, but what the customer gets out of what you do that matters.

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