

5 THINGS TO KNOW ABOUT



A VALUE PROPOSITION

A value proposition is an important and effective tool for the success of your business. And you don't have to be a marketer (or even think like one) to create one, because you're probably already using some form of a value proposition already.

Here are five things to know about what a value proposition is, why you need one for your business, and how to create one.



1. WHAT IS A VALUE PROPOSITION?

Perhaps the best way to answer the first question is to establish what a value proposition is not. A value proposition is not a mission statement. For example, Google's mission is "to organize the world's information and make it universally accessible and useful." Great mission statement, but definitely not a value proposition.

It is not a tagline for your business. For example: "We bring good things to life" (remember those old GE commercials?) is a tagline, definitely easy to remember, but definitely not a value proposition.

The value proposition for your business is a direct communication to your target customer. It tells them why what your business has to offer is exactly what they need or want, and why it is a better choice than what your competition is offering.

IN ITS SIMPLEST FORM, YOU ARE TELLING YOUR CUSTOMER WE HELP X DO Y BY DOING Z.

FOR EXAMPLE: *We help you find what you need on the Internet by providing you with an easy-to-use search engine that delivers the most relevant results to your search.*

SYNCHRONY'S OWN BUSINESS VALUE PROPOSITION IS ANOTHER EXAMPLE:

Synchrony Small Business Solutions can help you drive more traffic, turn browsers into buyers and grow your business. From applying to buying and more, we're here to help.

2. THE VALUE TO A SMALL BUSINESS

A value proposition is just as important for a small business as for a large one. It may even be more important. There are several reasons for this.

In all likelihood, your business has competitors. Those competitors may be other local small businesses, or large corporations, or businesses anywhere in the world offering their goods or services via the Web. Because of this, it is your value proposition that sets your business apart, makes it stand out. This is accomplished by both explicit and implicit means.

Writing out your value proposition and disseminating it through marketing efforts like direct mail, email, advertising, or even just posting it front-and-center on your website; these are explicit. You are stating what your value proposition is, and getting it out there to the world. This can be an effective way to get the attention of potential customers who might otherwise be unaware of your business.

Implicit may be even more effective in the long run. Embed your value proposition in every aspect of your business. Your value proposition should inform every interaction with a customer from the moment they walk in the door, click on your website link, or whatever that interaction entails. This means that you and your staff should not only know it, but believe in it.



This knowledge forms the basis for the core elements of a strong value proposition:

1. What your customers need or want.
2. How your business meets that need or satisfies that want.
3. How your offering differentiates your business from the competition.

3. ELEMENTS OF A STRONG VALUE PROPOSITION

Of course, your specific value proposition depends on your specific business. Think first about what problems your business solves or what it provides for people. Or, maybe your business simply provides something they want and just can't get elsewhere.

It also helps to know why your customers come to you in the first place. What are you known for? Whether it's pricing, selection, ease of doing business, quality, responsiveness, or something else, identify what makes you special.

Knowing why your customers come to you in the first place, and why they keep coming back, can help you define just what it is that sets your business apart from the competition.



4. CREATING YOUR OWN VALUE PROPOSITION

Now you can put yours together. The first rule: Don't overthink it. You know your core strengths and weaknesses, how they align with the market, and how your products or services reflect those strengths.

There are tools to help you generate a value proposition, but perhaps the best way to get started is to simply use this formula: *We help X do Y by doing Z.* Run it by other people to see if it makes sense to them. Tweak as needed. This may require making your first attempt a lot longer than that simple formula and then trying to boil it down to the essentials, but it is worth the effort.



5. GETTING THE VALUE PROPOSITION OUT THERE

As mentioned before, get it out there. Make it part of your marketing strategy, use it to inform your tagline and mission statement. Above all else, though, consider it a living document, if you will, something that will evolve as your business evolves.

Your value proposition doesn't have to, and shouldn't, remain the same forever. As you add new products or services and jettison others, expand your business, improve your internal operations, or if you move to a new location, it might change.

Even if nothing about your business changes but the world changes around you – with a pandemic, for instance – it is worth revisiting your value proposition to determine if it still makes sense. If it doesn't, change it to reflect what's new.

For more information or to connect with an expert, contact us at synchronyconnect@synchrony.com.

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