

VALUE PROPOSITION ANALYSIS



Value Proposition Analysis (VPA) is a method for determining the proper mix of product attributes and features to satisfy customer need.

VPA focuses the firm's priority on satisfying the customer. It measures two important parameters, including: (1) customer preference of various product benefits, i.e. what customers require the most, and (2) satisfaction with current products or services in their class. It is used on an on-going basis to understand product performance and the potential for quality improvements.

When applied to B2B markets, VPA explicitly recognizes the buying sophistication of managers who make purchasing decisions and have several purchase criteria of varying levels of value to them. VPA helps best-practice suppliers provide an effective value proposition by making their offering superior on the key elements that matter most to target customers.

Ultimately the payoff of VPA is to leverage product decisions to gain business from new customers or from repeat purchases of loyal customers.

Purpose: VPA provides five major elements of intelligence:

- Identification of key attributes and features required for effective products and services
- Measurement of customer satisfaction with current offers
- Insight into favorable points of difference, i.e. where to improve quality
- Quantification of value of quality improvements
- The basis for making product and service improvement with the highest pay off

Use:

- Build differentiating advantage into products and services
- Deliver the right offer to the right customer
- Focus attention on on-going product and service improvements
- Set the foundations for product innovation
- Pricing

Contact us to view an actual case example

