

VALUE PROPOSITION



1. What is a Value Proposition?

Definition:

A Value Proposition explains **why customers should choose your product or service** instead of competitors.

It describes the **value, benefits, and solutions** offered to a specific customer segment.

👉 In simple words:

What problem do you solve, and why are you the best solution?

2. Why is the Value Proposition Important?

- It connects the **customer's problem** with your **solution**
- It differentiates the business from competitors
- It justifies the **price**
- Investors focus strongly on this section

📌 A weak value proposition means a weak business idea.

3. Key Questions to Define the Value Proposition

Students should answer:

- What problem does the customer face?
- What solution do we offer?
- What benefits does the customer get?

- *What makes our solution unique?*
 - *Why should customers trust us?*
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4. Elements of a Strong Value Proposition

1. Customer Problem (Pain)

- *What frustrates or challenges the customer?*

Example:

Customers lack access to affordable and reliable eco-friendly products.

2. Solution (Product or Service)

- *How does the product solve the problem?*

Example:

The company offers biodegradable packaging made from natural materials.

3. Benefits (Gains)

- *What advantages does the customer obtain?*

Example:

Cost reduction, environmental impact, and improved brand image.

4. Differentiation (Unique Value)

- *What makes the solution different or better?*

Example:

Unlike competitors, the company provides customized packaging with fast delivery.

5. Types of Value Propositions

- ***Cost-based:*** lower price

- **Quality-based:** *higher quality or performance*
 - **Innovation-based:** *new or unique solution*
 - **Convenience-based:** *time-saving, easy to use*
 - **Sustainability-based:** *eco-friendly, ethical*
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6. Writing the Value Proposition in a Business Plan

Writing Guidelines

- *Be clear and concise*
- *Focus on the customer, not the company*
- *Avoid technical language*
- *Use persuasive but realistic tone*

Useful Expressions

- *The value proposition of this project is...*
 - *The company creates value by...*
 - *This solution enables customers to...*
 - *The product offers significant benefits such as...*
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7. Example of a Value Proposition Section

Value Proposition

The value proposition of this project lies in providing high-quality, eco-friendly packaging solutions at affordable prices. The product helps small businesses reduce their environmental impact while maintaining professional packaging standards.

The company differentiates itself through customized designs, reliable supply, and fast delivery, offering customers both functional and environmental value.

8. Common Mistakes to Avoid

- ✗ *Describing product features only*
- ✗ *Ignoring customer needs*
- ✗ *Using vague words like “best” or “unique” without explanation*
- ✗ *Copying slogans instead of explaining value*