



How To Structure Your “Value Proposition For Retail Customers”

BY

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*At its heart our presentation to the retailer must contain a clear value proposition which explains to the retailer **why they should support the activity***

A WELL-STRUCTURED RETAIL SALES PRESENTATION
CAN DRAMATICALLY INCREASE THE CHANCES OF
GETTING AGREEMENT FROM A RETAILER, AND CAN
REDUCE THE COSTS OF ACTIVITY (IN THE FORM OF
FEES FROM THE RETAILER)

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Most Companies Don't Put Enough Focus On The Value Proposition For Retail Customers

Most customer presentations have details of the proposal, be it a new product or a promotion, or a change in merchandising.

Most detail the marketing activity that will support the activity (for example the TV advertising).

Most include logistical details the retailer needs to implement.

Some (but by no means all!) articulate the benefits that the retailer may enjoy as a result of the activity (for example, increased category sales).

But very few have a clear, structure to explain how and why the activity will work and connecting that to the customer's business.



*A really strong value
proposition for a retail
customer has*
***three core
elements***

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Part One

The Consumer Proposition

The retailer needs to believe that consumers do really need/want/desire the product, and will consume it differently. If you have a new product, the retailer will need convincing that the new product meets the needs of consumers. If you're running a promotion, the retailer wants to know that consumption will change as a result.

The consumer proposition explains **who the target consumer is, what they do right now, and what they will do as a result of this activity. Will they switch to a different brand? Start using the category, or use the category more frequently?**

Part Two

The Shopper Proposition

Retailers are less interested in consumers, and much more interested in shoppers. And not just any shoppers, either. ***The retailer is interested in the shoppers that shop in her stores.***

The shopper proposition ***demonstrates that shoppers in this retailer's stores will change their shopping behavior*** as a result of this activity. The retailer wants to have more traffic, or bigger transactions: so we need to demonstrate that shoppers will shop differently and in a way that will drive sales of profit for the retailer's business.

If shoppers don't change behavior, then there is no benefit for the retailer.

Part Three

The Customer Proposition

The customer proposition explains **how the changes in shopping behavior described in the shopper proposition translate into an improved financial performance for the retailer.**

The strongest customer propositions will articulate clear financial benefits to the retailer.

Will category sales increase? Will the category profit mix improve? Will there be an improvement in stock turns, so driving a better return on inventory investment?



- ✓ **Check that every presentation includes each of these three elements**
- ✓ **The only data that is required (more or less) is the data which supports this argument.**
- ✓ **The creation of the value proposition for the retail customer should happen as the marketing plan is being created, not as an afterthought just before the launch!**

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If you believe your team needs help developing customer presentations, or being trained in how to do this really well, check out our Powerful Value Propositions training now. We're here to help.

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