

# Relevance of Value Proposition in Building Brand Image

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## ABSTRACT

In this article, we fill a gap in the value proposition literature by identifying features that make the value propositions of companies different from other resources, along with factors that make them valuable. Value proposition helps customers focus on their core needs, the needs could be from functional, emotional or psychological domain. This focus brings commitment along with customers it also connects its other stakeholders in the company like suppliers and financiers to stay with the company. Value proposition gives and creates a reason to stay with the company for all stakeholders just like a kind of direction leads to developing loyalty in the customers. Loyalty is hardest to achieve for any company. Companies can create demand but loyalty is something that comes with integration of all functions and strategy formulated by the company. Loyalty is key to success for organizations it develops character in the customers to overcome new attractive schemes from competitors along with some added benefits as well and this leads to repetition in the buying habits of the customers.

**Keywords-** Value Proposition, Brand Image, Value, Perception.

## I. INTRODUCTION

This paper focuses on the usefulness and advantages of this abstract concept of Value Proposition and how this formless and shapeless attribute which comes with official communication from company side strongly leads in the formation of the brand image of a company. Value proposition directs customers to think and focus on the key benefits of the brand and evaluate the brand on its key feature and ignore other attributes which helps in killing the competition from the market. Which finally helps in realizing the actual benefit as no benefit actually satisfies a customer until it connects with the mind of the customer in achieving acceptance and connecting emotionally with customers and psychologically and both are

matter of abstract feature of human mind? It is designed to capture the distinct identity of the brand by communicating with customers the expected benefits they can achieve and realize by owning or using the product/ service. Brand image is also a framework developed in the minds of customers through integration of multiple aspects it's about how customers think or perceive about the brand there is relationship between company/ brand and its customers is also built on the foundation of transaction. Transaction of delivery of promise by brand and customer's expectations. Company/brand must create value in its customer's life to stay relevant as customers add value in company's portfolio when they pay to become its customer. It has to be reciprocal.

## II. MEANING OF VALUE PROPOSITION

It is an official statement of a company that makes promise to deliver value or bundle of value to its customers. What customer would derive out of product or service when customers buy its product/service or we can say what value a brand/product /company will offer to its customers in exchange of their money or transaction

## III. NEED FOR VALUE PROPOSITION AND HOW IT ADDS STRENGTH

Companies/Brand can't satisfy the need of every customer, this brings the need to identify people through segmentation process and select their target market. Then companies choose value drivers of their target market that prompt or attract them to go for the product/service.

## IV. CRITERIA TO SELECT VALUE PROPOSITION

A Brand/company offers many features/attributes which create values but before opting for value proposition statement, need to consider the proportion of below elements well which feature or attribute will influence the customers most and most likely to add value in their targeted segment. Convert benefits of feature into value it will bring in life

- Customer base(Size of the target segment)  
If a feature or attribute is considered highly valued but customer base is too little to do business to bring targeted revenue then must consider the second most valued element with owns sizable market to generate revenue.
- Opt for balance ratio in Influence intensity and Market size, this combination helps brands achieve optimality.
- Social System- Cultural factors, beliefs and perception design of targeted geographic location must be taken into consideration to optimise and

create acceptance and relevancy with people's need.

## V. BASICS AND SIGNIFICANCE OF VALUE IN CUSTOMER'S LIFE

Value is a state of mind. When customers are in particular state of mind, they buy product that satisfy that state. Company targets that state of mind. People with same state of mind will value the product/service most probably in same manner or perhaps with certain difference in intensity. "If a customer is in a state of mind of adventure then events related to it would add value else it's of no value for you at least for that moment. While working on value proposition, companies need to integrate all the functions and divisions of organization to strengthen their focus to conclude on which dimension of its customer's life it want to bring solution and create value for each feature has its own benefits and how that benefit adds up advantage in customer's life; need to mention in Value Proposition.

A value could be created in following ways for their customers-

- Accessibility
- Affordability
- Distribution system
- Process (Bringing Transparency
- Social Status
- Enhancing Productivity
- Reducing fear, anxiety
- Trust

## VI. TOOLS FOR VALUE PROPOSITION



## VII. HOW TO DEFINE VALUE PROPOSITION

It must be designed in a way that it helps companies/brand extract benefit out of market and gives advantage in the market in term of identification and selection on the attributes of values what are the measures a company needs to consider while defining Value Proposition statement.

1. Understand the Mission of a company, meticulously analyze the things you want to create for the market and how it will add value in the lives of people
2. Who are your target market and what they value most and which value trigger them to buy the product, need to be analyzed well. Consider the factors that add value.
3. Competitor analysis and evaluation helps in bringing awareness about how you are different from your competitors or which different attributes and benefit you can focus to design. How you differentiate yourself from your competitors and create your own space in the market. It could be in terms of again functional, emotional
4. Core competency could be one of the things that a company could add in value proposition statement as it talks about the strength of the company. That brings confidence in the minds of customers.
5. Cultural demographics are vital in creating value proposition as priorities and way of life

and priorities changes culture to culture and it defines the value a person derives out of product. Tendency to value any attributes gets influenced with culture of a region Like India is a country where respect for elders matters more than equality with elders. The same is explicit in our language. It brings more value if offered with explicit respect than with equality.

## VIII. USEFULNESS OF VALUE PROPOSITION IN BUILDING BRAND IMAGE

- It helps new companies gain acceptance and play very specific role in building brand image in the market by having clear promise of value delivery.
- Value Proposition helps in building and integrating the resources in the value chain and meeting the criteria to build desired value proposition.
- Brings congruence between the stakeholders by clarifying and communicating the expectation it wants to build in the market by the customers
- Helps in investment from the external sources.
- Helping in retention of the customers by letting them focus on the core need
- Leading to ignoring new competition and new features by the other brands or companies.
- Psychological. differentiation could give you identical place in the market
- Align company's strategical decisions on new developments in terms of product portfolios with existing strategy.
- Provides direction in marketing and advertising decision as it must communicate the promise company wants to deliver in the market for its target segment and this integrated communication helps in building brand image. Integration of all mentioned points leads to building image of the company as the way company delivers it promise to its customers and the how much congruence and integration

is among the stakeholders helps brands to maintain its promise to its market segment this leads to building perception about the company contributing in forming brand image.

## IX. CONCLUSION

The delivery and improvement of value propositions to external stakeholders is what determines whether a new Company operates as a functional/actual business, or rather exists as an opportunity still merely wanting to become a business. It creates platform for with clarity and strength to approach market quiet before the product reaches into the market with emotional and psychological and an image of functional value.

## X. REFERENCES

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