



Value Propositions—Moving From ROI to VOI

What's a Value Proposition?

As a marketing definition, a value proposition is your promise to deliver the expected experience of your products and services; a description of what, how and why a product or service is important to a customer; and answers to why a customer should buy your product or service.

In our world, value propositions are what is given to members when they join and how they benefit year after year. Developing strong value propositions are not difficult if you understand what's important to members and prospective ones.

The Value is the Benefit, Not the Feature

Is the membership directory the value proposition? Are networking events the benefits? What about discounts offered through affinity programs? The answer to all three of these is NO. They are features of what we offer, but they are not the benefits or value delivered.

What's the difference? A feature is simply a characteristic of a product or service. For example, when a commercial touts that a vehicle gets **40 miles to a gallon**, it is only promoting one of its features. A benefit explains what customer gain by using the product or service. In this example, benefits would be ***you save money on gas or you only have to stop and fill up twice a month, saving you time.***

Oftentimes, we promote membership by stating features. Anyone can make a list of features. But it takes more work to convert features into benefits that members or prospects value.

Move Away from ROI to VOI

Your members may question the value of membership by asking, "What's my ROI (Return on Investment)?" Equating every dollar invested to an equivalent dollar in return is a losing battle for expressing value propositions, since benefits received aren't always monetarily quantifiable. The term ROI is the measure of the value of "hard" or tangible benefits whereas the newer term, VOI (Value on Investment), is the measure of the value of "soft" or intangible benefits members experienced.

An important emerging trend for chambers to embrace is to express value propositions in terms of **VOI** and to communicate benefits that go beyond a monetary exchange. ROI in the membership realm is not as significant as the intangible benefits delivered through VOI. Consider promoting the value of membership by using the acronym VOI and substituting any of these “I” words for “investment:”

- Information
- Influence
- Initiative
- Impact
- Interaction
- Intelligence
- Insights
- Instruction
- Integration

What is the value of the information provided by the Chamber? How do members benefit from our initiatives or our influence over outcomes made by policy decision makers?

Value Propositions Answer the “So What?” Question

In the book, “So What?” the author Mark Magnacca makes it clear that if our message don’t tell customers what’s in it for them, they don’t buy. If our value proposition promotes, “Monthly Business-After-Hours networking,” does it answer the “So What?” factor for members. No, because it doesn’t promote the benefits or value of the event. Value is always determined by the customer, so our value propositions need to tout benefits our members really appreciate.

There are two types of value propositions and we need to use both. General Value Propositions (GVP) state benefits experienced and valued by all members. Unique Value Propositions (UVP) promote specific benefits experienced and valued by a segment of membership (e.g., solopreneurs, retailers).

Develop several value propositions to appeal across all segments and for selective audiences. Here are some examples of both types:

GVP: *Our Legislative Meet-Up allows members to meet face-to-face with their representatives, and share their perspectives and how issues directly impact their businesses.*

Each member receives a ribbon cutting which generates publicity, photo opportunities and traffic to your location free of charge.

UVP: *Small business owners qualify for group health insurance at the same rate as larger businesses. They can attract and retain highly skilled workers and provide benefits at affordable rates.*

We offer over 100 networking events a year, so you can market your business to over 10,000 prospects cost effectively and be in front of your target audience consistently.

Let Members Communicate the VOI

If you want to make sure your value propositions are communicating benefits effectively, ask your members to toot the VOI horn and listen carefully to how they say it. Here are some questions you might ask:

- Which sources of information provided by the Chamber do you access on a regular basis and how does it benefit you or your business?
- Describe one Chamber initiative that shared your perspective and how it positively impacted your business.
- What do you like best about interacting with other Chamber members?
- How has the Chamber helped you to develop new or stronger relationships with others in the community?
- Describe something new you learned as a result of a Chamber program or benefit.
- How have you integrated best practices or ideas gained from being a member into your business or personal life?

Capture VOI statements through open-ended survey questions, blogs, and everyday interactions with members. Use members' language to craft the value propositions—they say it best and in ways that will resonate with others. Share them on your web site, marketing collateral, and with prospective members.

Value propositions are keys to your success in recruiting new members and communicating the value delivered through what you offer. The best ones communicate what matters most to members.

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