

TU-A1300 INDUSTRIAL ENGINEERING AND MANAGEMENT

Value-Based Marketing and Sales

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EXAMPLES OF VALUE COMMUNICATION

CASE KONE
CTU SOLUTIONS

RESEARCH AND INNOVATE

“Getting workers and goods safely to the right place at the right time”

LESS WAITING

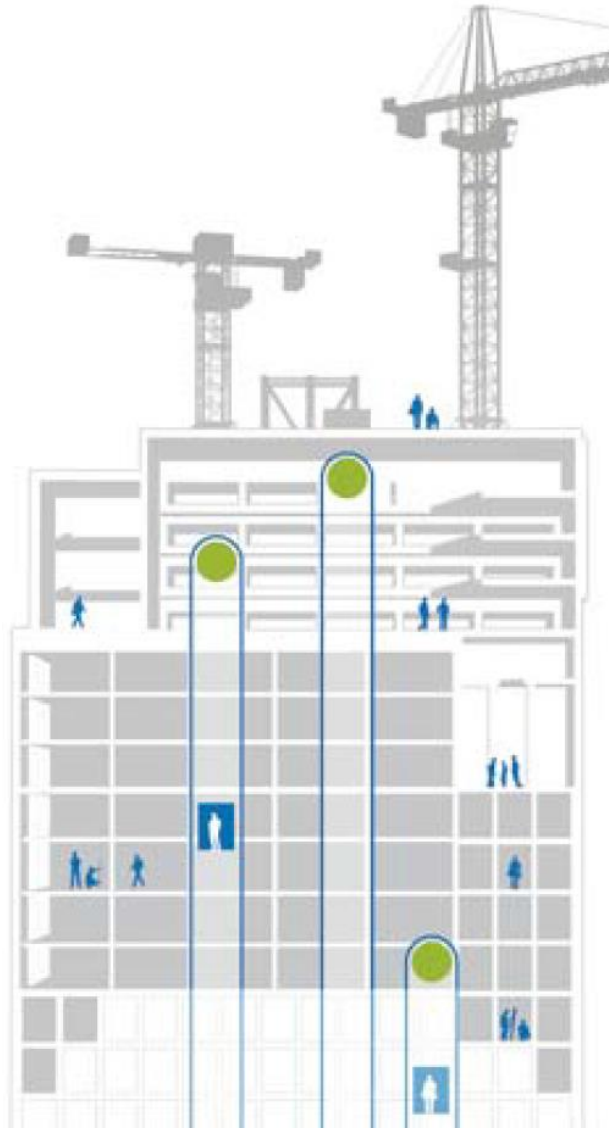
Faster transportation than with exterior hoists

CUT ENERGY COSTS

Better energy efficiency than with exterior hoists

REDUCE DOWNTIME

Maximise availability



LESS CONSTRAINTS

Façade of the building can be closed sooner for weather protection and concurrent construction work

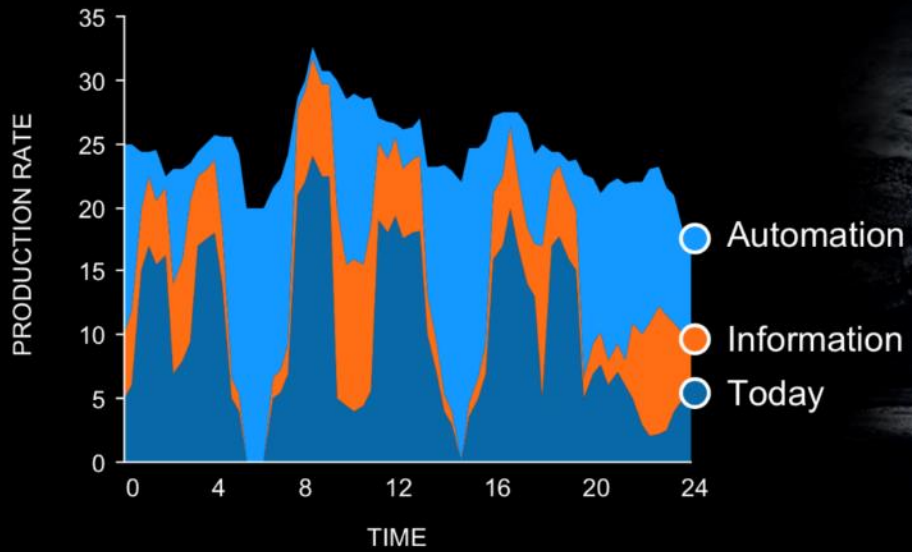
RESULT:

SHORTER CONSTRUCTION TIME

THE IMPACT OF DIGITALIZATION AND AUTOMATION ON PRODUCTIVITY

CASE SANDVIK

MORE, LOWER-COST & SAFER TONNES WITH INFORMATION AND AUTOMATION



Sandvik DD422iE





NIKE

Marathon runner Eliud Kipchoge was wearing a custom-made shoes when running a marathon under two hours in Vienna. Nike says that the shoes ***reduce the energy needed to run at given speed by 4%*** and helps ***reducing muscle fatigue.***



CASE Siemens

Re-energise your kitchen with Kitchen Stories.

Introducing the new culinary partner of Siemens Home Appliances, Kitchen Stories. Experience Kitchen Stories recipes created with your Siemens home appliances.

Creativity meets technology with Kitchen Stories and Siemens.

Founded by hobby chef Mengting Gao and cooking novice Verena Hubertz, Kitchen Stories inspires food lovers all over the world to cook and connect – via app or website. The Kitchen Stories platform is not only about great recipes but also offers practical kitchen tips and informative food articles. Combined with Siemens' innovative home appliance features including varioSpeed and coolStart, Kitchen Stories will boost your passion for

DISCUSSION

Based on these examples, let's discuss two questions:

- *These value communication examples are **value propositions**. How would you **define** the value proposition?*
- *What are the **building blocks** of a value proposition?*

Discuss these questions **with the person next to you** for 5 minutes, and prepare to share your thoughts with the rest of the group.

VALUE PROPOSITION BUILDING BLOCKS



2. Each element in the “bundle of benefits” is translated (if possible) into an impact on customer’s goal(s).

1. At the heart of the value proposition is the “bundle of benefits”. The bundle of benefits explicate what are the changes in customer’s situation.

3. Value proposition describes the solution that implements the “bundle of benefits”.

HOW DO CUSTOMERS IMPROVE
(THEIR BUSINESS PERFORMANCE)?

WHAT IS VALUE?

"VALUE IS WHAT YOU GET
FOR WHAT YOU GIVE"

Zeithaml, 1988

The established definition of **customer value** is the difference between **benefits** received ("gets") and **sacrifices** ("gives") made.

Value is a **multi-dimensional** collection of benefits and sacrifices, which is entirely **subjectively** evaluated, **contextual**, and **changing** over time.

In your opinion, how well does a decision-maker **recognize** all the relevant benefits and sacrifices, their **importance** and **magnitude**? How would you relate your observation to the value communication examples?

ALL HUMAN ACTIVITY
IS DRIVEN BY

GOALS

"NO GOAL, NO ACTION"

EVALUATION OF GOALS
LEADS TO

NEEDS,

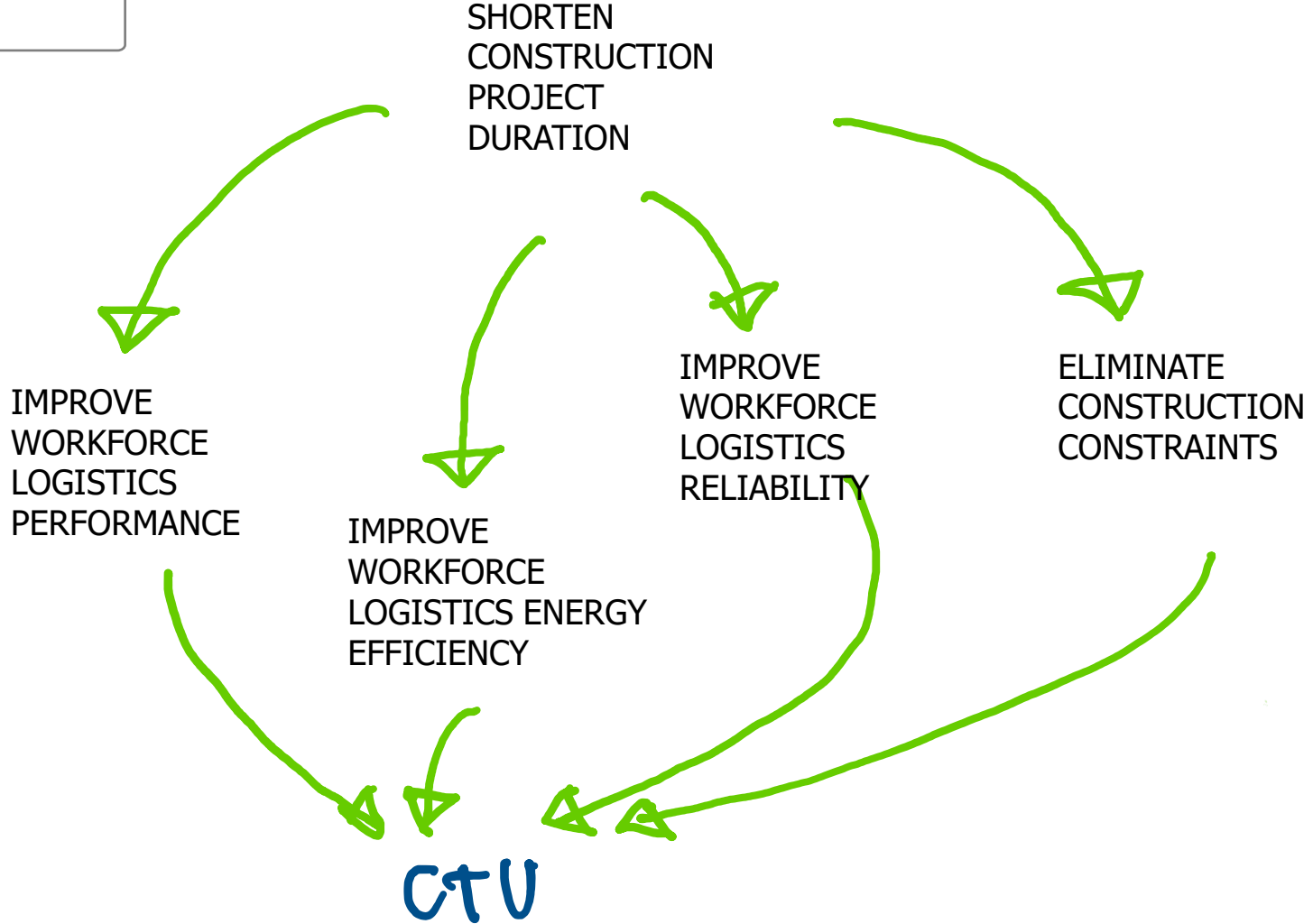
WHICH ARE INDIVIDUALLY
DETERMINED BY HISTORY,
PERSONALITY, KNOWLEDGE, ...

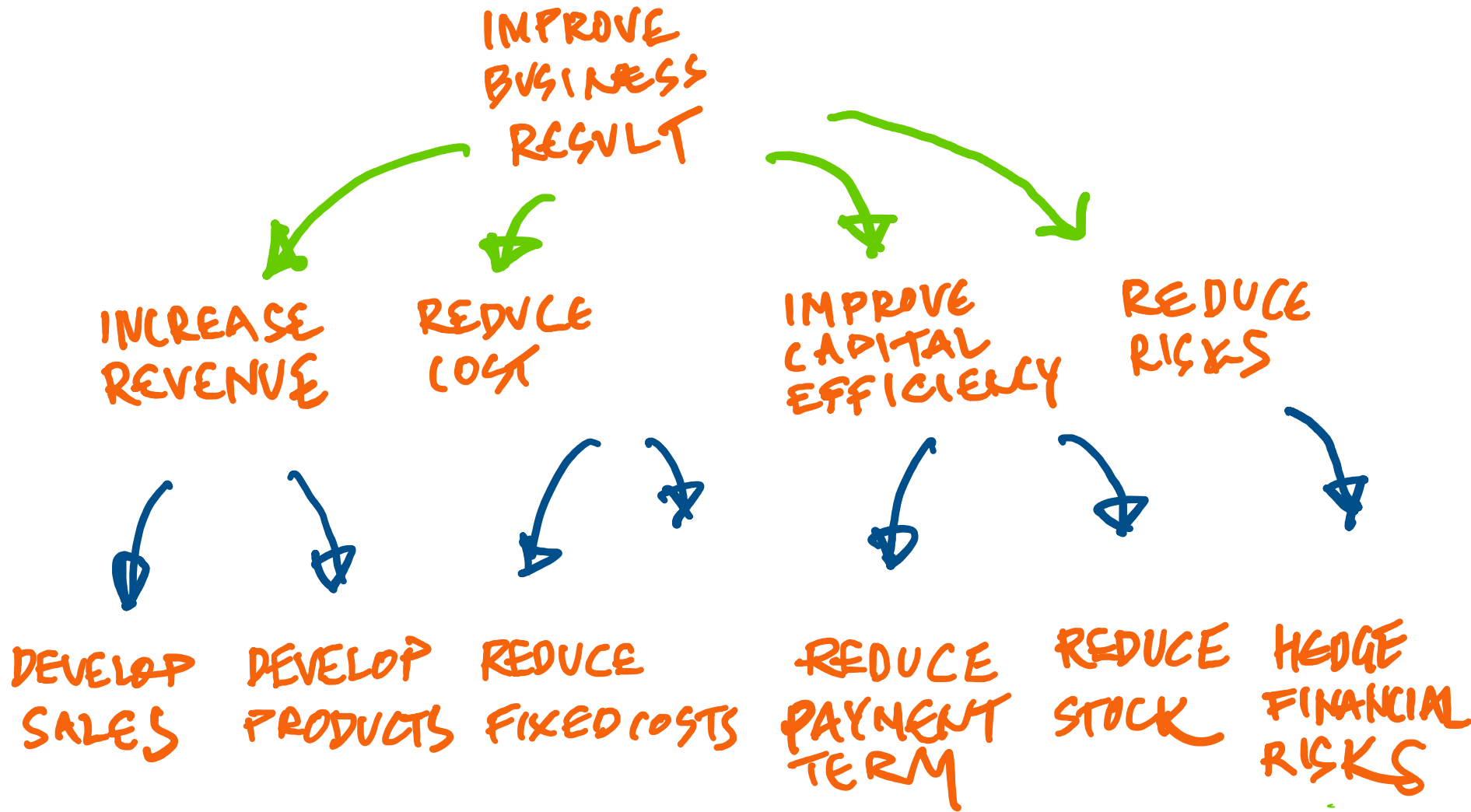
NEEDS ARE REALIZED BY A

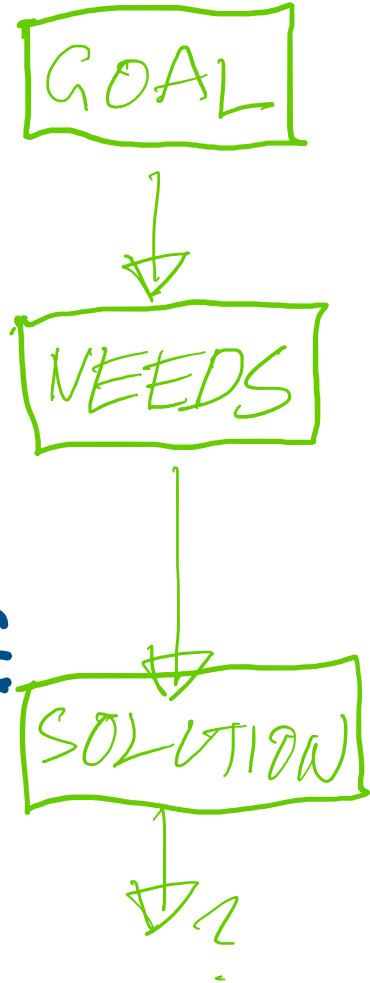
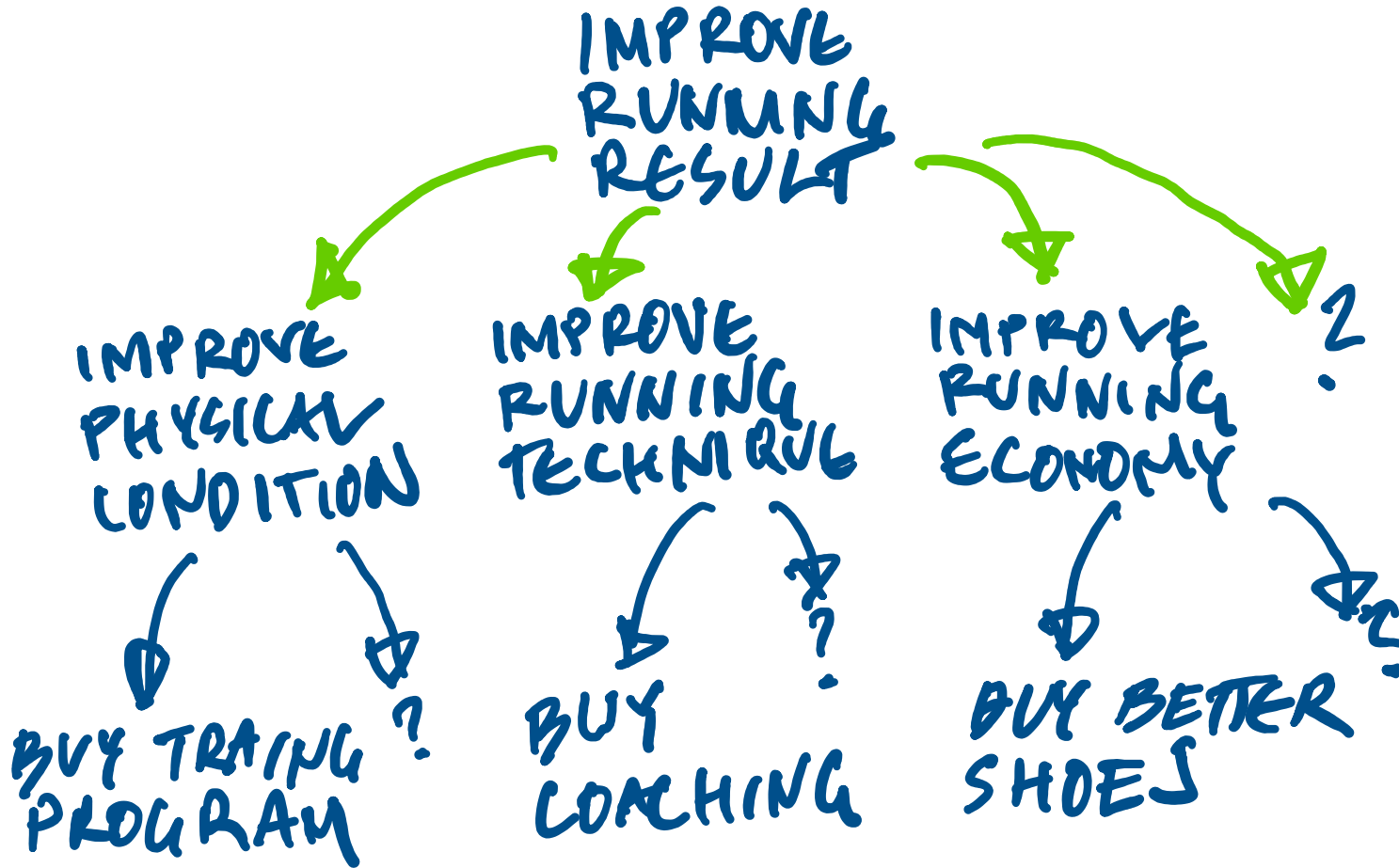
SOLUTION,

WHICH IS JOINTLY IMPLEMENTED
BY US AND THE CUSTOMER

CASE KONE
CTU SOLUTIONS



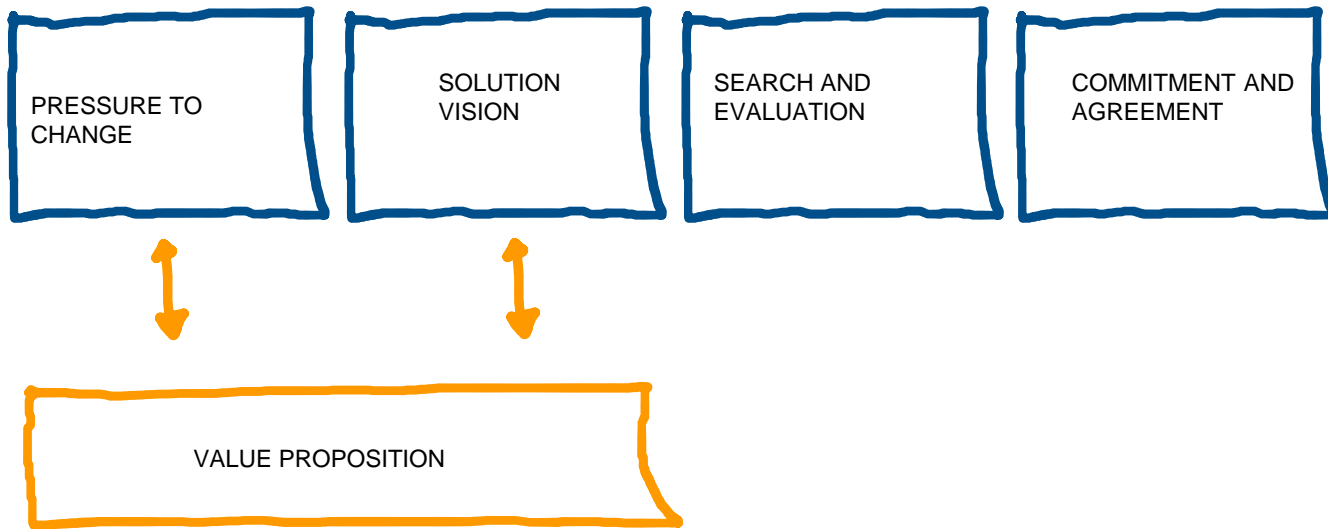




Setting **GOAL**, identifying **NEEDS** and defining **SOLUTION** are the first stages of

BUYING

BUYING PROCESS



HOW ARE BUYING, SELLING AND MARKETING CONNECTED?

SUPPLIER

VALUE



BUNDLE OF BENEFITS



SOLUTION OFFERING



CUSTOMER

GOAL

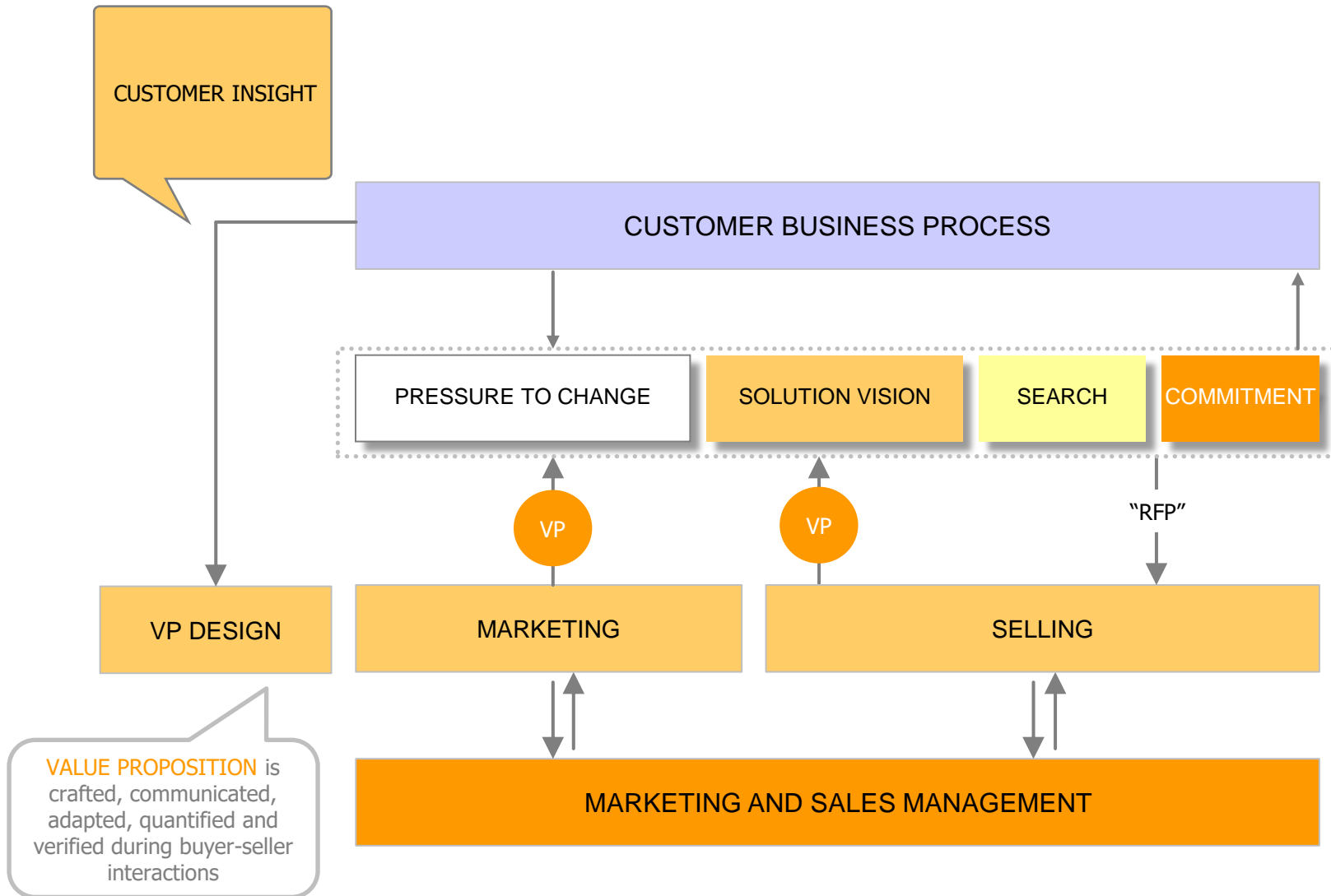


NEEDS



SOLUTION VISION

INFLUENCING BY MARKETING AND SALES



SUMMARY

BUYERS

- Goals drive action and change. No goal, no change
- Goals lead to needs lead to vision of solution
- To get a solution involves buying (of products and services)

SUPPLIERS

- Suppliers explore their customer business process for improvement opportunities, and
- Formulate value propositions to communicate (economic) business impact through improvements in customer's situation
- Value propositions are communicated through marketing and selling