

# PROCESS

## HOW TO SIMPLIFY THE VALUE PROPOSITION WITH AN ATTRIBUTE MAP

**Be honest: How do customers really perceive the value of your product?**

What the attribute map does is give you a tool to describe your offering in terms of what it does to please, or displease, key customer segments.

**Along the the rows** of the attribute map are the reactions of a target-customer segment to the features in the product or service. The top row refers to features and attributes that customers regard positively; these attributes might prompt them to purchase and stay loyal to a product or service. The features in the second row are the negatives; these are things that the customers dislike and would prefer to do without. In the third row are attributes about which the customer is neutral. They don't care, or don't know, about that feature.

**The labels of the columns** try to capture how a product or service stacks up, relative to other ways customers might seek to meet their needs met. If customers judge that a feature is basic, it means that they take it for granted that all competitive products also have that feature. The middle column lists discriminating features—those attributes that cause customers to judge one offering to be superior or inferior to another. The third column shows energizing features. These are attributes that, as far

The Attribute Map

	<i>Basic</i>	<i>Discriminators</i>	<i>Energizers</i>
<b>Positive</b>	<b>Nonnegotiables</b>	<b>Differentiators</b>	<b>Exciters</b>
<b>Negative</b>	<b>Tolerables</b>	<b>Dissatisfiers</b>	<b>Enragers Terrifiers Disgusters</b>
<b>Neutral</b>	<b>So-whats</b>	<b>Parallel differentiator</b>	<b>No such beast</b>

as customers are concerned, dominate the decision to buy and use the product or contract for the service. They typically evoke a powerful emotional response that can overwhelm everything else a marketer does.

### TO CAPTURE VALUE, ASK:

Are you providing an important service or benefit to the customer but are not getting paid for it? Would the customer NOT buy if you started to charge?

Can you generate revenue differently – perhaps by menu pricing?

Can you create an annuity stream – in other words is there a way of charging a per usage fee or per monthly fee?

alternative. Extended Stay America is the fastest-growing owned-and-operated hotel company in U.S. history, and for three years in a row it was named one of *Fortune* magazine's 100 fastest-growing firms.

It also has shown competitors the way. According to the American Hotel & Motel Association, some 17 new extended-stay brands have entered the market in the last five years alone, suggesting that Extended Stay America will be under pressure and that later entrants are likely to face a much more challenging competitive market. Even more intriguing, however, will be to watch the impact on conventional hotels as the stripped-down versions eat away at their markets.

### CAPTURE VALUE YOU DELIVER

We often hear this complaint at seminars: "My business is a commodity! It costs me more and more to stay in business, but the pressures on prices and margins aren't giving me the payback I need. What should I do?" When we get to the bottom of what is going on, often the issue is that the company is giving away attributes that customers value, hoping to extract higher prices for traditional services. The complaint points to a

MarketBuster prospecting opportunity that can help marketers extract a price for providing attributes that they might have given away for free.

A classic example in the business-services sector of successfully deploying this strategy was carried out years ago by a business-unit manager who was put in charge of Standard & Poors' rating service (S&P). He realized that the free bond ratings S&P was publishing were of enormous value to the firms that were being rated. Because of the S&P ranking, these firms found it easier to raise capital and gain legitimacy, in some cases giving them huge advantages relative to unrated firms. He decided that henceforth any firm that was rated by S&P should pay an annual fee for the service.

Naturally, some firms that had been receiving the free rating service initially were outraged. The business-unit manager, however, took the position that if the distraught customers didn't find value in the ratings, they were free not to pay the fee—and to forgo being rated. The disadvantages of not being rated far overwhelmed the fee being charged. To this day, this simple decision has created a huge profit stream for the company (and other rating organizations like them) from a service that was treated as a giveaway for years.