The Essential Role of the Value Proposition In Economic Development
Flint McGlaughlin is the CEO and Managing Director of MECLABS Institute. The organization has partnered with key market leaders including *The New York Times*, Microsoft Corporation and Reuters Group.

McGlaughlin also serves as the Director of Enterprise Research at the Transforming Business Institute, University of Cambridge (UK), as the Chairman of the Board of Governors for St. Stephen’s University, and as a Trustee for Westminster Theological Centre. McGlaughlin originally studied philosophy and theology at the University of London’s Specialist Jesuit College.

Today, his primary research is focused on enterprise as transformative agent. His work has won multiple awards and has been quoted in more than 13,000 online and offline sources.
Which of these has the most appeal?
Which of these has the most appeal?
Which of these has the most appeal?
Which of these has the most appeal?

330%
MECLABS Research

C = 4m + 3v + 2(i-f) - 2a

\[ f_{SC} = l_T + d_T \]

ec < op < ct < lp

\[ eme = rv (of+ i) – (f+a) \]

Opr > Oprn > Ocnn
MECLABS is the largest research institution dedicated to answering the single question: “Why do people say ‘yes’?”

Over 20+ years of validated research, including:

• 20,000+ sale path experiments
• 500,000+ executive interviews
• 2,200+ brand-side case studies
• 36,980 companies benchmarked
Today we are going to focus on two thought movements that, when understood together, can have an exponential impact on our efforts to attract business and growth to our regions.
Point #1:
We need to understand the primary cognitive equation that underlies all choice.
Can you find the value proposition?
Value Proposition Heuristic

\[ Vf_{Ac} - Cf_{Ac} = Nf \]

**Main Elements:**
- \( Nf \) = Net Force of the Value Proposition
- \( Vf \) = Gross Force of the Value
- \( Cf \) = Gross Force of the Cost
- \( Ac \) = Acceptance

**Sub Elements:**
- \( Vf \) = \( \{ Ap \mid Ex \} \)
  - \( Ap \) = Appeal
  - \( Ex \) = Exclusivity
- \( Cf \) = \( \{ Mt \mid Mn \} \)
  - \( Mt \) = Material
  - \( Mn \) = Mental
- \( Ac \) = \( \{ Cl \mid Cr \} \)
  - \( Cl \) = Clarity
  - \( Cr \) = Credibility
Fundamental Question: If I am [who I am], why should I [take this action] rather than [this/these other action(s)]?

(Econ. Dev. Application): If I am [your ideal prospect], why should I [invest in your region] rather than [any other region]?
1. You are fundamentally answering a first-person question posed in the mind of your customers. It always implies a “because” answer.

2. A value proposition focuses on a specific prospect segment. This requires you to consider whom you will not serve and the associated trade-offs.

3. A value proposition is an ultimate reason – the reason “why”; it is the culmination of a careful argument supported by evidentials.

4. A value proposition must differentiate you from your competitors. In at least one way, you must have an “only” factor.
Control

Can you find the value proposition?
After review and testing, the researchers at MECLABS identified the following value proposition for this offer.

Value Proposition: “Because we have the most comprehensive\textsuperscript{1} and accurate\textsuperscript{2} lead database.”

1. Includes access to over 210 million U.S. consumers, 14 million U.S. businesses, and 13 million executives.
2. We have a team of 600 researchers who verify the data daily and make over 26 million verification calls a year (80,000 calls a day).

Let’s see how this intensified value proposition was translated to the webpage
Value Proposition: “Because we have the most comprehensive¹ and accurate² lead database.”

1. Includes access to over 210 million U.S. consumers, 14 million U.S. businesses and 13 million executives.

2. We have a team of 600 researchers who verify the data daily and make over 26 million verification calls a year (80,000 calls a day).
Experiment: Side-by-side

Control

Searching for the Most Accurate Mailing Lists? Your Hunt is Over!

Get 500 Free Leads Today with Qualifying Purchase

Register Today To Get Your 500 Free Leads!

Why Should You Market Today?

Why choose:
- 600 full-time researchers dedicated to building, verifying, and updating your data
- Our elite research associates make over 80,000 calls a day to verify your data
- 100% money-back guarantee on every single lead

Plus, get 500 FREE leads added to your purchase!

Treatment

Satisfaction Guarantee

We Make 26 Million Phone Calls a Year to Ensure You Get The Most Accurate Mailing Lists Available!

Trusted since 1972, [company name] has compiled the most comprehensive databases in the industry including 210 million U.S. consumers, 14 million U.S. businesses, 13 million executives and more, all cleaned for duplicates and phone verified.

Why choose:
- 600 full-time researchers dedicated to building, verifying, and updating your data
- Our elite research associates make over 80,000 calls a day to phone verify your data
- 100% money-back guarantee on every single lead

Plus, get 500 FREE leads added to your purchase!
By enhancing the clarity of the value proposition on the page through the use of evidential value statements, the lead capture rate increased by over 201%.

<table>
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<th>Value Proposition</th>
<th>Lead Gen Rate</th>
<th>% Rel. Change</th>
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</thead>
<tbody>
<tr>
<td>Control</td>
<td>4.86%</td>
<td>-</td>
</tr>
<tr>
<td>Treatment</td>
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<td>201.3%</td>
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What You Need to Understand: By utilizing the new articulation of the value proposition, the treatment generated a 201% higher total conversion rate than the control.
Point #2:

We need to understand the four force elements of the value proposition.
Isn’t the value proposition already here?
Searching for the Most Accurate Mailing Lists? Your Hunt is Over!

Get 500 Free Leads Today with Qualifying Purchase

We Have the Best Data Guaranteed!
Two Dyads Create the Force of the Value Proposition
The Offer Dyad

Appeal: “I want this”
The Offer Dyad

**Appeal:**
“I want this”

**Exclusivity:**
“I can’t get this anywhere else”
The Offer Dyad

Appeal: “I want this”

Exclusivity: “I can’t get this anywhere else”
Two Dyads Create the Force of the Value Proposition

Offer Dyad

Communication Dyad

Appeal: “I want this”

Only-Factor

Exclusivity: “I can’t get this anywhere else”
The Communication Dyad
The Communication Dyad

Clarity: “I understand this”
The Communication Dyad

Clarity:
“I understand this”

Credibility:
“I believe this”
Two Dyads Create the Force of the Value Proposition

Offer Dyad

Communication Dyad

Clarity: “I understand this”

Credibility: “I believe this”

Appeal: “I want this”

Only-Factor

Exclusivity: “I can’t get this anywhere else”
Rate the Force

Tentative Value Proposition:

“We have the nation's fastest mobile broadband network and the largest international coverage of any U.S. wireless carrier, offering the most phones that work in the most countries; the largest Wi-Fi network in the United States based on branded and operated hotspots.”

Rate the Force

APPEAL
EXCLUSIVITY
CLARITY
CREDIBILITY

1  2  3  4  5
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Two Dyads Create the Force of the Value Proposition

Offer Dyad

Communication

Dyad

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Exclusivity: “I can’t get this anywhere else”
The Offer Dyad with the Communication Dyad

Offer Dyad

Communication Dyad

Clarity: “I understand this”
Experiment: Side-by-side

Control

Treatment
Experiment Results

201% Relative Increase in Capture Rate

By enhancing the clarity of the value proposition on the page through the use of evidential value statements, the lead capture rate increased by over 201%.

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What You Need to Understand: By utilizing the new articulation of the value proposition, the treatment generated a 201% higher total conversion rate than the control.
Essentially, we applied a slightly modified version of the treatment across other business divisions to see significant gains.
The Marketer as Philosopher: 40 Brief Reflections on the Power of Your Value Proposition by Flint McGlaughlin

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We are currently building our 2017 research calendar and looking for companies focused on finding out why customers say “yes” in the areas of subscription, lead gen, nonprofit and ecommerce.

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