



Image 5.3

Case Study 5.3

British Airways

For private customers, British Airways offers a premium service that comes with added value for those willing to pay a price premium. On the other hand, for the business segment, British Airways focuses on the customers' leisure time and offers a high level of comfort and service in their Club World cabin. Their value proposition for this segment is, 'Our Club World cabin offers premium levels of comfort and service with the freedom and flexibility to make every journey unique and unforgettable. Whether you're traveling for business or leisure, there's a Club World seat with your name on it' (<https://www.britishairways.com/en-gb/information/travel-classes/business/club-world>). This allows British Airways to offer differentiated value propositions to each segment based on their unique needs and preferences.

When companies like British Airways operate in multiple need segments under the same brand name, they often add a more general value proposition that appeals across all segments. For example, British Airways associates its brand with environmental sustainability and corporate responsibility with the following statement: 'Connecting Britain with the world and the world with Britain. British Airways is a global airline, bringing people, places and diverse cultures closer together for more than 100 years. Serving our community and planet is at the heart of everything we do, and we look forward to sharing our exciting sustainability initiatives with you' (<https://www.britishairways.com/content/information/about-ba>).

(Continued)



Image 5.4

Value Propositions for Relationship Needs

As previously mentioned, customers have different levels of need when it comes to connecting with suppliers. Customers tend to choose suppliers they trust and those who can assist them in fulfilling their purchasing task more efficiently. Acquaintances, friends and partners reflect the three types of needs that have been identified (see Table 5.3).

Customers who fall under the acquaintance type of relationship need are attracted to a value proposition that offers parity value, meaning that the products offered are reliable and comparable in quality to alternative brands in the market. To make the brand more appealing to these customers, companies offer lower costs in the form of lower prices, a streamlined purchasing process, or a lower perceived risk. Ryanair provides an example of this type of value proposition (as illustrated in the picture). Acquaintance-type customers also tend to choose brand names with which they are familiar, as familiarity reduces risk. Building brand awareness and familiarity through advertising can be an effective strategy for reaching these customers. However, they are unlikely to respond positively to value propositions that suggest superior products or solutions at higher prices because they believe that all products and services are more or less the same, or that better products and services do not provide them with more benefits and value.

The value proposition for the friend segment is based on offering superior value. This means that the brand's attractiveness is not only limited to the product benefits but also includes service and the customer's interaction with the brand. For instance, Nordstrom, a successful fashion retailer in America, has positioned itself as a brand with superior customer service. They are renowned for their service quality based on the slogan "Our one rule. Use