

# ***Give me 5! Designing value proposition templates***

CHIARA OTTOLENGHI, PHD STUDENT LUMSA UNIVERSITY  
PIAZZA DELLE VASCETTE, 101 – ROME, EMAIL: [C.OTTOLENGHI@LUMSA.IT](mailto:C.OTTOLENGHI@LUMSA.IT)

## **Abstract**

**Objectives.** The purpose of the paper is to define an updated and functional value proposition template.

**Methodology.** In order to design the characteristics of updated usable value proposition templates, it has been carried out a taxonomic analysis of the formats available in the literature and on the internet. The search has been made in September 2021.

**Findings.** In the following paper it is proposed an update of a value proposition template with five variables.

**Research limits.** The limitations mainly arise because the sample of the selected template is small. The design of the 5-block template has not been tested.

**Practical implications.** The present research can provide practitioners operating in value proposition and can offer a new format that will be used while selecting value proposition of a company using the characteristics of the formats that appear most frequently.

**Originality of the study.** Referring to the literature, the research provides a systematization of the value proposition templates and provides interesting insights to design an updated value proposition template based on 5 blocks extracted from the existing characteristics most frequently used.

**Key words:** value proposition templates, value proposition format, value proposition design.

**Introduction and Objectives.** The goal of this paper is to study if it is possible design to a new and updated value proposition template that can be “fit-for-all”, to understand if it’s possible to adapt the template to new knowledge and needs of businesses. Specifically, this research, through a taxonomic analysis, studies the different value proposition templates that are in literature and analyzes the key elements and the opportunities to construct a new format.

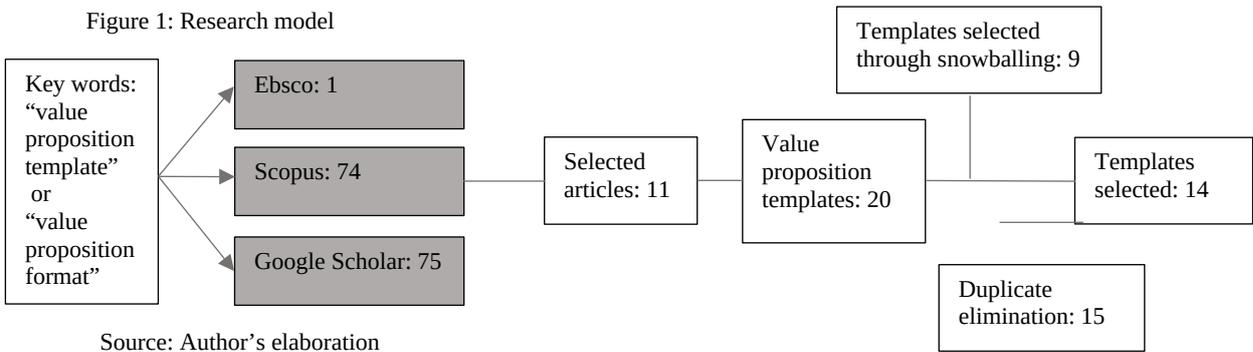
*Value Proposition:* The theme of Value Proposition is a strategic theme that is also central to the business model, and it is no coincidence that it is also graphically placed at the center, but let's try to better understand what the Value Proposition really is. A value proposition, as written by Victor Camlek (2010), “state the measurable value or tangible customer benefits that a product or service will provide to its customers and will illustrate the return on the investment or other tangible positive outcomes of choosing a particular service provider over its competitors”. As written by Payne, A., et al. (2017): “A customer value proposition (CVP) is a strategic tool that is used by a company to communicate how it aims to provide value to customers”. For Payne (2017) companies must determine which value proposition design characteristics to emphasize when developing value proposition. The authors claim that templates are important to explain and predict the basis of a company’s performance and advantage. Payne (2017) in his literature review writes that companies choose template design from a variety of value proposition options, including: level of granularity (company, segment, customer), input/output, decision based significant/not significant, mix of benefits offered, or one sided/two-sided market. Osterwalder and Pigneur (2003) stated that “Modeling and mapping value propositions helps better understanding of the value a company wants to offer its customers and makes it communicable between various stakeholders”. A company should identify which are the characteristics that makes itself unique for customers, its policies, processes and programs that demonstrate the organization’s commitment to i.e., management development, employee growth, etc. It should list out the central reasons that people will choose to commit themselves to an organization and tries to achieve it. Value

proposition is essential in developing marketing plans. The essential area of marketing strategy includes: the selection of appropriate target market segments, the creation of marketing objectives and the development of a brand value proposition that highlights the benefits of an offering to the customer. To make this easiest, templates are very important (Goldring, D., 2017).

*Value Proposition Template:* The Value Proposition is important within a company to better understand the value a company wants to offer its customers. Templates are very useful to describe this abstract and therefore difficult to write theme. This leads to the study of the following Value Proposition Templates and their characteristics. *Templates utility:* Templates are tools that facilitate the description of the Value Proposition and, at the same time, allow the comparison of the Value Proposition (VP). The term template is used by many authors as a synonym for canvas, model, forms, scheme etc. (Ojasalo, J., et al., 2018; Strulak-Wójcikiewicz, R., et al., 2020). The templates are useful both to those who use them because they help them synthesize their thinking tools, but also to those who use them in benchmarking because they serve to facilitate comparison. Templates simplify the creation of documents, they can help increasing the attention of the company’s employees, they can increase efficiency and can ease employee’s workload and make them feel less stressed (Goodyear, H. M., et al., 2013). These conceptual schemes obviously serve to facilitate the description of an abstract concept such as the Value Proposition.

Research Question. “Are all the existing templates updated, or is it possible, by putting them all together, to provide a more up-to-date template where “one-fits-all”?”

**Method.** In order to meet the objective, a taxonomy of existing value proposition templates present in the literature and on the internet was created. Taxonomic analysis is the system of grouping and naming systems according to various criteria. The purpose of classification is to arrange systems in an orderly fashion, using a given criterion (Coccia, M. 2004).



As shown in Figure 1, for the selection of the sample, the following activities were carried out:

1. search for academic articles on three international databases (Scopus, Ebsco and Google Scholar) containing the following keywords in the title or abstract: "value proposition template", or "value proposition format". The search was carried out in September 2021. The search yielded a total of 150 articles;
2. selection of relevant articles by reading the abstracts and full text. 11 articles were selected;
3. within the 11 articles, 20 Value Proposition templates have been studied, analyzed and treated;
4. selection of additional templates through snowballing on the internet (9);

5. elimination of duplicates (15);
6. identification of all value proposition templates (14).

Templates were selected by excluding those not consistent with the research aims. It can be said that after the study on the literature of the 15 articles selected that were on the topic, 14 templates have been selected.

Research Model. After analyzing the 14 templates in depth, following is the summary table of the synoptic table.

Table 1: Synoptic table

Source: Author's elaboration

Template	Author	Features
Value Proposition builder model	Barnes, Blake & Pinder - Aro, P., et al., (2020).	Market – (the specific group of customers you are targeting) Value Experience – (benefit minus cost, perceived by customers) Offerings – (the product/service mix you are selling) Benefits – (how your offering delivers clear customers value) Alternatives & Differentiation – (how are different/ better than competitors) Proof – (substantiated credibility of your offering)
Steve Blank's Value Proposition Template	Steve Blank - Blank, S., et al., (2020)	Who - (We help X) What – (doing Y) How – (using Z)
Cooper & Vlaskovits' VP Template	Cooper & Vlaskovits - Cooper, B., et al., (2013)	Customer - (Who your customer is) Problem - (The problem you're solving for customers) Solution - (Your solution for the customer's problem)
David Cowan's Value Proposition Template	David Cowan - Cowan, D. A. (1986)	Show Something Interesting Right Away – (Intrigue who's reading the VP) Don't Make Them Think Too Hard – (Keep it short) Science Not Allowed In The Elevator – (Say what your product/service does) Establish Credibility – (Why company can provide the product)
Venture Hacks VP	Maurya, A. (2012)	Industry – (Proven industry example of/for new domain)
ITSMA's Value Proposition Template	Information Technology Services Marketing Association - Hannington, T. (2016)	For – (the target customer) Who – (specific needs, requirements, demands) We provide - (solution name/description) That – (gives specific business benefits/value to clients) Unlike – (the competition) Who – (provide solution, features, functions, benefits) Our company – (more/better approach, benefits) That – (offers a better customer experience)
Guy Kawasaki's Value Proposition Template	Guy Kawasaki - Brankaert, R., et al., (2017)	Verb - (action) Application - (does what) Differentiator - (what sets it apart)
Causal Model	David Maister - Barnes, C., et al., (2009)	Long-term orientation – (motivate customers to loyalty) Enthusiasm, commitment & respect – (make customers loyal) Training & Development – (let employees grow) Fair compensation – (motivate customers) Empowerment – (empowerment of employees) Coaching – (term orientation, commitment and respect) High standards – (fair compensation, commitment, enthusiasm) Employee satisfaction – (high standards, coaching) Quality & Client relationships – (employee satisfaction) Financial performance – (quality and client relationships)
Dave McClure's Value Proposition Template	Dave McClure - Jackson, W., et al., (2015)	What - (What we do) How - (in which way) Why – (to achieve what)
Geoff Moore's Value Proposition Template	Geoff Moore - Moore, G. (2004)	For - (your target customer) Who - (statement of need or opportunity) Our - (product/service name) Is - (product category) That - (statement of benefit)
Value Proposition Canvas	Alex Osterwalder - Osterwalder, A., et al., (2014)	Gain creators - (how products create customer gains) Pain relievers - (how the product/service alleviates customer pains) Product & Services - (the products/services that create gain and relieve pain) Gains - (the benefits which the customer expects) Pains - (bad experiences that customers experience in getting the job done) Customer job - (functional, social and emotional tasks customers perform)
Erik Sink's Value Proposition Template	Erik Sink - Weller, J., (2018)	Superlative - (Why this product) Label - (What is this product) Qualifiers - (Who should choose this product)
Digital VP model including community & convenience	Ketonen-Oksi, S., et al., (2016)	Content – (more detailed product/service infos or value-adding content) Choice - (Broader range of products / services, Ease of return) Cost reduction – (Informed perception of lower-cost , Online only pricing) Convenience – (24/7 availability, Turnaround time) Community – (Customer forums such as for exchanging tips)

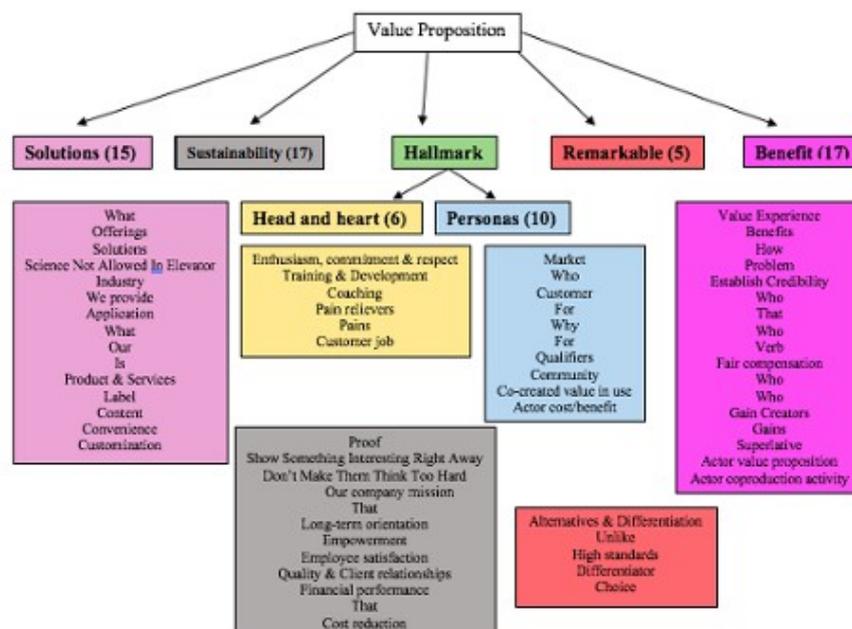
		Customization – (Personalization of content or products)
Service-Dominant Business Model Radar (SDBM/R)	Grefen, P., et al., (2015)	Co-created value in use – (focal organization, core partners, and customer) Actor value proposition – (part of the value-in-use aided by a single actor) Actor coproduction activity – (actors act to achieve co-creation of value) Actor cost/benefit – (financial and non-expenses/gains of co-creation actors)

**Findings.** As it can be seen in Table 1, it can be deduced that there are several formats to analyze the VP of a company. Since the literature on this topic is very large and offers many models, it was decided to find a new template because these models are in continuous adaptation and that is why they cannot be considered stable. Based on this, it was decided to make a study by preparing a Value Proposition Template (VPT) updated, given its nature so continuously refreshing. It has been decided to give more emphasis on topics that became relevant over the years and it has been noted that the topic of sustainability was being covered, but the importance of the topic was not being emphasized. Today there is no company that does not touch the topic of sustainability, and it is not possible that this topic is not treated by any VPT.

**Discussion.** It has been decided to do a taxonomic analysis to better understand the characteristics of the formats that appear most frequently. An inductive semantic analysis had been made on three levels and five categories has been identified into which the characteristics of each template can be brought together. The categories are, as shown in the Figure 2, as follows:

Figure 2: Taxonomic analysis

Source: Author's elaboration



It is possible to say that to do a taxonomic analysis, three levels of aggregation can be found:

- 1st level: Value Proposition;
- 2nd level: The five characteristics mentioned above;
- 3rd level: The characteristics of each template.

It is therefore possible to hypothesize the drafting of a new value proposition template that brings together all the characteristics of all 14 templates studied in this paper. Such characteristics come, as mentioned above, from the semantic and taxonomic analysis of the formats. The new value proposition template studies therefore the following characteristics: **Solutions** (the product/service you are selling); **Remarkable** (why I'm better than others); **Benefit** (the benefits the customer expects); **Sustainability** (statement of better approach); **Hallmark: Head and heart** (make customers loyal, create gain and alleviate the pain) and **Personas** (the target).

**Conclusion.** In conclusion, it is possible to understand that being value proposition an abstract concept, templates are very useful because they facilitate the description. After a study on the literature of articles that were on the topic, 14 templates have been selected. Lastly, it has been decided to select through a semantic and taxonomic analysis some characteristics that were common to all the templates. It has been synthesized a new value proposition template with all the most frequently used characteristics.

**Limitations.** The limitations mainly arise because some publications might have used different keywords therefore some templates might be in other databases.

**Further Research.** Further research is needed to better understand the reasons behind these findings. Identify if this template has its own easy usability, to better understand if this new proposal is more suitable than the existing templates. It's important to verify if VPT can be one-fits-all, this can be done through interviews of professionals.

**Managerial Implications.** The present research can provide practitioners operating in VP. If everything is correct, the new format is assumed to be the best abstract of the existing templates and should cover everything functionally and in a clear manner, being it actual and updated.

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