



# CREATING A VALUE PROPOSITION

How to create a value proposition  
For your business

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## 01

### Introduction

Developing and communication your value proposition or unique selling proposition (USP), is an essential element of any business as it can give you a significant advantage over your competitors.

According to marketing giant Hubspot whilst 64% of businesses have an established value proposition, a very low portion have an 'effective value proposition'.

This can be a significant challenge to your business since an ineffective value proposition can make potential customers turn to your competitors simply because they have been unable to understand your competitive advantage and why they should buy from you.

This guide will help you understand the value proposition, why it is important and help you create one for your business

To further help you, Acumenology has produced a series of Business Guides on a range of relevant topics. You can find these at: [www.acumenology.co.uk/business-guides](http://www.acumenology.co.uk/business-guides)

# 02

## What is a value proposition?

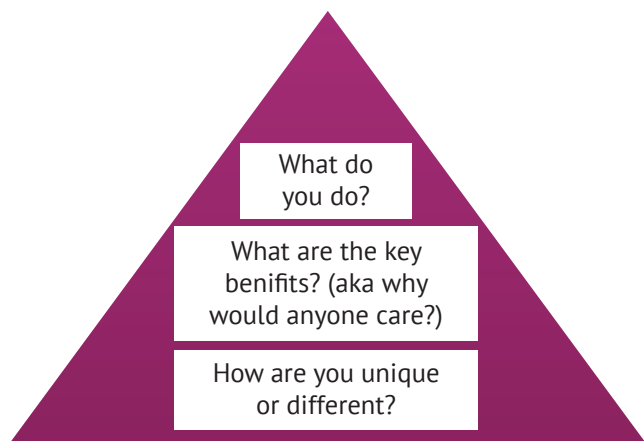
A value proposition is a concise and compelling description of the core benefit people get from doing business with you.

It's the primary reason a prospect should buy from you over your competitor and It should be the first thing visitors see on your homepage.

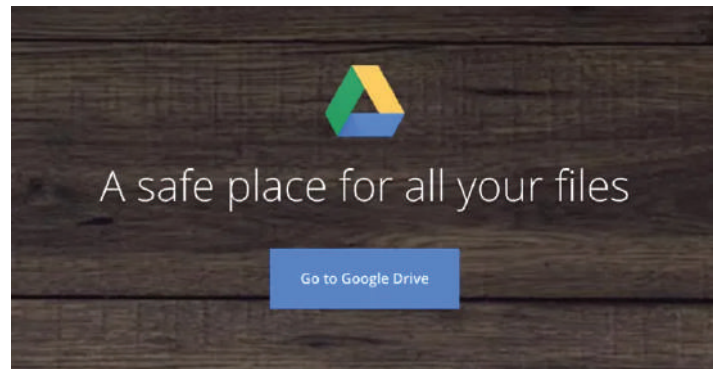
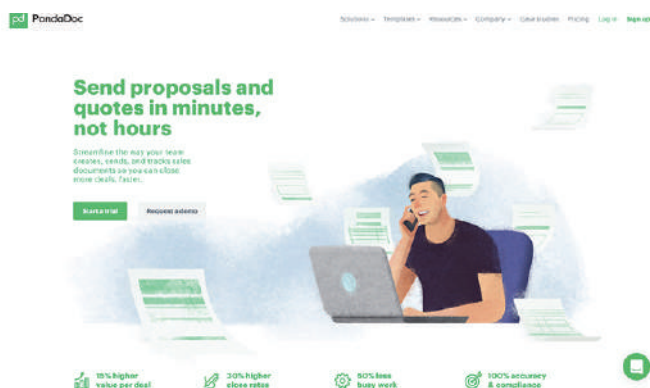
It should also be visible wherever your potential customer interacts with your brand.

A value proposition explains the following three things:

1. How your offering solves a problem / improves a situation
2. How it delivers and specific benefits.
3. Why customers should buy from you and not from the competition.



Here are some examples



# 03

## A value proposition is not...

### ...a slogan

Slogans are not value propositions, but many brands sometimes promote them as such.

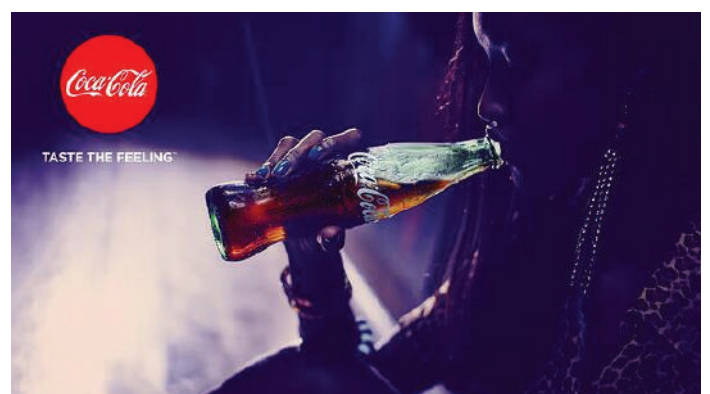
**HONDA**  
The Power of Dreams

Because you're worth it  
**L'ORÉAL**  
PARIS

A slogan is designed to encapsulate your entire brand image in a few words.

Whereas a value proposition isn't really about your brand at all. It's about what your product, service or other offer can do for your target audience

### ....a positioning statement





A positioning statement defines what your brand does, who for and why you do it better than your competitor and is a subset of a value proposition, but it's not the same thing.

Features and specs are not value propositions



## 04

### Why is it important to have a strong value proposition?

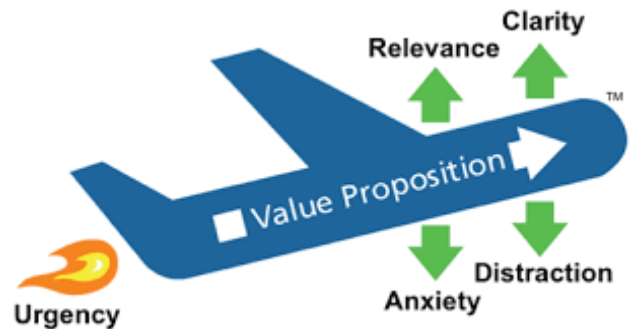
If you are unable to communicate your value to your customers, why should customers place value in what you offer?

If you are unable to communicate to potential customers why they should choose you and why they should pay what you are asking, why would they buy from you?

Having a clear and strong value proposition can bring about the following benefits.

- **Potential customers can quickly understand what your company has to offer:**  
Most customers already know what they're looking for when they research online.  
So, if it is not immediately clear how your company can meet their needs, they will likely look elsewhere.

- **Creates a strong differential between you and your competitors**  
An effective value proposition tells the ideal customer why they should buy from you and not from the competition.



- **Attracts the right prospects and increases the quantity and quality of prospective leads**  
A company's value proposition targets your company's ideal customer and explains why your solution is the best option.

This increases your chances of attracting the right customers for your business and, finding higher quality leads that are more likely to convert to customers.

- **Improves customer understanding and engagement**  
A powerful value proposition helps your customers truly understand the value of your company's products and services.

It also helps your ideal customers to see how your services benefit them and are their best available option.

With this increased understanding, customers are more likely to become engaged with the services or products you offer.

## 05

### Creating your value proposition

How is your offering different and what makes it unique?

You must be able to clearly articulate what your product or service consists of and why it is unique.

There are several ways your offering may stand out.



- **Product differentiation**  
You have something significantly different. If it is hard to replicate so much the better.
- **Process differentiation**  
You are offering a new more effective way doing things
- **Price point differentiation**  
You have found a way to sell your offering for less or more (i.e., premium pricing)
- **Niche differentiation**  
You have found a sector or niche that is a particularly good fit



Your value proposition can be created step-by-step, by answering a series of questions.

Once you answer these, you have the ingredients to create a value proposition that fully answers your customer's question:

**"Why should I buy this specific product or service from you"**

#### Step 1: Know your customer

Put yourself in your customer's shoes and ask yourself the following questions

- Who are they and what do they need?
- What problems do they need to solve?
- What improvements do they look for?
- What do they value?

#### Step 2: Know your competitors

- How is your product/offering different from your competitors?
- How does it create more value?

#### Step 3: Identify customer benefits

Make a list of all the benefits your product/offering provides to your customers.

Make sure you don't get confused between features and benefits, it's a common mistake to make.

**Features** are technical or descriptive aspects of your product/offering

**Benefits** are why those features matter for your customers. In other words, how that feature makes their life better.

Features tell customers what, and benefits tell customers **why**.

#### Step 4: Link benefits to value offering

Identify what value your product/offering brings to your customer.

#### Step 5: Distill your value proposition

Combine the information you have gathered and answer, in two or three sentences: "Why should I buy this product/offering?"

Formulate your value proposition by starting each sentence with the following:

- "I want to buy this product or idea because it will..."
- "The things I value most about the offering are..."
- "It is better than competing products or ideas because..."

#### Step 6: Now put it all together

Take the information from step 5 and combine it into a value proposition statement.

Some good examples



*"Small business sales and marketing software  
Get organised. Grow sales. Save time."*



*"Payment infrastructure for the internet.  
Whenever you're building a marketplace, online  
app, online storefront, or subscription service,  
Stripe has the features you need"*



*"Shopify is everything you need to sell everywhere"*



"Kissmetrics gives you the insights you need to optimise your marketing"

## 06

### What makes a good value proposition?

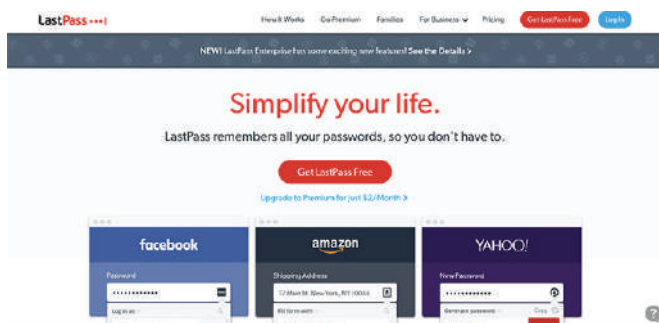
Don't be frightened to test your value proposition and consider A/B testing as well.

Some examples of value propositions conveyed on a website. They speak for themselves



#### LASTPASS

"Simplify your life. LastPass remembers all your passwords, so you don't have to"



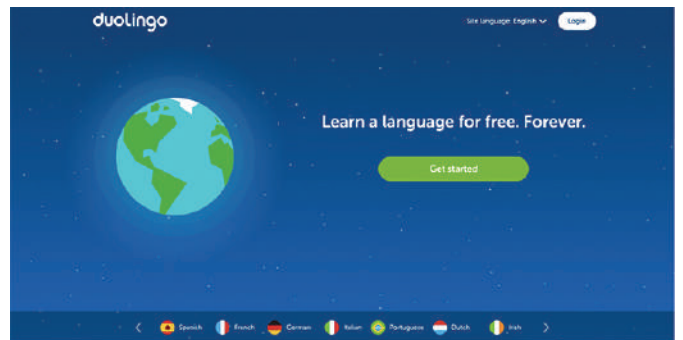
#### LightShot

"The fastest way to take a customisable screenshot."



#### Duolingo

"Learn a language for free. Forever."

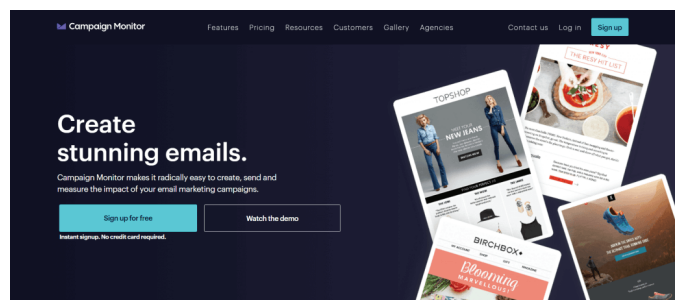


## 07

### Examples of good and poor value propositions

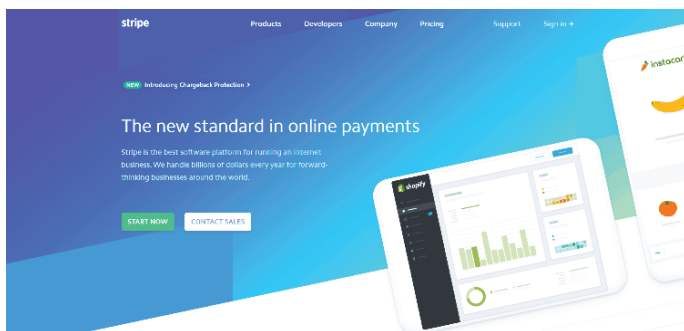
#### The good

##### Campaign Monitor



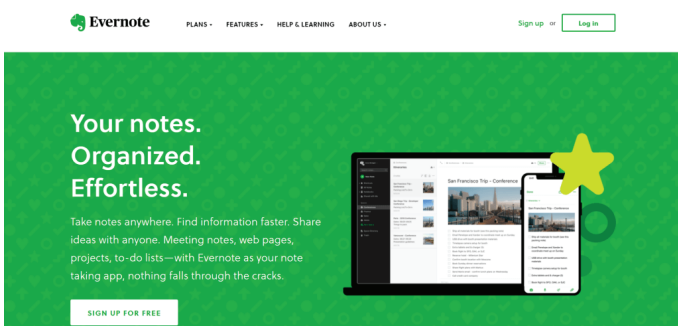
- Very clear on what it does
- Specific lead paragraph
- Relevant images that support text-based claims.
- Features a booster—"Instant signup. No credit card required."

## Stripe



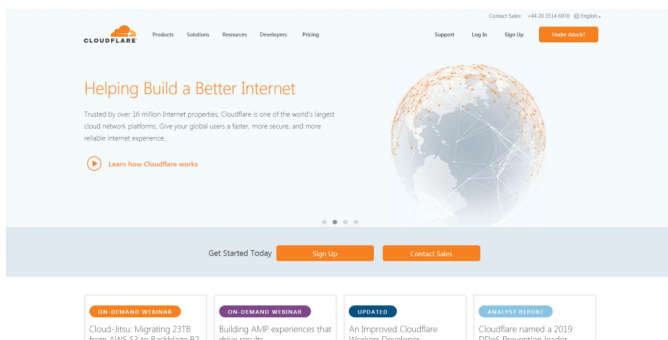
- It's clear what it is and for whom
- Specific benefit-oriented sub-headline
- Relevant visuals

## Evernote



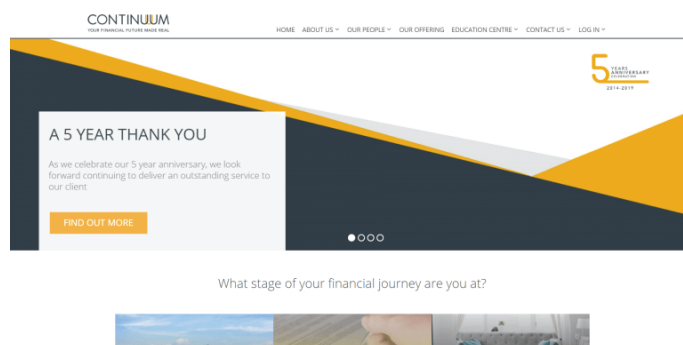
## The not so good

### Cloudflare



- Lack of clarity: “Helping Build a Better Internet”? Nobody will understand what that means—nor does that solve anyone’s problem.
- Sub-headline offers some clarity and detail, but that info should be in the headline.
- Image not great

## Continuum Financial



- No proper value proposition in place at all—the headline congratulates themselves on a five-year anniversary.
- Awkward phrasing if not incorrect (“...we look forward continuing to deliver...” and “What stage of your financial journey are you at?”)
- No imagery above the fold

## 08 Conclusion

Value propositions have enormous potential to help your business attract customers, but only when they are written effectively.

This is far easier said than done, as developing a value proposition can be extremely challenging.

Develop a strong value proposition and ensure you communicate it clearly and consistently across all areas you interact with your customer.

Try our templates to see which works best for you

# 09

## Templates

Here are some template and examples for you to use. Try several and see which suits you the best.

### Cooper & Vlaskovits' Value Proposition Template

|      |                                    |
|------|------------------------------------|
| FOR  | [your target customer]             |
| WHO  | [statement of need or opportunity] |
| OUR  | [product / service name]           |
| IS   | [product category]                 |
| THAT | [statement of benefit]             |

#### Example

For freelance writers who have trouble getting their clients to pay on time, our software package tracks past-due payments and sends automated reminders so you can spend time earning money, not tracking it down.

### Guy Kawasaki's Value Proposition Template

|                |                      |
|----------------|----------------------|
| VERB           | [action]             |
| APPLICATION    | [does what]          |
| DIFFERENTIATOR | [what sets it apart] |

#### Example

Lose weight with our cloud-based diet app.

### Erik Sink's Value Proposition Template

|             |                                  |
|-------------|----------------------------------|
| SUPERLATIVE | [why this product]               |
| LABEL       | [what is this product]           |
| QUALIFIERS  | [who should choose this product] |

#### Example

The best tasting cookie chocolate lovers will ever eat.

### Dave McClure's Value Proposition Template

|  |
|--|
| [Be short, simple, memorable: what, how, why]                  |
| [Use a maximum of three keywords or phrases and two sentences] |
| [Don't use jargon]   |