

Value Proposition Design

**How to build a value proposition
for your business**

Disruptors Handbook #18



Introduction

A strong value proposition is at the core of any successful business because it defines why a customer should choose your product or service over alternatives.

It articulates the unique combination of benefits that matter most to your audience, whether that's saving money, reducing risk, improving convenience, or delivering status.

Without a clear value proposition, businesses often struggle to cut through market noise, leaving customers unsure about what makes them different. Understanding value proposition ensures that every customer-facing message is grounded in a compelling reason to buy.





Value propositions also guide internal alignment. They are not just about marketing slogans, but about focusing product design, customer service, and sales efforts around what customers truly value.

When teams understand the value proposition, they can prioritise features, refine messaging, and allocate resources to what actually drives customer decisions. This avoids wasted investment in initiatives that may be impressive internally but irrelevant to the market.

Finally, value propositions are **critical** for long-term competitiveness. Markets shift, customer expectations evolve, and competitors adjust their strategies. A well-developed value proposition helps businesses adapt without losing focus, because it is built on an understanding of the customer **problem being solved** rather than on short-lived tactics. What is clear is that businesses that continually test and refine their value proposition stay relevant and resilient.

See also our other handbooks:

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Mapping Buyer Personas

Using better personas to make better
product and marketing decisions

Disruptors Handbook #8



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Customer Conversations

How to conduct insights research to
help build better product and market
strategy

Disruptors Handbook #21



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Competitor Mapping

How to develop a competitor map to
inform your business positioning

Disruptors Handbook #24



How to develop a value proposition

What do you need to develop a value proposition?

01

Getting started with a value proposition

Before developing a value proposition, a business needs a solid foundation of customer understanding. This includes clear insights into who the target customers are, what problems they face, what motivates them, and how they currently solve those problems.

Without this baseline, a value proposition risks being built on assumptions rather than evidence. Tools such as customer personas, journey maps, and insights gathered from conversations or surveys provide the necessary raw material for developing a proposition that resonates.

A business also needs a strong grasp of the competitive landscape, and the company's own internal capabilities. Only when customer insight, competitive awareness, and internal capability are all in place can a business create a value proposition that is both compelling and credible.



Checklist for value prop development

✓	EVIDENCE ITEM	✓	EVIDENCE ITEM
	Customer Understanding: <ul style="list-style-type: none">• Have you identified your key customer segments?• Do you have personas that describe their demographics, motivations, and pain points?• Have you conducted recent customer research (conversations, surveys, analytics) to ground your understanding in evidence rather than assumptions?		Internal Capabilities and Strengths <ul style="list-style-type: none">• Are you clear on your organisation's unique strengths, assets, and resources?• Do you know what benefits you can consistently deliver to customers?• Have you identified evidence or proof points (testimonials, case studies, data) to back up your claims?
	Customer Problem Clarity <ul style="list-style-type: none">• Can you clearly articulate the problems or unmet needs your customers face?• Do you understand the context in which these problems occur (where, when, and why)?• Have you gathered direct customer stories or examples to validate these challenges?		Strategic Alignment <ul style="list-style-type: none">• Is your leadership team aligned on the broader business goals?• Do you have clarity on which customer segments and benefits are most strategically important?• Is there agreement on how the value proposition will connect to product, marketing, and service priorities?
	Competitive Awareness <ul style="list-style-type: none">• Have you mapped your main competitors (direct and indirect)?• Do you know how competitors position themselves and what benefits they emphasise?• Can you identify gaps or areas of weakness in competitor offerings that you could address?		Reinforcement data and proof points <ul style="list-style-type: none">• Do you have data you can mine to reveal customer or product insights?• Are there industry standards or best practices that you can incorporate into your value proposition design?

Value proposition design

How do you develop a value proposition?

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1. Define your target segments

Before you can develop a value proposition, you need to be clear on which customers you are building it for.

A common mistake is trying to craft one statement that appeals to everyone, which usually results in something vague and unconvincing. Defining the target segment forces you to make choices about which group of customers is most strategically important and worth prioritising. This clarity ensures your value proposition has focus.

To do this well, use market segmentation data, customer personas, or existing analytics to determine which group represents the best fit for your business goals. Consider factors such as size, growth potential, profitability, and alignment with your capabilities. For example, an accounting software provider might choose to target small business owners rather than large enterprises because they face urgent problems, have fewer alternatives, and are easier to serve effectively.



2. Define the customer problem

Once you have identified your target market, the next step is to define the problem they are trying to solve. A value proposition is only as strong as the problem it addresses. If the problem is trivial, vague, or misidentified, your solution will struggle to gain traction. Clear problem definition ensures your business is positioned around solving something meaningful.

A useful method is to frame the problem in the customer's own words, using direct quotes or stories gathered from research. This avoids the trap of abstract problem statements that make sense internally but fail to connect emotionally with customers.

Documenting pain points alongside the context in which they occur is critical, as it shows not just what the problem is, but why it matters.



3. Identify and articulate the benefits you deliver

With the problem clear, you can now articulate the benefits your business provides in solving it. This is not a list of features, but the outcomes that matter most to customers.

Benefits can be functional (saving money, increasing speed), emotional (reducing stress, increasing confidence), or social (signalling status, belonging). Translating features into benefits is the heart of a compelling value proposition.

Execution involves asking, “So what?” for every feature. For example, if your product offers automation, the feature is automation, but the benefit may be time savings, fewer errors, or the ability to focus on higher-value work. Prioritise the benefits that are most relevant to the customer problems you identified earlier. This ensures your value proposition is focused rather than bloated.



4. Differentiate from competitors

A value proposition must not only solve a problem but also do so in a way that stands out from the competition. If your offer sounds interchangeable with others in the market, customers will default to price or convenience.

Differentiation is about making clear why your solution is distinct and why that distinctiveness matters to the customer.

Use your competitor mapping and best-of-breed analysis to identify where your competitors focus their value propositions, where customers perceive them to be strong, and where gaps exist. Then position your own benefits in a way that fills those gaps or elevates what you do better. Differentiation can come from innovation, customer experience, brand reputation, or even the way you bundle and deliver your service.



5. Test, refine and communicate

Developing a value proposition is not a one-off task. Once drafted, it must be tested with real customers and refined based on their feedback.

What resonates internally may not resonate externally. Testing ensures that your value proposition is clear, compelling, and credible.

You can share the proposition in interviews, surveys, or A/B testing campaigns. You should ask customers whether the proposition is clear, whether they believe the proposition solves a real problem, and whether it differentiates you from alternatives.

Pay attention to whether customers can repeat it back in their own words, as this is a strong sign that it is landing effectively. Then iterate until the message consistently resonates.



Tools and frameworks for value proposition design

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Tools and frameworks to streamline

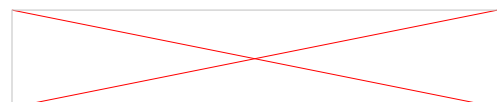
Developing value propositions is a challenging task. After all, every business and product is different.

And, of course, not every business is product focused or led.

For those that are developing solutions and products, the Strategyzer value proposition canvas is a useful framework.

This is outlined on the following page.

To explore impact oriented



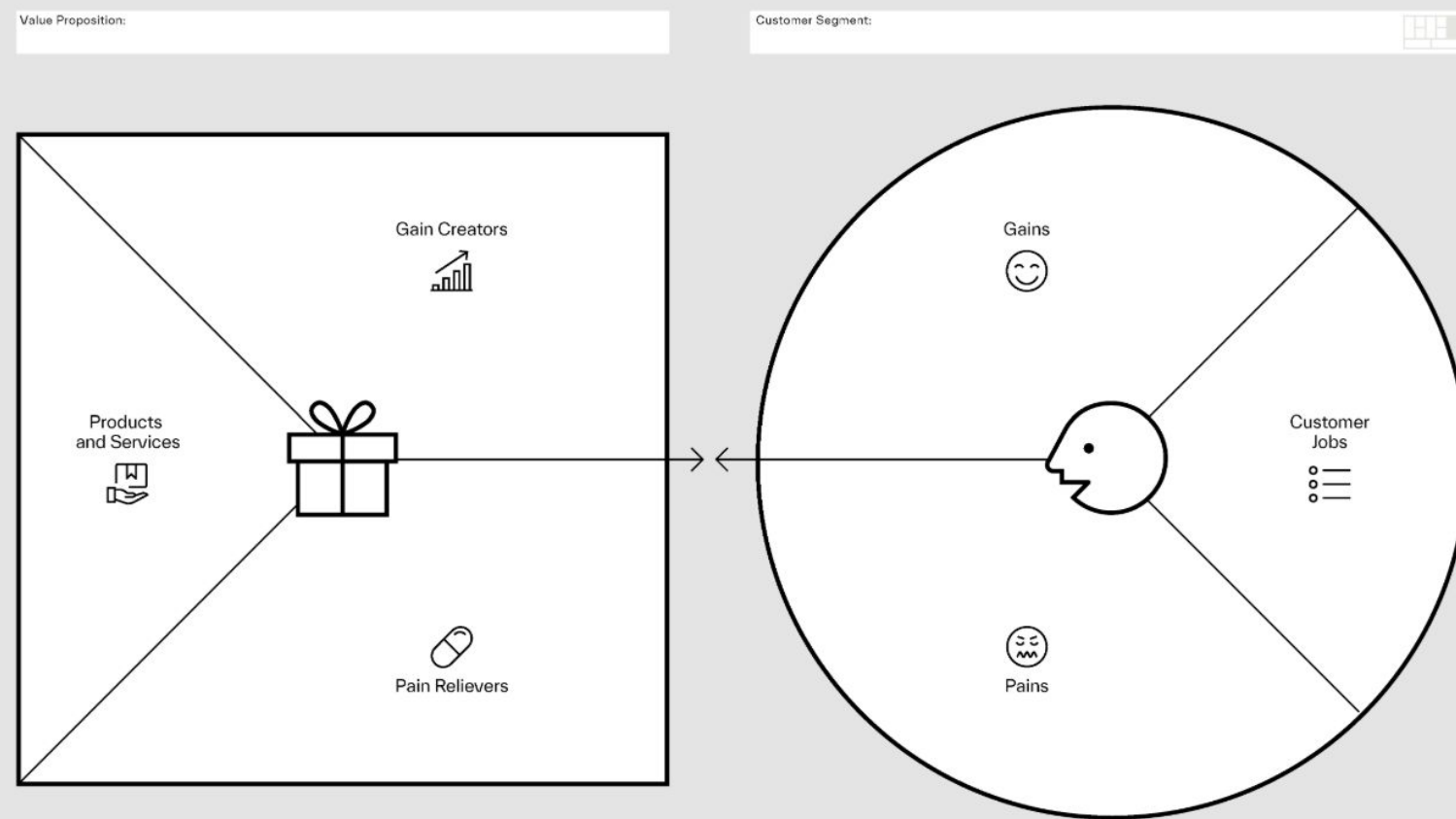
The Value Proposition Canvas

The Strategyzer team built the Value Proposition Canvas to help visualise customer pains and gains, and show how a product or solution can meet those needs. Ideally, the Canvas should be focused on a specific market segment.

Starting with the circle element (Customer Jobs, Pains and Gains), think about the job that needs to be done for a customer and the barriers to executing that job (pains) as well as the outcomes if the job is achieved (gains). Validate the circle before then filling in the square, showing how your business solutions relieve pains and create gains.

You may find that multiple value propositions emerge for different segment might also be different. Visualising your business Value Proposition in this way can help to find better ways of unifying your value proposition across segments.

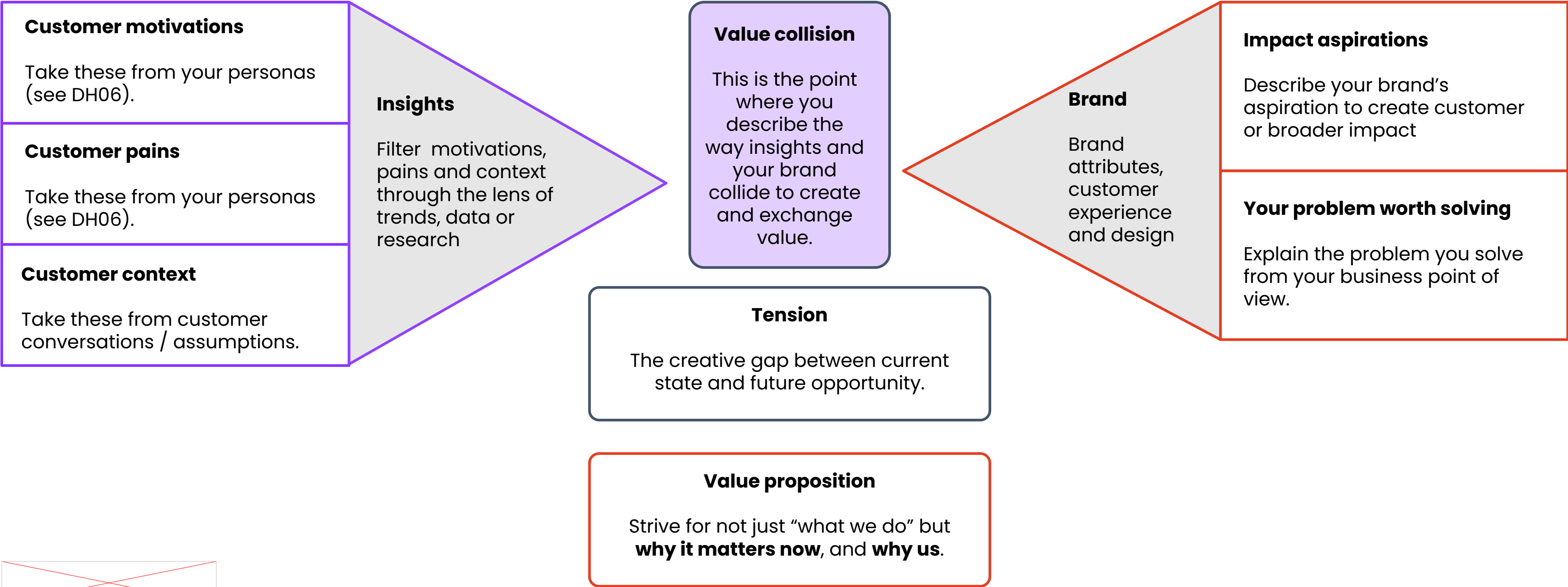
The Value Proposition Canvas



Access the Value Proposition Canvas at:
<https://www.strategyzer.com/library/the-value-proposition-canvas>

Value proposition for services

Use this framework when designing your value proposition for impact or service (vs product-market fit).



Value proposition design

Tips for designing value propositions

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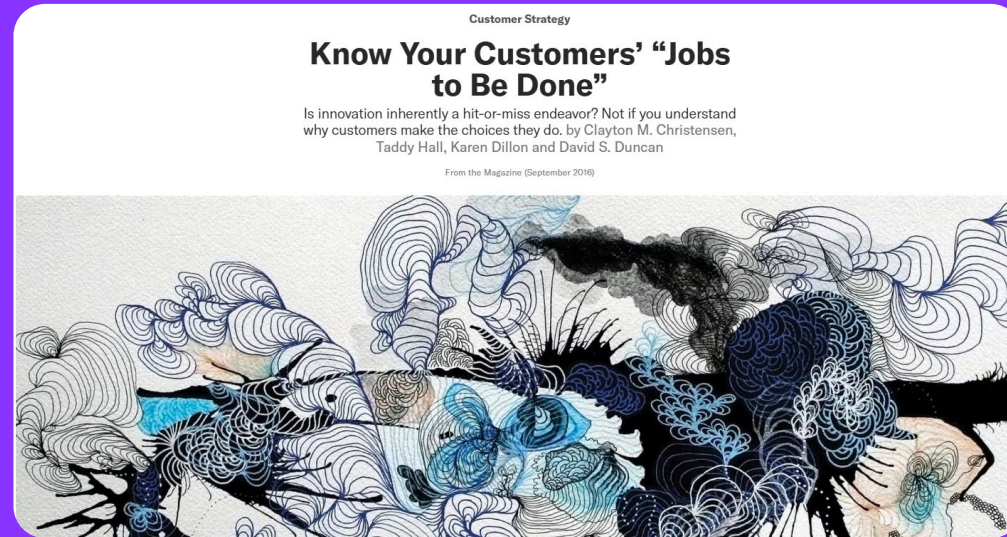
Integrate proposition into customer messaging

Your value proposition should be visible across every customer touchpoint, from your website homepage to sales decks, proposals, and even customer support scripts. Consistency builds recognition and ensures customers are always reminded why you matter. Research shows that businesses with clear and consistent messaging grow revenue faster than those without.

Example integration scenario:

A mid-sized fintech company develops a value proposition around “making small business finance simple and stress-free.” They integrate this into their homepage tagline, reinforce it in every sales call by training staff to use the same phrasing, and ensure support emails echo the same theme.

Over six months, they notice an increase in customer recognition of their brand promise and higher satisfaction scores because customers feel the company consistently delivers on clarity and simplicity.



<https://hbr.org/2016/09/know-your-customers-jobs-to-be-done>

Jobs to be done

Use the Jobs to be Done (JtbD) framework from Clayton Christensen to help think about compelling ways to communicate your value proposition.

[Watch the JtbD overview here.](#)

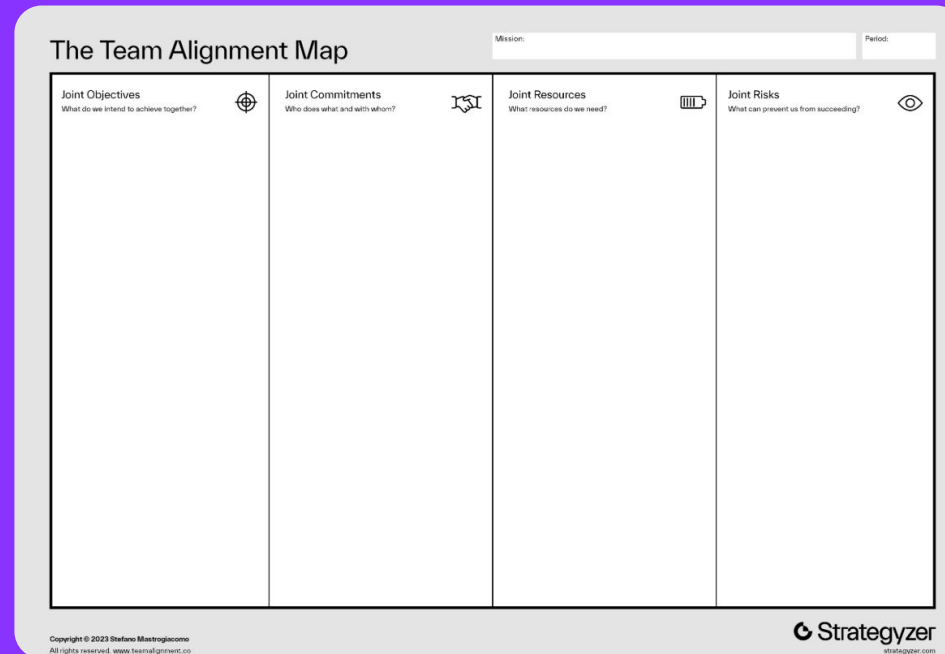
Align internal teams around proposition

A value proposition is not just for marketing; it should guide product, sales, and service delivery. Train teams on what the value proposition means in practice so they can reference it when making decisions or speaking with customers. This alignment creates a unified experience that strengthens trust and credibility

Example alignment scenario:

A healthcare start-up's value proposition is "accessible care anytime, anywhere." Marketing runs campaigns with this message, but the product and service teams also adopt it by designing a mobile-first app and offering 24/7 telehealth support.

Because the entire organisation is aligned, customers experience the promise in both marketing and delivery, boosting retention and referral rates.



Team Alignment Map

Use the Strategyzer Team Alignment Map to help ensure teams are clear on how they might use the value proposition in their activities.

[Access the Map here.](#)

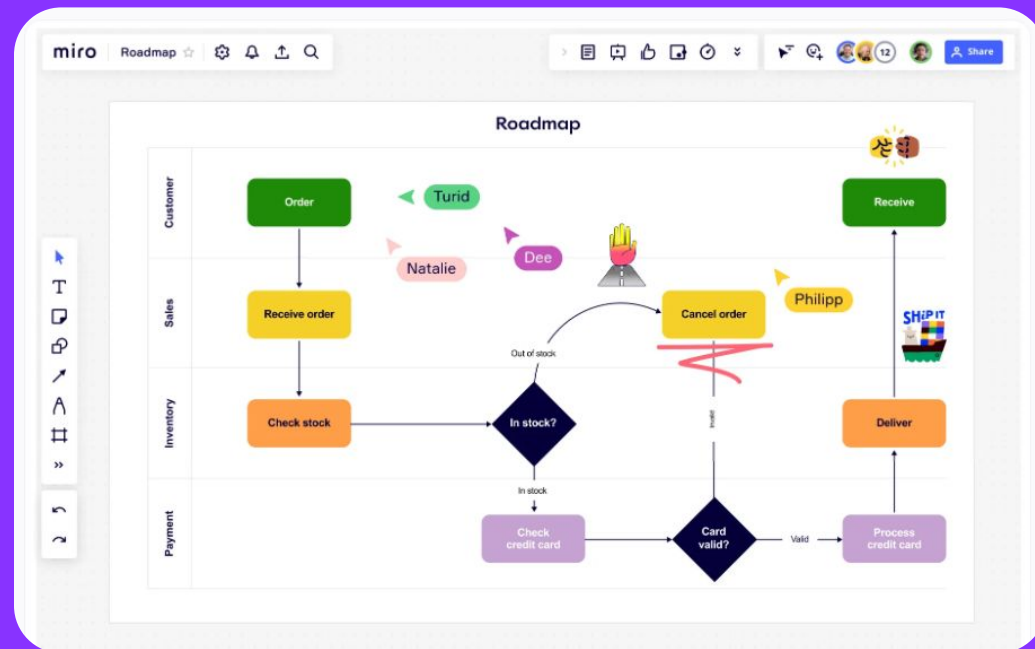
Use value prop to shape product roadmap

Your value proposition should inform which features you prioritise and which you ignore. By linking roadmap decisions back to the benefits customers value most, you ensure product development is focused on delivering the outcomes your proposition promises. This prevents feature bloat and keeps innovation tied to real customer needs.

Example product roadmap scenario:

A SaaS company in the HR tech space has a value proposition centred on “saving HR managers time.” When deciding between building flashy new analytics tools or automating repetitive tasks like payroll, they prioritise automation because it better aligns with their promise.

By sticking to their value proposition, they release updates that resonate with users and strengthen their competitive edge.



Miro Value Roadmap

Mind mapping software supplier, Miro, has resources on a Value Roadmap that can help guide the connection between product development and value proposition.

[Access the Miro Value Roadmap resources here](#)

Use marketing campaigns for refinement

Deployment is not a one-time activity. Use A/B testing in ads, landing pages, and email campaigns to see which phrasing and framing of your value proposition resonates best. Refinement through live feedback ensures the proposition evolves with customer expectations and market dynamics.

Example marketing campaign refinement scenario:

An online learning platform frames its value proposition in two ways: “Get certified faster” vs. “Advance your career with affordable courses.”

They test both through Google Ads and find that the affordability message drives higher click-throughs among younger professionals, while the speed message resonates with mid-career learners. They refine their campaigns to segment audiences and lead with the message that converts best for each group.

Promotion and advertising

[Choose channels that suit your target market. Learn about [choosing the best channels to communicate with your customers.](#)]

The channels we'll use to promote and advertise to our target customers.

Activity	Channel	Details	Estimated cost	Target date
<small>[Example: Pre-launch promotion.]</small>	Select a channel	<small>[Example: We'll use regular Facebook posts to promote the product with discounts for our first 20 customers.]</small>	\$	Select date
	Select a channel		\$	Select date
	Select a channel		\$	Select date
	Select a channel		\$	Select date

Marketing review

[Describe how you'll regularly review the impact of your planned marketing activities. What were the results for the marketing period? What were your sales figures? How many new and repeat customers did you receive? How many visitors to your website?]

Marketing activity	Date of review	How we'll measure the impact	Results
<small>[Example: Pre-launch promotion.]</small>	Select date	<small>[Examples: social media hits, number of online orders]</small>	<small>[Examples: new customers, increased demand, increased profit]</small>
	Select date		
	Select date		
	Select date		

Download the latest version of this template from [www.business.gov.au/marketingplan](#)

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Marketing plan template

[Business.gov.au](#) has a series of resources on marketing plan development that you can use to execute campaigns with value prop in mind.

[Access the resources here.](#)



Hubspot Value Prop examples

Hubspot has a Top 7 list of great value proposition examples and a template for writing a great value proposition.

[Access the Hubspot Value Prop resources here.](#)

Build proof points into your value proposition

A value proposition is only credible if customers believe you can deliver. Support it with testimonials, case studies, data points, or awards. Evidence builds trust and moves your statement from being a promise to being a proven claim. Businesses that reinforce their value proposition with social proof see stronger conversion rates.

Example proof points integration:

A renewable energy company's value proposition is "helping households cut bills while saving the planet." To prove it, they publish case studies showing average household savings, share verified testimonials, and highlight industry awards. Their website features live dashboards showing carbon emissions avoided by their customers.

This proof convinces sceptical prospects that the value proposition is more than marketing spin, resulting in increased adoption rates.

Value proposition design

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What's next?

Next steps

After the value proposition has been validated with customers and embedded into messaging, operations, and product decisions, the work shifts to measurement and iteration. A value proposition is not static, as markets evolve, customer expectations change, and competitors adjust their positioning.

Businesses need to track performance indicators such as conversion rates, customer satisfaction, churn, and brand perception to see if the value proposition is truly resonating in practice. If the metrics do not align with expectations, it signals the need for refinement or repositioning.

The value proposition should be treated as a living asset that is revisited regularly so that it continues to anchor your business's competitive edge. You should set cycles for reviewing your proposition against new customer insights, emerging technologies, and competitor moves. Over time, this helps prevent drift between what your company says and what your company delivers. It also ensures the business stays ahead of trends, rather than reacting too late.

To learn more about how to do maintain competitive edge, download the Disruptors Co Competitor Landscape mapping handbook.



Innovation on purpose.

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Disruptors Co
The Quantum Terminal, 1 Eddy Ave
Haymarket NSW 2000