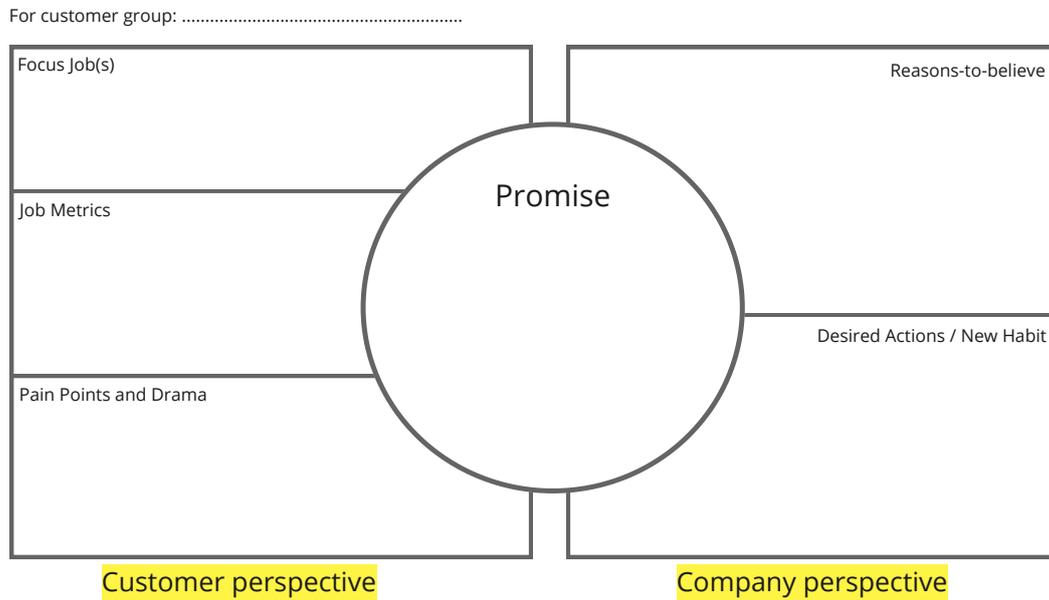


## Promise-Centered Value Propositions

# It has to click 5 times to gain the heart of the customer



*In innovation, when products are created that do not yet exist, existing customer habits have to be broken. And this is hard. Designing a compelling value proposition already early in the innovation process can help. In this article, we show a design process - based on Jobs-to-be-done - which leads to value propositions that have the power to change existing habits and thus can guide the innovation process. It's called Promise-Centered Value Proposition Design.*

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### The Job of a Value Proposition

Value Proposition Design has become a standard tool in innovation and new product development. Rightly so. A value proposition clarifies what added value the innovation offers to future customers. It defines why a customer should buy or use a new product.

Having clarity at the beginning of the development process what value a new product or feature should provide helps to define the necessary development requirements. It's also useful to convince the company's internal stakeholders to provide the necessary resources. It can even reduce the number of iterations with users as it serves as a first paper prototype, thus

shortening development time.

All good reasons why a Value Proposition is now accepted as a useful concept in innovation, after more than 30 years since Michael Lanning invented the term "value proposition" in an internal McKinsey staff paper<sup>1</sup>.

In the context of innovation, when products or services are created that do not yet exist, a value proposition must be particularly good in one aspect. It must be designed in a way that allows to break existing habits. Why? Because every innovation replaces an existing product or way of doing something.

<sup>1</sup> <https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/delivering-value-to-customers>

Consumers must put a new product in their shopping basket and try it out. Risky! Doctors must prescribe a different treatment method for their patients. Will it really provide the efficacy and safety indicated in the clinical trials? Manufacturers must switch to another supplier, giving up established relationships. Bank customers must get used to new systems and new client advisors. An innovation is always replacing a current habit or product. And from psychology we know, habit change is difficult. Therefore, the designed value proposition for an innovation has to be a true habit breaker.

## Most value propositions are no habit breakers

Most value propositions we see in our practice are not designed to break habits. We have coached hundreds of technology startups and worked with dozens of incumbents across industries to implement innovative ideas, and have seen many value propositions fail in one of the following two ways.

Either they were too technology-focused, written inside-out from the company's perspective. Basically, the value proposition listed a set of features, assuming future customers want them. Those value propositions don't break habits, because people don't want features, but they want to get a job done (see box on Jobs-to-be-done thinking).

Or they described rather generic customer needs (e.g., pains or gains) along with value creation elements (e.g., products or features). While value propositions crafted in that way at least try to incorporate the customer perspective, they tend to be unconvincing, not compelling, accidental - thus not powerful enough to break a habit. No compelling story is told about why a person should use a new product.

A Promise-centered Value Proposition design based on Jobs-to-be-done leads to a convincing and compelling value proposition that allows to break existing habits and to guide the innovation process for new products.

### *What is Jobs-to-be-done?*

Jobs-to-be-done is a powerful logic to understand the customer perspective. It shifts the focus away from thinking about solutions and features to what customers want to achieve. A Job is a goal that a person wants to achieve, and the steps towards this goal. People don't want a drill, they want a hole in the wall, as Levitt once puts it. Framing customer needs that way instantly shifts the perspective. It helps companies to discover insights beyond technology and design better, more promising products.

## What is a Promise-centered Value Proposition?

A Promise-Centered Value Proposition is a strategic document summarized in a one-page narrative. At the core is the promise. This promise is embedded in a compelling story that guides the future customer from existing habits, goals and problems to a new behavior.

When reading the value proposition as a customer, five habit changing clicks are triggered in his or her mind:

1. I feel understood and answer with "yes, that's true". It resonates with my beliefs and the goals I try to achieve (i.e. the job-to-be-done).
2. I explicitly see a true problem that I have in my life with the current way of doing it or the current product I use. I think even about the consequences this problem creates if not solved.
3. I get a promise that is truly appealing, irresistible, so that I want to act. The promised value is almost too good to be true.
4. Continuing reading, I start to believe that this promise will come true, i.e. the new product will deliver what it promises.
5. I know what to do now, for example to pay attention and listen, to try it the first time or go on a website to register.

## Why is a Promise-Centered Value Proposition habit breaking?

A value proposition designed in this way, triggering those five clicks in the minds of future customers, will move people to action and change their habits.

Why? Because

- The Jobs-to-be-done framing captures the customer where she mentally and emotionally is and what she believes. Therefore it **resonates** and ensures engagement with the new product.
- The explicit mentioning and dramatizing of the **problem** activates the desire to change a behavior
- Promising a **superior** value moves people, as human beings are driven by attraction of something better or by repulsion of something worrying.
- The gained **credibility** reassures customers that the new behavior is worthwhile, thereby reducing the risk of changing.
- By making the first step easy, the barriers to change are further reduced and an action leading to the new habit is **activated**.

## Building it

To create a value proposition that achieves these five clicks in the mind of future customers, and ultimately changes habits, it's not enough to brainstorm inside-out and write hypotheses on post-its. This will only lead to generic and superficial propositions without edge. Instead, it has to be carefully thought through and supported by customer research findings and results of product performance studies.

There are six design elements which have to be understood and filled with content:

**Focus Job:** This is the main goal that the addressed customer group wants to achieve with a given solution. For a transportation solution like a car or a train, the focus job could be *To go from A to B*. A cookware company providing pots, pans and other kitchen utensils, their customers' focus job could be *To provide food to my family*. In practice, we design a so-called Job Hierarchy, to reflect the interaction between higher and lower level jobs<sup>2</sup> and break the Jobs up in individual Job Steps.

**Job Metrics:** These are criteria that customers expect (or want to avoid), when trying to get a job done. For example, *that there are no burnt spots when cleaning the pan*, in the case of the cookware company. For each focus job, there are easily 60-80 relevant metrics customers apply, all allocated to the different Job Steps.

**Pain and Drama:** Pain points are Job Metrics that are important to a majority of the customer group, but are not satisfactorily resolved for them<sup>3</sup>. The drama is a technique to make the pain tangible by simply asking what will happen when the pain is not resolved.

**Promise:** The promise connects the customer perspective with the product or company perspective. It is what brings it to life. The promise must be superior to existing solutions and can typically propose values or benefits like faster, simpler, easier, safer, cheaper or more stable.

**Reasons-to-believe:** These are proof points outlining why the future customer should believe what is promised. Proof points can be a description of the solution like features or mode of actions, evidence data that the new solution works better than current solutions, or references like client testimonials or quotes.

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<sup>2</sup> See our blog <https://vendbridge.com/en/2020/09/03/jobs-to-be-done-hierarchy-2-0/>

<sup>3</sup> See how we define Pain Points <https://vendbridge.com/en/2020/08/25/the-3-elements-of-a-pain-point-2/>

## Case: Typewise



**Background:** Typewise is a new smartphone keyboard that rethinks the standard QWERTY keyboard on iOS or Android. Key features include: AI autocorrection technology in multiple languages, a patented hexagonal user interface with larger keys, and guaranteed data privacy.

**Initial Value Proposition:** The focus was on the main features. It was unclear what value the keyboard would offer. The value proposition listed the main features without promising a user-relevant value.

**Promise-Centered Value Proposition:** Using the design principles described here, the Job - to communicate with friends - and a set of Job Metrics users apply were quickly understood. Via A/B testing, the most relevant pain points were identified, which were those related to incorrect spelling such as *the negative impression when sending a message full of typos* (drama). This allowed to formulate a clear promise: *No more typos if you use Typewise*. The reasons-to-believe are: *four times fewer typos thanks to 70 percent larger keys and AI technology, evidential data and happy user quotes*. A focused narrative on website and in app store - with the main claim *Say goodbye to typos* - led to 900,000 active users by 2021, secured external VC funding and international product awards.

[www.typewise.app](http://www.typewise.app)

**Desired action / new habit:** This is what the company wants from the customer. It is often linked to the business goals or the sales processes, e.g., trigger leads in B2B or order in the webshop in B2C.

Once these six design elements are understood and defined, supported by customer research, innovators have a powerful tool to guide the innovation development process. Requirements can be derived, first paper prototypes created for further user testing, and convincing communication formulated for management or investor pitches. The likelihood of market success for a new product developed on the basis of such a Promise-Centered Value Proposition increases significantly.



Vendbridge supports companies to turn growth initiatives into market success. As the leading customer insight expert, we frame the business strategy from the customer perspective, identify what customers really want and spin the growth idea towards the discovered opportunities.

Our Customer-Focused Innovation methodology (CFI) is based on Jobs-to-be-done and identifies what customers really want. Specific, un-biased and measurable.

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