



## Research paper

# Toward a comprehensive framework of value proposition development: From strategy to implementation

Adrian Payne<sup>a,\*</sup>, Pennie Frow<sup>b</sup>, Lena Steinhoff<sup>c</sup>, Andreas Eggert<sup>d</sup>

<sup>a</sup> School of Marketing, University of New South Wales, Sydney, NSW 2006, Australia

<sup>b</sup> Discipline of Marketing, The University of Sydney Business School, Sydney, NSW 2006, Australia

<sup>c</sup> Institute for Marketing and Service Research, University of Rostock, Ulmenstrasse 69, 18057 Rostock, Germany

<sup>d</sup> Marketing Department, University of Paderborn, Warburger Strasse 100, 33098 Paderborn, Germany



## ARTICLE INFO

## Keywords:

Value proposition

Value proposition development

Value proposition implementation

Value in use

Co-creative encounters

Learning

## ABSTRACT

Value propositions (VPs) can play a major role for the strategy development and implementation process in B2B markets. While being recognized as one of the firm's most important organizing principles, the VP concept is still poorly understood and executed in many B2B firms and scholarly research provides limited guidance on how to develop and implement VPs in B2B markets. This article re-assesses the VP in the context of both strategy and implementation. It undertakes a review of extant conceptual frameworks and identifies key elements that are overlooked and/or not addressed. A new conceptual framework for addressing VP design and development is offered, which incorporates five key interrelated phases of implementation that need to be comprehensively addressed. This research provides a theoretically sound and practically applicable VP development framework, integrating the firm's strategic considerations, ensuring a fit between its business model and customers' needs, and reflecting the nature of B2B markets through its dynamic perspective. In addressing key implementation issues, the article provides firms with a robust approach to addressing the dynamic competitive environment, as well as taking into account changing customer needs.

## 1. Introduction

The value proposition (VP) is now recognized as an important topic for scholarly investigation. However, this recognition has been a long time coming. The concept of a proposition in marketing was first raised over a century ago by Starch (1914) who promoted the notion of communicating a proposition to customers and mobilising them to act on an offer. Early work on propositions focused on aspects related to advertising (e.g., Hopkins, 1923), developing later into the concept of the unique selling proposition, or USP (Reeves, 1961). The proposition concept was principally concerned with business-to-consumer (B2C) products and only more recently was applied to the context of business-to-business (B2B) markets.

The term value proposition (VP) was developed in 1983 by Michael Lanning and published in an internally circulated McKinsey Staff Paper (Lanning & Michaels, 1988). The concept was developed “not as a freestanding idea ... but ... in the context of a framework for strategy: the value delivery system (Lanning, 2019). Although research in this area has progressively increased, the VP concept has received little

attention compared to the very substantial literature on customer value. This neglect is surprising especially as some scholars identify its potential as “the firm's most important single organizing principle” (Webster, 2002, p. 61), crucial to the value creation process (Payne & Frow, 2005), the essence of marketing strategy (Payne, Frow, & Eggert, 2017), a statement of the firm's core strategy (Lehmann & Winer, 2008), with decisions impacting implementation of marketing right across the firm (Morgan, 2012).

The lack of scholarly research into VPs led the Marketing Science Institute (MSI) in 2010 to emphasize developing “ways to identify, develop, and deliver compelling VPs that incorporate customers as collaborators and sources of competence .... And strategies and practices for co-creating and delivering solutions for business customers” as key research priorities (Marketing Science Institute, 2010, p. 5). In 2014, the MSI highlighted the importance of creating and communicating enduring value as “one of the most important tasks in marketing” (Marketing Science Institute, 2014, p. 9). Recently, there have been further calls for scholarly enquiry into “How can an organization create a fit between its business model and its VP?”, and “How can

\* Corresponding author.

E-mail addresses: [a.payne@unsw.edu.au](mailto:a.payne@unsw.edu.au) (A. Payne), [pennie.frow@sydney.edu.au](mailto:pennie.frow@sydney.edu.au) (P. Frow), [lena.steinhoff@uni-rostock.de](mailto:lena.steinhoff@uni-rostock.de) (L. Steinhoff), [andreas.eggert@notes.upb.de](mailto:andreas.eggert@notes.upb.de) (A. Eggert).

<https://doi.org/10.1016/j.indmarman.2020.02.015>

Received 21 October 2019; Received in revised form 13 January 2020; Accepted 17 February 2020

Available online 29 February 2020

0019-8501/ © 2020 Elsevier Inc. All rights reserved.

organisations implement and use value propositions?” (Payne et al., 2017, p. 481).

Despite these ongoing calls, much work remains to be done. The concept generally remains poorly defined in the literature (Ballantyne, Frow, Varey, & Payne, 2011; Skållén, Gummerus, von Koskull, & Magnusson, 2015) and practitioners appear frustrated with a general lack of ability to develop such compelling VPs. One observer laments the forgotten reality of the VP, arguing the term has lost its way aimlessly adopting buzzwords and empty turns of phrase (Naslund, 2008). Lanning (2019, p. xx) identifies that “one of most common shortfalls in applying the [VP] idea is to see it primarily as a tool for communicating the value a business offers to customers .... but it leaves out the also crucial question of how the business will make the value actually happen for the customer,” highlighting the need to more fully consider the strategic intent and implementation of the VP. Reflecting this strategic intent, we adopt Payne et al.’s (2017, p. 472) definition of a VP as “a strategic tool facilitating communication of an organization’s ability to share resources and offer a superior value package to targeted customers”.

The article addresses these calls and re-assesses the VP in the context of both *strategy and implementation*. Despite its existence for a considerable time, it is clear the VP concept is largely not utilised in the manner that was originally intended. There are problems and confusion with how practitioners view and use the VP concept. In particular, despite various frameworks and guidelines for developing VPs, there is little guidance on how to integrate existing VP insights into a theoretically grounded but practical conceptual framework that can guide VP development. It is here that this article contributes, by developing a new conceptual framework integrating both strategic and implementation facets related to VP development.

This article proceeds as follows. First, we retrace the original conceptualisation of the VP. Second, we undertake a review of other VP conceptual frameworks that had been proposed by consultants and scholars. We synthesize their focus and identify key elements that are addressed or overlooked. Third, we provide a new conceptual framework for addressing VP design and development. We commence with a section that considers VPs from a strategic perspective, discussing how VP strategy needs to be considered in the context of the firm’s business model and customers’ core value dimensions. In the subsequent section, we then consider how VP implementation is enhanced by systematically engaging in five interrelated implementation phases. Finally, our concluding discussion considers implications for theory and practice and depicts avenues for future research.

## 2. VP origins: The value delivery system and value proposition framework

A very brief commentary on the value delivery system was published in 1985 (Bower & Garda, 1985), followed several years later by a more complete treatment of both the value delivery system and VP framework by Lanning and Michaels (1988). This framework contrasts a *traditional product-oriented system*—the way that organizations typically viewed their business activities—with the *value delivery system*, which proposed a more market-oriented approach of sequentially choosing, providing, and communicating the value (see Fig. 1). It emphasizes the VP’s integration with the firm’s business model.

Lanning and Michaels (1988) argue that business success is typically constrained by companies adopting an internally-focused, product-oriented approach which focuses on creating, making, and selling a product. The focus of the VP depicts the business from the customer’s perspective, rather than as a series of internally-oriented functions, and consists of three steps: (1) *choose the value*, (2) *provide the value*, and (3) *communicate the value*. Choosing the VP involves assessing customer needs and determining how well an organization can satisfy those needs with *clearly differentiated benefits, relative to price*, when compared with competitors. Providing the VP is concerned with developing a product/

service package that creates clear and superior value. Communicating the VP involves the key marketing activities needed to inform customers that the value offered by the organization exceeds that of competitors.

A decade later, a more developed exploration of the VP was published by one of its originators (Lanning, 1998). The structure of the framework remained essentially the same, except for a change in terminology of the steps to choose, provide, and communicate this VP. However, this later explanation of the framework placed emphasis on *creating a resulting customer experience*. This shift in focus involves viewing experience from the customer’s point of view, with the firm shifting from a market research-led, inside-out perspective, to an experience-based, outside-in perspective (Day, 2011, p. 54), leading to a VP being seen as “the entire set of resulting experiences”. Lanning (1998) further clarified the steps of providing and communicating the VP: *providing* it means the customer accepts the proposition, buys the product, and has resulting experiences; *communicating* means that customers have an understanding and appreciation of experiences before, during, and after the purchase of the product.

The language used in the original representation of the VP in the 1980s of “value delivery” (Bower & Garda, 1985), “deliver the value,” and the “value delivery system” (Lanning & Michaels, 1988) suggests a supplier-determined perspective of the VP (Payne et al., 2017). However, despite such language suggesting a unidirectional focus, closer scrutiny of Lanning’s work (1998; 2015) shows a clear outside-in focus. This is evident in Lanning’s emphasis on “the world of potential customers’ resulting experiences” (1998, p.1), which clearly has an outside-in customer-centred motivation.

## 3. VP evolution: A review of frameworks for VP development

As interest in the VP concept has developed, consultants and academics have proposed various frameworks for developing VPs. Our review of VP development frameworks proceeds in three steps. First, we consider approaches developed by consultants. Second, we synthesize frameworks proposed by academics. Third, we distil key areas emphasized by these approaches. We then ascertain some key strategic and implementation concerns relevant to VP development that have been omitted in previous work (see our later Table 1 for a summary), concluding that there is a need for a more comprehensive and integrated VP conceptual framework suited in particular to B2B markets.

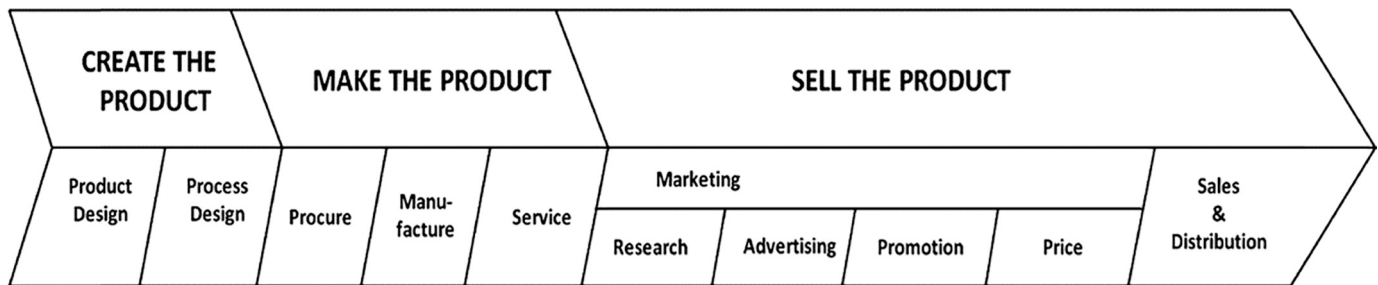
### 3.1. Consultant VP frameworks

Following McKinsey’s original development of the value delivery system and VP framework (Lanning & Michaels, 1988), other consultants have come up with their own approaches. Consulting firms, large and small, offer approaches and frameworks to clients that include VP development, but only a small number publish their approaches externally. Subsequently, we review three publicly accessible illustrative examples.

#### 3.1.1. Value proposition builder

Consultants Barnes, Blake, and Pinder (2009) develop a VP builder, which consists of six stages: (1) identify target customer segments, (2) define customers’ value in terms of benefits minus costs, (3) formulate the offer, (4) determine how the offer provides benefits and prioritising these benefits, (5) consider competitive offerings, and (6) provide support by way of substantiated credibility of the offering. This framework is similar to Lanning and Michaels’ (1988), but in addition it emphasizes the relevance of developing solutions co-created with the customer as well as using a VP template comprising a checklist of aspects to consider including respective functional responsibilities within the supplier; in addition, they put forth a value pyramid for identifying the relevant mix of rational, political, and emotional value offered to customers.

## Traditional product-oriented system



## Value delivery system

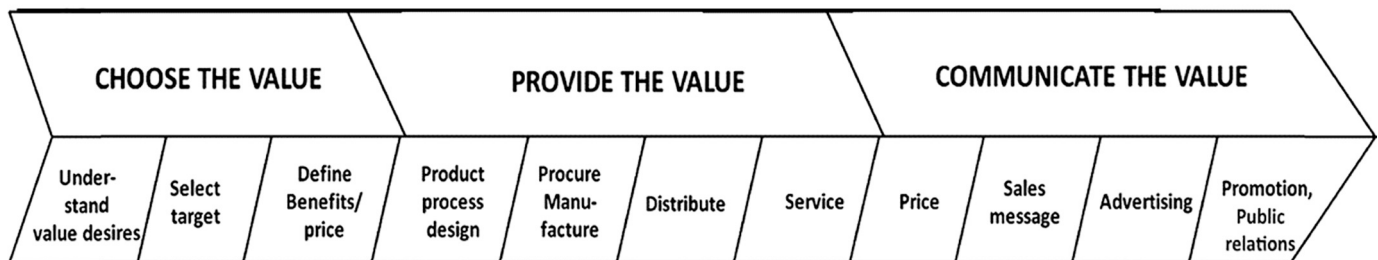


Fig. 1. The value delivery system.

(Source: Based on Lanning and Michaels (1988, 2000).)

### 3.1.2. The value proposition canvas

Osterwalder, Pigneur, Bernarda, and Smith (2014) propose a VP canvas aimed at assisting VP design. This framework provides an integrated design approach to the VP. It consists of two main elements: a customer profile and a value map. The customer profile shows, for a particular customer segment, the ‘gains’—the nature of the jobs that customers are seeking to get done and the outcomes and benefits that customers want to achieve—as well as the ‘pains’—obstacles and bad outcomes that relate to customer goals. The value map focuses on the development of all the product and service features that the VP is built around, together with a description of ‘gain creators’ (i.e., how identified products and services create customer gains) and ‘pain creators’ (i.e., how these products and services ease customer pains). The VP canvas seeks to achieve alignment in collaboration across the organization in delivering value to customers.

### 3.1.3. Value proposition platform

Dennis (2018) develops a VP platform that offers a sales-oriented structure for VP development. The VP platform comprises a main VP for a primary target market together with variants focusing on adjacent target markets. This framework involves the development of a specification of key segments, targets in terms of key customer decision-makers, and identification of business issues important to these decision-makers. The resulting VP comprises three parts: (1) a statement of the customer's objectives, (2) a concise offer that specifically addresses the customer's objective, and (3) a statement of key differentiators, compared to competitive offerings. The platform is supported by a statement of key aspects that allow the firm to demonstrate the differentiation together with value quantification and value verification.

## 3.2. Academic VP frameworks

Academic contributions vary in their perspective of VP conceptualization. For example, extant frameworks include a focus on functional benefits, identifying the appropriate mix of value attributes,

the use of value maps to identify firm and competitive offerings and the opportunity to develop new VPs, and a study of antecedents and consequences of VP development. Overall, scholarly work focuses on specific aspects, rather than undertaking more comprehensive assessments of issues related to both strategy and implementation. Only few academic frameworks focus on B2B markets.

### 3.2.1. Core benefits proposition

Urban and Hauser (1980), in a precursor to Lanning and Michaels (1988), propose the concept of a core benefits proposition. This framework involves developing a statement identifying the benefits the product provides and the “fulfilment of the product promises by physical features” (p. 155). Urban and Hauser (1980) argue that this statement forms the key component on which all marketing strategy is based. This form of proposition is *especially concerned with new product design*, a process that includes design, evaluation, refinement, and fulfilment of the proposition. As a parity product seldom leads to superiority, they argue that a firm should focus on seeking a product breakthrough. This form of proposition has its main emphasis on functional features of a product.

### 3.2.2. Value dimensions VP framework

Rintamaki, Kuusela, and Mitronen (2007) develop a framework for identifying VPs. Their framework is built around finding out whether the competitive advantage is focused upon price, solutions, customer experience, or customer meaning, based on a choice of economic value, functional value, emotional value, or symbolic value, or a combination of these value dimensions. Evaluation of the VP's competitiveness is based on the appropriateness of the firm's resources and competencies for delivering the VP *based on clearly differentiated benefits*, amplified by an *experiential focus*. This framework is largely restricted to a consideration of the appropriate mix of value dimensions.

### 3.2.3. Value maps as a means of identifying VPs

Kambil, Ginsberg, and Bloch (1996) provided a means of identifying

**Table 1**  
Consultant and academic VP frameworks: main areas of emphasis.

Framework (Authors)	VP strategy elements				VP implementation elements					
	Integration with business model	Differentiated value benefits	Emphasis on price	Experiential focus	Value-in-use	Integrated VP design	Value communication	Value quantification	Value documentation	Value verification
<i>Consultant VP frameworks</i>										
Value delivery system (Lanning & Michaels, 1988)	✓	✓	✓	✓		✓	✓			
Value delivery system – update (Lanning, 1998)	✓	✓	✓	✓	✓	✓	✓		✓	
Value proposition builder (Barnes et al., 2009)		✓	✓	✓		✓	✓	✓		✓
Value proposition canvas (Osterwalder et al., 2014)	✓	✓	✓	✓	✓	✓	✓			✓
Value proposition platform (Dennis, 2018)		✓	✓			✓	✓	✓		✓
<i>Academic VP frameworks</i>										
Core benefits proposition (Urban & Hauser, 1980)	✓	✓	✓				✓			
Value dimensions framework (Rintamaki et al., 2007)		✓	✓	✓	✓					
Value maps (Kambil et al., 1996)	✓	✓	✓		✓		✓		✓	✓
B2B VP framework (Anderson et al., 2006 & 2007)		✓	✓				✓	✓	✓	
VP strategy framework (Payne et al., 2017)	✓	✓		✓	✓	✓	✓			

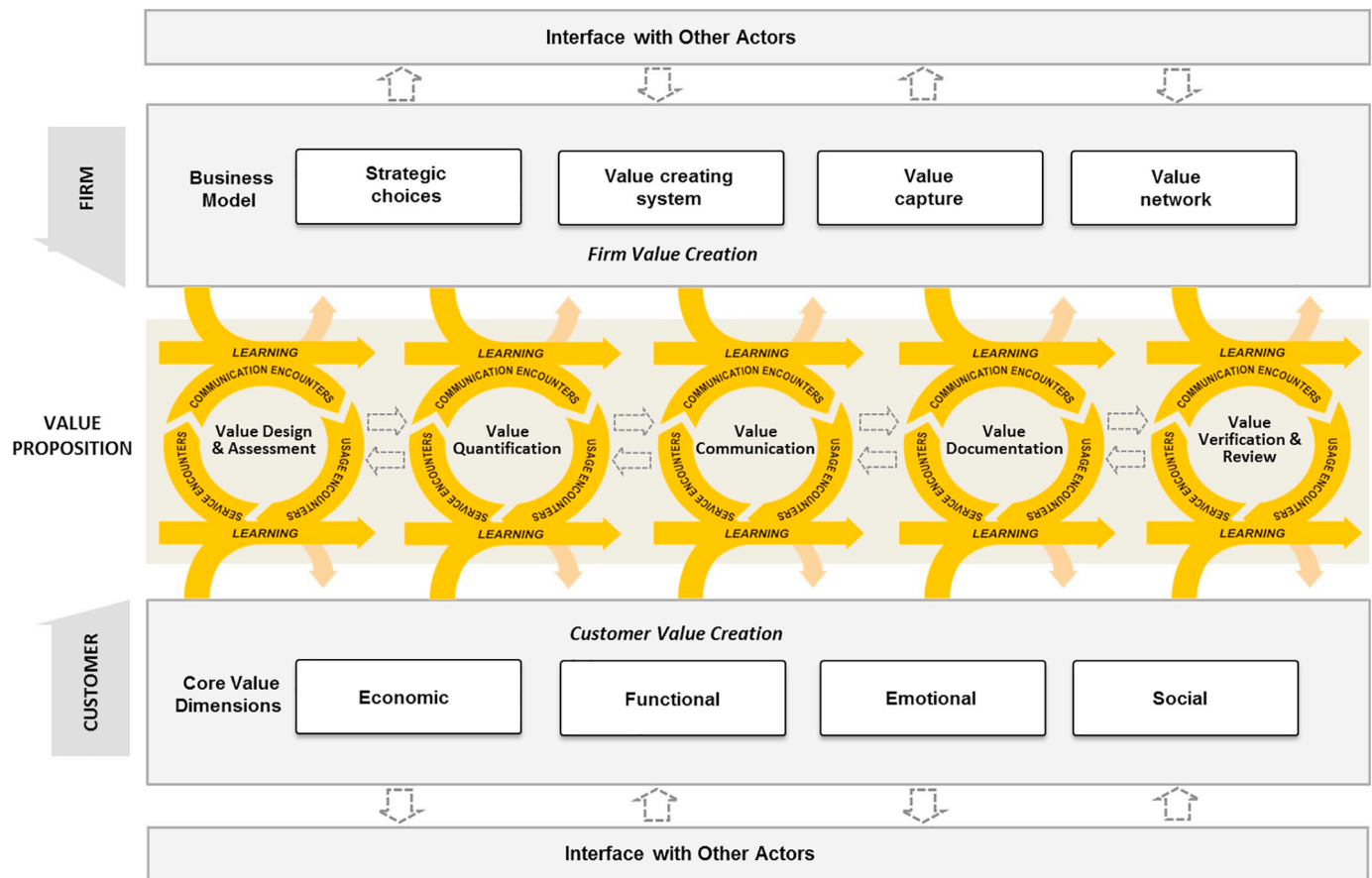


Fig. 2. The customer value proposition: a conceptual framework.

alternative strategies relating to a combination of benefits and price of different competitive offerings and resulting VPs. These authors *emphasize price relative to product performance*. They propose the concept of a *value frontier* showing the relative price/benefit trade-offs of competitors within a particular industry sector. The authors suggest different strategies for extending or shifting the value frontier as well as considering strategies for differentiation of VPs. This framework is a more detailed extension of Lanning and Michaels' (1988) value map approach.

### 3.2.4. B2B VP framework

In the context of B2B markets, Anderson, Narus, and Van Rossum (2006) and Anderson, Kumar, and Narus (2007) classify the way firms use the term VP into: all benefits, which lists all the benefits that a customer receives from a given market offering, favourable points of difference, which involves identifying points of superior differentiation relative to competition, and resonating focus which focuses on one or two points of differential advantage. They conclude that *resonating focus is the superior approach* to crafting a VP. Further, they argue that the building blocks of a successful VP include a comparison to the next best competitive alternative of points of parity, points of difference, and points of contention. This approach to VPs is the most complete with respect to B2B markets as it also places emphasis on substantiating the VP through *value quantification, value documentation, and value verification*.

### 3.2.5. VP strategy framework

Payne et al. (2017) develop a conceptual framework for understanding the VP's strategic importance by identifying key antecedents, consequences, and moderators. Drawing on resource-based theory (Kozlenkova, Samaha, & Palmatier, 2014), they identify two important

groups of antecedents: *firm-based resources* (leadership support, extent of VP formalisation, and product knowledge) and *market-based resources* (market knowledge, innovation, customer relationships, and brand reputation), which then have a dual effect on the enterprise and its customers. They consider that leadership support for the VP and the extent of VP formalisation, together with VP design characteristics, which include explicitness, granularity and focus, determine the VP's impact on both the supply firm itself and its customers. This framework emphasizes an important point regarding how decisions need to be made with respect to different levels of granularity for a particular firm at a given point in time. VPs may be formulated at the firm level, the customer segment(s) level and, especially for customers in B2B markets, the individual customer level. Anderson et al. (2006) propose a formal process for translating VPs from the market segment to the individual customer level, where appropriate. The VP strategy framework also emphasizes *value-in-use* (Eggert, Ulaga, Frow, & Payne, 2018) and the importance of *communicating the VP to both firm employees and customers*.

### 3.3. VP frameworks: The need for an integrative approach

Our review of the consultant and academic VP frameworks confirms a wide variety of approaches to VP design and development. From this review, we identify ten key elements of significant importance to VP strategy and VP implementation. As shown in Table 1, the elements relating to VP strategy include: integration with the firm's business model, clearly differentiated value benefits based on different forms of value, emphasis on price relative to competition, experiential focus, and emphasis on value-in-use rather than value-in-exchange. The elements of VP implementation address: adoption of an integrated design approach, value communication (externally to the customer and



internally within the firm), value quantification, value documentation, and value verification. Table 1 classifies the discussed consultant and academic VP frameworks along these ten dimensions to distil their main areas of emphasis. Some frameworks do touch on other elements listed in Table 1, but with less emphasis.

An examination of Table 1 shows that (1) none of the frameworks systematically addresses all the VP strategy and implementation elements identified from our review, (2) the consultant frameworks generally place greater emphasis on VP implementation, (3) of the frameworks with a B2B focus, the work by Anderson and his colleagues provide the most complete treatment, including key issues relating to implementation, (4) academic frameworks are generally more narrowly focused, emphasizing specific elements such as value dimensions, and (5) some further aspects, not generally addressed by these frameworks and relevant to B2B markets, need to be considered, including leadership support for VP development, the extent of VP formalisation in terms of explicitness, and VP granularity (e.g., Payne et al., 2017).

#### 4. Toward a comprehensive framework of VP development: The strategy context

Whilst the frameworks outlined above consider many important aspects, most provide limited consideration of the processes that underlie VPs, which can guide managers in VP development in B2B markets. In Fig. 2, we present a conceptual framework for VP development that addresses this gap. This framework is not intended to reflect a static firm and a static customer. Successful customer strategy is contingent on the degree of customer and firm adaptation. Storbacka and Lehtinen (2001) point to the need for a ‘zipper approach’ based on mutual adaptation, which is highly relevant to beneficial B2B partnerships.

In this section we focus on the *strategy context of VP development*. In the section that follows, we consider VP implementation through an examination of the VP development process shown in Fig. 2. The framework describes VPs that are purposefully co-created. Contemporary theoretical perspectives from co-creation, business models, encounters, organizational learning, and service systems inform this framework. It comprises four parts: (1) *the business model and firm value co-creation*, (2) *the core value dimensions and customer value co-creation*, (3) *a process of co-creative VP development*, including *reciprocal learning*, and (4) *an interface with other actors* within the firm's ecosystem. These components are interactively linked, illustrated by the connecting arrows in this figure, which emphasizes both strategy and implementation issues.

This framework represents a departure from extant approaches to developing VPs in three key aspects. First, it provides more detailed recognition of key strategic factors relating to the firm's business model including strategic choices, the value creating system, the value network in which the firm exists, and the potential for value capture. Second, it recognises the nature of co-creative practices, some of which occur in the firm sphere, some in the customer's own, and some in a joint sphere (Grönroos & Voima, 2013). Third, it acknowledges that VP implementation requires an integrated approach involving five interactive phases. Specifically, in our framework, the focus shifts from internally-driven processes for developing the VP to an interactive sequence of value design and assessment, quantification, communication, documentation, and verification.

##### 4.1. Firm value creation: Business model and value co-creation

The upper part of Fig. 2 shows the business model, which describes how a firm addresses the value offered to customers and captures economic profits (Day, 2011). Chesbrough (2010) identifies key components of a business model: competitive strategy, VP articulation, market segments, value chain structure and requisite assets, cost structure and profit potential (i.e., value capture), and the value network. Although other authors propose different components, depending

on the context that is explored, Jensen (2013) suggests there is now some convergence in business model definition. Shafer, Smith, and Linder (2005) analyse twelve studies of business models and identify key themes. Drawing on these studies, in Fig. 2 we identify four business model elements: *strategic choices* (competitive strategy, value chain structure, value focus, and customer segment emphasis), *value creating system* (cf., Day, 2006) (resources, capabilities, processes), *value capture* (revenue model and cost model), and *value network* (strategically important actor relationships). These business model elements collectively form the strategic basis from which target customer segments are identified and the value requirements of the segments are identified.

##### 4.2. Customer value creation: Core value dimensions and value co-creation

Emphasis on customers' core value dimensions, shown in the lower section of Fig. 2, has progressively shifted from largely functional values (e.g., Urban & Hauser, 1980), to a broader range of value dimensions (e.g., Rintamäki et al., 2007). Customer value creation occurs throughout the customer journey; hence it is not just manifest as value-in-exchange. Further, value creation is a dynamic process that is experienced *pre-exchange* (during the process of searching, evaluating, anticipating and deciding), *during exchange* (including the process of interacting), *post-exchange* (involving “use value”), and, potentially, during disposal. Different forms of value are evident at different stages of the customer journey. Scholars now generally agree that value is a multi-dimensional construct, although there is a lack of consensus about the precise number or nature of these dimensions. In business markets, selection factors are highly context dependent (Ulaga & Eggert, 2006). We reviewed research on value dimensions by Sheth, Newman, and Gross (1991), de Ruyter, Wetzels, Lemmink, and Mattson (1997), Sweeney and Soutar (2001), Holbrook (2006), Rintamäki et al. (2007), Smith and Colgate (2007) and Müller (2012). In five of these seven studies there is broad agreement on the following four ‘core customer value dimensions’ shown in Fig. 2: *functional value*, *economic value*, *emotional value*, and *social value*. Researchers overlap in their views of other value dimensions, partly due to the contexts in which they are studied. Some further forms of value may be *conditional and situation-specific* (Sheth et al., 1991), so firms might need to consider other dimensions relevant to their specific situation.

##### 4.3. Interface with other actors

While our focus is on the firm co-creating the VP with customers, it is important to recognize the impact of how these actors may interface with other relevant actors, as reflected by the two-way arrows at the top and bottom of Fig. 2. The importance of other actors in a network is evident in many instances (e.g., Bhattacharya & Korschun, 2008; Frow et al., 2014; Frow & Payne, 2011). At each stage of VP development, a firm and/or its customers may engage with other actors. There are numerous contexts for such engagement. For example, a white goods manufacturer of refrigerators and freezers, driven by changing environmental pressures, may seek to redesign its VP by considering the low carbon requirements of its intermediaries (e.g., distributors) and ethical product disposal (e.g., a range of other actors). Redesign of this manufacturer's VP could be triggered by the manufacturer itself, or other actors, including federal government, a state government, municipal councils, environmental agencies, consumer activists, distributors, or a combination of these actors. In the B2B sector, firms marketing infrastructural products, including services such as telecommunications and utilities as well as firms building large-scale commercial property will have government departments, councils, and regulatory bodies as important influential actors (e.g., Gummesson, 2002). Chemical manufacturers and oil companies will likewise have an important interface with regulators, standards authorities as well as environmentalists.

#### 4.4. Value proposition implementation

The VP implementation process is shown in the centre of Fig. 2 and consists of five phases: (1) *value design and assessment*, (2) *value quantification*, (3) *value communication*, (4) *value documentation*, and (5), *value verification and VP review*. In turn, the value verification phase feeds back into the value (re)design and assessment phase. The arrows between the phases in Fig. 2 highlight the iterative nature of VP implementation. We detail these phases in the next section.

VP co-creation is supported by critical encounters and learning activities. Within each phase, different forms of *encounter* can occur, resulting in *firm learning* and *customer learning*. Value is catalysed by encounters (Lindic & da Silva, 2011). Payne, Storbacka, and Frow (2008) identify three forms of encounters facilitating co-creation: *communication encounters*, *usage encounters* and *service encounters*, which may be emotion-supporting, cognition-supporting, or action-supporting. Learning is based on the application of knowledge. Both product knowledge and market knowledge represent firm-based and market-based resources that are important antecedents of the VP (Payne et al., 2017). Learning includes three specific capabilities (Day, 2011): capabilities that provide deep market insights and warn of market changes and opportunities, experimentation capabilities that offer continuous learning, and relationship-building capabilities that provide network learning opportunities. Management of these encounters and learning activities are central to the implementation stage of VP development.

### 5. Toward a comprehensive framework of VP development: The implementation context

Building on research on value propositions and design thinking, we now consider VP implementation. Fig. 3 provides a more detailed explanation of the five implementation phases, which are shown on the outer circle. The inner circle in Fig. 3 represents the value-in-use co-created as a result of the firm's interactions with customers and other key actors in VP implementation. The arrows between the inner and outer circles represent the reciprocal learning processes that occur throughout the customer journey—before, during, and following interaction activities. This reciprocal learning provides feedback between the firm, its customers, and other key actors. This article focuses directly on the customer VP, but, as outlined above, in B2B markets other relevant actors should also be considered. As the firm develops and implements customer VPs, consideration should also be given to the broader stakeholder perspective of VPs (e.g., Frow et al., 2014; Frow & Payne, 2011).

The five phases form a holistic framework that illustrates how VPs are developed and shaped through design, interaction, learning, evaluation, feedback, and renewal. The VP framework emphasizes a shift from static offerings to dynamic, reciprocal, and co-created VPs resulting in enhanced value-in-use. Payne et al. (2017) discuss the benefits of adopting a value-in-use perspective including an illustrative case example of a B2B firm making the transition toward a more effective value-in-use position.

#### 5.1. Phase 1: Value design and assessment

The design of a VP relates not only to the value creation architecture of the business model and customer learning capabilities, but also to the strategic choices that are made. VP design involves undertaking a resource assessment, customer and competitor research and assessment of fit with the business model elements shown in Fig. 1. Customer involvement in the design of the VP can impact value perceptions and help build stronger relationships between the firm and its customers. As noted above, the mix of forms of encounters will vary at different stages of VP implementation, such that in the design phase, for example, communication encounters will typically be most common forms of encounter in B2B markets. Critical to the design of a robust VP is the

experiential perspective advanced in Lanning's (1998) later work. Here, he suggests the firm seeks to gain a much greater understanding of what it is like 'to be the customer.' Such in-depth exploration requires specific customer insights, using methods such as ethnographic research.

There are several important steps within this phase. As part of the strategy process the firm should have a clear picture of the key market segments it wishes to focus on and competitive offerings. The VP should provide a clear answer to the question: "Why should I buy from this company?" (McGlaughlin, 2014). A firm may need to provide different VPs to different customers/customer segments and to adjust each VP over time in order to keep these VPs coherent enough to operate with the same underlying, shared business model. Thus the firm needs to (1) consider the appropriate level of VP granularity (firm level, customer segment level, individual customer level) (e.g., Payne et al., 2017), (2) determine the VP emphasis in terms of the value offered (all benefits, favourable differences, resonating focus) (e.g., Anderson et al., 2006), and (3) clarify the focus (number and breadth of superior customer value dimensions to emphasize). Later, following the VP review in the final phase, this phase will be revisited with any necessary refinement and redesign of the VP.

#### 5.2. Phase 2: Value quantification

Kotler (2017) points to the real marketing challenge of quantifying the value of the firm's offer compared with that of the most successful competitive offering. Research in B2B markets suggests that most firms have difficulty developing VPs that demonstrate quantifiable benefits to their customer base (e.g., Anderson et al., 2007; Hinterhuber, 2008, 2017a). Addressing this issue is of considerable importance. For example, McMurphy (2008) found executives' inability to clarify business results by means of VP quantification was a supplier weakness. However, a study of sales executives conducted by Hinterhuber (2017a, p. 172) identified that capabilities in VP quantification "substantially and positively influence firm performance."

In B2B markets, a dual perspective should be considered, including both quantitative customer benefits (focusing on dimensions such as cost reduction or cost avoidance, risk minimisation, profit and margin improvement, and savings on capital cost) and qualitative customer benefits (involving more intangible advantages such as ease of doing business and reputation). These benefits need to be compared with those of major competitors. Anderson et al. (2006) and Terho, Eggert, Ulaga, Haas, and Böhm (2017) provide details of alternative methods for value quantification, including value calculators, value studies, simulations, return on investment assessments, and customer-specific value calculations. Case studies and workshop templates are useful in providing guidance to VP quantification. Evans (2019) provides a case study at MAN Trucks and Bus UK Ltd. and McDonald and Oliver (2019) provide a workshop approach to VP quantification together with examples of VP quantification (also see Hinterhuber, 2017b). In one large bank we studied, bank executives worked with the corporate treasurer of a major customer, a large multinational, to provide value quantification using the multinational's own accounting and cost allocation system, which permitted the corporate treasurer to facilitate more transparent allocation of costs across his many global business units.

#### 5.3. Phase 3: Value communication

The original formulation of the VP emphasized the importance of value communication. Over time, the key role of communication appears to have been neglected in most of the academic literature. As emphasized in the two-way interactive arrows in Fig. 2, communication of value is important *throughout the VP development process*, not just during this phase. For example, in the earlier value design and value quantification phases there is likely to be considerable dialog between the B2B firm and its customers regarding their requirements and determining the most appropriate means of assessing value. However, this

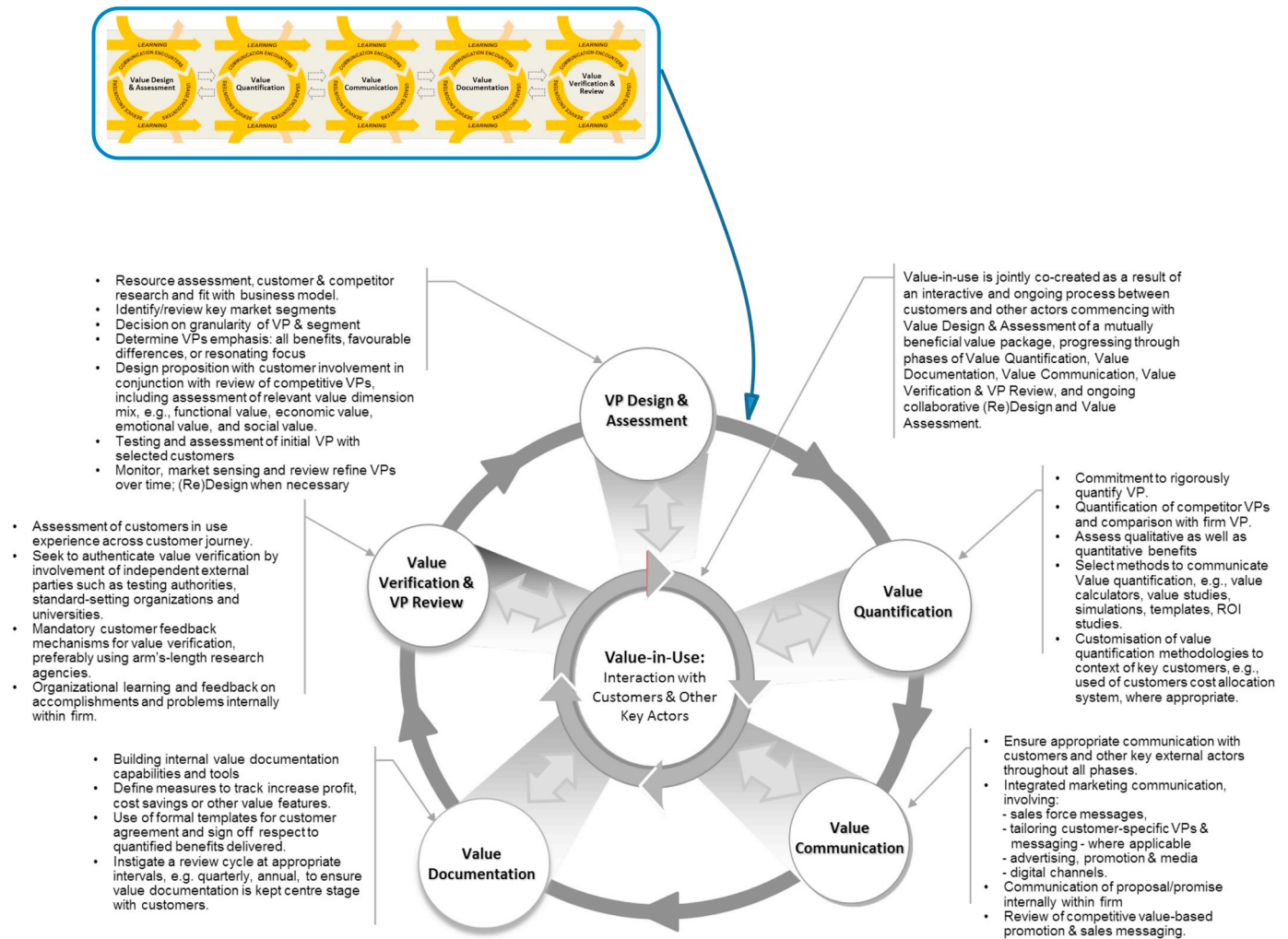


Fig. 3. The VP implementation cycle.

phase is aimed at explicitly and formally communicating the proposal and promise of value to customers. There is some debate as to whether a VP should represent a proposal or a promise. Some authors argue it represents a promise (e.g., Gattorna, 2003), which can be considered unidirectional (e.g., Frow et al., 2014), and some argue it should be considered a proposal where there is an expectation of co-creation and reciprocity (Ballantyne et al., 2011; Baumann, Le Meunier-FitzHugh, & Wilson, 2017; Truong, Simmons, & Palmer, 2012). We conclude that there is merit in considering both perspectives, such that a proposal comes first that initiates dialog and co-creative engagement about mutual value and what the VP should encompass and, having confirmed this, the VP should represent a promise to be fulfilled by the firm.

This phase is not about assuming that the role of the firm is merely concerned with communicating the VP to customers, the firm must also take responsibility for ensuring the VP is received and understood by customers. As Lanning (1998, p. 96) points out, “merely telling the customer about an experience doesn't constitute communicating it. Getting customers to believe the experience will really be provided is the important part of communicating”. Here particular attention should be on sending strong signals to assist customers to fully visualize the VP. Rintamaki et al. (2007) points out the importance of symbolic elements of value in communicating the VP to customers. The VP should be communicated effectively within the firm as the VP is likely to have “a positive impact on supplier firm's market orientation and employees' attitudes and behaviours, as well as on their physical resource

acquisition and deployment” (Payne et al., 2017, p. 477). Emphasis also needs to be placed on *two-way* learning from communication: “It's not enough that we learn from our customers; our customers have to learn from us. That's what collaboration is all about. At the core of collaboration is co-creation” (Schrage, 1995, p. 154). The B2B marketer needs to focus on each customer's specific needs with laser-like precision as it is essential to “develop and deliver the right narrative that the buyer can use when he or she explains his or her brand purchase preference to his or her associates” internally within the customer firm (Kotler, 2017, p. 171). This should be the basis of the firm's integrated marketing communication that addresses the relevant sales force and promotional elements, which would also include a review of competitive communications.

#### 5.4. Phase 4: Value documentation

As the VP is progressively developed, next, attention needs to be placed on value documentation. As Anderson et al. (2006, p. 96) point out: “To make customer value propositions persuasive, suppliers must be able to demonstrate and document them.” Building internal value documentation capabilities and tools enables sales management to communicate value to customers more successfully (Terho, Haas, Eggert, & Ulaga, 2012). Anderson et al. (2007, p. 50) observe that most companies have not made a sufficient effort to understand the value they provide to their customers and express this value in financial terms: “Demonstrating superior value is necessary, but is no longer



enough .... Suppliers must work with their customers to define the measures by which they will track the cost savings or incremental profit produced and then, after a suitable period of time, work with the customer managers to substantiate the results.” This means that value needs to be clearly identified and detailed during the VP development phase and then demonstrated during ongoing value-in-use.

Anderson et al. (2007, p. 75) confirm that documentation needs to be rigorous: “when we say ‘documented’, we mean that customer’s managers are willing to sign off on the cost savings or added revenue and profits that doing business with the suppliers produced. It is not just the supplier itself claiming it provided savings or added value, it is the customers confirming them.” An example from the CEO of US industrial supplier Cee Kay Supply serves to reinforce the importance of value documentation in B2B markets: “We decided to use Value Documentation with the salespeople as a way to help the customer understand the value Cee Kay Supply brings to the table. It has proven so successful that it is now a formal part of our sales process. Value Documentation accomplishes two things: It holds salespeople accountable for their activity; and it becomes part of the value proposition that we deliver to our top customers at the end of each year.” (Lane, 2010, p. 1).

## 5.5. Phase 5: Value verification and VP review

### 5.5.1. Value verification

Value verification and VP review represent the final phase that determines whether the VP that is proposed resonates successfully with customers. As the customer evaluates his or her in-use experience over the customer journey, this stage involves the firm longitudinally assessing the requirements of individual customer segments, including the value dimensions relevant to them. Thus, value verification is not a one-off process, but instead it is a continuous undertaking. Value verification should take the form of identifying demonstrable financial results or other measures and communicating this back to the customer. Mandatory customer feedback using arm’s-length researches or agencies, rather than the firm’s internal sales staff, can result in receiving better, unbiased feedback. Where appropriate, value can be verified by the use of independent external bodies such as standards-setting organizations, testing authorities and universities. In the B2B sector especially, value verification and VP review involve effective communication to customers of results for this phase and gaining their unqualified agreement on the value delivered. This learning and evaluative process feeds back into the first phase of VP design and assessment phase.

There is evidence from the literature and our interviews with managers that value verification is not widespread and consistently applied over time. Consistency and continuity are important. Peppers (2015) provides an example of how a telecommunications company had a commitment to a VP that was based on customer service. However, following a poor quarterly profit result, the firm’s finance department mandated that the contact centre could no longer provide complete or partial refunds to customers for unsatisfactory or interrupted service, even though prior policy required customer reimbursement. The subsequent undermining of the VP is likely to have a substantial negative outcome for affected customers. Further examples of failure to deliver on the VP in the B2B sector are provided by Lanning (2019).

### 5.5.2. Value proposition review

VP review needs to be considered alongside value verification. Relatively few authors consider VP review and renewal (for an exception see Osterwalder et al., 2014). Lindgreen, Hingley, Grant, and Morgan (2012) raise the question: do the fast-paced markets of today require continuous improvement or innovation in the VP? In some cases, after a review, changes in the VP are called for. In other cases, the VP may continue to be relevant for customers for years, or even decades. The following two contrasting examples of VPs at the firm level illustrate how their longevity can vary. An example of a long-standing

VP comes from consulting firm Bain & Co. whose VP is stated as a ‘mission’: “Bain & Company’s mission is to help our clients create such high levels of economic value that together we set new standards of excellence in our respective industries”. The firm then states how this proposition will be achieved, including: “This mission demands ... the Bain approach to creating value, based on a sharp competitive and customer focus, the most effective analytic techniques, and our process for collaboration with the client. We believe that accomplishing our mission will redefine the management consulting business and will provide new levels of rewards for our clients and for our organization” (Bain & Co., 2017). This proposition has stood the test of time for several decades. Greg Hutchinson, a Bain Partner comments, this was “developed in 1985 and has to be out of date, yet every time we peer into it, it’s just as real, it’s just as current, it’s just as vibrant as it was years ago” (Bain & Co., 2012). In addition to Bain & Co assessing the value of individual consulting assignments, value is also demonstrated by showing the superior stock market performance of an aggregate of Bain’s stock exchange listed clients when compared with the S&P 500.

A contrasting example of value proposition review comes from ICI Explosives UK, which has continuously reinvented its VP over several decades (Martinez & Turner, 2011). As these authors explain, ICI’s identified their initial VP an “explosive supplier” based on the sale of nitro-glycerine in explosive cartridges, representing a value-in-exchange perspective. With the progressive introduction of emulsion-based explosives, ICI’s VP changed to one of offering “process simplification” based on a new delivery method of pumping bulk explosives into blasting holes. By the 1990s, a further change in the VP occurred, with the introduction of “blasting services”. With this latter initiative, their VP evolved into offering an in-situ total service solution involving a tailored service deployed in mobile units that focused on value-in-use. Thus, the VP changed to one of “technological integrator”, with customised solutions leading to multi-year customer partnerships. Regular review is critical for a VP to assess if they remain relevant. When necessary, renewal processes involve the consistent and conscious revitalization of product and service platforms, brands, cost structures, and technology bases (Linder & Cantrell, 2000).

## 6. Discussion

This article responds to calls for research that explores new ways to identify and develop compelling VPs that both responds to strategic concerns (i.e., how firms can create a fit between their business models and their VPs by engaging customers as collaborators, co-creators and sources of competence) as well as addresses implementation issues (i.e., how firms can successfully implement and use VPs) (Marketing Science Institute, 2010, 2014; Payne et al., 2017). This represents an important research priority given the difficulty firms have in distinguishing and establishing compelling VPs. Reflecting on 30 years of use of the concept, VP originator Michael Lanning (2015) confirms that most firms have difficulty in developing compelling VPs, with the result that they do not choose meaningful ones. He points out how executives in different functions often describe completely different VPs or may not be able to describe one at all. Often, a VP turns out to be “nothing more than an afterthought ... and has not been properly chosen (Lanning, 2015, p. 5).

### 6.1. Implications for theory

Our research contributes to marketing theory in three ways. First, our article reviews and assesses prior frameworks that conceptualize VP development. These include consultant and academic approaches to VP design and implementation. We summarize prior work, delineate ten key elements along which these frameworks can be classified, and highlight the merits and limitations of these alternative approaches to VP development. Our synthesis indicates the lack of a holistic framework of VP elements that can guide the identification and development

of compelling VPs in B2B markets from both a strategic and an implementation perspective. While consultant frameworks generally place greater emphasis on VP implementation and less on strategic considerations, academic frameworks are generally more narrowly focused, emphasizing few specific elements (e.g., value dimensions). Furthermore, most existing frameworks do not address the specific context of B2B markets.

Second, building on our review of extant work on VP development, we propose a theoretically grounded, comprehensive conceptual framework addressing VP strategy and implementation in the context of a firm's business model and customers' core value dimensions. Existing discussions regarding how VPs relate to business model design typically suggest a static rather than dynamic process (e.g., [Martinez & Bititci, 2006](#)). Our framework employs a dynamic approach where a firm develops, evaluates, adjusts, and renews their VPs based on deep customer insight and the active participation of customers in a co-creative process. [Linder and Cantrell \(2000\)](#) maintain that firms succeed by choosing an effective business model, executing it superbly, and relentlessly renewing their proposition, especially when competitors threaten their existing business model. Our conceptual framework incorporates these ideas and provides a means for linking the firm's business model to the VP, while adapting to dynamic changes in the competitive landscape. This view acknowledges VP development as an interactive and recursive process of co-creative encounters and learning between firm and customer.

Finally, we contribute to a more nuanced understanding of value-in-use in the context of B2B value propositions. Until recently, much research on VPs emphasized a unidirectional, value-in-exchange approach focused on the firm 'delivering the value to the customer.' The earliest representations of the VP used the language of value delivery systems and value delivery, with the original intentions of the concept subsequently being misunderstood. Central to our proposed conceptual framework is a value-in-use perspective ([Eggert et al., 2018](#)).

## 6.2. Implications for practice

Our comprehensive framework for VP development provides two major contributions to marketing managers. First, our work provides a theoretically sound and practically applicable VP development framework, integrating the firm's strategic considerations, ensuring a fit between its business model and customers' value needs, and resonating strongly with customers in B2B markets through its dynamic perspective. Beyond, our proposed framework addresses implementation issues, providing firms with a robust approach to addressing the dynamic competitive environment, as well as taking into account changing customer needs. In [Table 2](#) we extend the discussion relating to [Fig. 3](#) and provide a detailed checklist of actionable guidelines to assist managers in VP implementation.

Firms can benefit from assessing their current approach to developing VP against our suggested framework and determine the changes needed to ensure a compelling VP is offered to customers. The extent to which the firm explicitly (purposefully) designs its VP may vary. Implicit (emergent) VPs may result from a unidirectional business strategy process; here, there is little input from a customer learning processes and results in an internally derived view of what should be offered to customers. Alternatively, a firm may have an explicit VP that is developed through an intensive interactive process during customer engagement and is designed to achieve specific goals for the business and the customer. We argue that in the intensely competitive environment in which firms operate today, relying on internally derived prescriptions of what customers should value is an increasingly untenable position. We argue that firm's adoption of the *interactive* perspective to VPs is now an imperative.

Second, for companies that have successfully adopted a value-in-exchange perspective, it is tempting to consider continuing with such an approach. However, we contend that, given the rapidly evolving,

**Table 2**

Managerial guidelines for value proposition implementation.

### Phase 1: Value design and assessment

- Resource assessment, customer & competitor research and fit with business model.
- Identify/review key market segments.
- Decision on granularity of VP and segment focus.
- Determine VPs emphasis: all benefits, favourable differences, or resonating focus.
- Design proposition with customer involvement in conjunction with review of competitive VPs, including assessment of relevant value dimension mix, e.g., functional value, economic value, emotional value, and social value.
- Testing and assessment of initial VP with selected customers.
- Following feedback from Phase 5, refine/redesign VP as necessary.

### Phase 2: Value quantification

- Commitment to rigorously quantify VP.
- Quantification of competitor VPs and comparison with firm VP.
- Assess qualitative as well as quantitative benefits
- Select methods to communicate value quantification, e.g., value calculators, value studies, simulations, templates, ROI studies.
- Customisation of value quantification methodologies to context of key customers, e.g., used of customers cost allocation system, where appropriate.

### Phase 3: Value communication

- Ensure appropriate communication with customers and other key external actors throughout all phases.
- Integrated marketing communication, involving:
  - o sales force messages,
  - o tailoring customer-specific VPs & messaging - where applicable
  - o advertising, promotion & media
  - o digital channels.
- Communication of proposal/promise internally within firm
- Review of competitive value-based promotion & sales messaging.

### Phase 4: Value documentation

- Building internal value documentation capabilities and tools.
- Define measures to track increase profit, cost savings or other value features.
- Use of formal templates for customer agreement and sign off respect to quantified benefits delivered.
- Instigate a review cycle at appropriate intervals, e.g., quarterly, annual, to ensure value documentation is kept centre stage with customers.

### Phase 5: Value verification and VP review

- Assessment of customers in-use experience across customer journey.
- Seek to authenticate value verification by involvement of independent external parties such as testing authorities, standard-setting organizations and universities.
- Mandatory customer feedback mechanisms for value verification, preferably using arm's-length research agencies.
- Learning and feedback on accomplishments and problems.

competitive marketplace, an outside-in approach will present further opportunities. We observe that many B2B firms, and especially those offering commodities, continue to focus on a value-in-exchange approach. Whilst this may be appropriate in particular circumstances, such as a firm selling low-cost commodity industrial items, for most firms a more expansive perspective needs to be considered. B2B firms are increasingly benefitting from adopting an outside-in approach. For example, mining company Rio Tinto adopted an outside-in approach in their industrial coal business, focusing on a transitional VP perspective. This resulted in an initiative that offered environmental benefits, reduced emissions and saved money for customers ([Ulaga, 2014](#)). Similarly, Rolls-Royce's adoption of 'power by the hour' ([Smith, 2013](#)) shifted their focus from selling jet engines to supplying power for aircraft based on usage, representing a shift from value-in-exchange to value-in-use.

## 6.3. Future research avenues

The enduring interest in the VP concept and the numerous open questions that surfaced in our review of extant managerial and academic VP research underscore the need for further research. Specifically, we identify three fruitful areas for further enquiry.

First, research is required that investigates how managers use the VP concept, the extent to which they employ frameworks for developing VPs and how they measure the success of their resulting VP. Few studies investigate the tailored design of VP frameworks to suit firms'

specific requirements, or the extent to which firms modify existing VP frameworks that specifically relate to their own firm and industry context (for one exception see Payne & Frow, 2014). One interesting aspect would be to investigate the context of early-stage dynamic markets where there is unavailability of information and a lack of market experience. Future research should investigate more fully the nature of value propositions as an ongoing iterative process for prototype design and testing (e.g., Osterwalder et al., 2014) and how the proposed conceptual framework may need to be modified in the context of such markets.

Second, we suggest research that investigates VP within the context of networked relationships. Firms, especially in B2B contexts, navigate the complex and competing demands of not only shareholders and customers, but many other stakeholders. As a consequence, there are many tensions confronting organizations today in balancing economic, social, and environmental concerns. Successful VPs have the potential to reconcile competing tensions between firms and the interests of their stakeholders, even extending to their wider societal and ecosystem goals (Ballantyne et al., 2011).

Finally, the framework has particular application in the B2B context, where collaborative interactions for crafting VP are especially applicable. However, research that assists B2C firms in their VP development and implementation is essential, while revealing features that contrast with our approach.

## References

- Jensen, A. B. (2013). Do we need one business model definition? *Journal of Business Models*, 1(1), 61–84.
- Bain & Co (2012). The founding of Bain's mission statement. Retrieved September 12 from <https://www.youtube.com/watch?v=NQ019kWIe8>.
- Bain & Co (2017). Bain & Company elects Manny Maceda as Worldwide Managing Director. Retrieved September 12 from <https://www.bain.com/about/media-center/press-releases/2017/bain-elects-manny-maceda-as-worldwide-managing-director/>.
- Anderson, J. C., Kumar, N., & Narus, J. A. (2007). *Value merchants: Demonstrating and documenting superior value in business markets*. Boston: Harvard Business Press.
- Anderson, J. C., Narus, J. A., & Van Rossum, W. (2006). Customer value propositions in business markets. *Harvard Business Review*, 84(3), 91–99.
- Ballantyne, D., Frow, P., Varey, R. J., & Payne, A. (2011). Value propositions as communication practice: Taking a wider view. *Industrial Marketing Management*, 40(2), 202–210.
- Barnes, C., Blake, H., & Pinder, D. (2009). *Creating and delivering your value proposition: Managing customer experience for profit*. London: Kogan Page.
- Baumann, J., Le Meunier-FitzHugh, K., & Wilson, H. N. (2017). The challenge of communicating reciprocal value promises: Buyer-seller value proposition disparity in professional services. *Industrial Marketing Management*, 64, 107–121.
- Bhattacharya, C. B., & Korschun, D. (2008). Stakeholder marketing: Beyond the four Ps and the customer. *Journal of Public Policy & Marketing*, 27(1), 113–116.
- Bower, M., & Garda, R. A. (1985). The role of marketing in management. In V. P. Buell (Ed.). *Handbook of modern marketing* (pp. 1.3–1.15). New York, NY: McGraw-Hill.
- Chesbrough, H. (2010). Business model innovation: Opportunities and barriers. *Long Range Planning*, 43(2), 354–363.
- Day, G. S. (2006). Achieving advantage with a service-dominant logic. In R. F. Lusch, & S. L. Vargo (Eds.). *The service dominant logic of marketing* (pp. 85–90). Armonk, NY: M.E. Sharpe.
- Day, G. S. (2011). Closing the marketing capabilities gap. *Journal of Marketing*, 75(4), 183–195.
- Dennis, L. D. (2018). *Value propositions that sell*. USA: Mind Your Business Press.
- Eggert, A., Ulaga, W., Frow, P., & Payne, A. (2018). Conceptualizing and communicating value in business markets: From value in exchange to value in use. *Industrial Marketing Management*, 69, 80–90.
- Evans, D. (2019). Creating and financially quantifying value propositions. In M. McDonald, & G. Oliver (Eds.). *Malcolm McDonald on value propositions* (pp. 157–169). London: Kogan Page.
- Frow, P., McColl-Kennedy, J. R., Hilton, T., Davidson, A., Payne, A., & Brozovic, D. (2014). Value propositions: A service ecosystems perspective. *Marketing Theory*, 14(3), 327–351.
- Frow, P., & Payne, A. (2011). A stakeholder perspective of the value proposition. *European Journal of Marketing*, 45(1/2), 223–240.
- Gattorna, J. (2003). *Gower handbook of supply chain management*. Aldershot, UK: Gower Publishing Company.
- Grönroos, C., & Voima, P. (2013). Critical service logic: Making sense of value creation and co-creation. *Journal of the Academy of Marketing Science*, 41(2), 133–150.
- Gummesson, E. (2002). *Total relationship marketing* (2nd ed.). Oxford, UK: Butterworth-Heinemann.
- Hinterhuber, A. (2008). Customer value-based pricing strategies: Why companies resist. *Journal of Business Strategy*, 29(4), 41–50.
- Hinterhuber, A. (2017a). Value quantification capabilities in industrial markets. *Journal of Business Research*, 76, 163–178.
- Hinterhuber, A. (2017b). Value quantification – Processes and best practice to document and quantify value in B2B. In A. Hinterhuber, & T. Snelgrove (Eds.). *Value first then price: Quantifying value in business to business markets from the perspective of both buyers and sellers* (pp. 61–74). London: Taylor & Francis.
- Holbrook, M. B. (2006). ROSEPEKICECIVECI versus CCV. In R. F. Lusch, & S. L. Vargo (Eds.). *The service dominant logic of marketing* (pp. 208–223). Armonk, NY: M.E. Sharpe.
- Hopkins, C. (1923). *Scientific advertising*. New York, NY: Crown Publishers Inc.
- Kambil, A., Ginsberg, A., & Bloch, M. (1996). Re-inventing value propositions. *Information systems working paper series stern #IS-96-21*. New York University.
- Kotler, P. (2017). Customer value management. *Journal of Creating Value*, 3(2), 170–172.
- Kozlenkova, I., Samaha, S., & Palmatier, R. (2014). Resource-based theory in marketing. *Journal of the Academy of Marketing Science*, 42(1), 1–21.
- Lane, N. (2010). Cee Kay supply documents delivered value to customers. *W&G Today*, 1–4 September 15.
- Lanning, M. J. (1998). *Delivering profitable value*. New York, NY: Perseus Publishing.
- Lanning, M. J. (2015). An introduction to the market-focused philosophy, framework and methodology called delivering profitable value. Retrieved September 12 from <http://www.dpvgroup.com/wp-content/uploads/2015/02/2015-Intro-DPV-White-Paper.pdf>.
- Lanning, M. J. (2019). Why delivering winning value proposition should be, but usually is not, the core of strategy for B2B. *Industrial Marketing Management* (this issue).
- Lanning, M., & Michaels, E. (1988). A business is a value delivery system. *McKinsey staff paper No. 41*, July.
- Lanning, M., & Michaels, E. (2000). A business is a value delivery system. *The McKinsey Quarterly*, 4, 53–57.
- Lehmann, D. R., & Winer, R. S. (2008). *Analysis for marketing planning*. Boston, MA: McGraw-Hill.
- Linder, J., & Cantrell, S. (2000). *Changing business models: Surveying the landscape*. Working PaperCambridge, MA: Accenture Institute for Strategic Change.
- Lindgreen, A., Hingley, M. K., Grant, D. B., & Morgan, R. E. (2012). Value in business and industrial marketing: Past, present, and future. *Industrial Marketing Management*, 41(1), 207–214.
- Lindic, J., & da Silva, C. M. (2011). Value proposition as a catalyst for a customer focused innovation. *Management Decision*, 49(10), 1694–1708.
- Marketing Science Institute (2010). *Research priorities 2010–2012*. Boston, MA: Marketing Science Institute.
- Marketing Science Institute (2014). *Research priorities 2014–2016*. Boston, MA: Marketing Science Institute.
- Martinez, V., & Bititci, U. S. (2006). Aligning value propositions in supply chains. *International Journal of Value Chain Management*, 1(1), 6–18.
- Martinez, V., & Turner, T. (2011). Designing competitive service models. In M. Macintyre, G. Parry, & J. Angelis (Eds.). *Service design and delivery* (pp. 61–81). Boston, MA: Springer Science & Business Media.
- McDonald, M., & Oliver, G. (2019). *Malcolm McDonald on value propositions*. London: Kogan Page.
- McLaughlin, F. (2014). *The marketer as philosopher: 40 brief reflections on the power of your value proposition*. Jacksonville, FL: Trivium Publishing.
- McMurchy, N. (2008). Tough times in IT: How do you exploit the opportunities? *Gartner Presentation*.
- Morgan, N. A. (2012). Marketing and business performance. *Journal of the Academy of Marketing Science*, 40(1), 102–119.
- Müller, M. (2012). Design-driven innovation for sustainability. *International Journal of Innovation Science*, 4(1), 11–24.
- Naslund, A. (2008). The lost reality of the value proposition. Retrieved September 12 from <https://ambarnaslund.com/the-lost-reality-of-the-value-proposition/>.
- Osterwalder, A., Pigneur, Y., Bernarda, G., & Smith, A. (2014). *Value proposition design: How to create products and services customers want*. Hoboken, NJ: John Wiley & Sons.
- Payne, A., & Frow, P. (2005). A strategic framework for customer relationship management. *Journal of Marketing*, 69(4), 167–176.
- Payne, A., & Frow, P. (2014). Developing superior value propositions: A strategic marketing imperative. *Journal of Service Management*, 25(2), 213–227.
- Payne, A., Frow, P., & Eggert, A. (2017). The customer value proposition: Evolution, development, and application in marketing. *Journal of the Academy of Marketing Science*, 45, 467–489.
- Payne, A., Storbacka, K., & Frow, P. (2008). Managing the co-creation of value. *Journal of the Academy of Marketing Science*, 36(1), 83–96.
- Peppers, D. (2015). Dealing with the 'alignment problem'. *Journal of Creating Value*, 1(2), 182–189.
- Reeves, R. (1961). *Reality in advertising*. New York, NY: Knopf.
- Rintamaki, T., Kuusela, H., & Mitronen, L. (2007). Identifying competitive customer value propositions in retailing. *Managing Service Quality*, 17(6), 621–634.
- de Ruyter, K., Wetzels, M., Lemmink, J., & Mattson, J. (1997). The dynamics of the service delivery process: A value-based approach. *International Journal of Research in Marketing*, 14(3), 231–243.
- Schrage, M. (1995). Customer relations. *Harvard Business Review*, 73(4), 154–156.
- Shafer, S. M., Smith, H. J., & Linder, J. C. (2005). The power of business models. *Business Horizons*, 48(3), 199–207.
- Sheth, J. N., Newman, B. L., & Gross, B. L. (1991). Why we buy what we buy: A theory of consumption values. *Journal of Business Research*, 22(2), 159–170.
- Skålén, P., Gummerus, J., von Koskull, C., & Magnusson, P. R. (2015). Exploring value propositions and service innovation: A service-dominant logic study. *Journal of the Academy of Marketing Science*, 43(2), 137–158.
- Smith, D. J. (2013). Power-by-the-hour: The role of technology in reshaping business

- strategy at Rolls-Royce. *Technology Analysis & Strategic Management*, 25(8), 987–1007.
- Smith, J. B., & Colgate, M. (2007). Customer value creation: A practical framework. *Journal of Marketing Theory and Practice*, 15(1), 7–23.
- Starch, D. (1914). *Advertising: Its principles, practice, and technique*. New York, NY: Scott, Foresman.
- Storbacka, K., & Lehtinen, J. R. (2001). *Customer relationship management: Creating competitive advantage through win-win relationship strategies*. Singapore: McGraw Hill.
- Sweeney, J. C., & Soutar, G. N. (2001). Consumer perceived value: The development of a multiple item scale. *Journal of Retailing*, 77(2), 203–220.
- Terho, H., Eggert, A., Ulaga, W., Haas, A., & Böhm, E. (2017). Selling value in business markets: Individual and organizational factors for turning the idea into action. *Industrial Marketing Management*, 66, 42–55.
- Terho, H., Haas, A., Eggert, A., & Ulaga, W. (2012). 'It's almost like taking the sales out of selling'—Towards a conceptualization of value-based selling in business markets. *Industrial Marketing Management*, 41(1), 174–185.
- Truong, Y., Simmons, G., & Palmer, M. (2012). Reciprocal value propositions in practice: Constraints in digital markets. *Industrial Marketing Management*, 41(1), 197–206.
- Ulaga, W. (2014). *Japan electric power company (A) & (B)*. IMD Case 7–1575 & 1576.
- Ulaga, W., & Eggert, A. (2006). Value-based differentiation in business relationships: Gaining and sustaining key supplier status. *Journal of Marketing*, 70(1), 119–136.
- Urban, G. L., & Hauser, J. R. (1980). *Design and marketing of new products*. Englewood Cliffs, NJ: Prentice-Hall.
- Webster, F. E. (2002). *Market-driven management: how to define, develop and deliver customer value* (2nd ed.). Hoboken, NJ: John Wiley & Sons.