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CONCEPTUAL/THEORETICAL PAPER

The customer value proposition: evolution, development, and application in marketing

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Abstract The customer value proposition (CVP) has a critical role in communicating how a company aims to provide value to customers. Managers and scholars increasingly use CVP terminology, yet the concept remains poorly understood and implemented; relatively little research on this topic has been published, considering the vast breadth of investigations of the value concept. In response, this article offers a comprehensive review of fragmented CVP literature, highlighting the lack of a strong theoretical foundation; distinguishes CVPs from related concepts; proposes a conceptual model of the CVP that includes antecedents, consequences, and moderators, together with several research propositions; illustrates the application of the CVP concept to four contrasting companies; and advances a compelling agenda for research.

Keywords Value proposition · Value · Marketing strategy

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Introduction

A customer value proposition (CVP) is a strategic tool that is used by a company to communicate how it aims to provide value to customers. As one of the most widely used terms in business (Anderson et al. 2006), a CVP also "should be the firm's single most important organizing principle" (Webster 2002, p. 61), considering that it is crucial to the value creation process (Payne and Frow 2005), with significant performance implications. Harris DeLoach, Chair of Sonoco Products, notes that distinctive value propositions, which were derived from a rigorous assessment of customer value, have made a significant contribution to Sonoco's business performance (Anderson et al. 2007). Such evidence resonates with the origin of the CVP concept, developed by strategy consultants in the early 1980s to implement market orientations among production-centered firms (Michaels 2008). Since its first appearance in the EBSCO Business Source Complete database in 1995, the term CVP has enjoyed rapid growth, including 590 references between 2006 and 2016 (Appendix 1).

Although usage of the term thus is widespread, scholars and practitioners both report a lack of understanding and poor implementation. The CVP concept remains poorly defined (Ballantyne et al. 2011; Skålén et al. 2015), and Lanning (2003, p. 4) concludes that "Unfortunately, the term value proposition … is frequently tossed about casually and applied in a trivial fashion" rather than in "a much more strategic, rigorous and actionable manner."

In turn, the communication of customer value, as a complement to value creation, has been identified as a research priority by the marketing community (Marketing Science Institute 2010, 2014). Despite frequent references to CVPs in marketing literature, no comprehensive examination of this concept spans from its origins to its contemporary role (Chandler and Lusch 2015; Skålén et al. 2015). Rather, most discussions ignore the theoretical underpinnings of CVPs and exclude any detailed consideration of its antecedents and consequences. This gap is surprising, especially because the underlying value concept has attracted significant examination, and the implications of these current perspectives on value remain to be applied to the CVP.

Noting these gaps, we seek to contribute to extant literature by (1) providing a detailed examination of the origins and development of the CVP concept which highlights the lack of a theoretical foundation; (2) concisely defining CVP and delineating it from related concepts; (3) developing a conceptual model of CVPs including antecedents, consequences, moderators and research propositions; and (4) advancing a detailed research agenda for scholarly inquiry. Managerially, our work identifies the links of CVPs with both supplier and customer outcomes, highlighting its significant role in implementing a marketing strategy and realizing competitive advantages.

In the next section, we review the concept of a proposition and examine the development of the CVP. We then identify three different perspectives on the CVP and build on these insights to derive a definition. Next, we offer our conceptual model and associated research propositions. We present four contrasting case illustrations of companies' use of CVPs, then move on to discuss implications for both theory and practice and provide an agenda for further research.

Literature review

The proposition concept

We commence our literature review with an examination of the proposition concept. Propositions, in the context of marketing, date back some 100 years; Table 1 summarizes the development of the proposition concept, prior to the development of the CVP. From its early origins in advertising (Starch 1914; Hopkins 1923; Ogilvy 1947), the concept of the *unique selling proposition* (USP) was developed (Reeves 1961). Over the next few decades, further variants of propositions emerged; for example, the *emotional selling proposition* arose in the 1960s (Lindstrom 2005). But it was not until the 1970s and 1980s that an emphasis on this proposition, related to consumers' emotional bond with a product, started to receive more substantial recognition. Urban and Hauser (1980) also proposed a *core benefits proposition* for developing a statement that identified the benefits the product provided and the "fulfilment of the product promises by physical features" (p. 155). This statement should represent the key element on which all elements of the marketing strategy are built. To describe their concept, the authors used a new product design context, which involves the design, evaluation, refinement, and fulfillment of the core benefits proposition. They argued for enterprises to attend to seeking product breakthroughs. These early proposition concepts preceded the development of the CVP concept.

Origins and evolution of the CVP

The CVP concept originally came from strategy consultants (Bower and Garda 1986; Lanning 1998) seeking to address problems inherent in a production-oriented organization. Their representation of a CVP explained, typically in a few key sentences, why customers should purchase the firm's goods and services. To this end, the CVP was the "precise benefit or benefits at what price will be offered to what

Table 1 Development of the proposition concept in marketing

Term	Explanation	Source
Early use of the concept of a proposition in advertising: 1910s–1930s	Starch (1914) argues that the presentation of a proposition is the essence of advertising and emphasizes how this activity should aim to get customers to act on the proposition. Hopkins (1923) notes that consumers become committed to a brand and that advertising plays an important role in responding to a new proposition.	Starch 1914; Hopkins 1923
Unique selling proposition (USP) and basic selling proposition (BSP): 1940s–1960s	A USP (Reeves 1961) comprises the functional unique benefit that is highly relevant to consumers and that differentiates it from competitors. Emphasis is on the basis for rational consumer behavior, rather than emotional influences. Early correspondence from Ogilvy (1947) to Reeves suggests that Reeves may have been influenced by Ogilvie's concept of the BSP, which he argued is the "heart and guts of every ad."	Ogilvy 1947; Reeves 1961
Emotional selling proposition (ESP):1970s–1980s	There are few scholarly references to the origins of the ESP. In the 1970s, the U.S. agency Doyle Dane Bernback and the U.K. agency Boase Massimi Politt became known for the emotional appeals in their advertising, though emotional appeals were used earlier (Tuck 1976). In the 1980s, Bartle Bogle Hegarty formally referred to its advertising approach as an ESP (Pringle and Field 2010). Some other terms, such as brand selling proposition and organization selling proposition, appear but are not properly conceptualized and have little exposure (Lindstrom 2005).	Tuck 1976; Lindstrom 2005; Pringle and Field 2008
Core benefits proposition:1980s	Urban and Hauser (1980) introduce the core benefits proposition, which focuses on the product benefits promised by physical features. They address a new product design context, which involves the design, evaluation, refinement and fulfillment of a core benefits proposition that seeks to demonstrate what they term "parity plus."	Urban and Hauser (1980)

customer group, at what cost" (Lanning and Michaels 1988, p. 3). Table 2 provides further detail on the origins and subsequent evolution of the CVP.

Nearly a decade passed before the concept became more widely known. A best-selling book on value disciplines (Treacy and Wiersema 1995) increased awareness and interest; examples of value maps (Kambil et al. 1996) also helped reflect alternative representations of value and price in CVPs. The concept evolved further when Lanning (1998, p. 55) extended his initial perspective to define a CVP as "the entire set of resulting experiences … including some price, that an organization causes some customers to have. Customers may perceive the combination of experiences to be in net superior, equal, or inferior to alternatives." Other authors similarly emphasize the experiential nature of CVPs (Molineux 2002; Smith and Wheeler 2002).

In business-to-business and retail contexts, the notion spread further. Anderson et al. (2006) outline three approaches to CVP development in business markets: all benefits, favorable points of difference, and resonating focus. They find that managers often adopt the first approach, but they recommend the last approach, because customers then are likely to view the supplier as highly focused on critical elements of value. In the retailing realm, Rintamaki et al. (2007) identify four CVPs: economic, functional, emotional, and symbolic. In so doing, they highlight the importance of different value dimensions that can be incorporated into the CVP formulation.

Each of these early perspectives collectively contributes to our understanding of CVPs. However, much of this literature emphasizes how the enterprise *delivers* value to customers, without significant collaborative involvement by those customers. These predominantly one-sided discussions stress value that is predetermined by the supplier (e.g., Kowalkowski 2011).

Further development of the CVP

In contrast, in the past 15 years, further developments in CVP literature address a range of issues, such as the consideration of a wider range of stakeholders; the inclusion of social, environmental, and ethical issues; and a focus on innovation and practices. The resulting two-way emphasis on the CVP entails reciprocal promises of value (Ballantyne and Varey 2006b), such that reciprocity facilitates flexibility in who initiates or completes an offer, or how actors work together (Truong et al. 2012). Reciprocal customer value propositions vary in formality, from informal agreements to negotiated contracts (Ballantyne et al. 2011), implying an interactive relationship.

Ballantyne (2003) also introduces a cocreated CVP, aligned with this reciprocal perspective. Vargo and Lusch (2004, 2008) highlight cocreation of the CVP as an important element of their service-dominant logic. Through a reciprocal lens, the purpose of the CVP is to facilitate the cocreation of experiences, offering functional and experiential knowledge that contributes to learning processes (Payne et al. 2008). However, as Flint and Mentzer (2006) point out, establishing reciprocal value propositions requires the customer and firm to have substantial understanding of each other's usage situation and end goals. Other researchers adopt a similar approach. For example, Skålén et al. (2015) identify 10 practices that they divide into three categories: provision practices, representational practices, and management and organizational practices. As their key managerial insight, they note that "service innovation must be conducted and value propositions must be evaluated from the perspective of the customers' value creation, the service that customers receive" (Skålén et al. 2015, p. 156).

Although CVPs focus on customer–supplier interactions, they can affect other stakeholders too (Ballantyne et al. 2011; Corvellec and Hultman 2014). Several researchers emphasize the importance of considering a broad range of stakeholders (e.g., Gummesson 2006; Lanning 2003; Mish and Scammon 2010). To consider social, environmental, and ethical concerns, CVPs require cognizance of these other stakeholders. For example, Emerson (2003) calls for a blended value proposition that integrates environmental, economic, and social value, regardless of whether the enterprise is for-profit or non-profit. Müller (2012) points to companies' responsibility for developing sustainable CVPs., and Spickett-Jones et al. (2004) call for credible ethical values to underpin any CVP. Several researchers also address CVPs in the context of innovation. For example, Lindic and Marques da Silva (2011) argue the CVP is helpful for innovation if it can be systematically decomposed, and Payne and Frow (2014) demonstrate how to deconstruct the CVP of an innovation exemplar. Covin et al. (2015) consider the evolution of CVP propositions in internal innovation settings.

Distinguishing the CVP from related concepts

Existing literature on CVPs thus is fragmented, and the term remains poorly defined and frequently applied in a trivial manner (Ballantyne et al. 2011; Lanning 2003). As a result, it may suffer confusion with other related terms (e.g., positioning, business models, value discipline) or with precursor concepts, such as the unique selling and core benefit propositions. In this sense, it is useful to distinguish the CVP from what it is not (Houston 1986). Both extant definitions (see Appendix 3) and the new definition subsequently developed in this paper differ from these related concepts, which we now discuss. These related concepts are explained in more detail in Appendix 2.

In brief, a *positioning statement* places the most relevant points of differentiation in consumers' minds (Ries and Trout 1986) and is typically regarded as part of an advertising or integrated marketing communications plan. In contrast with the narrower focus of a positioning statement, a *business*

Table 2 Origins and evolution of the customer value proposition concept

Key literature and timeline	Contributions and findings
Value Proposition Concept	
Origins of the concept: Bower and Garda 1986; Lanning and Michaels 1988; Lanning and Phillips 1992	Bower and Garda briefly propose the concept of the value delivery system and the differentiating benefits of a product. They distinguish between what they describe as a physical process sequence, which involves simply making and selling a product, and the value delivery system, which involves choosing, providing, and communicating the value proposition. The choice of the value proposition involves what they term identifying customer value needs and value positioning. Lanning and Michaels provide an extended discussion of the value delivery system in a McKinsey & Co. staff paper. This early definition of a value proposition includes a statement of benefits provided and the total costs for a product. The paper focuses on the stages of choosing, providing, and communicating the value proposition. It provides examples of superior value propositions and an early version of a value map. The importance of different value segments is highlighted—a topic ignored in most subsequent literature on value propositions. Some 12 years later, the paper was published externally (Lanning and Michaels 2000). With its managerial focus, this paper emphasizes that a successful value proposition relies not just on the choice of value proposition but on "the thoroughness, single-mindedness, and innovation with which it is provided and communicated." Lanning and Phillips, in a later Gemini Consulting paper, review some of the original concepts, focusing on uncovering and fully understanding the range of end-use benefits desirable to potential and current users. The importance of establishing value propositions aimed at key market segments is also emphasized.
Evolution of the Concept	
Value Disciplines and Value Proposition: Mid 1990s Treacy and Wiersema 1995	The value disciplines are distinct from value propositions; however, Treacy and Wiersema's work heightened managerial awareness of both concepts. These authors argue that enterprises should choose among three generic value disciplines: product leadership; operational excellence; and customer intimacy. They assert that the choice of value discipline determines the structure and orientation of the business.
Value Maps and Value Propositions: 1996 Kambil et al. 1996	Value maps identify strategies relating to the benefits and price of different competitive offerings and resulting CVPs. A value frontier incorporates the price/benefit positions of competitors within an industry sector, identifying strategies for extending or shifting the value frontier. Strategies for differentiating value propositions are addressed.
Development of Original Concept: Late 1990s Lanning 1998	Later work by Lanning proposes that an enterprise needs to define the dimensions of a value proposition by observing customers during their consumption experience. The modification of his original definition of the value proposition focuses on the whole set of resulting experiences that the customer has, including pricing considerations. In developing value propositions, Lanning proposes "becoming the customer" through the use of ethnographic engagement, rather than merely listening to customers.
Value Propositions and Customer Experience: early 2000s Smith and Wheeler 2002	Drawing on Lanning's ideas, other authors place greater emphasis on customer experience in the context of value propositions. Smith and Wheeler contend that a branded customer experience is crucial to delivering a superior value proposition. They argue for the importance of focusing on the design and delivery of the customer experience for determining the critical dimensions of the value proposition.
Forms of Value Propositions: 2006 Anderson et al. 2006	Value propositions should focus on the key benefits that can be calculated to show superior value to chosen customer segments. Anderson and colleagues identify three forms of value propositions: all benefits, favorable points of difference (comparative benefits with key competitors), and resonating focus (key benefits for chosen segment).
Value Propositions and Customer Value Dimensions: late 2000s Rintamaki et al. 2007	Value propositions should include dimensions valued by customers that achieve competitive advantage. The four categories of value propositions include functional, economic, emotional, and symbolic. Any analyses should identify gaps between customers' and suppliers' perceptions of what is offered and experienced. This contribution extends the conceptualization of the value proposition to a network perspective.
Further Development of the CVP	
Reciprocal CVPs Ballantyne 2003; Ballantyne and Varey 2006a, 2006b; Ballantyne et al. 2011; Truong et al. 2012	Building on earlier work that acknowledges the benefits of value propositions accruing to both the enterprise and the customer, Ballantyne (2003) emphasizes the two-way reciprocal nature of value propositions. Ballantyne and Varey (2006a) and Truong et al. (2012) recommend that stakeholders work together to achieve propositional engagement. Later Ballantyne et al. (2011) provide some examples of two-way reciprocal value propositions crafted for both customers and other stake-holders.
Cocreated Value Propositions Ballantyne 2003; Lusch and Vargo 2006; Payne et al. 2008; Kowalkowski et al. 2012	Ballantyne (2003) appears to be the first author who argues for cocreation of value propositions. Later, Lusch and Vargo (2006) identify cocreation of the value proposition as a key component of the service-dominant logic. Emphasis shifts to an exchange of benefits and sacrifices that are encompassed within the overall relationship value and ongoing customer relationship. Payne

Table 2 (continued)

Key literature and timeline	Contributions and findings
	et al. (2008) argue that value propositions exist to enable the cocreation of experiences, and Kowalkowski et al. (2012) propose the use of practice theory to assist in the development of cocreated value propositions.
Wider Stakeholder Engagement Lanning 2003; Ballantyne et al. 2011; Gummesson 2006; Mish and Scammon 2010	Lanning (2003) suggests the enterprise must work with other players in the chain to deliver the appropriate value proposition to a primary actor. Ballantyne et al. (2011) also point out that resource integration may involve engagement with multiple actors, a perspective that emphasizes active engagement in many-to-many interactions with a range of stakeholders (Gummesson 2006). Increased recognition reveals that enterprises need to be cognizant of a broader range of issues and objectives that involve multiple actors when developing value propositions (Mish and Scammon 2010).
The Social, Environmental and Ethical Issues Emerson 2003; Spickett-Jones et al. 2004; Müller 2012; Patala et al. 2016	A few authors highlight the need to focus on social, environmental, and ethical issues in value propositions. Emerson (2003) argues that economic, social, and environmental issues should be considered in developing CVPs. Spickett-Jones et al. (2004) add to this debate by emphasizing ethical concerns; Müller (2012) places an emphasis on sustainability. Patala et al. (2016) develop a case study of a firm focusing on environmental and social concerns relevant to its CVP.
Value Propositions, Innovation and Practices Lindic and Marques da Silva 2011; Payne and Frow 2014; Covin et al. 2015; Skålén et al. 2015	A more recent stream of research considers CVPs with respect to innovation and corporate ventures. Lindic and Marques da Silva (2011) propose a framework with five elements: performance, ease-of-use, reliability, flexibility, and affectivity. However, the theoretical grounding for all these elements is not apparent. Payne and Frow (2014) use a case study approach to explore the components of the CVP in an innovative hospital. Covin et al. (2015) address CVP evolution and the performance of internal corporate innovations. They find that CVPs exhibiting moderate evolution perform better than those that exhibit no or extensive evolution. Skålén et al. (2015) undertake a service-dominant logic study of value propositions and service innovation in eight companies. They suggest value propositions are configurations of different practices and resources and consider four types of service innovation: adaptation, resource-based innovation, practice-based innovation, and combinative innovation.

model is a broader concept; many authors view the CVP as a core element of the business model (e.g., Chesbrough and Rosenbloom 2002). *Value disciplines* (Treacy and Wiersema 1995) represent broad approaches to market leadership, though the term has been used (incorrectly) interchangeably with CVP (Martinez and Bititci 2006), thus sparking criticism: It does not define value or translate into genuine cost or differentiation strategies (Lafley and Martin 2013).

The *unique selling proposition* concept uses advertising to communicate one compelling benefit not offered by competitors. In contrast with the USP concept from advertising, the CVP may include more than one benefit, incorporates some consideration of price (Lanning and Michaels 1988), is not necessarily communicated to the customer, and may be "an implicit promise a company makes" (Bititci et al. 2004, p. 252). Finally, the *core benefits proposition* (Urban and Hauser 1980) is a narrower concept than the CVP; it focuses on functional elements of value, rather than experiential or other forms, and it does not explicitly address price.

Alternative perspectives and CVP definition

Having distinguished the CVP from related concepts, we examine different perspectives on it to develop a working definition. As Anderson et al. (2006, p. 91) point out, "There is no common agreement as to what constitutes a customer value proposition," so it is important to clarify different perspectives. Appendix 3 contains 21 illustrative definitions and descriptions that demonstrate the broad variety in interpretations of what constitutes a CVP.

CVP perspectives

Our examination of prior literature suggests three broad perspectives on the CVP: CVPs that are principally *supplier-determined*, reflecting a value-in-exchange emphasis; CVPs that are *transitional*, with recognition of the customer experience; and CVP that are *mutually determined*, reflecting a value-in-use emphasis.

Supplier-determined CVP perspective The original CVP concept illustrates a supplier-determined perspective, with a *value delivery system* that consists of three key stages: choose the value proposition, provide the value proposition, and communicate the value proposition (Bower and Garda 1986; Lanning and Michaels 1988). Webster (1994, p. 60) defines the customer value proposition as "a statement of how the firm proposes to deliver superior value to customers and to differentiate itself from competitors." Lanning and Phillips (1992), Kambil et al. (1996), Kaplan and Norton (2001), and Rintamaki et al. (2007) also adopt a largely supplier-determined perspective, in which the common theme is the assumption that value can (and must) be delivered *to* the customer. These CVPs reflect an "inside-out" perspective (Day 2011), such that the CVP is a company-formulated marketing offer.

Transitional CVP perspective An extended version of Lanning's original concept of a CVP includes all resulting customer experiences, including pricing considerations (Lanning 1998). This transitional perspective emphasizes understanding customers' perspectives and experiences during usage (see also Berry et al. 2002; Molineux 2002; Morgan and Rao 2003; Smith and Wheeler 2002), bringing it closer to a value-in-use perspective (e.g., Grönroos and Voima 2013). The firm engages in dialogue to identify attributes valuable to the customer. However, this research stream also presents a unidirectional emphasis, such that the firm determines the value, and the CVP sets out an offer that accounts for the customer's experience. For example, Anderson and Narus (1998) propose customer value models, as a practical approach for assessing customer's value-in-use relative to a competitive benchmark, yet they remain within a value delivery logic that stresses the importance of demonstrating and documenting how superior value gets delivered to the customer.

Mutually determined CVP perspective Another perspective challenges the traditional notion that value can be delivered to the customer and considers the CVP from a mutually determined viewpoint, so the CVP is cocreated. Cocreation has special relevance in business-to-business (B2B) markets. Firms that engage with customers in the mutual development of CVPs adopt an "outside-in" approach (Day 2011), such that the CVP involves a proposal of the benefits accruing to the customer *before, during, and after the usage experience*. In contrast with a unidirectional view, this perspective involves reciprocal benefits offered to and from suppliers and customers (Ballantyne 2003). It may reflect social and environmental concerns, as well as a cognizance of other stakeholders.

This latter perspective thus directs attention away from value that gets created at the point of exchange to consider how value is distributed across the customer relationship. Goods and services differ in the point at which the greatest value is created. For products such as fast food, a train ride, and attending the cinema, the highest value is at the start of and during individual consumption. For computer software, education, and snowboarding lessons though, the customer progressively develops knowledge and skills, which increases product value through greater usage. Some products, such as Uber (discussed subsequently; see Table 3), allow customers to benefit from consumption network effects, such that value increases through the addition of more users and service providers. In summary, this viewpoint extends the CVP concept beyond traditional notions of a value delivery promise, in which value is embedded in the product, and suggests that the CVP seeks the active engagement of a customer, through sharing selected resources and contributing to mutually rewarding outcomes.

CVP working definition

On the basis of the preceding discussion, we propose a working definition of the CVP:

> *A customer value proposition (CVP) is a strategic tool facilitating communication of an organization's ability to share resources and offer a superior value package to targeted customers.*

In contrast with other definitions and descriptions, this definition (1) highlights CVP's critical role as a communication device, (2) emphasizes the role of resources and resource sharing, and (3) stresses the need for an appropriate "package" of value that is differentiated from and superior to competitive offerings. Each of these elements has received occasional attention in the fragmented CVP literature (Ballantyne et al. 2011; Rintamaki et al. 2007; Skålén et al. 2015), but they are not considered concomitantly within existing definitions.

Several nuances inherent in this definition, as well as in our preceding discussion of the three CVP perspectives, in turn can indicate whether a CVP is effective or not. First, the value package should include both benefits and costs that establish clear differentiation from competitive offerings and are important to targeted customers. Unlike precursor concepts, the value package should resonate strongly with customers, addressing both functional and experiential elements of value and of cost (Anderson et al. 2006; Rintamaki et al. 2007; Ulaga and Eggert 2006b). Second, a necessary consideration involves how value gets distributed across the customer relationship, before, during, and after the usage experience, including when the greatest value might be created. Third, the nature of the resource sharing is pertinent, especially in instances in which deeper reciprocal engagement might result in meaningfully cocreated CVPs. Fourth and finally, firms must determine which CVP design characteristics to emphasize when developing value propositions. For example, the CVP perspective adopted must fit the supply context. In competitive environments, a supplier-determined CVP perspective may need to shift toward a mutually determined one, especially in B2B markets where resource sharing implicitly assumes that a CVP can be cocreated together by the customer and the supplier firm. The explicitness of the CVP (formal or implicit), the level(s) at which the CVP is developed (firm/business,

Table 3 Exemplar illustrations of customer value propositions

Company and context	Description of and motivation for value proposition
Rio Tinto Rio Tinto is one of the largest global mining corporations, with turnover of US$35 billion. Its business is finding, mining, and processing mineral resources. Its corporate mission statement states: "We supply the metals and minerals that help the world to grow" (Rio Tinto 2016). Rio Tinto's copper and coal division operates in mature commodity markets, supplying thermal coal to power stations that convert coal into electricity.	Rio Tinto's corporate value proposition is based on six elements, aimed at delivering sustainable shareholder returns: a world-class portfolio; quality growth; operating in a commercial excellence, capital allocation discipline; free cash flow generation; and balance sheet strength (Rio Tinto 2014). Rio Tinto has value propositions for each of its key markets. In its coal business, Rio Tinto's traditional customer value proposition for power stations was the reliable delivery of coal according to customers' specifications, often giving price concessions at reduced margins. Brand reputation and technical support augmented the core offering as points of differentiation (Ulaga 2014). However, during the global financial crisis, demand for thermal coal dropped sharply, and mining companies fought to cut their costs, increase efficiency, and find new ways to differentiate their market offering. A traditional value-in-exchange proposition offered little substantive differentiation and Rio Tinto was convinced that their "customers buy solely on price and squeeze us for extra discounts" (Ulaga 2014, p. 2). Driven by its quest for further differentiation, Rio Tinto moved to a transitional CVP perspective. Managers realized: "The real issue we face … is that we don't know enough about how exactly we can better impact our customers' bottom line.…We need to 'show them the money' and we must stop leaving money on the table too" (Ulaga 2014, p. 1). Based on dialog with its customers and an in-depth analysis of its business processes and regulative environment, Rio Tinto realized that ash disposal and sulphur dioxide capture and disposal represented significant costs for many of their customers. By blending its thermal coal with grades that scored low on ash and sulphur content, Rio Tinto could reduce customers' emission payments. Its new value proposition offers the environmental benefits of blended thermal coal in customers' operations that reduce their emissions and thereby save them money, given their regulative environment. Sources: Daniel 2013; Rio Tinto 2014, 2016; Ulaga 2014
PwC PricewaterhouseCoopers, trading as PwC, is one of the four largest and most successful assurance, advisory, and tax service firms. Operating in 157 countries globally, it employs more than 208,000 people. The mission statement describes the "noble purpose" of the firm– to build trust in society and solve important problems (PwC 2016b). PwC recognizes that to compete successfully, the firm must be truly customer focused in every aspect of service provision.	Professional services, such as accounting, traditionally place special emphasis on technical value, but in this fiercely competitive market, each client seeks its own unique value-in-use. PwC offers client solutions that draw on its talent pool of employees globally, selecting those with specialist knowledge that can best assist in solving each particular client problem. The firm can also use knowledge gained through working with clients facing similar issues, often in the same industry but a different geography or even in an unrelated industry. Value propositions exist at the firm (analogous to the mission statement), customer segment, and individual customer levels. For example, the formal value proposition for the Private Company Services (PCS) segment is: "At PwC we believe that building deep personal relationship with our clients is of the utmost importance—aimed at creating wealth and sustainability for your business and its stakeholders. We therefore offer you the services of an experienced professional to act as your trusted business adviser. This person will be your single point of contact with whom you can build a relationship, who will understand your business, industry and specific requirement" (PwC 2015). Prior to starting the engagement, the value proposition at the individual client level is implicit. It is only during the initial stages of the client engagement that the PwC team works closely with the client to cocreate an explicit value proposition for that specific client. The value proposition is constantly revisited during every client interaction, focusing the discussion and ensuring that client expectations of value from the firm's solution are carefully managed. Sources: Carney 2015; PwC 2015, 2016a, 2016b; Veyret 2015
Google Google, a large part of Alphabet Inc., is the leading global search engine provider and a multinational technology company that develops and commercializes Internet-based services. Its corporate mission is: "To	Google's business is built on a set of customer value propositions, which link it to different markets that include search engine users and online advertisers. These product markets have different segments within them. For example, for search engine products, some customer segments may

Table 3 (continued)

Company and context	Description of and motivation for value proposition
organize the world's information and make it universally accessible and useful" (Google 2016). The majority of its revenues and profits are generated through its advertising, namely, selling targeted advertising space located next to its search engine results.	value speed and efficiency, while others may place more value to the uncovering new information. In the online advertising space, some segments are price conscious, while others may be more quality conscious. Google offers an implicit value proposition to search engine users: They receive the most relevant results for their search queries at no monetary cost. In return, Google learns about users' interests and can build detailed user profiles. However, Google does not clarify what users "pay" when they share their personal and professional interests with the search engine provider. Google's value proposition toward users thus is not sustainable alone, because providing search engine results involves monetary costs but generates no direct revenue. Therefore, Google offers a second, explicit value proposition directed toward firms that want to promote their products online. Employing an auction-based pricing mechanism, Google sells AdWords to these firms. Their links appear next to the search results whenever users' queries include the purchased AdWords terms. Thus, in its explicit value proposition, Google offers space for targeted promotions in return for monetary compensation that captures advertising firms' reservation price. A third value proposition linking the advertising firm with the search engine user is required to create a viable value constellation. Firms recover their AdWords spending by selling their products at a profit to search engine users, thereby creating a triadic value proposition constellation that connects the search engine provider, the search engine user, and the advertising firm. Sources: Chaffrey 2010; Google 2016; Pelligrino 2015; Wolstenholme 2015
Uber Technologies Inc. Uber is the fast growing U.S. multinational company; it connects drivers and riders using technology. Founded by two entrepreneurs in 2009, the company has grown to an estimated worth of over US$62 billion. Uber's simple mission is: "Transportation as reliable as running water, everywhere, for everyone," with a future vision of "Smarter transportation with fewer cars and greater access" (Kalanick 2015). Uber is succeeding in a stagnant market by offering novel value propositions that attract both customers and suppliers.	Uber's success depends on two distinct value propositions, one to the rider and one to the driver. Its business model depends on both value propositions attracting and matching customers and suppliers, while Uber provides the connecting platform. The value propositions were formulated by the founders of Uber, Travis Kalanick and Garrett Camp, who recognized that technology could assist in solving their problem of hailing a cab (Kalanick 2013a, 2013b). For the rider, Uber offers convenience with its proposition of being "everyone's private driver" (Baron 2016) and "one tap and anywhere." Customers can call for a ride using a downloaded app on their phone, pay automatically using a preregistered credit card, and choose the level of luxury they require– from an Uber X (small compact car at an economical price) to a premium priced Uberlux (luxury fleet with a uniformed chauffeur). For the driver, Uber offers a flexible earning opportunity, with the option of driving only when and for how long the driver chooses. To obtain a customer, the driver opens an app that accesses trip requests. The Uber platform identifies the rider and provides directions to the location and destination. On completion of one journey, Uber then finds the driver another rider in the same proximity. After every journey, both rider and driver rate their experience, and this rating is then used to match parties in their next Uber interaction. Uber emphasizes a concern for personal safety, operating a 24-h incident response center to support both drivers and riders. The success of Uber's value propositions has caused major changes in how people travel, where they live, and when they choose to travel. Sources: Baron 2016; Juggernaut 2015; Kalanick 2013a, 2013b, 2015

customer segment, individual customer), and the focus (breadth of value dimensions) represent other important CVP design characteristics.

As this discussion confirms, despite its critically important role, prior literature features substantial gaps related to the CVP. First, we lack a strong theoretical foundation, which has created a dearth of investigation into the antecedents and outcomes of CVPs. Second, consideration of CVPs is fragmented and sparse, with few empirical studies. Third, prior research has not specified the relationship of CVPs with other key marketing concepts. Building on our working definition and investigations, we propose a conceptual model for understanding CVPs' key role in transforming market- and firm-based resources into competitive advantages.

Conceptual framework for understanding CVPs' strategic importance

We draw on resource-based theory (RBT) to organize our conceptual model. RBT is a popular theoretical foundation in marketing and provides "an important framework for explaining and predicting the basis of a firm's competitive advantage and performance" (Kozlenkova et al. 2014, p. 1). Considering that the CVP may be pivotal for attaining competitive advantages (Srivastava et al. 1999), we propose that RBT offers a promising lens for understanding the strategic role of the CVP. Figure 1 provides a graphical representation of our conceptual model, in which market- and firm-based resources are antecedents of a CVP, which then exerts dual effects on the supplier firm and its customers.

Antecedents of a CVP

According to the RBT, firm performance ultimately is grounded in the firm's resources. Resources are the raw material of organizational success (Peteraf 1993), that is, anything that "an organization can draw on to accomplish its goals" (Kozlenkova et al. 2014, p. 5). Resources comprise tangible and intangible assets (Barney and Arikan 2001), as well as capabilities, which are a subset of firm resources "whose purpose is to improve the productivity of the other resources possessed by the firm" (Makadok 2001, p. 389). Market-based resources relate to marketing activities. In their review of RBT in marketing, Kozlenkova et al. (2014) highlight four market-based resources: (1) knowledge, (2) innovation, (3) relationships, and (4) brands. We adopt this categorization of market-based resources for our conceptual model and consider knowledge and innovation as antecedents of CVPs, whereas customer relationships and brands moderate the impact of CVPs on customers' perceptions, attitudes, and behaviors.

Market knowledge "Knowledge is the fundamental source of competitive advantage" (Vargo and Lusch 2004, p. 9) and it is

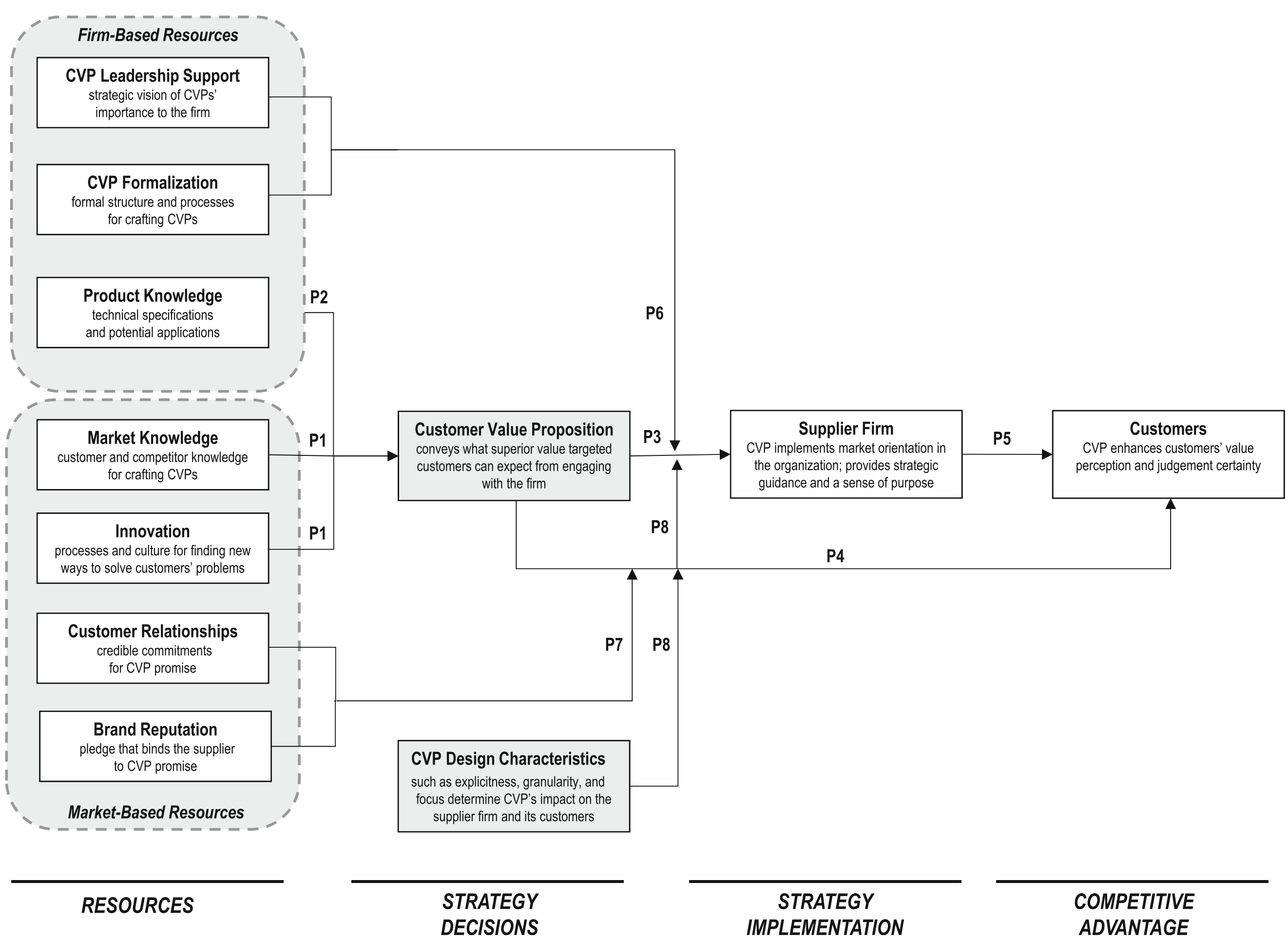

Fig. 1 Antecedents and consequences of the customer value proposition

also the basis of CVPs. Two dimensions of market knowledge are critical for crafting CVPs: *customer knowledge* and *competitor knowledge*. Firms must gain deep customer insights to understand how they can help solve their important problems (Shah et al. 2006). In a B2B marketing context, suppliers need a detailed understanding of customers' business models, processes, and objectives to understand and articulate how their goods and services will affect customers' operations and create value-in-use (Terho et al. 2012; Ulaga and Eggert 2006b). The same logic applies in business-to-consumer (B2C) marketing; a deep understanding of consumers' life situations, available resources and capabilities, challenges, and goals increases the odds of creating great ideas for making their lives easier and more enjoyable (Payne et al. 2008). Firms need *competitor knowledge* to understand whether and how they can offer *superior* solutions to customers' important problems. Our CVP definition emphasizes the relative nature of value (Eggert and Ulaga 2002; Sinha and DeSarbo 1998), in that it communicates the superior value that a targeted customer can expect from engaging with the firm. Sound knowledge about competitors and their market offerings is a necessary condition for a realistic assessment of the superiority or inferiority of the value package.

Innovation CVPs build on innovation to find new ways of how firms can assist customers to solve their important problems. Two dimensions of innovation are especially important: innovation processes and culture (Hurley and Hult 1998).

Innovation processes refer to the way a firm develops, shapes, and integrates existing and new resources. According to Skålén et al. (2015), innovation involves developing CVPs through processes that integrate a mix of practices and resources in new ways. Innovation processes may incorporate technology resources, enhancing CVPs by providing new ways to tackle marketing problems. Technology can help improve the efficiency and effectiveness of customer solutions or provide an entirely novel approach to fulfill unmet customer needs. New resources also can be developed internally or through acquisition, if collaborative networks offer potential, including open innovation options (Chesbrough 2003). The shaping of innovative solutions occurs through design processes, including ideation, for which customer and competitor knowledge are essential. Integration occurs when innovation is embedded in the firm's existing processes and any conflicting demands have been resolved.

Innovation culture instead refers to the idiosyncratic human resources and the way the firm carries out its innovation activities. Apart from assimilating customer and competitor knowledge, CVPs require creative resources that support innovation, by helping the firm uncover unarticulated or existing problems and then design creative solutions to fit its capabilities. A market-oriented firm is distinctive in its responsiveness to market information, doing something new or different to take advantage of an opportunity (Jaworski and Kohli 1993). Cross-functional coordination can help a firm incorporate innovation resources into its CVP and offer new ways of addressing customer problems or identify solutions to entirely new problems. Appropriate organization structures are also important, with flexible and creative teams helping share and disseminate ideas. We summarize our discussion of market knowledge and innovation in the following proposition:

P1: Market knowledge and innovation are market-based resources for crafting CVPs.

Following RBT logic, market-based resources are most effective when they are complemented by internal resources, such as organizational structures and processes (Kozlenkova et al. 2014; Moorman and Slotegraaf 1999). These internally focused, firm-based resources can help exploit market-based resources (Day 1994), and the match between these two types of resources is the root cause of firms' competitive advantage. In our conceptual model, we focus on three firm-based resources as prerequisites for CVPs: CVP leadership support, CVP formalization, and product knowledge.

First, *CVP leadership support* refers to the extent to which there is a shared strategic vision that focuses on the market and how leaders enact their vision through their behaviors. Leadership support sends a signal to the supplier organization that crafting CVPs is a strategic priority, which activates relevant firm- and market-based resources. Transformational leaders (Mackenzie et al. 2001) offer particular advantages, in that they align values, goals, and aspirations across the firm, thereby providing a catalyst for developing CVPs and identifying market opportunities (Podsakoff et al. 1990).

Second, *CVP formalization* entails organizational structures and processes for crafting CVPs within a firm. Osterwalder et al. (2014) describe a managerial process of how firms can offer value to targeted customers. Yet despite the significant interest in CVPs, few firms have formalized processes for crafting them. With CVP formalization, a firm can use market-based antecedent resources, structure market intelligence, and identify customer relationships that offer the greatest potential. Resources related to CVP formalization include cross-functional processes for formulating the CVP. An important formalization decision is the extent to which the CVP is explicitly articulated within the organization and to the customer.

Third, *product knowledge* implies an understanding of the technical specifications and potential applications of the various goods and services offered by the provider firm (Behrman and Perreault 1982). Isolated goods and services offer limited potential to solve complex customer problems, so product knowledge also covers viable combinations of goods and services (Ulaga and Reinartz 2011). Product knowledge is a firm-based resource; it originates from and is typically most comprehensively developed within the provider firm's organization. Although it represents a necessary requirement for crafting CVPs (Schmitz et al. 2014), matching product knowledge (firm-based resource) with customer and competitor knowledge (market-based resources) unleashes their full potential. We summarize our discussion of firm-based resources as antecedents of CVPs in our second proposition:

P2: CVP leadership support, CVP formalization, and product knowledge are firm-based resources for crafting CVPs.

Consequences of a CVP

According to RBT, resources build the foundation for firm performance, but they are not the most proximate reasons for an organization's market and financial success. In a synthesis of strategic marketing literature, Morgan (2012, pp. 109–110) argues that strategy decisions and strategy implementation can establish a competitive advantage that directly precedes firm performance, so "Marketing strategy decision makers must select which available resources the firm should deploy, where to deploy them, and set and signal priorities in terms of achieving the various goals of the firm." Then the CVPs capture and reflect important marketing strategy decisions. Depending on the firms' available resources, CVPs define what superior value to offer to targeted customer segments, and in this sense, they distill fundamental resource deployment and market selection decisions that are the cornerstones of strategic marketing (Rayport and Jaworski 2004) and signal strategic priorities to the supplier organization and its customers. Seen through this RBT lens, the CVP is more than an operational advertising concept; it is a strategic communication device conveying the firm's core strategy decisions (Lehmann and Winer 2008), to two main audiences: the supplier firm's employees and customers. It thus affects strategy implementation (through its effect on the supplier firm) and firms' competitive advantage (through its effect on customers).

CVPs' impact on supplier firm Our investigation of CVPs' historical roots revealed that the concept initially emerged as a tool for implementing a market orientation in production-centered firms (Lanning 1998). To foster a market orientation, CVPs advance the dissemination of customer and competitor information and strengthen organization-wide responsiveness to this information (Jaworski and Kohli 1993). Moreover, CVPs spell out why and how customers gain superior value from purchasing and using the firm's market offerings, so they remind the organization that its very existence requires it to satisfy customer needs more effectively and efficiently than its competitors do (Morgan 2012). By increasing customer centricity (Shah et al. 2006) and providing the firm with a sense of purpose, CVPs can enhance employee satisfaction, psychological attachment, and behavioral commitment toward the firm (Saura et al. 2005). Through their impact on human resources, CVPs also likely affect the organization's physical resource configuration and use. For example, CVPs can lead employees to deploy existing physical resources more effectively and encourage management to acquire new resources to better fulfill the customer value promise. We summarize this internal impact as follows:

P3: CVPs can have a positive impact on supplier firms' market orientation and employees' attitudes and behaviors, as well as on their physical resource acquisition and deployment.

CVPs' impact on customers In addition to their internal impact on supplier organizations, CVPs can influence external stakeholders (Corvellec and Hultman 2014). In particular, CVPs have positive impacts on customers' value perceptions and subsequent satisfaction; they set appropriate expectations and clarify the superior benefits and costs of engaging with the supplier firm and its market offerings (Eggert and Ulaga 2002). Customers use both valence and certainty judgments to determine their satisfaction and resultant behavior (Chandrashekaran et al. 2007). By clearly articulating what the customer can expect from engaging with the firm, CVPs have the potential to promote both facets. In addition to increasing the level of customer satisfaction by highlighting the market offering's superiority, CVPs may improve customers' judgment certainty, or the strength with which they hold an attitude (Chandrashekaran et al. 2007; Park et al. 2010). Enhanced satisfaction also strengthens customers' psychological attachment and behavioral commitment to the supplier firm (Ulaga and Eggert 2006a) and reinforces customer engagement (Brodie et al. 2011). Thus, CVPs enhance firm's competitive advantage, which is the proximate reason for superior performance, in that it reflects "the relative (to alternatives available to customers) value actually delivered to target markets as a result of the firm's marketing strategy decision implementation efforts, and the cost of accomplishing this to the firm" (Morgan 2012, p. 111). Competitive advantage is a firm-related concept that describes the superiority or inferiority of a firm relative to its competitors, but it emerges only through customers' perceptual processes, as influenced by CVPs. We therefore propose:

P4: CVPs can have a positive impact on customers' value perceptions and resultant attitudes and behaviors.

Beyond their direct impact, CVPs exert indirect customer effects, mediated by the supplier firm. According to P3, CVPs foster firms' market orientation and a market orientation strengthens employee motivation and organizational commitment, leading to behaviors that promote customers' value perceptions and satisfaction. In this sense, a market orientation "can lead to a sense of pride in belonging to an organization in which all departments and individuals work toward the common goal of satisfying customers" (Jaworski and Kohli 1993, p. 57). Accordingly, research has shown that employee satisfaction correlates positively with customer satisfaction, and the strength of this relationship is subject to industry characteristics (Brown and Lam 2008). In a meta-analysis, robust empirical evidence indicates that market orientation has a positive impact on customers' quality perceptions, satisfaction, and loyalty (Kirca et al. 2005). Therefore, CVPs may have indirect impact, and we propose:

P5: CVPs have an indirect positive impact on customers' value perceptions and resultant attitudes and behaviors, mediated by the supplier firms' market orientation.

Moderators

CVP leadership support and CVP formalization If top management regards CVPs as an essential element of the strategy formulation and implementation process, it increases the odds that everyone in the supplier organization thinks in terms of customer value, rather than products (Podsakoff et al. 1990). A firm with leaders who are committed to assigning resources to meeting their customers' goals engenders a sense of common purpose among its employees. Market intelligence is likely to be disseminated effectively and across functions, so the entire organization focuses on implementing CVPs successfully. Leadership support includes communicating the benefits of effective CVPs and sharing the results of their implementation. Employee commitment to implementing CVPs will benefit from the visible behaviors of leaders to integrate CVPs into firm practices (e.g., Barnes et al. 2009; Lanning 1998). In addition, a formal process for using CVPs should strengthen their impact; for example, the global accounting firm PwC relies on a formal process to apply CVPs to develop business cases and explain the capabilities that PwC can offer its clients. Likewise, St George's Bank, a leading Australian bank, relies on its CVP in its internal communications to determine and reinforce the value that the bank is creating with customers. In a B2B marketing context, Anderson et al. (2006) recommend a formal process for translating CVPs from the market segment to the individual customer level, as an effective tool for bringing customer centricity to the supplier. We thus propose:

P6: CVP leadership support and CVP formalization strengthen the impact of CVPs on the supplier firm.

Brand reputation and customer relationships Brand reputation and customer relationships are market-based resources that moderate the impact of CVPs on customers. From customers' perspective, it often is hard to determine whether and to what extent the value promise will be realized in specific usage situations (Macdonald et al. 2016), as reflected in the popular distinction between "blue dollars" (i.e., promised cost savings) and "green dollars" (i.e., realized cost savings) in B2B marketing. Thus a CVP from a supplier with a strong brand reputation should have a greater impact on customers than a similar CVP from an unknown company. Strong brands are pledges (Anderson and Weitz 1992) and credible commitments that the supplier will keep its value promise (Gundlach et al. 1995). Customers' responses in turn depend on their awareness of and trust in the brand (Chaudhuri and Holbrook 2001; Keller 1993). In a similar vein, strong customer relationships add credibility to a supplier's CVP; similar to brands, they function as pledges that bind the supplier. Strong brands and customer relationships are particularly important for suppliers with innovative CVPs emphasizing experience or credence qualities (Darby and Karni 1973; Nelson 1970), which are difficult to assess and create substantial judgement uncertainty (Lanning 1998). With our seventh proposition, we thus predict:

P7: Brand reputation and customer relationships strengthen the impact of CVPs on customers.

CVP design characteristics Finally, CVP design characteristics should determine how CVPs affect both the supplier firm and its customers. Many design elements are relevant; for this conceptual model, we concentrate on four characteristics that may be especially important: the CVP perspective adopted, explicitness, granularity, and focus. We consider these design features as they appear in the context of the four companies we use as examples in the next section.

In terms of the adopted CVP perspective, as we noted previously, the three *CVP perspectives* are supplier-determined, transitional, and mutually determined. The context, competitive environment, customer base, products, and other factors help the firm determine its potential to move toward the mutually determined outside-in perspective.

With regard to explicitness, organizations can *explicitly* or *implicitly* communicate their value propositions to internal and external audiences. Implicit value propositions may be understood within an organization even though they are not formally communicated. Without explicit communication, however, the value proposition is more likely to remain ambiguous and different areas of an organization may not share the same understanding of organizational priorities that are implied within it. Customers may also fail to comprehend the CVP, especially when inconsistent messages are conveyed through an implied value proposition. By contrast, an explicit value proposition that is clearly articulated serves to organize and prioritize the activities of the firm (Webster 2002) and helps customers form strong and realistic expectations, thereby reducing judgment uncertainty (Chandrashekaran et al. 2007) and contributing to the success of their in-use experience. We note that implicit CVPs are not necessarily ineffective. Implicit communication and related behavior may result in embedding a CVP within the organizational culture, with leaders acting as role models for the values inherent in the CVP. For example, a recent study of Shouldice Hospital examined a long-standing, effective, implicit value proposition that was only formally articulated much later (Payne and Frow 2014).

In addition, CVPs can be formulated at different levels of *granularity*, such as the firm level, customer segment level, or individual customer level. On each level, the CVP fulfills a different purpose, for the company and the customer. This aspect is not well-recognized in academic literature (cf. Barnes et al. 2009). At the *firm level*, the CVP provides an outside-in perspective to the mission statement and justifies the organization's existence, according to the value it creates for and with the customer. Adopting a more granular perspective, the *customer segment level* involves how value is created for and with targeted customer segments. Typically, the marketing department is responsible for formulating CVPs at the customer segment level. Adapting the value proposition to the *individual customer level,* with its specific usage context, usually is the job of the sales department, particularly in B2B markets, where each major customer can represent significant sales volume. Firm-level CVPs have important roles in the supplier organization, in that they provide internal guidance and strategic direction, but increasing CVP granularity requires and reflects a greater depth of customer knowledge, so granular CVPs may be more relevant for external customer audiences. There are advantages and disadvantages associated with each level of CVP granularity, as we discuss subsequently.

Finally, the *focus* is the number and breadth of superior value dimensions, and CVPs differ significantly in this respect (e.g., Rintamaki et al. 2007). Emerson (2003) raises further issues related to environmental, economic, and social concerns. Early propositions, as identified from our literature review, tend to recommend a focus on a unique product benefit that competitors cannot offer, with the assumption that a single, functional point of difference can be communicated to targeted customer segments most effectively. Yet Anderson et al. (2006) take a different stance. They argue for a resonating focus and recommend a CVP that emphasizes the (few) points of difference that make the biggest difference in customers' usage situation, with the assertion that customers "want to do business with suppliers that fully grasp critical issues in their business and deliver a CVP that's simple yet powerfully captivating" (Anderson et al. 2006, p. 94).

Empirical research provides limited guidance for how many and what points of difference should be highlighted for an effective CVP. For example, Ulaga and Eggert (2006b) find that benefits accruing from service and personal interactions provide the strongest potential for value-based differentiation in customer–supplier relationships. Overall, we propose a moderating effect of design characteristics on the link between CVP and the supplier firm and its customers.

P8: CVP design characteristics moderate the impact of CVPs on the supplier firm and its customers.

In brief, our conceptual model locates CVPs at the core of strategic marketing, with a key role for transforming market- and firm-based resources into superior firm performance. That is, CVPs capture the essence of marketing strategy decisions, affect marketing strategy implementation, and determine the firm's competitive advantage. Our conceptual model (Fig. 1) depicts the chain of effects, from superior resources to competitive advantage, and highlights CVP's pivotal role in this process. To illustrate the varying approaches organizations take with respect to CVPs and their design characteristics, we provide illustrations, using four leading companies, next.

Value proposition exemplars

In Table 3, we detail the context, characteristics, and motivations of four companies that illustrate different approaches to CVPs. These purposefully chosen illustrations come from firms with different industry characteristics and challenges, to illustrate value propositions with contrasting approaches in terms of the CVP perspective, explicitness, granularity, and focus. These firms operate in both B2B (Rio Tinto and PwC) and B2C (Google and Uber) markets; the latter two represent digitally based enterprises operating in two-sided markets (Eisenmann et al. 2006). These illustrations of CVPs occur at each of the three levels of granularity, with varying degrees of explicitness and different industry characteristics.

Rio Tinto

Rio Tinto, the mining giant, is a firm whose traditional value proposition in its coal division was firmly anchored in a supplier-determined perspective. As Bill Champion, Managing Director Rio Tinto Coal, observed though, industry challenges can render a good CVP marginal (Daniel 2013). Faced with competitive intensity and adverse economic environments, the company was forced to move from selling a commodity to developing a differentiated offer that could save customers' money. As Table 3 indicates, Rio Tinto then adopted a transitional approach for its new CVP. The revised value proposition is based on a deep understanding of customers' usage situation, reflecting a value-in-use logic, but still takes a unidirectional perspective, such that the supplier develops and delivers valuable products, while the customer firm is responsible for resource integration that creates value-in-use. The revised transitional CVP reflects significant insights about how customers use the product, but the supplier remains responsible for providing the resource, and the customer creates value during usage. Thus Rio Tinto is an example of a firm that moved from a supplier-determined to a transitional position, highlighting the benefits of developing a new CVP based on a deeper understanding of customers' usage situations.

PwC

In the second example in Table 3, PwC developed value propositions at each level of granularity. At the firm level, its value proposition is analogous to its broad mission statement, which emphasizes building trust in society and solving important problems (PwC 2016b). At the customer segment level, the firm has explicit value propositions for each major segment; for example, for the Private Company Services customer segment, we provide the dedicated value proposition in Table 4. It is at the individual customer level that it has created mutually determined CVPs. That is, PwC works closely with individual clients to identify their problems and develop individual value propositions to set out how the firm can assist (Veyret 2015). These cocreated CVPs, when applied to segments, then identify generic issues that other clients may face too. These propositions reflect a strategic perspective on global trends and reveal how the firm can use its extensive expertise to solve problems. An internal PwC document explains the PwC process for value proposition development, so all client-facing staff have similar methodologies for working with clients to develop and implement value propositions. As a senior PwC director explains, "A value proposition focuses us on what we can do for each client—how we can solve their problems. Then we set about finding the best people to work with the client on providing this solution" (Veyret 2015). This example depicts a firm with a formal, structured approach to engaging with clients in developing CVPs; the firm and client share responsibility for executing the solution. Closely integrated value propositions serve to focus their client-facing activities, ensuring coordination at the business, segment, and client levels.

Google

The term "value proposition" is used in different ways within Google (Wolstenholme 2015). As one senior executive explained: "If you look across Google the value proposition is used quite deeply, but the language varies depending on the level" (Pellegrino 2015). For example, at the individual customer level, on the advertising side of Google's business, the CVP "is focused around our concept of understanding our customers' objectives, their marketing objectives, and their KPIs [key performance indicators]. Fundamentally it is helping them understand how Google can help them meet their objectives and to find their value proposition for their customer" (Pellegrino 2015). At the firm level, the value proposition is equivalent to the mission statement, such that executives assert: "Our core mission is around making the world's information accessible and usable, we fundamentally see our value proposition, for a user, around that—what can Google bring to the table to actually make that mission come to life. The value proposition is really deciding where can Google bring our capabilities to solve user problems" (Pellegrino 2015).

Google's use of a CVP is typical of other enterprises in the digital world. As Table 3 reveals, Google offers sets of value propositions to search engine users, online advertisers, and agencies, and each of them contributes to the success of the others. This extended set of value propositions is required to make the Google offering viable in the long term, because each individually cocreated value proposition cannot offer sufficient mutual value. The Google case thus illustrates two common characteristics of CVPs in the digital space. First, products may rely on a CVP that makes them free of charge, so the business model needs some other "customer" that generates revenue. Second, digital providers may need to design a set of CVPs that connect users, the firm, and other third parties to create a viable value constellation that earns money.

Uber Technologies

Uber, the final illustration in Table 3, offers value propositions to both customer riders and drivers, clearly articulating its differentiating characteristics and the costs incurred. The customer rider seeks convenient and inexpensive travel; the customer driver is attracted by the flexible earning potential (Juggernaut 2015). The key components of its value proposition, according to its cofounder Travis Kalanick, include one tap to ride, reliable pickups, clear pricing that is cashless and convenient, quality as a result of feedback from both rider and driver, and an ability to split the fare (Kalanick 2013a, 2015). Uber provides the platform and additional services, such as providing drivers and riders with customer histories and a reputation index. Thus, it has two simple, clearly articulated value propositions that link riders and drivers and accordingly address two specific problems: for the rider, how to hail a cab, anywhere at any time; for the driver, how to earn money at any time with substantial flexibility. The success of one value proposition is closely linked to the other, and safeguards protect the experience for both driver and supplier.

Table 4 Customer value propositions: research topics for scholarly inquiry

1. Mix and relevance of salient market-based resources:
   a. Which market-based resources are most salient in effective CVPs?
   b. How do CVPs stimulate innovation within an organization and with their customers?
   c. What is the most effective mix of CVP benefits and how do these relate to context, e.g., market & industry characteristics?
   d. Can CVPs hinder attracting new resources to a firm, thus stifling innovation?
   e. Do CVPs assist in shaping new markets? If so, what is the mechanism for market shaping and how do CVPs contribute to this process?
2. Mix and relevance of salient firm-based resources:
   a. Which firm-based resources are most salient in effective CVPs, e.g., measurable vs. abstract benefits?
   b. Are there generic characteristics that are consistent across CVPs and/or represent best practice in CVP design, development and implementation?
   c. Does the salience of different firm based resources vary with market characteristics?
3. Impact of CVPs on the effectiveness of marketing strategy implementation:
   a. What CVP practices help engender market orientation in firms?
   b. Which processes are most effective in aligning employees to the CVP across customer touch points?
   c. How do explicit and implicit CVPs differ in their effectiveness in different contexts?
   d. How do organizations implement and use value propositions?
   e. How can an organization manage a CVP that may potentially create value in some customer segments and destroy value in others?
   f. What impact to CVPs have on employee value propositions and vice-versa
4. CVPs and their impact on customer perceptions:
   a. Do channels impact the mix of attributes within a CVP?
   b. Should CVPs in digital markets focus on a different mix of attributes to CVPs in other markets?
   c. How do customer perceptions of a CVP change over time and with what effect?
   d. What are the consequences of when the CVP is viewed differently by a supplier and the market?
5. CVPs, supplier orientation and customer behavior:
   a. How do CVPs impact market orientation and customer engagement? What is the mechanism?
   b. When are CVPs most impactful on customer engagement?
   c. Over time, does the impact of CVP on customer engagement vary? How?
   d. How does adopting CVPs change organizational and customer practices?
6. CVPs leadership and formalization:
   a. How do organizations create a fit between the design of their business model and their CVPs?
   b. How does the focus of CVPs evolve over time? How do CVPs impact the organization of firm-based structures, including cooperation between functions and cross-functional teams?
   c. What functional/cross-functional mechanisms are most effective in encouraging sales people to develop customer level CVPs and in educating product engineers and R&D staff to "think CVP" rather than "product?
7. Impact of brand reputation and customer relationships
   a. How do brand reputation and customer relationships impact the success of CVPs?
   b. How does context impact the role of price as a component of CVPs?
   c. How does context impact the development of CVPs at different stages of company development, e.g., benefits of initial adoption versus later benefits of increased users and usage adoption?
   d. What are the financial outcomes of adopting a CVP? What is the time line between implementing a CVP and pay-off and how does this vary according to context?
   e. Is there a scorecard of measures that can be developed to measure success of CVPs over time?
8. CVP design characteristics
   a. How do organizations choose between different CVP options, e.g., level of granularity (firm, segment, customer); input vs. output- based decision; meaningful vs. meaningless attributes; mix of benefits offered; one sided vs. two-sided markets?
   b. How do CVPs at each strategic level fit with each other?
   c. Are CVPs at any one level of granularity more successful in stimulating innovation?
   d. How does context impact decisions about adopting a granular approach to CVPs?
9. Link between CVPs, sustainability and ecosystems
   a. How do considerations of social and environmental issues impact the design of CVPs?
   b. What is the role of CVPs in transformative service research?
   c. How does a CVP link service with consumer ecosystems?

Table 4 (continued)

d. How do CVPs help shape and sustain an ecosystem?
e. How do CVPs at different levels of an ecosystem and between various stakeholders relate to each other?

This illustration implies a supplier-determined CVP, yet the value is cocreated in several ways and is the shared responsibility of both rider and driver. Customers are not passive recipients of value, as is often the case when they had to wait for a standard taxi to arrive. Uber customers are involved, choosing from a range of options (e.g., Uber X, Uber Black, Uberlux) at different price points. Customers engage actively in monitoring the precise location of a car they have ordered and receive real-time information on how long it will take, so they can wait inside. In this new transportation experience, drivers often offer water or candy to the rider, and both the driver and the rider provide quantitative feedback about the other. Furthermore, Uber drivers typically have cleaner cars than taxis, drivers volunteer to place and remove luggage from the trunk, and they do not demand a tip.

These four illustrations demonstrate very different applications and diverse approaches to CVPs. Supplier-determined propositions may occur mostly in commodity-like markets, but they can be relevant in other contexts. Companies facing increasing competition may find that mutually determined CVPs are more appropriate though. For companies in digital markets, such as Uber and Google, simple CVPs may not fit with the business model; they need to develop sets of CVPs. Solution-based CVPs (e.g., PwC) are increasingly useful for goods and service companies that encourage shared responsibility for value creation. The diversity of approaches to value proposition development highlights the need for a substantial research program to investigate firms' adoption and use of value propositions. In the next section, we discuss our contributions and some managerial implications, then outline a research agenda that illustrates not just this need but also the demand to extend theoretical insights into CVPs.

Discussion

This article addresses a topic that scholars and practitioners agree is critical to marketing strategy, but that has been inadequately studied. Surprisingly few firms appear to have developed appropriate CVPs. For example, Anderson et al.'s (2006) two-year study of CVP management practices in the United States and Europe led them to note: "One striking discovery is that it is exceptionally difficult to find examples of value propositions that resonate with customers" (p. 92). Our purpose is to advance theory about the characterization of CVPs and the conditions that influence their outcomes. Managerially, our aim is to help clarify the components and design characteristics of CVPs, which may provide suggestions for improved firm performance.

Theoretical implications

Following MacInnis (2011), our delineation of the CVP concept follows a deductive reasoning approach. It produces four main contributions. First, we identify the lack of a theoretical foundation for CVPs, which may underlie some of the confusion about the concept and its application in previous work. Our literature review explores the origins, evolution, and development of the customer value proposition in detail. Although the central component of the CVP, value, has undergone an evolving conceptualization over time, the CVP itself has not responded adequately to this altered perspective. Our review identifies three distinct perspectives on the CVP, from assuming value is embedded in the product delivered by a supplier (value-in-exchange), through placing greater emphasis on understanding customers and their experiences during product purchase and usage, to a contemporary view that suggests a mutually determined proposal in which the provider and customer jointly share resources in value creation (value-in-use). The emergent discussion on CVPs has not resulted in clear conceptualizations of the components of the CVP, the conditions that affect its success, or how it links to various important outcomes.

Second, drawing on our literature review, we propose a concise definition of the CVP, aiming to distinguish the CVP from related concepts and provide an enhanced understanding that can inform our conceptual model. We identify related concepts and their characteristics; the list of prior definitions of the CVP illustrates several overlaps and some confusion. Our proposed definition characterizes the CVP as a strategic tool that captures and communicates the essence of marketing strategy decisions, thereby affects marketing strategy implementation, and influences the firm's competitive advantage.

Third, we develop a conceptual model, with its implications captured in eight research propositions. Drawing on RBT as our theoretical foundation, we identify firm- and market-based resources that are required to craft CVPs. Unlike previous frameworks that provide a general overview of value propositions (e.g., Skålén et al. 2015), we identify how CVPs affect both the supplier firm and its customers. The model also clarifies understanding by proposing conditions in which the CVP will result in more beneficial outcomes.

Fourth, we develop a detailed agenda for scholarly investigation of the CVP. Our purpose in proposing this agenda, which is discussed subsequently, is to extend and clarify some significant issues that arise from our research propositions. In particular, we highlight research that relates to the design of CVPs, measures of their impact, and managerially relevant implementation topics.

Managerial implications

Our conceptualization of how a CVP affects suppliers and customers has important implications for what mangers should do differently. As a first managerial insight, we identify some key elements involved in the complex managerial task of deciding how to design, develop, and operationalize value propositions. As an executive from a large financial company complained during our interview: "There is a huge disconnect between the value proposition statement and how it is operationalized." The conceptual model in Fig. 1 identifies firm- and market-based resources and design characteristics that affect CVPs' performance, highlighting elements to be managed and decisions to be made. In particular, managers should consider the strategic level, focus, and explicitness of CVPs, taking into account the industry, market, and competitive environment.

A second managerial insight stems from our identification of three alternative perspectives on CVPs. Managers should decide which perspective is most relevant to their particular context and the implications of their decision for both the firm and customers. Each alternative perspective—supplier-determined, transitional, and mutually determined—has a different emphasis. The supplier-determined perspective regards the customer as a passive recipient of the value delivered by the supplier; the mutually determined perspective provides an opportunity for the customer to participate more actively. As the Rio Tinto case illustrates, in increasingly complex environments, a move toward a mutually determined approach is likely to be appropriate.

We also note the need to consider CVP granularity carefully, citing both the benefits and the drawbacks of choosing a specific level of granularity. For example, having only a firm-level CVP may be efficient for defining the value package, but such an approach might not provide more nuanced or targeted value offerings that resonate strongly with specific segments or large corporate customers. Because B2B markets offer opportunities to tailor the value offering to specific major customers, Anderson et al. (2006) argue for a more fine-grained approach that centers on individual, customer-level CVPs. However, this granular approach for B2B customers requires substantial effort and may involve significant costs (Terho et al. 2012). A supplier firm may need to develop new skills to deliver on each individual proposition, and the cost of acquiring these skills could be substantial. The tension between the advantages and disadvantages of more granular levels of CVPs thus demands careful consideration.

A final managerial insight relates to the responsibility for CVPs within supplier firms. When developing the case illustrations in Table 3, we recognized that enterprises often struggle to determine where responsibility lies for the design, development, and implementation of value propositions. Although middle managers may be tasked with this role, top management must take responsibility for the formulation of value propositions at the firm level, to ensure this formative task receives sufficient strategic priority. Marketing and sales managers should assume responsibility for segment- and customer-level CVPs, respectively. We note the recent emergence of senior organizational roles with "value proposition" in their title (e.g., Director of Value Proposition, American Express; Value Proposition Director, DHL; Director of Value Proposition Development, Zurich Financial Services; Director Value Proposition & Subscription Strategy, Xbox). These positive developments should help ensure senior management involvement.

Research directions and an agenda

The relatively scant academic literature on CVPs reveals substantial research opportunities. Specific areas emerge as priorities for scholarly inquiry, especially for extending theory. Our eight research propositions indicate some important topics; we also highlight the need to investigate how CVPs relate to ecosystems. In addition to a summative commentary and highlights of nine key topics here, we provide a detailed research agenda in Table 4.

The first topic relates to the mix and relevance of market-based resources. In P1, we highlight the role of market knowledge and innovation, but the precise way these and other market-based resources relate to CVPs has yet to be investigated. In particular, we draw attention to innovation, which has been largely neglected thus far. Skålén et al. (2015) provide some useful advances in terms of linking value propositions to specific configurations of practices and resources, but the link between the firm and the customer innovation process is unclear. Can a CVP hinder the attraction of new resources to a firm, thus stifling innovation? A related issue is the market-shaping role of CVPs and the mechanisms underlying this process (Storbacka and Nenonen 2011).

We also note the mix and relevance of firm-based resources. Proposition 2 highlights three important resource categories; their mix and relevance requires investigation. In particular, how do market characteristics relate to the salience of different firm-based resources? Do B2B suppliers require a different mix of attributes than B2C firms? Identifying generic characteristics that are consistent across contexts would help managers assess potential CVPs, then tailor them to their particular context.

A third topic relates to CVPs and their impact on marketing strategy implementation. According to P3, CVPs affect the supplier firm and engender a marketing orientation. The underlying process and the link to customer-focused employee behaviors both require further investigation. Another interesting research direction might investigate the connection between employee and customer value propositions (Frow and Payne 2011).

As the fourth topic, we consider the impact of CVPs on customers' perceptions, in line with the claim in P4 that CVPs influence attitudes and behavior, because when customers become more engaged with the firm, their perceptions may change. The CVP functions to focus customers on how the firm can help solve their problems, so managing customer perceptions over time is highly relevant. Over time, a customer may shift focus away from a price advantage and toward intangible attributes, including relationship quality. We note the potential danger that the supplier and customer might develop different views of CVPs, and customer expectations might not be met during implementation. The CVP context also suggests important research directions. In digital markets for example, CVPs are highly important, and service experience and pricing are significant concerns. The nature of digital markets suggests that an enterprise may have difficulty offering CVPs that result in favorable service experiences (e.g., Sandström et al. 2008); frequently, these offers lack service-oriented employees who interact with customers. For digital products such as music, electronic newspapers, e-books, and software, the marginal provision cost to suppliers is virtually null, and the role of pricing as a CVP component is less clear. Thus, CVPs that encompass new, variable pricing mechanisms need particular attention.

A fifth topic relates to how the supplier's market orientation determines the effectiveness of CVPs, as captured in P5. Research should investigate how CVPs relate to the supplier firm's market orientation and the impact on customer engagement. In our conceptual model, the CVP influences both the supplier's and customer's attitudes and behaviors. However, the process remains unclear, despite some recent attention (Brodie et al. 2011). Researchers could seek answers to understand if, over time, CVPs vary in the strength of their impact on customer engagement and whether a CVP has a greater impact at any specific point in time. As a further contextual issue, an initial CVP may focus on product adoption, but later, it could change focus, to address the benefits for advanced users and long-term engagement. For example, Instagram initially offered an exchange-based CVP, related to using filters to improve images; as its installed base grew, it began offering a CVP involving sharing and commenting on a social publishing and sharing platform. As discussed previously, different products achieve different value at different stages of the customer relationship, so a train ride has the highest value during consumption, but software gains increasing value as customers use it more.

The sixth topic pertains to how leadership support and formalization affect the successful adoption of a CVP within the firm, as indicated in P6. Key questions relate to the fit between the CVP and the business model, two organizational tools that require decisions on these important dimensions. Organizations typically do not appear to have well-developed processes for CVP development, so a substantive empirical study that investigates the adoption, use, and success of CVPs appears imperative. As part of a broader research program into value propositions, we have examined CVP development practices in several leading enterprises. We find little consistency in how firms approach the development and design of CVPs. Detailed case study research could identify different ways to design and develop CVPs, together with the strengths and weaknesses of these various approaches. Best practice guidelines would help enterprises develop superior CVPs and understand how to encourage their propositions to evolve over time. The extent to which a CVP is formalized and embedded in practice even may relate to its links with the business model. Our literature review suggests such important connections (e.g., Chesbrough and Rosenbloom 2002). However, the integration of CVPs into the business model and the evolution of these two important concepts is poorly understood. Both business models and CVPs need to adapt to their context, but the nature of this process requires investigation.

In terms of supplier reputation, P7 predicts that both brand reputation and customer relationships influence the success of CVPs. However, the extent and nature of these connections remains unknown. The financial implications of adopting CVPs and monitoring their effectiveness over time are important; our literature review reveals a general discussion of the beneficial outcomes of CVPs but little empirical evidence. Key imperatives include identifying which CVPs are most effective, pay-off times, and appropriate metrics to track their success.

An eighth topic relates to CVP design characteristics. Proposition 8 suggests how the design choices a firm makes when choosing CVPs affect their success. However, we know little about how a firm makes these choices or how different characteristics fit together. Prior literature indicates some potentially useful directions, such as the relative importance of meaningful and meaningless attributes (Carpenter et al. 1994) and of benefits offered (Keller 1993). Further investigation of these design choices would help inform those managers in determining CVPs.

Our final topic relates to CVPs, sustainability, and ecosystem issues. Recent interest in service ecosystems has focused on the relationships between entities, raising questions about how value propositions within an ecosystem are linked and how they affect each other. This topic requires more detailed exploration (Frow et al. 2014). A promising area for investigation involves integrating consumer and service research, as described in calls for transformative service research (Anderson and Ostrom 2015). A key question relates to how CVPs link service with consumer ecosystems and support well-being outcomes. Investigating negative outcomes of

CVPs is also relevant, especially in the context of ethical and environmental concerns.

Research in high-quality, scholarly journals that addresses the central issues in this agenda can help both firms and customers strengthen their relationships and achieve greater success.

Appendix 1

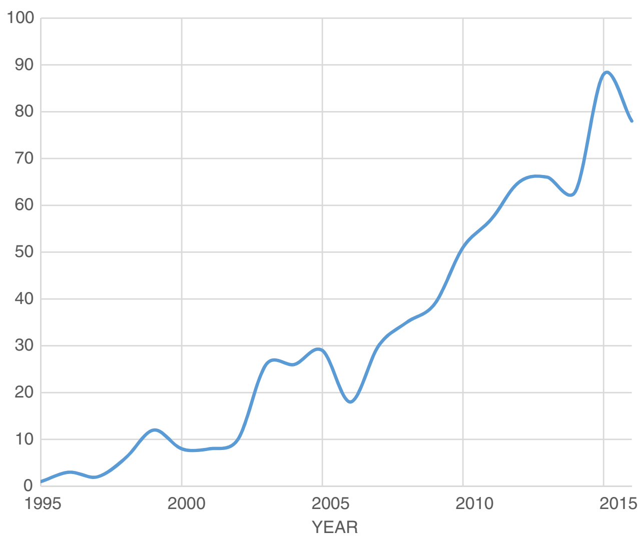

Fig. 2 Academic publications that mention value propositions in their abstracts. Source: EBSCO business source complete database

Appendix 2

Table 5 Distinguishing the customer value proposition from related concepts

Related concept	Explanation/definition
Positioning statement	Positioning is a "deliberate, proactive, iterative process of defining, modifying and monitoring consumer perceptions of a marketable object" (Arnott 1992, p. 114) and involves "'adjusting' the mind of the customer" (Ries and Trout 1986, p. 2). Positioning communicates a brand image (Park et al. 1986, p. 139).
Business model	A business model can be understood as "the design or architecture of the value creation, delivery and capture mechanisms" (Teece 2010, p. 191), and the CVP represents a key component (Chesbrough and Rosenbloom 2002; Ehret et al. 2013; Osterwalder et al. 2005). "It articulates the logic, the data, and other evidence that support a value proposition for the customer, and a viable structure of revenues and costs for the enterprise" (Teece 2010, p. 179).
Value disciplines	A value discipline focuses on delivering superior customer value in line with one of three value discipline options—operational excellence, customer intimacy, or product leadership. The entire operating business model (i.e., the company's culture, business processes, management systems, and computer platforms) needs to align with one value discipline (Treacy and Wiersema 1993).
Unique selling proposition	"…firms should focus their market communication efforts on one compelling benefit for the customer [the USP] that is not offered by their competitors" (Reeves 1961). "….every advertisement should contain a basic selling proposition" (Ogilvy 1947). The USP does not address how to deal with product parity.
Core benefits statement	Identifies the benefits the product provides and the "fulfilment of the product promises by physical features" (Urban and Hauser 1980, p. 155). This statement represents the key element on which all elements of the marketing strategy are built, based on functional benefits.
Customer value proposition	In this paper, we define a customer value proposition as "a strategic tool facilitating communication of an organization's ability to share resources and offer a superior value package to targeted customers".

Appendix 3

Table 6 Illustrative definitions and descriptions of the customer value proposition

Source	Definitions/descriptions
Bower and Garda 1986	Provides a very brief description of the value delivery system, which incorporates three stages: choose, provide and communicate the value proposition.
Lanning and Michaels 1988	"Precise benefit or benefits at what price will be offered to what customer group, at what cost."
Webster 1994	"A statement of how the firm proposes to deliver superior value to customers and to differentiate itself from competitors."
Kambil et al. 1996	"Value propositions define how items of value (productivity service features as well as complimentary services) are packaged and offered to fulfil customer needs."
Lanning 1998	A value proposition is "the entire set of resulting experiences…. including some price, that an organization causes some customers to have. Customers may perceive the combination of experiences to be in net superior, equal, or inferior to alternatives."
Kaplan and Norton 2000	A value proposition "defines how an organization differentiates itself from competitors, to attract, retain and deepen relationships with target customers."
Molineux 2002	"The value proposition describes the total customer experience with the firm and in its alliance partners over time, rather than that communicated at the point of sale."
Bititci et al. 2004	The value proposition is defined as "an implicit promise a company makes to its customers to deliver a particular combination of values."
Rayport and Jaworski 2004	A value proposition requires consideration of (1) target segments, (2) focal customer benefits, and (3) resources to deliver the benefits in a superior manner to competitors.
Anderson et al. 2006	Properly constructed value propositions "force companies to rigorously focus on what their offerings are really worth to their customers."
Ballantyne and Varey 2006a	"Value propositions should be conceived, from the outset, as particular proposals to and from suppliers and customers seeking equitable exchanges of value."
Ballantyne and Varey 2006b	"Value propositions are reciprocal promises of value, operating to and from suppliers and customers seeking an equitable exchange."
Lusch et al. 2007	"A value proposition can be thought of as a promise the seller makes that value-in-exchange will be linked to value-in-use."
Rintamaki et al. 2007	"A strategic management decision on what the company believes its customers value the most and what it is able to deliver that gives it competitive advantage."
Grönroos and Ravald 2011	"Value propositions are suggestions and projections of what impact on their practices customers can expect."
Frow and Payne 2011	"A value proposition is an organization's offering to customers, representing a promise of benefits of value that customers will receive during and after the usage experience."
Müller 2012	"A value proposition describes how value is created for customers and clarifies the kind of value that is delivered through products and services."
Grönroos and Voima 2013	"The value proposition must be considered a promise that customers can extract some value from the offering."
Frow et al. 2014	A value proposition is "a dynamic and adjusting mechanism for negotiating how resources are shared within a service ecosystem."
Skålén et al. 2015	Value propositions are "promises of value creation that build upon configuration of resources and practices."
Chandler and Lusch 2015	Defined as "invitations from actors to one another to engage in service."

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