

22.11.2020

**DSGN237**

**Value Proposition Design**

# Recap

## **Customer Segments**

are the groups of people and/or organizations a company or organization aims to reach and create value for with a dedicated value proposition.

## **Value Propositions**

are based on a bundle of products and services that create value for a customer segment.

## **Channels**

describe how a value proposition is communicated and delivered to a customer segment through communication, distribution, and sales channels.

## **Customer Relationships**

outline what type of relationship is established and maintained with each customer segment, and they explain how customers are acquired and retained.

## **Revenue Streams**

result from a value proposition successfully offered to a customer segment. It is how an organization captures value with a price that customers are willing to pay.

## **Key Resources**

are the most important assets required to offer and deliver the previously described elements.

## **Key Activities**

are the most important activities an organization needs to perform well.

## **Key Partnerships**

shows the network of suppliers and partners that bring in external resources and activities.

## **Cost Structure**

describes all costs incurred to operate a business model.

## **Profit**

is calculated by subtracting the total of all costs in the cost structure from the total of all revenue streams.

## Value Proposition Canvas

The Value Proposition Canvas is a plug-in tool to the Business Model Canvas. It allows you to describe your Value Propositions and the target Customer Segments in more detail and evaluate the “fit” between the value you intend to create and the expectations your customers have.

## Value Proposition Canvas

You can use this map before, during and after developing an in-depth knowledge of your customers. If you use it before, it will highlight what you need to learn about customers and test about value propositions. If you use it after, it will help you analyze and evaluate “fit”.

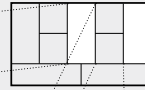
## Value Proposition Canvas

The Value Proposition Canvas can be applied to new and existing value propositions and customer segments alike. In both cases it will help you structure your thinking and make your ideas more tangible.

[https://www.youtube.com/  
watch?v=ReM1uqmVfP0&ab  
channel=Strategyzer](https://www.youtube.com/watch?v=ReM1uqmVfP0&ab_channel=Strategyzer)

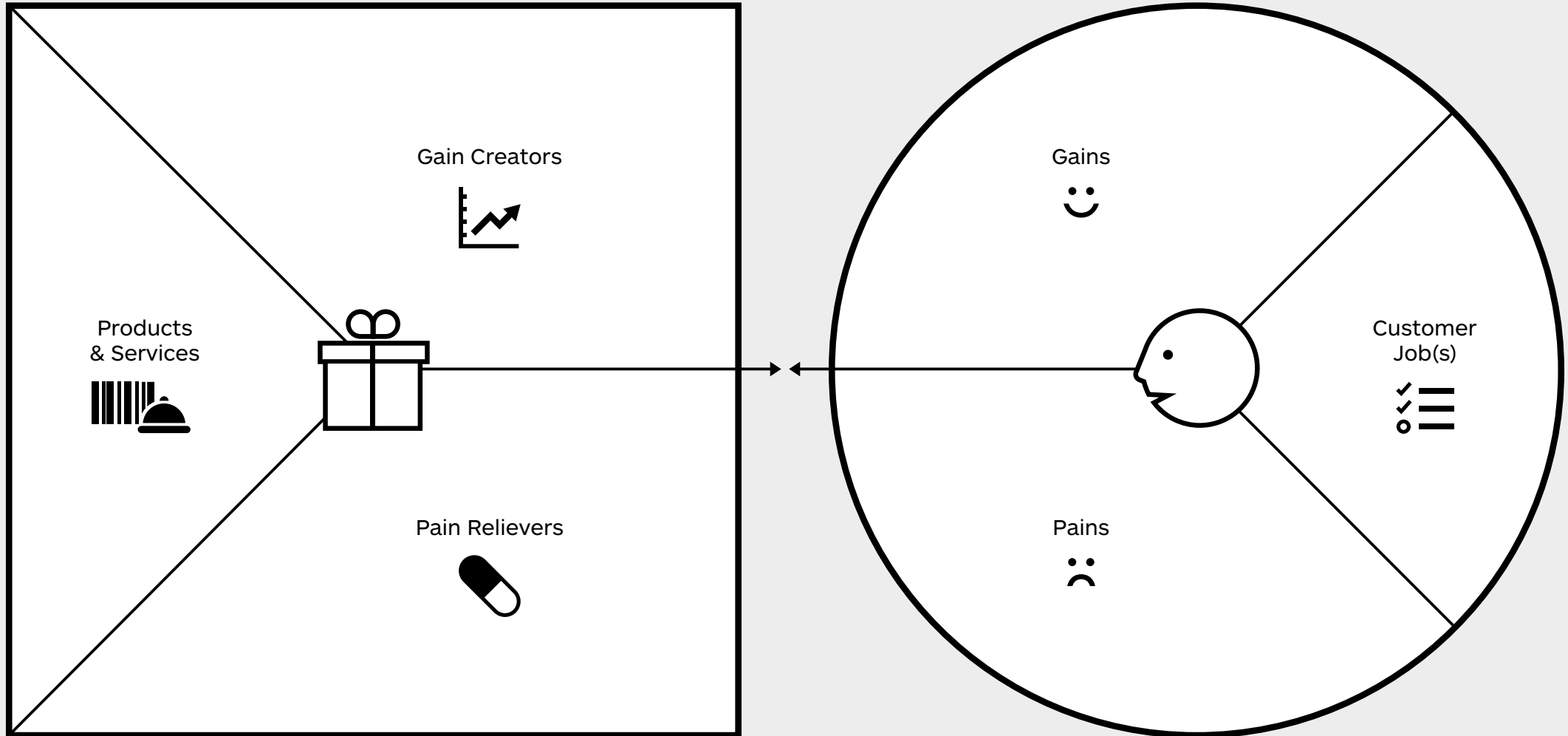
[https://www.youtube.com/  
watch?v=aN36EcTE54Q&ab  
channel=Strategyzer](https://www.youtube.com/watch?v=aN36EcTE54Q&ab_channel=Strategyzer)

# The Value Proposition Canvas



Value Proposition

Customer Segment

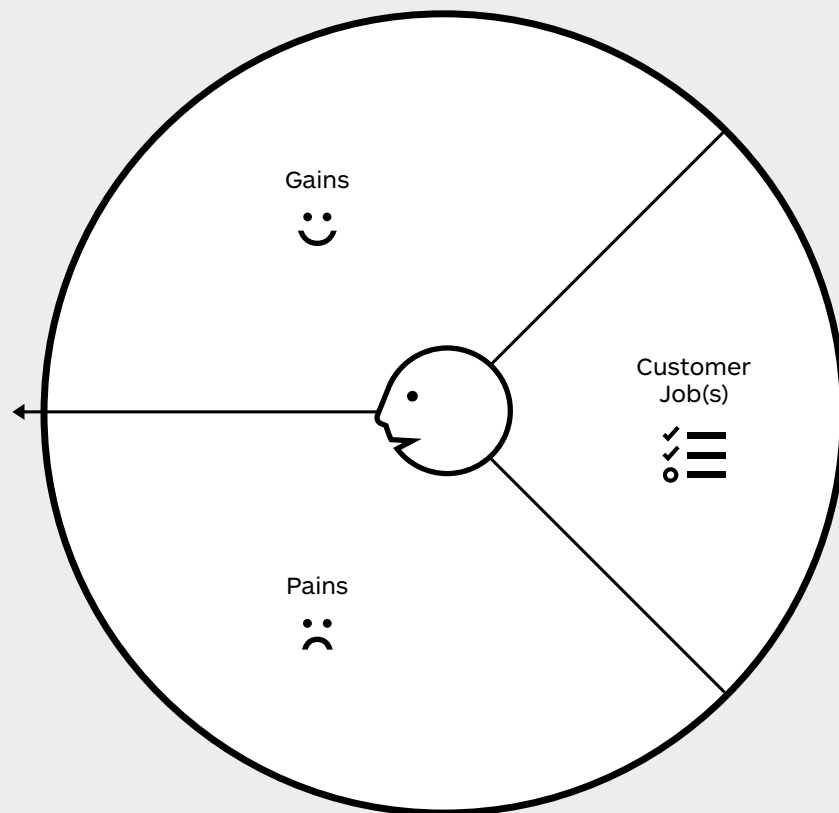




## The Value Proposition Canvas



Customer (Segment)  
Profile:



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### Customer Job

Jobs describe the things your customers are trying to get done in their work or in their life. A customer job could be the tasks they are trying to perform and complete, the problems they are trying to solve, or the needs they are trying to satisfy.

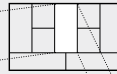
### Customer Gains

Gains describe the outcomes and benefits your customers want. Some gains are required, expected, or desired by customers, and some would surprise them. Gains include functional utility, social gains, positive emotions, and cost savings.

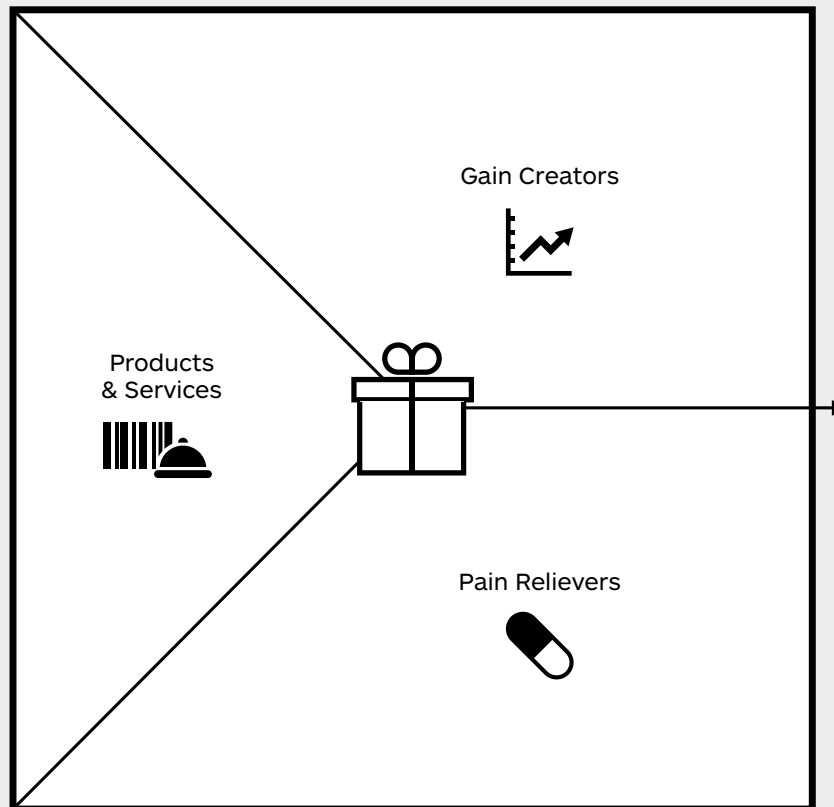
### Customer Pains

Pains describe anything that annoys your customers before, during, and after trying to get a job done or simply prevents them from getting a job done. Pains also describe risks, that is, potential bad outcomes, related to getting a job done badly or not at all.

## The Value Proposition Canvas



Value (Proposition)  
Map:



### Gain Creators

describe how your products and services create customer gains. They explicitly outline how you intend to produce outcomes and benefits that your customer expects, desires, or would be surprised by, including functional utility, social gains, positive emotions, and cost savings.

### Pain Relievers

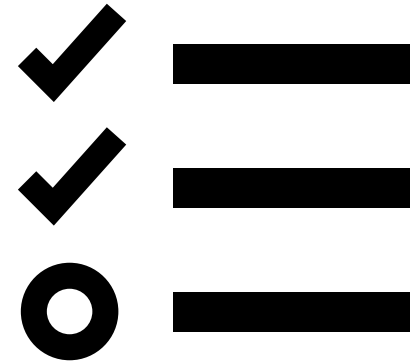
Pain relievers describe how exactly your products and services alleviate specific customer pains. They explicitly outline how you intend to eliminate or reduce some of the things that annoy your customers before, during, or after they are trying to complete a job or that prevent them from doing so.

### Products & Services

Your product or your service.

# Customer Jobs

- Contact a good taxi driver
- Control the cost for the ride
- Wait for the cab for some unknown amount of time
- Pay for the trip



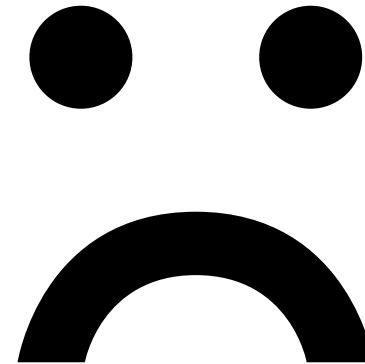
# Customer Gains

- Track your cab
- One-click order/cancelation
- Zero time on payment
- Trusted driver



# Customer Pains

- Low cab availability
- Bad drivers
- Need to book in advance
- Issue with payment for the taxi service (cash or credit)



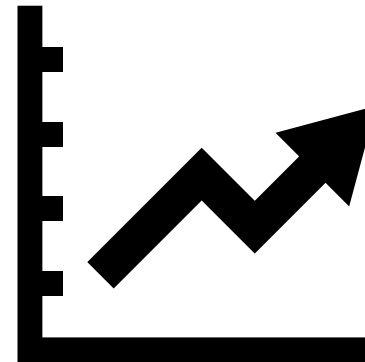
# Products & Services

- Passenger mobile app
- Black cab
- UberX
- Uberpop



# Gain Creators

- Navigate your trip on the map
- The ability to manage all trip details on a single platform
- Rating system

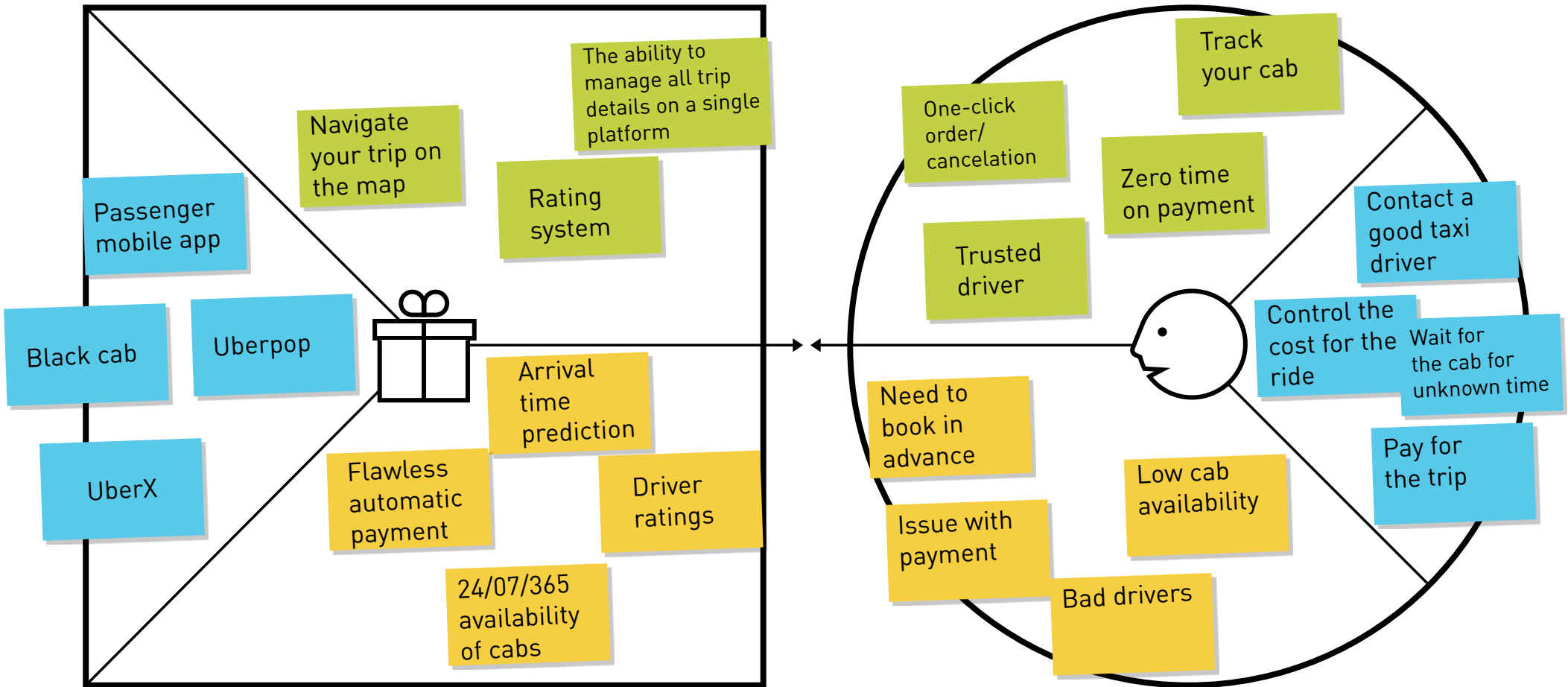


# Pain Relievers

- Arrival time prediction
- Flawless automatic payment
- Driver ratings
- 24/07/365 availability of cabs







**For next class:**  
Business Model Canvas

**Read “Design” from Business  
Model Generation**