

By Peep Laja

A value proposition is a promise of value to be delivered. It's the primary reason a prospect should buy from you.

It's also the #1 thing that determines whether people will bother reading more about your product or hit the back button. On your site, your value proposition is the main thing you need to test—if you get it right, it will be a huge boost.

In fact, if I could give you only one piece of conversion optimization advice, "test your value proposition" would be it.

The less known your company is, the better your value proposition needs to be. When I reviewed a bunch of websites, a missing or poor value proposition was one of the most common shortcomings.

What is a value proposition?

In a nutshell, a value proposition is a clear statement that offers three things:

- 1. **Relevancy**. Explain how your product solves customers' problems or improves their situation.
- 2. **Quantified value**. Deliver specific benefits.
- 3. **Differentiation**. Tell the ideal customer why they should buy from you and not from the competition.

Your value proposition has to be the first thing visitors see on your homepage, but it should also be visible at all major entry points to the site.

It's not just for aesthetics or to placate a CEO or copywriter. Ultimately, it can improve your customer lifetime value.



What the value proposition is not?

It's not a slogan or a catch phrase. This is not a value proposition:

"L'Oréal. Because we're worth it."

It's not a positioning statement. This is not a value proposition:

"America's #1 Bandage Brand. Heals the wound fast, heals the hurt faster."

What the value proposition consists of

The value proposition is usually a block of text (a headline, sub-headline, and one paragraph of text) with a visual (photo, hero image, graphics).

There is no one right way to go about it. I suggest you start with the following formula:

- **Headline.** What is the end-benefit you're offering in one short sentence? It can mention the product and/or customer. Make it an attention grabber.
- **Sub-headline or a 2–3 sentence paragraph.** A specific explanation of what you do/offer, for whom, and why it's useful.
- **3 bullet points.** List the key benefits or features.
- **Visual**. Images communicate much faster than words. Show the product image, the hero shot, or an image reinforcing your main message.



People should read and understand your value proposition.

A value proposition is something real humans are supposed to understand. It's for people to read. Here's an example of what a value proposition is not supposed to be like:

"Revenue-focused marketing automation & sales effectiveness solutions unleash collaboration throughout the revenue cycle"

Would you be able to explain the offer to your friend or how they'd benefit? Didn't think so. Unfortunately, it's no joke. Such meaningless "jargon propositions" are abundant. Avoid blandvertising at all costs.

Use the right language for your value proposition.

Your value proposition needs to be in the language of the customer. It should join the conversation that's already going on in the customer's mind. To do that, you need to know the language your customers use to describe your offering and how they benefit from it.

You cannot guess what the right language is. The way you speak about your services is often very different from how your customers describe them. The answers are outside your office. You have to interview your customers to find it out, or use a messaging research tool like Wynter.



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Evaluate your current value proposition by checking whether it answers the questions below:

- What product or service is your company selling?
- What is the end-benefit of using it?
- Who is your target customer for this product or service?
- What makes your offering unique and different?

Use the headline/paragraph/bullets/visual formula to structure the answers. (Here's a value proposition worksheet you might find useful.)

Keys to a great value proposition

The best value proposition is clear: What is it? For whom? How is it useful? If those questions are answered, you're on the right path. Always strive for clarity first.

If your value proposition makes people go "hmph?", you're doing it wrong. If they have to read a lot of text to understand your offering, you're doing it wrong. Yes, a sufficient amount of information is crucial for conversions, but you need to draw them in with a clear, compelling value proposition first.

Research by MarketingExperiments says that the key challenge companies have is identifying an effective value proposition, followed by communicating it clearly.

What makes a good value proposition?

- Clarity! It's easy to understand.
- It communicates the concrete results a customer will get from purchasing and using your products and/or services.
- It says how it's different or better than the competitor's offer.





- It avoids hype (like "Never seen before!" or "Amazing miracle product!"), superlatives ("best") and business jargon ("value-added interactions").
- It can be read and understood in about 5 seconds.

Also, in most cases, there's a difference between the value proposition for your company and your product. You must address both.

Why the presentation of your value proposition matters

Original research by CXL showed that users:

- Noticed the value proposition more quickly when it had more text (i.e. took up more real
 estate on the page).
- Spent longer on a value proposition as opposed to elsewhere on the page when there was more to read.
- Recalled more services offered by the site when more services were listed.
- Described more website advantages when there were more features and benefits available to read.
- Preferred information in the form of bulleted lists.
- Preference for page design was influenced by which variation was originally seen.

How to craft a powerful, unique value proposition

A key role for the value proposition is to set you apart from the competition. Most people check out 4–5 different options/service providers before they decide. You want your offering to stand out in this important research phase.

So how do you make your offer unique? Often, it's hard to spot anything unique about your offering. It requires deep self-reflection and discussion.





If you can't find anything, you'd better create something. Of course, the unique part needs to be something customers actually care about. There's no point being unique for the sake of being unique (e.g. "the ball bearings inside our bicycles are blue"). Even if what you sell isn't unique, you can still come up with a great value proposition.

Here are two articles that can help you find a "theme" or angle for your value proposition:

- Value Propositions That Work
- The Five Propositions that Help Companies Create Value for their Customers

Remember: You don't need to be unique to the whole world, just in the customer's mind. The closing of a sale takes place in a customer's mind, not out in the marketplace among the competition.

"Boosters" for your value proposition

Sometimes, little things tip the decision in your favor. If all major things are pretty much the same between you and your competitors, you can win by offering small value-adds. I call them boosters.

These things work well against competitors who don't offer them. Boosters can be things like:

- Free shipping;
- Fast shipping/Next-day shipping;
- Free bonus with a purchase;
- Free setup/installation;
- No setup fee;
- No long-term contract, cancel any time;
- License for multiple computers (vs. 1);
- (Better than) money-back guarantee;
- A discounted price (for a product);
- Customizable.

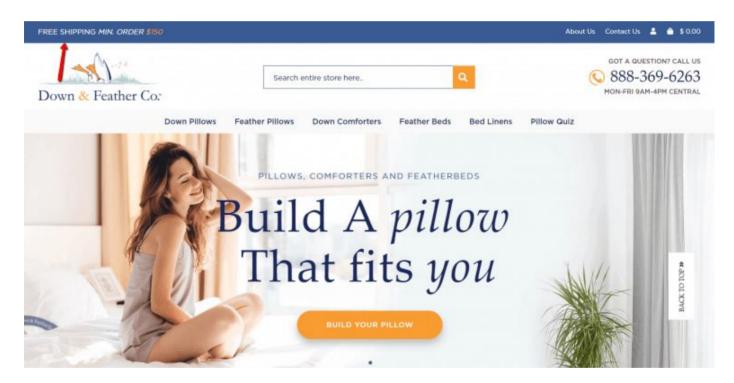


You get the idea. Think what small things you could add that wouldn't cost you much but could be attractive to some buyers.

Make sure the booster is visible with the rest of the value proposition.

Example of a value proposition "booster"

Notice the "Free Shipping" sign in the top left? That's a booster.



7 Examples of great value propositions

It's tough to find perfect value proposition examples. Probably because it's hard to create a great one. I find flaws or room for improvement with most value propositions I come across.

I'm also fully aware that I'm not the ideal customer for many of the examples shown below, and my critiques are educated hypotheses that should be tested.



1. Campaign Monitor



- Very clear what it does;
- Specific lead paragraph;
- Relevant images that support text-based claims;
- Features a booster—"Instant signup. No credit card required."

2. Stripe



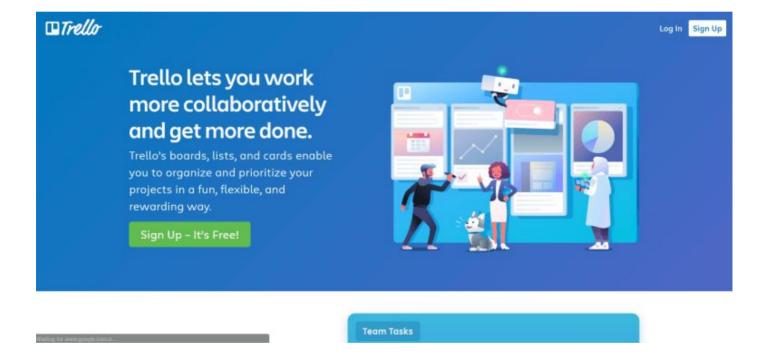
GIF: https://cxl.com/wp-content/uploads/2019/07/example-stripe-value-proposition-1.gif



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- It's clear what it is and for whom;
- Specific benefit-oriented sub-headline;
- Relevant visuals;
- Smooth transition into features and benefits.

3. Trello

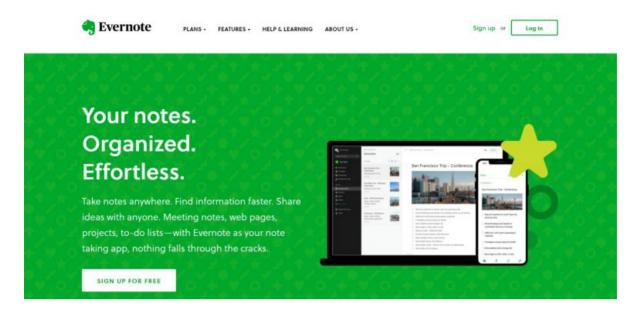


- Clear statement about what it is and for whom;
- List of features and benefits in sub-headline;
- Relevant image.





4. Evernote



- Succinct explanations of what it's for ("Your notes"), the benefit it provides ("Organized"), and why it's so great ("Effortless").
- Key features and benefits in the subheadline;
- Relevant image.

5. Square



Start a Square account

Contact Sales

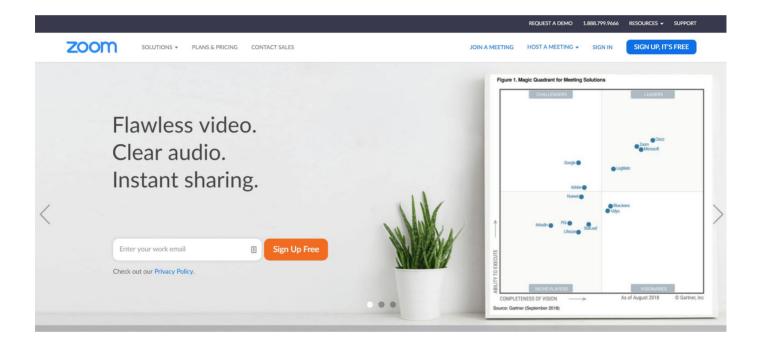


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- Very clear headline;
- Clear call to action;
- Relevant image;
- Missing: comparison with the competition or more details in a sub-headline.

6. Zoom

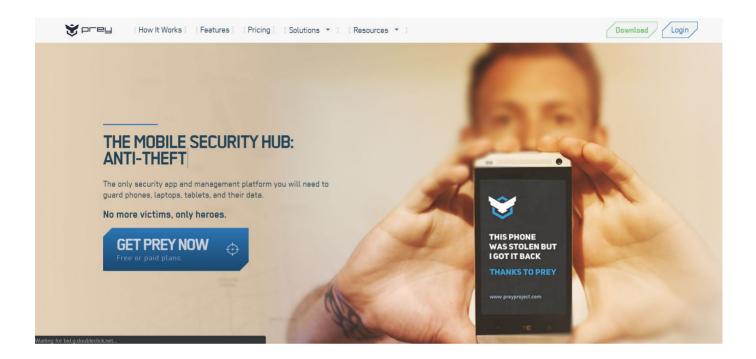


- Like Evernote, the headline is clear and succinct.
- Booster with "Sign Up Free" and "Sign up, It's free";
- Use of a third-party review to compare favorably and credibly against competitors.

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7. Prey



- The headline is okay but could be clearer (i.e. "Keep track of your laptop, phone or tablet. Get it back when it gets stolen or lost."
- The following paragraph does a good job explaining what it is, as does the image.
- An actual screenshot of the product may better demonstrate what it does.
- It uses boosters like social media proof and respected logos.

Examples of poor value propositions

Some lessons from the department of "Don't do this!":



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1. Cloudflare

I use this service myself and think it's great, but they really need to do a better job.



- Awful clarity: "Helping Build a Better Internet"? Nobody will understand what that means—nor does that solve anyone's problem.
- Sub-headline offers some clarity and detail, but that info should be in the headline.
- Image looks like a stock photo.



2. Continuum Financial



What stage of your financial journey are you at?



- No proper value proposition in place at all—the headline congratulates themselves on a five-year anniversary.
- Awkward phrasing if not flat-out incorrect ("...we look forward continuing to deliver..." and "What stage of your financial journey are you at?"
- No imagery above the fold; those below are stock photos.

How to test your value proposition

You definitely have to test your value proposition. How? There are two main ways:



1. A/B testing

The best way to test your value prop is to craft two candidates (or more, if you have tons of traffic) and split test them. Ideally, you'd measure sales conversions (for the most accurate results), but if that's not possible, lead counts or even click-throughs will do.

2. Pay-per-click advertising

A fast and cheap way to go about it is to use Google Ads or Facebook Ads.

Split test ads with different value propositions that target the same customer. The ad with a higher click-through rate is obviously a better attention grabber and interest generator, although it doesn't necessarily mean higher sales conversions.

Send the traffic to a corresponding landing page and test conversions, too.

Conclusion

You need a value proposition and you need to communicate it clearly on all the main entry pages: homepage, product pages, category pages, etc.

If you don't state why users should buy from you, you will lose most of them. To craft a great value proposition:

- Focus on clarity above all else.
- Use the headline, sub-headline, bullets, and image formula.
- Test, test, test.