Product Value Creation Training Through Value Proposition Canvas (VPC) with the South Jakarta Small Medium Enterprise (SME) Community

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Abstract. Product value creation training is a community service activity carried out by the Faculty of Economics and Business, Paramadina University. The aim of this program is to increase knowledge and practice of creating product value for MSME actors. The training participants were the South Jakarta MSME Community. The themes presented were digital entrepreneurship, the urgency of product value, and product value mapping with the Value Proposition Canvas. The number of participants was 38 people. The evaluation results showed that the participants were satisfied with this training program. The three aspects assessed are the committee, materials, and the implementation of the concept of product value. The training method is carried out face-to-face by inviting small-medium enterprise community actors in the South Jakarta area. The evaluation questionnaire was distributed online using the Google Form. The results of the evaluation assessment show that the program was successfully implemented with material in accordance with business needs. Training participants have a strong desire to apply the Value Proposition Canvas (VPC) concept to products or services. This awareness is to be able to meet consumer expectations. The follow-up program will be carried out with the theme of packaging and product branding. These two themes are a continuation of the community service program in the coming year.

Keywords: Entrepreneurship; Product Value; Training Program

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1. INTRODUCTION

Businesses need the right marketing strategy with product values according to consumer targets. A product or service can be identified with business value according to consumer needs. The concept of value is a part of marketing management (Abdullah & Rosliyati, 2020; Da Silva, 2020). This value requires the process of identifying and creating consumer perceptions as the company's business differentiation. Every form of business venture seeks to aggregate a number of activities starting from the design, production, promotion, distribution and support of products to market expectations (Kotler & Armstrong, 2016). Every business venture requires concepts in business management and marketing in response to market needs. Product value is the core of an expectation offered to consumers. This effect will lead to competitive advantage by achieving customer satisfaction. A company with superior product value is able to have high competitiveness with competitors. Several indicators that can be used to measure competitive advantage include uniqueness, scarcity, difficulty for competitors to imitate and competitive prices.

Superior products require a value creation strategy (Hsu, 2016). Product value reflects the quality, expectations, and benefits offered to consumers (Sodhi et al., 2022). The process of delivering product value requires marketing activities to convey content and expectations to potential customers. Consumers as the target market will make observations and quality comparisons between products to suit their needs. This marketing activity can be done through advertisements, brochures, or referrals from colleagues to make purchasing decisions. The positive effect of the value of this product will bring out consumer preferences (Zhao & Wang, 2021). Product expectations will be adjusted to the value of the product so that it is easy for consumers to remember.

Product value creates a consumer's expectation of a product or service. This requires the accuracy of the right marketing process according to the target consumer. The marketing process is an involvement of individuals and groups to create exchanges of products and services (Deepak & Jeyakumar, 2019). Value marketing activities can be formed through creating, offering, and consumer perceptions of product benefits to consumers (Terenina et al., 2019). The final actualization of marketing activities must achieve consumer satisfaction on the value of the product. All company activities must be directed at consumer satisfaction which ultimately benefits or profits from consumer activities deciding to purchase a product. Value is important or relative importance, while on the other hand value is an abstract concept of what is right, valuable or desirable (Whalen, 2019). So, value is a picture of what is right, desirable, and valuable, which can influence the social behavior of people of value. From the aspect of the marketing concept, value is a concept of assessing all the benefits of a product based on customer perceptions and what the product has provided (Yin & Fu, 2021).

Business owners experience difficulties in mapping product values. Consumers find it difficult to remember a product without a memorable value over time. According to the definition that consumers are individuals or groups who buy a product or service with various considerations such as price, quality, place, and other components as a decision-making process (Park, 2020). The causality of customers in buying products at least fulfils other needs and benefits that are not available in similar products (Munthiu, 2009; Prasad & Jha, 2014). Customer value is the choice felt by the customer and the evaluation of product and service attributes, attribute performance and consequences arising from using the product to achieve the goals and intentions of the customer when using the product (Kumar & Reinartz, 2016). This is the risk that must be assessed that the value of the product must be in accordance with the benefits and needs of consumers. Then the customer value can be achieved optimally.

The urgency of explaining product value is a capability that must be possessed by business owners. So, business owners must be given new capabilities in mapping product values. Product value must be able to be mapped according to expectations, problems, and business profits. This product value mapping uses a VPC that is provided to business owners. In simple terms, a value proposition is very useful for a company so that its customers have reasons why they should buy the company's products/services (Inomata et al., 2020). In compiling a value proposition, there is a framework that can be used, namely the value proposition canvas. The community service program is planned to provide knowledge and applicability regarding the creation of product value. The business owners who were used as training objects were the South Jakarta Small & Medium Enterprises community. The aim of
this program is to increase knowledge and application of product value mapping with VPC. Training participants are directed to describe specifically the products offered to consumers.

A product with high quality has a value proposition that must be remembered by consumers. Product value is a valuable concept with a load of expectations or expectations desired by customers (Oestreicher-Singer et al., 2013). The product value proposition contains a positive component with the consumer's perception of what is offered by the business owner (Rintamäki & Saarijärvi, 2021; Taylor et al., 2020) The problem faced by business owners is the difficulty in mapping product values to match consumer expectations. Consumers' thoughts on a product's value will be very valuable in the sustainability of the business. Therefore, product value must be a business owner's thought to be able to balance between expectations and quality as part of meeting consumer satisfaction (Bailetti et al., 2020; Payne et al., 2017).

VPC is a model that explains a business organization can explain product value to potential customers (Osterwalder et al., 2015b). This tool shows how the product works in meeting consumer expectations. The value of the product will be clearly illustrated by explaining how the product creates benefits and positive reactions from customers. Consumers will choose a product that is able to meet their needs based on the time, situation and context. The goal of product value is to achieve consumer satisfaction. Positive consumer perceptions will be obtained with the highest value on a certainty of product value. The value propositional canvas can see specific and structured mapping in creating product value according to consumer desires. This canvas is divided into two blocks, namely the customer segment profile and the value proposition map block. Below is a value propositional canvas chart as follows

![Value Proposition Canvas](image)

**Figure 1.** Value Proposition Canvas

Figure 1 explains that on the right is the customer profile. This section describes the process of clarifying consumer understanding. On the left is a value map explaining how to create product or service value for potential customers. These two images describe the balance between consumer needs and business opportunities that serve as business opportunities. Some business owners cannot map out what expectations or problems must be solved with products or services for the community. On the customer profile side, it is used to describe market segments in a specific business model. On the side of the value map describes the products or services offered to meet the desires or needs of consumers. The value proposition canvas mapping process will be made more elaborate with the following composition:

1. **Customer Jobs**, namely functional, emotional, and social tasks carried out by customers in order to solve problems and meet their needs.
2. **Gains**, namely the benefits expected by the customer or which are the desires that the customer wants to have.
3. **Pains**, namely negative experiences that customers have when they want to fulfil their needs.

Then the value map on the left of the canvas which consists of:
1. Product & services, which contains the products/services offered by a company to help customers complete their tasks.

2. Gain creator, namely how the products/services owned by the company can provide benefits to customers and become solutions that fulfil the gains on the customer profile canvas section.

3. Pain relievers, namely how the products/services owned by the company can eliminate pains in the customer profile.

This training was conducted in a business community in the South Jakarta area. A group of MSME business actors will be trained on how to create value in the products sold to consumers. This tool allows business actors to map and evaluate product quality. The products sold must meet consumer expectations. Young entrepreneurs are directed through concepts and practices for business mapping using a value propositional canvas which will be taught by academics from FEB Paramadina University. This training aims to equip young entrepreneurs according to their business needs. The benefits of a product become part of the ability to change consumer thinking in making decisions. The five components of product value are function, social, emotion, episteme, and condition (Kotler & Armstrong, 2016). The function of a product will be measured to what extent it can meet consumer expectations. Products that have functions according to information will be maintained by consumers in the long run. Social focuses on identifying and segmenting specific markets. This product can affect market niches according to business targets. Emotions are directed to make consumers loyal to certain products. This value directs consumers to always buy these products on the basis of loyalty. The product episteme wants to direct consumer behaviour with a high sense of curiosity. If you don't try the product, the consumer is very curious and has an intention to make a purchase decision. Conditions look more at how the product can meet consumer needs from the aspect of certain situations and conditions. Therefore, product value must be mapped based on consumer desires and market segmentation.

2. METHOD

The implementation of this product value creation training program is a continuation of the Business Model Canvas (BMC) webinar. Below is the process of implementing product value creation training as follows:

![Diagram of the product value creation training program]

Figure 2. Stages of the product value creation training program

Figure 2 explains the first stage is problem identification. This activity is an actualization of the community service program which is supported by the Master of Management Study Program, Faculty of Economics and Business. In the initial stage, the implementing agency conducted a series of observations and discussions with business actors. The object of the training is the South Jakarta MSME Community. Business actors want to gain knowledge of the concept of product value. This is because business owners measure the extent to which a product or service can meet customer needs. The second stage is program mapping. After knowing the needs of Small-Medium Entreprise (SME). So, the tertiary
institution conducted a program mapping. Results of discussions from a series of community service programs. So, the decision was made to create a product value creation training program for the MSME community. Then proceed to the third stage, namely planning activities. The university made a series of preparations to carry out the training program. All funding comes from LPPM Paramadina University. The fourth stage is the implementation of the training program. This program was held on Tuesday, 6 September 2022 at the Prof. Auditorium, Firmansyah Paramadina University. This activity invites both small and medium business owners to attend a product value creation training program. After the program is completed, it enters the evaluation stage. The implementing party distributed questionnaires online to all training participants for the implementation of the community service program. This evaluation is used as an information base for improving the quality of follow-up activities.

3. RESULTS AND DISCUSSION

The product value creation training program will be held offline on Tuesday, 6 September 2022. This activity was held at the Firmansyah Auditorium, Paramadina University. This activity is part of the community service program. Below are some documentations of activities as follows:
Figure 3 describes some of the documentation of product value creation training program activities with the Value Proposition Canvas (VPC). This event was attended by several speakers, namely Dr. Ahmad Azmy, Dr. Iyus Wiadi, and Dr. Handi Riza. Dr. Ahmad Azmy explained product value mapping with the Value Proposition Canvas (VPC). Dr. Iyus Wiadi explained the training material with the theme "Urgency of Product Value for Consumers". Dr. Handi Risza explained the material with the theme "Reliable Entrepreneurship Facing the Industrial Revolution 5.0". 38 participants attended the training. All training participants are representatives of the UMKM Community in South Jakarta. Some of the results of product value creation made by the training participants are as follows:

Figure 4 shows the results of product value mapping using the value proposition canvas. These two images are a mapping of the best product values, namely macaroni businesses and digital marketing services. The two participants were able to map properly according to the products and services sold to consumers. The results of this mapping can be used as an initial concept for creating product value. Tables on both sides of the VPC reflect the extent to which the product or service is able to meet consumer needs. Consumer trust in the products or services being sold must be balanced with the fulfillment of expectations. This program provides awareness to business owners to focus on the
products or services offered to consumers. Business is not just selling, but forming consumer loyalty is very important for long-term sustainability.

This program provides a questionnaire evaluation with google form. This evaluation aims to obtain further input as an improvement in the quality of the advanced training program. Below are the results of the evaluation chart provided by the training participants as follows:

**Figure 5. Committee evaluation**

Figure 5 explains that the training participants were satisfied with the service from the committee. The training participants rated the ease of information regarding the training program as very good (68%) and good (32%). Participants get easy access to registration and places provided by the committee with very good (47%) and good (53%) ratings. Participants considered that the committee responded quickly to every question either from email or WhatsApp with good (61%) and very good (39%) ratings. The role of the training committee is considered to be able to meet the expectations of the participants in providing everything needed by the training participants in terms of information, registration and communication. Below is the evaluation of the participants in terms of material delivery by the resource persons as follows:
Figure 6. Evaluation of resource persons

Figure 6 shows the evaluation of informants on the value creation training program. Three speakers in this program, namely Dr. Handi Riza, Dr. Ahmad Azmy, and Dr. Iyus Wiadi. Participants considered that the material about entrepreneurship delivered by Dr. Handi Riza delivered well (68%), very well (16%), not well (8%), and very bad (5%). The material presented by Dr. Ahmad Azmy is considered good (74%) and very good (16%). The topic presented was about product value mapping with the Value Proposition Canvas so that the training participants could create product value according to consumer expectations. The material explained by Dr. Iyus Wiadi is considered good (55%), very good (40%), and not good (5%). The topics presented were about the concept and urgency of product value. This must be understood by the trainee before practicing using VPC. Below is an evaluation related to the contents of the training material as follows:

Figure 7. Evaluation of Training Materials
Figure 7 explains that the assessment material is assessed from the aspect of clarity and understanding of product values. The training participants considered that the material presented by the resource persons was in accordance with business topics and product values well (71%) and very well (29%). The material was well understood and communicative by all the resource persons by the training participants with good (76%), very good (13%), not good (8%) and very bad (3%) ratings. Training materials are able to provide new knowledge about the value of the product. Below is an evaluation of training facilities and facilities as follows:

![Image](image1)

**Figure 8.** Evaluation of training facilities and facilities

Figure 8 explains that the evaluation of training facilities and facilities. Participants rated the place and training facilities as very supportive accompanied by very good (61%) and good comfort (39%). The VPC template as a practice can be used easily by trainees with good (68%), very good (26%), poor (3%), and very poor (3%). Participants rated the readiness of the place, facilities and training facilities as positive to support the practice of product value creation training. Below is the participant’s satisfaction with the implementation of the training as follows:

![Image](image2)

**Figure 9.** Evaluation of training participant satisfaction

Participants gain knowledge and skills about the benefits of product value for their business:

- Very Not Good: 34%
- Not Good: 66%

Participants get new ideas and innovations to create product value according to their business:

- Very Not Good: 0%
- Not Good: 39%
- Good: 61%

Participants' desire to apply product value to the business as a whole:

- Very Not Good: 26%
- Not Good: 3%
- Good: 68%
Figure 9 describes the evaluation of the training participants’ satisfaction with the implementation of the product value creation training program. Participants considered that this program provided good concepts and new knowledge about product value (66%), very good (34%). The effect of the training program is that participants get new ideas and concepts in the formulation of product values with good (61%) and very good (39%) ratings. Participants have the desire to practice the contents of the training materials in their products comprehensively with good (68%), very good (26%), not good (3%), and very bad (3%) ratings.

The implementation of this training program is expected to become a new capability for business owners. Product value reflects the quality and expectations that must meet consumer needs. Products or services offered must be able to solve consumer problems. Businesses will be able to survive long term with the concept of product value. Training participants can measure the extent to which a product or service is able to meet consumer needs. At the end of this program, the training participants hope that other programs will continue to provide new knowledge to the South Jakarta MSME community.

Below is an evaluation for the moderator and the quality of the material as follows:

![Moderators are able to properly and effectively guide training events](image)

![Conformity of product value material with the business run by business people](image)

Figure 10. Evaluation of moderators and material training quality

Figure 10 explains that participants rated the moderator as having a good ability to guide the training program very well and well (47%) and not very well (3%). The moderator is considered positive in directing the implementation of the training program. The quality of the training material is considered good (63%), very good (21%), and very bad (13%). The suitability of the material with the program topics was assessed positively by the training participants. Therefore, the implementation of the product value creation training program is in accordance with the wishes of the participants. The material can be well understood and new knowledge about the value of the product for business owners.

Product value creation training provides business owners with new capabilities both in terms of business capabilities and conceptual. The concept of value product has a positive effect on the products or services sold to consumers (Burhanudin et al., 2022; Moro et al., 2022). The VPC is capable of mapping both in terms of benefits, quality, and meeting consumer expectations (Osterwalder et al., 2015a). Business processes can run effectively with quality products or services to consumers. Consumers who are satisfied with the value of the product will always return in making a long-term buying process. Business philosophy and product value have a positive correlation. A business that is always changing and uncertain is a challenge for business owners.

The product value creation training program is an activity to share knowledge with the community. The Master of Management Study Program at Paramadina University is part of providing training to Small & Medium Enterprise owners in the South Jakarta business community. This program invites business owners to map the value of specific products for consumers. Product value mapping is something that must be done to answer the problems faced by consumers. Products or services must be able to become alternative solutions needed by consumers (Veleva et al., 2015). The effectiveness of business processes becomes more innovative in accordance with the latest business challenges. This activity will continue with the theme according to the needs of business owners. Several suggestions were made regarding branding concepts, packaging utilities, and product innovation. This theme is needed by the South Jakarta business community. Universities and faculties always support this...
program as part of actualizing the implementation of the Tri Dharma of Higher Education. Society becomes the object of every activity in accordance with the characteristics of the study program. Evaluation is carried out to make input for the implementation of activities.

4. CONCLUSION

The product value creation training program with the Value Proposition Canvas (VPC) ran successfully and smoothly. Implementation of this activity is able to meet the expectations of trainees to create product or service value to consumers. The organizing committee has made every effort to provide maximum facilities, facilities, and services to participants. Access to information and responses to participant questions are answered effectively. This aims to facilitate participants in preparing their products or services in creating product value at the event. The conclusion that can be drawn is that this training program provides a new nuance to business owners regarding the value of the product. Business owners can evaluate the quality of products or services in meeting consumer expectations. The training participants hope that the training program will continue with the theme Product Branding or Business Financial Management Strategy. This theme was proposed by the training participants and can be implemented in follow-up events.

REFERENCES


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