

Abstract:

New technology-based firms often lack in-depth understanding of what would make their products and services truly valuable for prospective customers. In this paper we develop and test a theoretical model on how new technology-based firms may use customer value propositions to develop a better understanding of how its market offering provides value to customers, and based on that understanding, how the firm can tweak its offering to enhance customer value and convince other firms to become pilot customers. We test our model with a unique dataset of 293 German new technology-based firms, using structural equation modeling. We found support for our model and especially that adopting the customer's perspective, gathering detailed information, and substantiating the value proposition are important steps to gain pilot customers.