

Defining Customer Value

DEFINITIONS:

Features: Properties of product or service

Benefits: Effects of the features that contribute to the customer achieving their goal

Value: The economic results the customer receives as a result of the benefits.

1. Customer Value is always:
 - a. Customer Specific
 - b. Measured in Money
 - c. Relative to the Competition (next best alternative)

2. Questions to answer:
 - a. What do you think your customers value most from your business?
 - b. Does that value differ based on the customer?
 - c. How does your view of the value relate to your customer's viewpoint?
 - d. How did you develop your model of what your customers value?
 - e. Do you feel you earn enough for all of the value you create for your customer?
 - f. Does your customer feel they pay enough/too much for the value you create?

Customers are buying a solution, NOT a product!

REMEMBER: Carpenters do not need a drill, they need a hole.