

# THE PROCESS OF MANAGING CUSTOMER VALUE



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Customer Value*

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## *Preface*

Customer Value is a key component in the success of any business. It is the process of understanding customer needs and fulfilling them to create value for your company and the customer. Customer Value is at the heart of your customer-focused business culture and a powerful driver of growth. An effective Customer Value program will help you design solutions for specific problems within a defined timeframe, implement those solutions effectively, and manage the progress of those efforts, so they don't burden your team.

However, a Customer Value Program is a long- term commitment. It can take months to implement a Customer Value initiative successfully, and it will require dedicated resources from the beginning. This commitment will result in an organization with a customer-centric mentality focused on delivering high- quality products and services at affordable prices. Customers are more likely to do business with you than competitors because they know you care about them. That sets your company apart from many others in the market today.

# *Outline*

## **Chapter One: The Value Problem**

The business model that creates and holds value assumes that the company has the capacity or ability to capture value. However, this is not always the case. Most companies are unaware of what buyers value, how to capture this definition, and how to drive it to key strategic and operational areas. As a result, they often cannot create or hold value for their shareholders. They only see what impacts them directly rather than seeing many external influences surrounding all businesses they operate and compete with- those products/services for consumers' attention

## **Chapter Two: Action Learning: Learn by Doing**

Creating a customer value management strategy is about learning what your customers are looking for and then developing an action plan to deliver on those needs consistently. That's why Action Learning is so important. Action Learning is a practice that emphasizes the idea that "learning by doing" is the key to innovation and problem-solving. You can use one-time, one-off events, training, or research as opportunities to learn from your customers, assess their needs, and make changes accordingly. Action Learning also helps identify your company's s opportunities for continuous improvement. If you have a product problem, Action Learning can help you address it quickly without waiting for long-term research. In addition to being a powerful learning tool in its own right, Action Learning is used as part of a larger customer value management strategy that incorporates existing practices like surveys and social listening.

## **Chapter Three: Managing Customer Value - What, Why, How, Where**

Brands no longer have to focus only on their products. Instead, they must also think about the experiences that customers have with their company and do so in a way that's not only impactful but also sustainable. As digital transformation accelerates, customers are becoming more demanding than ever before. Expectations are changing faster than ever, as evidenced by everything from clear expectations around transparency and data privacy to social media and more frictionless options like online reviews. Brands must create a customer value management strategy that addresses their staff and customers' needs. If you're unfamiliar with this concept, let's look at managing customer value and why it's important for your brand.

## **Chapter Four: Gathering Data and Developing the Product Vision**

Even if your business is focused on a physical product, gathering data and developing insights is still important to create a customer value management strategy. This is because while physical goods can be seen as tangible assets, customers are more willing than ever to invest their time, money, and personal data into brands and products in exchange for value. Understanding what your customers want is the key to creating a successful customer value



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management strategy. This starts with gathering data that will help you know what your customers want from you and why they have certain expectations around this. It's also important to understand where your competition stands to identify what customer value management strategies other brands use — then develop yours accordingly.

### **Chapter Five: Customer Value Analysis - Why and How**

First and foremost, managing customer value is about understanding what your customers expect of you. This means that it's important for brands to consider the quality of their products and services and the experience they provide along the way. This can be achieved by conducting a customer value analysis, which helps brands uncover their core values and understand how they can best align those with their customers' needs to create the most impactful customer experience possible. Customer value analysis gives brands insight into what their customers value most regarding their experience with them — so it's no surprise that companies like Amazon have used this to more effectively manage customer expectations. With this process, brands can also look at what product-service combinations would provide the greatest value to maximize the quality and integrity of their brand's overall customer experience. In other words, your company doesn't have to limit itself to just one type of product or service when considering how it can deliver better customer experiences.

### **Chapter Six: Assessing Customer Value and Developing Strategies**

Before effectively managing customer value, you must determine your key customer values and assess how your company meets them. This process differs depending on your business type — whether it's a retailer, service-based, or B2B. With customers becoming more demanding and brands striving to meet those demands, creating strategies that align with your current market is important. The best way to do this is by identifying what drives customer value in today's market and designing your strategy around that. For example, if you're a retailer specializing in shoes, providing quality products at low prices is important in driving customer value. Another factor may be convenient if you're a restaurant — offering easy-to-order food options like online ordering or table delivery. Managing customer value also creates a positive impact on the brand's overall operational efficiency as well as its bottom line. It reduces costs for the company by creating efficiencies and maximizing revenue, which improves return on investment (ROI). Managing customer value also makes it easier for employees to do their jobs because they know exactly what's expected from them — meaning there's less time spent managing processes and getting caught up with tasks that don't drive value for the company.

### **Chapter Seven: Marketing Communications Strategies and Assumptions**

One thing that customers do not expect is your company is out of touch with the evolving customer demand. By managing customer value, you can make the necessary adjustments to your marketing communications strategies and assumptions, which will ultimately help to

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build a better customer experience for everyone involved. Managing customer value also helps to understand what's working and what's not from a marketing perspective. It allows you to adjust your strategy more quickly to move forward with greater confidence going into the future. To truly create a strong customer experience, companies must identify what their customers are asking for and then deliver it effectively — even if it means changing things up entirely.

### **Chapter Eight: Pricing Strategies and Assumptions**

To manage customer value effectively, you must understand the assumptions that drive your pricing strategy. When you know what assumptions are undergirding your current price point, you can manage them better or adjust them as necessary. For example, if you have a strategy of offering your product at a discount during certain periods of the year, you need to understand why that promotion is happening. Is it because it's more profitable? Or is it because it helps position your brand and company in consumers' minds when they need it most? With this information, you can make informed decisions about how to shape future promotions — whether that means doing things a certain way or changing pricing entirely. Understanding these assumptions will also help you identify where customers feel anxious and frustrated when interacting with your brand. Customers may ask, "Why am I paying so much for something I don't feel I get enough for?" Suppose you know their expectations and where there might be friction points in the customer value journey. In that case, you can respond accordingly by changing your marketing campaigns or company culture.

### **Chapter Nine: Product Development Strategies and Assumptions**

To truly understand the customer experience, brands must consider their product development strategies. These strategies dictate how products will be designed, developed, and marketed to shape their value proposition. For example, If a brand focuses on creating new digital services or products, it might strategically develop them with a mobile-first mentality. These companies might also focus on creating a product that can be consumed anywhere. They might even go so far as to create a product with a low cost per acquisition to create more repeat purchases. A brand may focus on traditional manufacturing and distribution models for its products. In that case, those companies might design their products to increase sales over time by targeting specific audiences or using pricing strategies to help increase lifetime value (LTV) across all customers. In this case, they would be looking at different channels and designing their marketing mix around these channels to reach these consumers.

### **Chapter Ten: Managing Customer Value: A Strategy for Growth**

Managing customer value is a strategic approach used to maintain and grow revenue in the face of changing consumer expectations. It's rooted in the idea that when a brand thinks about its customer experience, it must simultaneously think about how it can create greater value for

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those customers. In other words, managing customer value ensures everyone involved — employees, managers, and customers — benefits from the brand's efforts. That's why managing customer value is more than just a strategy; it's also an overarching philosophy that encompasses everything from designing products with real-time feedback loops to implementing social media strategies that reinforce values-based marketing. Ultimately, managing customer value is about ensuring that every touch point between your company and your customers provides them with a memorable experience that leads to long-term loyalty and increases profits for your business.

**Appendix One: Managing Customer Value Program**

**Appendix Two: Outcome-Based Mapping**

**Appendix Three: Appreciative Inquiry**

## *Chapter 1: The Value Problem*

The business model that creates and holds value assumes that the company has the capacity or ability to capture value. However, this is not always the case. Most companies are unaware of what buyers value, how to capture this definition, and how to drive it to key strategic and operational areas. As a result, they often cannot create or hold value for their shareholders. They only see what impacts them directly rather than seeing many external influences surrounding all businesses they operate and compete with- those products/services for consumers' attention

Organizations are aware of utilizing their internal information but are not as adept at incorporating customer feedback to direct their decisions. Allowing the market to dictate what is valuable to customers is a key characteristic of many successful organizations. This knowledge should inform most (if not an entire) organization's strategy. To do so without access to comprehensive information about specific behaviors of target groups is tantamount to relying on hunches from well-intentioned people who have never interacted with the end customer.

Critical to value creation and delivery, capturing, understanding, and deploying market information remains one of the greatest challenges facing professionals. Although a significant amount of effort is being put into researching ways companies can monitor emerging trends through gathering big data. It may be more likely to assume no major crisis is occurring or discover unexpected insights where small samples are used repeatedly.

The decline in customer experience is not new. It has been going on since about the time it started. Or, at least since we named it Customer Experience. What you think your brand says something important... until customers find out about it differently. This means customers interpret it differently, based on who they are to begin with. But maybe there are some reasons why things seem worse nowadays.

### **We have been told:**

1. Data-driven customer experience is critical to organizations' future growth and development, particularly in today's hyper-competitive economy. The future of customer experience lies in data-driven customer intelligence. By adopting a hyper-personalized marketing strategy powered by data, analytics, and customer insights, companies can stay ahead of the curve and deliver an exceptional customer experience.

2. Predictive analytics enables businesses to anticipate customer needs, often before the customer does, allowing companies to be proactive, and curating marketing tools, messaging, and product recommendations to inspire customer loyalty and advocacy.
3. Investing in CX as an engine of growth refocuses businesses around customers and their experience with the brand. This allows companies to understand better what customers want and need and design CX programs that deliver on those expectations. CX programs of the future will be holistic, predictive, precise, and tied to business outcomes. They will consider all digital and physical customer touchpoints, using data to anticipate needs and deliver personalized experiences. And they will be designed with a clear understanding of how they contribute to business success.

**Why is it declining?** Have we moved away from the understanding of Customer Value? Is the future of Customer Experience refocusing on customer value? Maybe, investing in Data-driven Customer Experience, Predictive Analytics, and CX programs is not the problem. Just perhaps, we have been starting with the wrong questions? Should we ask why, When, and where customer value starts? Gaining insight into these questions might provide clues on whether changes are needed moving forward.

**Why is it difficult to understand customer value?** Customer value is the perceived worth of a product or service. The concept of customer value is important to businesses because it can be used to measure customer satisfaction and loyalty. Additionally, managers can use customer value to make pricing, product development, and marketing decisions. Despite its importance, customer value can be difficult to understand for several reasons.

1. Customer value is subjective. What one customer may perceive as valuable may not be valued by another.
2. Customer value can change over time. As customers' needs and preferences change, so does the value, they place on products and services.
3. Customer value is often context-specific, meaning the same product or service can be valued differently depending on the situation.

Despite these challenges, there are ways to measure customer value. One common method is to calculate customer lifetime value (CLV). This metric measures the total amount of money a customer is expected to spend on a product or service throughout their lifetime. Other methods for measuring customer value include engagement metrics, which track how often customers use a product or service, and data collection, which can provide insights into how customers use a product or service.

Ultimately, understanding customer value is essential for businesses that want to succeed in today's competitive marketplace. By taking the time to understand the challenges and learn how to measure customer value, businesses can develop strategies for improving satisfaction and loyalty among their customer bases.

**How can you measure customer value?** It's not easy to understand customer value. "Value" is a loaded word that means different things to different people. To some, it might be the dollar amount they saved by using your product or service. Others might place more importance on the intangible benefits, such as feeling more confident or organized. There are a few ways you can measure customer value.

1. Ask your customers how they feel about your product or service. This can be done through surveys or customer interviews.
2. Look at retention rates. If your customers stick around, it's a good sign that they find value in your offering.
3. Look at customer lifetime value, which measures the total amount of money a customer is expected to spend with your company throughout their relationship with you.

No matter how you measure it, understanding customer value is essential for any business. By understanding what customers value, you can ensure that you provide them with the products and services they need and want.

### *How Most Companies Fall Short Of Understanding What Buyers Value*

**What Buyers Value:** To better understand what buyers value, it is important to know how most companies fall short. Many companies make mistakes, starting with the wrong questions, relying on assumptions, and not listening. As a result, they often fail to connect the dots and understand what buyers are looking for. Fortunately, there are some things you can do to understand better what buyers value.

1. Start with the right questions.
2. Dig deeper and get out of your comfort zone.

**How Most Companies Fall Short:** In most cases, companies don't understand what buyers value. As a result, they fall short of creating true customer value and, consequently, miss out on important growth opportunities. There are four main areas where companies fail to assess and understand what buyers value:

1. They don't spend enough time talking to customers and understanding their needs and

wants.

2. They rely too much on surveys and other data that don't give them an accurate picture of customer sentiment.
3. They don't consider the different stages of the buyer's journey when understanding their needs and wants.
4. They don't properly assess customers' willingness to pay for the company's products or services.

If companies want to understand what buyers value properly, they need to invest more time in talking to them directly and getting a better sense of their specific needs and wants. In addition, they need to be careful not to over-rely on data that may not give them an accurate picture of customer sentiment. Finally, they need to remember the different stages of the buyer's journey when trying to understand what they need or want from a purchase.

**They Don't Start With The Right Questions:** Most companies fail to understand what their buyers value because they don't start with the right questions. They ask broad, general questions that don't get to the heart of what buyers care about. Companies need to begin by asking more specific, probing questions to understand what buyers value. They need to determine what buyers want and why they want it. Only then can companies develop a deep understanding of what drives buyer behavior. Asking the right questions is just the first step, though. Companies also need to listen carefully to the answers they get. Buyers will often reveal more than they even realize themselves. It's up to companies to interpret what buyers are saying and turn it into actionable insights. Ultimately, understanding what buyers value is essential for any company that wants to succeed. By starting with the right questions and listening carefully to the answers, companies can gain valuable insights that will help them drive sales and growth.

**They Rely On Assumptions:** Companies often rely on assumptions when understanding what their buyers value. This can be a dangerous strategy, as it can lead to companies making decisions that are not aligned with reality. Instead of making assumptions, companies should take the time to gather data and feedback from their buyers. This will give them a better understanding of what their buyers want and need.

Companies' common assumption is that all of their buyers are the same. This is rarely the case, as buyers often have different needs and want. Companies need to segment their buyers and tailor their offerings accordingly. Another assumption that companies sometimes make is that price is the most important factor for buyers. While price is certainly important, buyers often do not consider it the only factor. Other factors, such as quality, customer service, and brand reputation, can also be very important to buyers.

As you can see, several dangers are associated with making assumptions about what buyers value. Companies should avoid making assumptions and instead focus on gathering data and feedback from their buyers. This will help them better understand what their buyers want and need and ultimately make more informed decisions about their business.

**They Don't Take The Time To Listen:** To understand what buyers value, most companies need to take the time to listen. This means being attentive to not just what they say but also how they say it and the context in which they say it. It's important to remember that people often say one thing but mean something else entirely. For example, a customer might say they want a "cheap and cheerful product." On the surface, this seems like a pretty straightforward request. However, if you probe a little deeper, you might find that what they mean is that they want something that is good quality but won't break the bank.

Similarly, a customer might say they want a product that is "innovative." Again, this is a pretty vague request. But if you ask them what they mean by "innovative," you might find they are looking for something new and different from anything else on the market. The bottom line is that companies need to take the time to listen to their customers if they want to understand what they value. This means going beyond the surface and taking the time to ask follow-up questions. Only then will you be able to offer them products and services they truly appreciate.

**They Don't Connect The Dots:** Most companies have a myopic understanding of what their customers want and value. They see each customer as an isolated individual with unique wants and needs. This is the wrong way to look at things. Buyers want a product or service that meets their needs and a complete solution to their problem. And they don't want to have to put all the pieces together themselves - they want you to do it for them.

The best way to understand what buyers value is to think of them as a puzzle. Each customer has a different puzzle made up of other pieces. Your job is to figure out what pieces they need and put them all together for them. This means understanding what they need and how those needs fit together. It's not enough to provide a product or service that meets their needs - you also need to make sure that it fits in with the rest of their puzzle. Otherwise, you're just another piece they have to put themselves. Most companies fail to connect the dots with their customers. They see each customer as an isolated individual with unique wants and needs. But buyers want a complete solution to their problem - one that fits all the different pieces of their puzzle. If you can provide that, you'll be well on your way to understanding what buyers value.

**What You Can Do To Better Understand What Buyers Value:** Many companies make the mistake of assuming they know what their customers want and value. But the reality is that



customer needs and wants are constantly changing, and what they valued yesterday may not be what they value today. That's why it's so important for companies to continually seek out feedback from their customers to understand better what they want and need. There are a few key ways to go about this.

1. Don't rely on customer surveys alone. While surveys can be helpful, they often only give you a snapshot of what customers might think at a given moment. Instead, try to interact regularly with your customers through social media, phone calls, or in-person meetings. This will provide you with a complete picture of their thoughts, feelings, and needs.
2. Pay attention to changes in customer behavior. If you see a sudden drop in sales or engagement, that could signify that something has changed in how your customers view your product or service. Try to reach out to them directly to find out what's happening.
3. Listen to your employees. They likely have a lot of contact with customers and can provide valuable insights into their thoughts and feelings. Encourage open communication between employees and management, so everyone knows of any customer changes or concerns.

By taking these steps, you can ensure that you're always staying attuned to what your customers want and need. Only then can you ensure you're providing them with the best possible experience.

**Start With The Right Questions:** Most companies fail to understand what buyers value. Why is this? One of the biggest reasons is that they don't start with the right questions. What are the right questions? They're quite simple:

1. Who are your target buyers?
2. What does each buyer segment value?
3. How do those values differ from one another?

Unfortunately, too many companies make the mistake of starting with questions like, What do we offer? What features do our products have? While these questions may be important, they're not the right place to start. To understand what buyers value, you must understand who your target buyers are and what they value. Only then can you determine how your products or services fit into that equation.

**Dig Deeper:** Many companies make the mistake of thinking that they understand what their

buyers want and value when in reality, they only have a surface-level understanding. You must dig deeper to understand what your buyers truly want and value. Many companies believe they know their buyers because they've researched the market. They've analyzed demographic data, analyzed purchasing trends, and talked to customers. While all of this is important, it only gives you a superficial understanding of what your buyers want and value.

To understand your buyers, you need to go beyond market research and get to know them personally.

1. What motivates them?
2. What are their hopes, dreams, and fears?
3. What do they like and dislike?

The more you know about your buyers, the better you'll be able to serve them. One way to get to know your buyers better is to create buyer personas. Buyer personas are fictional representations of your ideal customers based on real data and research. You can better understand your target market and what they're looking for by creating buyer personas. To succeed in today's competitive marketplace, you need to understand your buyers and what they value deeply.

Market research is a good start, but it's not enough. You need to dig deeper and get to know your buyers if you want to create products and services that they'll love.

**Get Out Of Your Comfort Zone:** Companies need to get out of their comfort zones to understand better what buyers value and look closely at their customers. This means engaging with them directly, listening to their feedback, and observing their behavior. Only then can companies hope to identify the truly important factors to buyers.

Companies often make assumptions about what buyers want based on their preferences and biases. This is a dangerous path, as it can lead to businesses making decisions that don't align with reality. If you want to avoid this trap, you need to be willing to challenge your assumptions and dig deep into what your customers want and need. This process starts with engaging with customers directly.

Too often, companies rely on secondary sources of information, such as market research reports, when they should be talking to customers directly. Market research is useful, but it can only tell you so much. To understand what buyers want, you need to hear it directly. Of course, simply talking to your customers isn't enough. You also need to listen to what they're saying and take it to heart. It's easy to filter out the parts of customer feedback that you don't agree

with or don't fit into your worldview, but doing so will only lead you astray. Instead, try to understand why your customers feel the way they do and let that guide your decision-making.

Finally, you need to observe your customers' behavior. This can be done in a number of ways, such as tracking their online interactions with your company or observing them in person as they shop in your store. By watching how they interact with your business, you can see the patterns and trends in their behavior that reveal what they truly value.

### *Overcoming the challenges of understanding customer value*

**Customer Value is Subjective:** It is difficult to understand customer value because it is subjective. What one customer considers valuable may not be valuable to another customer. Some customers may place a high value on convenience, while others may place a high value on price. This makes it difficult for businesses to determine what their customers truly value and how to best provide it to them. There are a few ways businesses can try to understand customer value. They can survey their customers or create focus groups to get feedback. They can also look at data from previous sales to see what items were popular and try to understand why. Even with these methods, however, it can be difficult to understand customer value because it is such a complex and personal concept.

**Customer Value Changes over Time:** It is difficult to understand customer value because it changes over time. What a customer values today may be different than what they value tomorrow or next week. Their needs and wants are constantly changing, so their value also change. Customer value also differs from person to person. What one person may deem as valuable, another may not. This is because we all have different needs and wants. What I may consider valuable, you may not, and vice versa. Lastly, customer value is difficult to understand because it is not always tangible. Sometimes the things that we value most cannot be seen or held. It could be a feeling, an experience, or something else that is hard to define.

**Customer value is often context-specific, meaning the same product or service can be valued differently:** Understanding customer value is essential for any business looking to provide goods or services that meet the needs of their target market. However, it can be difficult to determine what customers value, as this can vary depending on the individual and the context in which they purchase. For example, a customer may place a higher value on convenience than price when buying groceries but may be more concerned with price when buying a new car. Context can also influence how much value a customer places on a product or service - someone sick may value a life-saving medication more highly than someone healthy. This context-specific nature of customer value means that businesses need to be aware of the needs and wants of their target market to provide goods or services that their customers value.

Conducting market research and using feedback from customers can help businesses to understand what it is that their target market values most highly.

**Customer lifetime value (CLV):** When trying to understand customer value, a key metric to look at is the customer lifetime value (CLV). CLV measures the net profit attributed to a customer's future relationship. In other words, it predicts how much revenue a customer will generate throughout their time with your company. Several factors calculate CLV, including customer acquisition costs, churn rate, and average order value. While CLV is a useful metric, it can be difficult to predict accurately. CLV is based on numerous factors, such as customer behavior and economic conditions, that can change over time.

Another challenge in understanding customer value is that customers will have different values. For example, a new customer may have a lower CLV than an existing customer. This is because it typically costs more to acquire a new customer than to retain an existing one. Additionally, some customers may be more valuable than others due to their buying habits or how often they use your product or service. Despite the challenges, understanding customer value is essential for any business. Customers are the lifeblood of any company, and knowing how much they're worth can help you make decisions about marketing, product development, and more.

**The Value of a Purchase:** When making a purchase, customers always look for the best value for their money. This cannot be easy to determine, as many factors must be considered. Customers' perceived value is based on their needs, wants, and budgets. Perceived value can also be influenced by outside factors such as advertising, recommendations from friends or family, or social media reviews. Determining a product's or service's actual value can be difficult, as it is often subjective. While one customer may see a high value in a product that meets all their needs, another may not see the same value if they do not have the same need.

Additionally, the value of a product or service can change over time. A product that was once considered to be of high value may become less valuable as newer, better products are released. Businesses need to understand the perceived value of their products and services to stay competitive and attract new customers. By offering products and services that are perceived to be of high value, businesses can increase their chances of making sales and achieving long-term success.

**No Right Way; Review Multiple Metrics over Time:** It is difficult to understand customer value because there is no right way, and you must review multiple metrics over time. The most important metric to look at when understanding customer value is the customer lifetime value (CLV). CLV measures a company's net profit from a customer throughout its relationship. To

calculate CLV, you need to know two things:

1. The average amount of money each customer spends per transaction
2. The number of transactions a customer makes over their lifetime.

Other important metrics to look at, such as customer acquisition costs (CAC) and customer churn rate. CAC measures how much it costs to acquire a new customer, while churn rate measures how many customers cancel or stop using a product or service within a given time. Looking at all these metrics over time will provide you with a good understanding of customer value. However, it can be difficult to know which metric to focus on and how to weigh them against each other. As a rule of thumb, CLV should be your primary focus, followed by CAC and churn rate.

**Engagement Metrics:** Engagement metrics are notoriously difficult to understand, largely because there is no agreed-upon definition of what constitutes customer engagement. This lack of clarity has led to many metrics being incompatible. To make matters worse, different industries often use different engagement metrics, further complicating cross-industry comparisons. A few common themes emerge when trying to understand customer engagement.

1. Engagement is often seen as a spectrum, with customers at one end completely disengaged and those at the other fully engaged.
2. Customer engagement is often described as customer interaction or involvement with a company or product.
3. Customer engagement is often seen as a leading indicator of future behavior, such as loyalty or retention.

Despite the difficulty in understanding customer engagement, metrics are still important. They provide a way to measure progress and identify areas for improvement. They also create a common language that can be used to discuss customer engagement across an organization. There are a few key things to remember when selecting engagement metrics.

1. Choose metrics that align with your company's goals.
2. Make sure the metrics you choose can be easily understood and interpreted.
3. Avoid choosing too many metrics – focus on key measures that will give you the most insight into your customers' engagement levels.

**Data Collection; Get Accurate and complete data:** To understand your customer, you need to collect accurate and complete data. This can be difficult for several reasons.

1. Customers are constantly changing and evolving, so what may have been true about them in the past may not be true now.
2. Customers often don't know what they want or need until they see it, so their stated preferences may not match their actual behavior.
3. Even if you can collect accurate and complete data, it can be difficult to interpret and make sense of it.

One way to overcome these difficulties is to use customer segmentation. Segmenting your customer base can help you to identify patterns and trends more easily in customer behavior. It can also help you to target your marketing and sales efforts better. Another way to overcome these difficulties is to use customer journey mapping. Mapping your customers' journey from awareness to purchase can help you identify touchpoints and engagement opportunities. Finally, customer surveys and feedback can help you collect accurate data about customer preferences and needs. No matter which method you use, collecting accurate and complete data about your customers is essential to understanding their value.

**Understand How customers use your product or service:** To create customer value, you first need to understand how customers use your product or service. This means understanding their needs and requirements and the specific context in which they will use your product or service. There are several ways to gather this information, including customer surveys, focus groups, interviews, and user testing.

Once you understand how customers use your product or service, you can start identifying areas where you can create value for them. It is important to remember that customer value is not about adding features or functionality that customers don't need or want. It's about improving customers' overall experience with your product or service. The most successful companies can constantly evolve and adapt their offerings to meet the changing needs of their customers. So, if you want to create customer value, it's important to be flexible and always be willing to listen to feedback from your customers.

**Conceptualize the understanding of customer value into actionable insights:** To tap into understanding customer value, businesses need to conceptualize it in a way that can be transformed into actionable insights. This requires breaking down customer value into parts, which can be difficult. There are a few different ways to think about customer value. One is to consider the lifetime value of a customer, which considers not just the initial purchase but also future purchases and referrals. Another is to think about the Utility Value, which is the customer's benefit from using your product or service. This could be things like convenience, functionality, or even emotional satisfaction.

Once you have a good handle on what customer value looks like for your business, you need to find ways to measure it. This can be done through surveys, focus groups, or even observing customer behavior. Once you have some data to work with, you can develop strategies for increasing customer value. This might involve improving your product or service, offering more personalized service, or finding new ways to add value for your customers.

Understanding customer value is essential for any business that wants to thrive long-term. By taking the time to conceptualize and measure customer value, you can ensure that your business is making decisions that will create long-term success.

**Transferring the Understanding of Customer Value throughout the organization:**

Organizations are constantly pressured to increase shareholder value. While there are many ways to skin this cat, one of the most important is understanding and serving customers well. Too often, organizations focus on features and benefits instead of customer value. This results in failed product launches, frustrated customers, and unfulfilled growth potential.

**So why is it difficult to understand customer value?** Part of the problem is that we tend to think about value in terms of what we offer rather than what the customer gets from it. Our products and services are designed to meet certain objectives, and we think of value in those objectives. For example, a software company might develop a new feature that makes it easier for customers to create reports. The company's goals might be reducing customer support costs or increasing customer satisfaction. But when customers use the product, they don't care about the company's objectives; they want to get their job done as quickly and easily as possible.

Another problem is that value is often intangible. It's hard to put a number on customer satisfaction or time savings. This makes it difficult to compare different products and services regarding customer value. And it's even harder to communicate customer value throughout an organization so that everyone understands it and focuses on creating it.

The solution is to start thinking about customer value in terms of outcomes instead of features and benefits. What are the results that customers are looking for? How will they know they've achieved those results? Once you understand customer outcomes well, you can start aligning your organization around them. This means everyone from the CEO down to the front-line employees understands what customers need and why it's important. It also means your organization is better equipped to make decisions that create customer value, resulting in increased shareholder value over time.

A focus on Customer Value is the first step when evaluating existing, developing, or designing customer relationships. To manage customer value, companies must understand what it is and how it is created. Most experts agree that customer value is created by initially addressing a

customer's problem. Once the problem is solved, the customer is delighted, and the company has a chance to sell them more products or services. It is essential for companies to continually assess their customers' needs and make sure they are addressing them in the most efficient way possible.

Once a company understands what its customers need, it is important to figure out how to provide that value at a price the customer is willing to pay. This often involves a balancing act as companies try to find the right mix of quality and price. It is important to keep in mind that customer value is not static. It needs to be continually assessed and adapted to customers' constantly changing needs. So, how does a company go about managing customer value? There are three key steps:

1. Understand what customer value is and how it is created.
2. Gather data and feedback quickly and efficiently
3. Continuously assess and adapt customer value to customers' constantly changing needs.

### *Going Deeper*

*Marketing is an iterative process that takes shape as knowledge emerges.*

**What Is Marketing?** Marketing is creating a customer strategy that makes value for your company. That value can be in the form of increasing brand awareness, acquiring new customers, or boosting revenue. To appreciate modern marketing, we need to understand what it's not. Marketing is unlikely to bring people in because you have a lot of cash. It's not about simply playing the numbers game with advertising and content. Success in marketing requires more than just throwing money at something and hoping for a return on investment (ROI). It also needs time and patience. Successful marketing is continually tweaking your strategies and measuring the results until you find what works best for your business.

**Why is Marketing Hard?** Marketing is hard, but it shouldn't be. Marketing is all about solving problems. It's about uncovering people's needs and providing solutions to them. The problem with marketing is that we often disconnect between what consumers need and what they want. Consumers are inundated with marketing messages that bombard their senses daily. On top of this, how consumers access information has changed radically in recent years as technology advances and social media platforms like Facebook, Twitter, and Instagram change everything. But there is hope! The marketing landscape also evolved with all these changes and shifts in how the world works today. There are new channels for distributing your message to customers who might not otherwise hear it—and new ways to engage with them once you find them—that could unleash your brand-building potential.



**How to Define Success for Marketing Strategy:** One of the first rules of marketing is to have a clear understanding of what success looks like. What are you trying to achieve? How will you know you've succeeded? These questions are especially significant in today's world, where social media has become an essential part of marketing strategy. For instance, let's say your company wants to increase brand awareness with social media. Suppose your goal is to increase the number of people who follow your company on Instagram and Facebook by 25 percent. In that case, it will be apparent that you have succeeded if 25 percent more people follow your company than before the campaign.

If your goal is to increase followers on Instagram and Facebook by 50 percent, then it will be much harder to determine whether you have achieved anything. You may just be increasing the number of people who see your posts without changing anything about them. This can lead to a lack of progress and increased frustration among employees because they're unsure how to proceed with their marketing efforts.

**Find the "What" of Your Marketing Strategy:** The "What" of a marketing strategy is what you are trying to sell. The "Why" is why your customers should buy from you, and the "How" includes how you will reach them. Together these three components make up your marketing strategy, which marketers need to reevaluate constantly. For example, as social media platforms have become more prevalent in our everyday lives, it has changed our understanding of the "How." Marketing strategies follow a different course every time because new opportunities and changes in consumer behavior require adapting to new technologies. It takes relentless planning and adaptation to stay ahead of your competition and deliver on your brand promise for the long term.

**Plan for Productivity in Your Marketing Strategy:** Today, we see marketing as a process that enables clients to be more productive and efficient. The best way to do this is through tools like Google Analytics, where marketers can monitor performance and track progress from advanced metrics. Marketing is not just about selling products or services. It's about making people better at what they do. Successful marketers have the foresight to plan for productivity in their strategy to help their clients progress in their respective fields and industries.

**Stay Tuned to Consumer Needs and Behavior:** Marketers should stay tuned to consumer needs and behavior. This means that instead of relying solely on traditional methods, they should also consider implementing new and innovative strategies like social media ads. This will ensure that the marketing campaign stays relevant because consumers have an evolving mindset. So, if you want your business to grow online, don't be afraid to experiment with new ways of marketing your company's products or services. You might be surprised by how successful you might become!

**Conclusion:** The key to marketing success is a logical and scientific approach. The "what" is your product or service, the "why" is the reason you are doing what you are doing, and the "how" is the process you use to get results. Once you have the "what," the "why," and the "how," you can work on the most important part of marketing: staying tuned to what your customers want.

## *Chapter 2: Action Learning*

### *A Framework for Implementing Action Learning*

Action learning is premised on the belief that learning is not simply a matter of acquiring new skills or knowledge through reading or listening to lectures. Instead, it is about doing something differently, applying and using new skills or knowledge, or thinking differently. In other words, it is an active, experiential process.

Learning is only effective when it leads to practical applications, demonstrating that we have internalized and can utilize the new information. In other words, learning is about change. The best way to learn how to do something different is to focus on that task at hand - something we have an interest in, an issue we need to tackle, an opportunity to grasp, or a problem we need to resolve. By learning from this experience, we can acquire as much information from our successes as our mistakes.

Simply doing something different is not enough. We need to learn from what we do to progress and improve. This means understanding why certain things don't work, learning from our successes, and understanding how they came about. Taking the time to reflect on our experiences is essential to gain insights. Action learning stresses the simultaneous achievement of actions and learning. It is a process designed to address challenges and problems. It involves five steps:

1. Situation/assess
2. Frame/ask
3. Explore/acquire
4. Reframe/appraise
5. Action/apply.

**Assess the situation:** Understand the problem and identify the people involved. The first step in action learning is understanding how the problem or challenge you wish to address has developed. For example, is it a long-standing problem, or has it developed recently? Who else is involved in the problem? What impact does it have on them? Who else needs to be involved in solving the problem?

**Frame the problem:** Ask questions about the challenge and develop a shared understanding of the issue. Once you have gained an understanding of the situation, you can frame the problem. This will help you to identify the issue at hand and select the right people to work with on the challenge. This involves asking questions about the challenge and developing a shared

understanding of the issue. Only then can you begin to develop possible solutions. When framing a problem, it is helpful to consider the following questions:

- Why do we have this problem?
- What are the causes of this problem? What are the facts and figures associated with it?
- What are the consequences?
- What are we hoping to achieve?
- What are the constraints we are working within?

Answering these questions can help to develop a shared understanding of the problem and set the stage for finding a successful solution.

**Explore options:** Acquire information and knowledge about potential adaptations. Action learning is about doing something differently. After you have framed the problem, explore the possible adaptations you could make sense of. This allows you to use your experiences and offers you the chance to acquire new skills and knowledge. This might include brainstorming, meeting with others, conducting interviews, reading up on related information, and participating in discussions.

**Reframe the problem:** Appraise the options and select a course of action. At this stage, you will have information and knowledge about the problem, but perhaps more importantly, you have also developed a shared understanding of the issue. This might include asking yourself:

- Are the causes of this problem still relevant?
- Are the facts and figures as they were?
- Are the consequences still as serious?

**Take action:** Implement the chosen adaptations and monitor their effects. Action Learning is about taking new insights and putting them into action. It is less about theory, facts, and data and more about applying these to real-life problems. We take a hands-on approach to workplace learning, allowing employees to gain real experience and skills, reflect on their own experiences, discover new things about themselves, and grow as people. It is the closest form of learning to real-life situations putting your unique skills, knowledge, and insights into practice.

Action Learning is not a product but a way of doing things. Action Learning is an experiential approach to workplace learning utilizing a continuous cycle of exploration and adaptation. When action learning is done well, it is not about producing a report or a document. It is not about the ideas and thoughts we express. Instead, it is about how we create those ideas and thoughts. It is about how we:

- Approach our challenges.
- Tackle our problems.
- Learn from our actions.
- Apply our knowledge and skills.

As David Kolb states, it is about a "way of thinking and doing."

### *Overview of The Inquiry-Action Cycle*

The inquiry action cycle is about humans exploring together. It's about finding new perspectives. It's about expanding horizons. And it's about bringing more creative, collaborative, productive selling into the world.

**What's the Problem?** Before any customer or client has a problem, they have a goal. Typically, customers have a goal related to their business. For example, a manager could have a goal of increasing customer satisfaction. A customer service rep could have the goal of increasing employee knowledge. A salesperson could have a goal of increasing revenue. You can help your customers explore their goals by asking, "What is your goal?" The customer might respond by saying their goal is to increase revenue. You can dig deeper by asking, "How do you know when you've reached that goal?"

**Acceptance:** When a customer or client expresses a goal, it's important to accept it. You don't need to approve of the customer's goals. You don't even need to understand them. But you do need to accept them. While you may want to challenge your customer to think deeper or explore new perspectives, now is not the time. Now is the time for acceptance. When customers share their short-term goals, they invite you into a conversation. They're looking for your help. They accept your offer to help them reach their goals by purchasing your product or service.

**Theory of Action:** Once you've accepted the customer's goals, it's time to encourage the customer to theorize about their goals. You can ask questions like, "Why do you want to increase revenue?" or, "Why do you want to increase customer satisfaction?" You can also ask questions like, "What prevents you from reaching your goal?" or, "What would need to change for you to reach your goal?" You might even want to ask, "What if we could find a way to reach our goal but do something different? What if we could find a better way of reaching your goal?"

**Taking Action:** You may notice the customer shifting as you encourage them to theorize about their goals. As this happens, you can gently steer the customer toward taking action. You can

ask, "What would you like to do next?" or, "What's the next step you can take toward reaching your goal?" You might ask, "What are you excited to start doing right now?" or, "What is your next most important action?"

**Evaluation:** As the customer takes action, they will also evaluate their progress. They will have successes and failures. They will be able to compare their progress with their expectations. When this happens, you can ask, "How are you doing?" or "How are you progressing toward your goal?" You can ask, "What has been helpful?" or, "What has not been helpful?" It's important to be non-judgmental as the customer evaluates their progress. You do not need to critique their progress or offer feedback. You can ask, "What are you noticing?" or, "What has been helpful?"

**Reflection:** When the customer is done taking action, they will want to reflect on their progress. They will want to learn from their successes and failures. They will want to explore where they went wrong and how they could do better next time. As the customer reflects, you can ask, "What are you noticing?" or, "How are you reflecting on the progress you have made?" You can also ask, "What would you like to learn from your progress?" Listening to your customer's reflections allows them to open up and share more deeply. You can ask, "What are you most interested in exploring?"

**Putting the Inquiry-Action Cycle in Practice:** At each stage of the inquiry-action cycle, you can ask yourself the following questions to ensure you're engaging in the process appropriately.

- What are you hearing?
- What are you seeing?
- What are you feeling?
- What are you thinking?

If you're engaging in the cycle appropriately, it should feel like you're having a conversation with your customer. You should be reading their body language and listening to their words. If you're engaging in the cycle appropriately, you should feel like you're collaborating with your customer. You should feel like you're working together toward a common goal. If you're engaging in the cycle appropriately, you should be able to create a record of the conversation. You should be able to write down thoughts and feelings in the cycle. You can use this record to reflect and learn from your inquiry sales conversations. The inquiry action cycle is about humans exploring together. It's about finding new perspectives. It's about expanding horizons. And it's about bringing more creative, collaborative, productive selling into the world.

### *Applying The Principles of Effective Action Learning to Your Marketing Activities*

Action learning (also known as experiential learning) is a teaching method of having learners participate in a real-world situation, complete activities under direct supervision, and reflect on their experiences afterward. It works fairly simply — participants are invited to collaborate through key questions. The goal? To inspire action, catalyze ideas, and transform interactions internally or with customers.

Applying the principles of action learning to your sales and marketing activities is very similar to spaced repetition. Spaced repetition is how you create a sequence of events your learners complete, where they accomplish something every time they do those actions. For example, when you're starting with a brand-new product, you may ask your team members to complete the following steps:

1. Make sure the product is presentable;
2. Label each item in the product line (this will enable people to see it on shelves);
3. Create an inventory sheet for customers;
4. Have someone take a photo of the products in real life;
5. Post on social media that the new product has arrived; and
6. Send out an email notice about its arrival.

Each step builds on what came before it and contributes to one another's success in getting the word out about the new product as quickly as possible without any confusion or mistakes.

Reinforcement is how you reward or acknowledge your customers for doing what they're asked to do, such as completing spaced repetition. Give them some tangible benefit like recognition or feedback — things that are meaningful or personally relevant rather than just patting yourself on the back for a well-done job.

One of the most important action learning principles is identifying mental blocks and hooks. The goal? To make the process fun, engaging, and motivating for customers. Mental blocks occur when there is a barrier to learning or action. Mental hooks are questions that help customers break through barriers.

The first step in using this principle in your marketing activities is identifying what mental blocks exist for your audience members.

- What are their concerns about doing something new or entering a new environment?

- Do they fear being judged by their peers or worry about making mistakes?

These are all possible mental blocks you can work on breaking down with action learning questions. It's important to recognize these issues before you start designing your program because it will give you a better idea of engaging people and setting them up for success.

The second step is identifying which hooks would effectively reach your audience and help them overcome those mental blocks.

Action learning questions typically come in pairs: one question provides an answer that helps create confidence, while the other helps break down barriers and makes sense of ownership over the process. Let's say your audience is overwhelmingly concerned with how they appear to others at networking events; one action learning question might be, "What percentage of people interact with me at these events?" Another question might be, "What percentage do I think I have a chance at connecting with someone I know?"

Before applying action learning to your marketing, it's important to set expectations. This can often be done by talking to internal and external practitioners and even customers in the field. They can provide valuable feedback and insights on incorporating action learning into their work. Some other questions you should ask include the following:

- What do you expect your results to be?
- How are you measuring success?
- Who are the customers or prospects in this situation?
- What are the competitive offerings?
- Is there a fast feedback loop?
- Can we eliminate anything that's not essential?

Scaffolding is one of the tactics in action learning that makes this method successful. When used effectively, it will help you to simplify and standardize your process for designing a marketing program. The idea is to create a pre-action planning checklist, which includes all the steps necessary for the activity and any materials needed for implementation. In the case of marketing, you can use this list to create scaffolds for your marketing activities. For example, if you're developing an event marketing campaign, you might want to include a list of required actions such as:

- Create a call-to-action statement
- Develop collateral
- Create visuals



- Develop relevant content
- Create social media content

There are many ways in which marketers can use these checklists to ensure they have the complete information they need before they start their campaigns. This will save time and minimize errors that could lead to poor results.

When it comes to action learning, one of the most popular methods is the learning cycle. This method has four steps:

1. Make and test predictions
2. Share knowledge
3. Take action and reflect on the experience
4. Share knowledge again

The key to this learning process is its circular nature—it starts at step one repeatedly until you're ready to take the next step in your learning cycle. For action learning to be effective, you must make and test predictions about what will happen due to your actions. This process provides feedback from which you can learn and adjust subsequent actions accordingly. When you make predictions, it's crucial that they can be tested! This ensures that your learnings are grounded in reality and aren't just theoretical concepts or speculations about how things might work. To ensure your predictions are realistic, try testing them with small experiments before jumping into a full-scale campaign or project. You can also test them by partnering with customers who have similar interests as yours or similar demographics.

The problem many marketers run into is jumping into something they do not have the present capabilities to complete. So, what should you do?

1. Start small with a manageable task and gradually build your way up to more complex tasks. Once you know how to do something well, it's time to create something bigger and better. For example, if you want to learn how to design a marketing campaign for an e-commerce business, start by developing a landing page without any keywords or images. Then slowly add more pieces of the puzzle as you progress through the process.
2. Pay attention to feedback from customers involved in your learning project at each step.
3. Keep track of the lessons learned for later use!

It's easy for marketers to get distracted. Distractions come from people, projects, and tasks that seem more important than marketing activities. To effectively implement action learning into your marketing program, it's important to eliminate these distractions from your environment

by using a checklist or schedule. This ensures everyone involved is on the same page and focused on the most important marketing activity: reaching and engaging with customers.

Some of the things you can do to eliminate distractions are:

- Establish checklists for each step of a process and make sure everyone is up-to-date on what needs to be done
- Hold regular meetings where team members discuss what their priorities are and how they will work towards meeting those priorities
- Create an open office space with large windows so that people can see what is happening outside
- Don't forget about yourself. Make sure you have time set aside for yourself as well-- whether it's taking a break from checking social media or doing some research, it's important to recharge your batteries as well every once in a while!

Action learning is an approach in which you learn best by doing. Get started with something small using these three key aspects:

1. Identify the desired outcome.
2. Determine who will participate in the action learning program and how they will benefit.
3. Create a structured plan of activities for participants to follow with clear roles and responsibilities.

*Going Deeper:*

*Action research is a small idea. It involves examining data on one's work to help improve one's performance.*

Action Research should be an iterative process that takes shape as knowledge emerges. The premise here is that you learn, do, reflect, know how to do better, do it better, learn from that, do it better still, and so on. You work through cycles that converge towards better situation understanding and improved action. The goal is to refine methods, data, and interpretation continuously and to understand deeper the learning developed in the cycles. It is our way of testing and accelerating product/service entry.

One of the leaders of the idea of Action Research is [Richard D. Sagor](#), who has helped form much of my initial understanding of the subject matter. Sagor, in his book, [The Action Research Guidebook](#), explains:

“Action research is a small idea. It involves examining data on one’s work to help improve one’s performance. Although there isn’t a consensus on a single set of processes or steps that constitute action research, as presented here, action research is a straightforward four-stage process.”

Anyone who has worked in an organization knows that performance is rarely perfect. Most of the time, you can find ways to perform better. But what if you didn’t know where to look? What if your research was so limited that you had no idea how to improve? That’s the case with most organizations and many individuals. That’s why small ideas are so valuable. They allow us to step into a new world and examine data we may not otherwise have access to. Most people have never heard of small ideas, but they are extremely common. Most organizations include them in their employee engagement programs, performance management initiatives, and leadership development programs.

There are 4 Stages of The Action Research Process:

1. Clarifying Vision and Targets: What do you want to accomplish?
2. Articulating Theory: What approach do I believe has the greatest potential for helping us to realize our goal(s)?
3. Implementing Action and Collecting Data: What data/information will we need to collect if we want to understand the effectiveness of our theory of action?
4. Reflecting on Data and Planning Informed Action: Based on this data/information, how should we adjust our future actions?

#### **The 4 Stages Expanded:**

1. **Clarifying Vision and Targets: What do you want to accomplish?** Most organizations include small ideas as part of their performance management initiatives. These small ideas should be a part of any performance management program. They are designed to provide employees with specific, measurable activities that they can take on to improve their performance and the organization’s performance. This is often done through an employee engagement plan or vision statement for your company. In essence, the vision statement is the overarching goal your company wants to achieve over a year or so. Next, you need to identify specific targets to help you reach this goal and make it measurable. So what can you do? You could participate in a small idea by going through your current goals and identifying those that will help you reach your vision statement over the next 12 months. Then, create measurable activities around those goals that will help you improve your performance in relation to these goals and objectives.

2. **Articulating Theory: What approach do I believe has the greatest potential for helping us to realize our goal(s)?** This is a very important question. It has a huge impact on the success of your project and allows you to stay the course. You may need to make some changes once you have answered this question, but it will help you get back on track when you get stuck. It is important to articulate your theory before diving into action research. There are many ways we can articulate our theory, and I will outline what I followed in this example. I believe that people at work who play their role as well as possible, create a better work environment for everyone else. When people are allowed to do their job properly, they perform well and create a positive culture for the company.
  
3. **Implementing Action and Collecting Data:** What data/information will we need to collect if we want to understand the effectiveness of our theory of action? You will need to know what data you want to implement action and collect data. So, ask yourself what it is that you want to learn about. For example, say you are trying to improve your performance in a meeting with important clients. You may find out what behaviors lead to positive outcomes in those meetings or how effective your communication style is. You should also ask yourself the following questions: - What specific behaviors will we want to change? - How will we track those behaviors? - What is the timeline for changing them?
  
4. **Reflecting on Data and Planning Informed Action:** Based on this data/information, how should we adjust our future actions? The importance of action research is that it allows individuals to step into a new world and examine data they may not otherwise have access. One of the benefits of action research is that it enables business leaders to gather information on what their employees are doing to adjust their future actions. Action research allows them to discover insights and make adjustments where necessary. In this way, it becomes an important part of employee engagement, performance management initiatives, and leadership development programs.

Sagor says the steps are not as important as the idea of their practice or the action taking place. The idea of small ideas is not to do something different. What is most important is the process, or rather the act of doing something. It's been said that "small ideas can be the seeds for big ones." This is true because if you have data about your performance and small ideas are used to examine it, it can lead to great insights on improving your work or business. A good example would be using a systematic research method like action research to help individuals grow their careers.

## *Chapter 3: What, Why, How, Where of Customer Value*

### *From Understanding Value to Understanding Customers*

A clear understanding of customer value is essential for any business looking to provide goods or services to its target market. By understanding what customers value, businesses can ensure that they are creating products and services that meet the needs and wants of their target market. Additionally, a deep understanding of customer value will help businesses to segment their customer base, target their marketing efforts, and better understand the needs of their customers. Ultimately, taking the time to understand customer value will pay off for any business looking to build long-term customer relationships.

To create and deliver customer value, businesses must first understand what value means to their customers. What motivates them? What do they need and want? How can businesses provide value that meets customer expectations and exceeds them? Understanding customer value is essential to understanding customers. By understanding what value means to customers, businesses can create products, services, and experiences that deliver that value. This understanding helps companies to avoid making assumptions about what customers want and provides them with valuable insights that can be used to create customer-centric businesses.

One of the most important aspects of a business is understanding how to create value for its customers. What customers perceive as the value can vary from company to company and even product to product. It's up to the business to determine what its customers deem important and find a way to deliver that value. A great way to understand customer value is to think about what the customer is getting in return for what they are paying.

Customers can derive different types of value from a product or service. Sometimes it's obvious what the customer is getting, such as a tangible good or service rendered. Other times it might be a bit more abstract, such as the peace of mind that comes with knowing that they made the best choice for themselves or their company. No matter the value, businesses need to focus on creating value for their customers.

The best way to do this is by understanding what the customer wants and needs. Sometimes this cannot be easy, but finding out is worth the effort. Once the business understands what the customer wants, they need to find a way to deliver that value in a way that is unique and stands out from the competition. This can be a challenge, but it's important to find a way to do it. If the

business can do all these things, they are well at creating customer value.

**Customer Value to Customer Satisfaction and Loyalty:** Businesses need to create customer value to create customer satisfaction and loyalty. Customer value is the difference between a product or service's perceived benefits and costs. Customers will be satisfied if they believe they are getting more benefits than they are costing. If they get more benefits than they are costing and feel that the business cares about them, they will be loyal.

Customer satisfaction and loyalty are two of the most important aspects of understanding customer value. Customer satisfaction is a customer's feeling about their experience with a product or service. It's an emotional reaction to how things went and can be either positive or negative. It might be related to the speed of delivery, the ease of use of a product, or the quality of service. Whatever the reason, satisfaction is a key indicator of the quality of a business.

Customer satisfaction is often the first step toward customer loyalty. If customers are satisfied with a product or service, they are more likely to continue using it and recommend it to others. Customer satisfaction leads to repeat business and word-of-mouth referrals, which can help a business grow.

It's important that businesses not only focus on creating customer satisfaction and loyalty but also understand where they stand in this regard. There are several ways to measure customer satisfaction and loyalty. One way is to ask customers how satisfied they are with your product or service. Another way is to look at customer retention rates or the percentage of customers who continue to use your product or service over time. Still another way is to look at customer complaints and compliments. These methods can give you valuable insights into how satisfied your customers are and what you can do to improve their satisfaction levels.

**The Customer Relationship Value Perspective:** The Customer Relationship Value(CRV) perspective is a view of marketing emphasizing the importance of creating and maintaining customer relationships. This perspective is based on the idea that customers are the most important asset of a company and that customer relationships are a key source of value.

The CRV Perspective can be a business philosophy that suggests businesses should focus on creating long-term relationships with their customers rather than simply trying to maximize short-term profits. This philosophy is based on the belief that happy, loyal customers are more valuable in the long run than one-time buyers. Therefore, businesses should focus on creating an enjoyable customer experience and ensuring customers are satisfied with their purchases. Businesses can build strong, long-lasting customer relationships, ultimately increasing profits.

The CRV framework helps organizations create and capture value from customer relationships. It is based on the idea that customers have different levels of value to the organization and that the organization should manage customer relationships accordingly. The framework has four key components: customer value, customer lifetime value, customer relationship management, and customer relationship marketing.

This can be confusing, but it's easy to understand once you look at it correctly. A customer relationship comprises many different value types and can change over time. It's important to note that the relationship between a business and a customer is not one-sided.

The business is also getting value from the relationship. A business can derive many different types of value from a relationship with a customer. These include the value of money, time, and trust.

A customer's money on a product or service is only one part of the relationship. It's important to understand that there is more to the relationship than money. The business is also getting the time of its customers, which can be extremely valuable in and of itself. Also, customers' trust in the business can be invaluable.

**The Customer Journey Value Perspective:** The customer journey value perspective is a way of thinking about business that emphasizes the customer's experience and the value they receive from interacting with the company. This perspective is beneficial because it can help businesses design their products, services, and marketing around the needs and wants of their customers. Additionally, companies can identify opportunities to improve the customer experience and increase value by understanding the customer journey. Ultimately, the customer journey value perspective aims to create long-term customer relationships by providing them with a great experience.

Understanding the customer's value from their interactions with the business is important. What are your customers trying to accomplish every time they interact with your product? When you know the answer, you can develop more effective programs.

A customer journey maps a customer's steps when interacting with your business. This includes identifying where they need assistance and what information they need to make an informed decision. When customers complete the journey, you will better understand how much value customers receive from your product or service. You will be able to design better incentives that reflect how much value customers get from your company.

Understanding the customer's value from their interactions with the business is important.

What are your customers trying to accomplish every time they interact with your product? When you know the answer, you can develop more effective programs. This helps businesses prioritize their marketing and sales efforts and track progress over time. Additionally, looking at the customer's value helps businesses determine whether or not they are providing a good return on investment for their customers.

A customer can get many different types of value from a journey. Some are general, and others are specific to a particular business or industry. The following are examples of the different types of value that a customer can get from a journey:

- Economic value: This type of value is the most obvious. Customers want to get the best possible price for their journey and to be able to choose from a wide range of options. In addition, customers want to be able to book their journey in advance so that they can get the best possible deal.
- Social value: This type of value is less obvious but still important. Customers want to be able to interact with other people during their journey, and they also want to be able to share their experiences with others.
- Emotional value: This type of value is more difficult to quantify, but it is still important. Customers want to feel good about their journey, and they also want to be able to remember it fondly.

A few other general benefits that a customer can get from a journey are:

- A sense of accomplishment or satisfaction
- A feeling of safety and security
- A feeling of belonging or connection
- A sense of control or power
- A sense of self-worth or value
- A sense of meaning or purpose

Understanding how the customer journey impacts value and what the customer gets from experience. Businesses must take a customer journey value perspective to create long-term customer value. This means understanding how customers interact with your business at each stage of their journey and creating experiences and touchpoints that deliver value at each stage. Touchpoints are the points of contact between the customer and the business and can include things like advertising, customer service, product design, and packaging. Creating a great customer experience at each touchpoint is essential to delivering value and returning customers. To sum up, the customer journey value perspective is about understanding how customers interact with your business and creating experiences that provide value at each stage. Doing this can create long-term customer value and keep customers coming back.



**The Customer Experience Value perspective:** The customer experience value perspective is a business philosophy that puts the customer first in decision-making. This means that company decision, from product development to marketing to customer service, is made with the customer's needs and wants in mind. The goal is to create a positive, lasting customer experience that will result in loyal, repeat customers. To do this, companies need to understand their customers' needs and desires and then design and deliver products, services, and experiences that meet or exceed those expectations.

The customer experience is a broad concept covering several value types. At its basic level, the customer experience describes what happens when a customer either buys a product or service or doesn't. The customer experience may include a wide variety of things, such as:

- The level of customer service that a customer receives
- The ease of use of a product or service
- The aesthetics of a store or website
- The overall design of a product or service.

The business can control many aspects of the customer experience, which makes it an extremely important part of overall value. It's important to understand that the customer experience is more than just the aesthetics of a location or product design. It's about a customer's emotional reaction when they buy something or use a service. It's about how the customer feels about the overall experience.

Many companies overlook the importance of their customer experience. They focus on the features and benefits but do not consider how customers perceive their product or service. Companies that use customer experience metrics to help them understand how their customers are feeling can quickly improve. These metrics give insight into your customers' perceptions of your products and services.

**Transformative Customer Value Research:** Transformative customer value research is a new and innovative approach to customer research that can radically improve organizations' effectiveness. Rather than simply providing information about customer attitudes and behavior, it seeks to identify the deeper, transformational drivers of customer value. This research can help organizations better understand their customers and develop more effective strategies for creating value. In short, it can help organizations be more customer-centric in their approach to business.

To create value for customers, businesses must first understand what customers value. This

understanding can be gained through Transformative Customer Value Research, a research methodology focusing on identifying and understanding the values that drive customer behavior. Through Transformative Customer Value Research, businesses can gain insights into the needs and want of their target market and develop strategies to meet those needs better. This research can also help businesses to understand how customers make decisions and what factors influence those decisions. By understanding these values, businesses can create more value for their customers and ultimately increase their bottom line.

Customer Experience Optimization (CXO) looks at how consumers interact with your business in terms of both their interactions and their feelings about those interactions. It goes beyond customer interaction with product features or benefits because it understands the impact these interactions have on customers' emotions and ultimately drives buying behaviors comprehensively. With CXO, you are taking the time to understand which customer experiences are most important to your customers during different purchase cycles. You then can focus on providing appropriate experiences and avoiding ones that are not beneficial for your company during other stages of the purchase cycle.

Much of the research about customer value is focused on what the customer is getting from the business. This is important, but it's also worth looking at what the business is getting from the customer. A great way to do this is through transformative customer value research. This type of research is intended to take a holistic view of the relationship between a business and a customer. It can help the business understand what the customer brings regarding benefits. This can be extremely helpful for many different aspects of running a business. It can help the business determine how important the customer is to them in terms of how much money they bring in and how often they use the product or service. It can also help the business understand how valuable the customer is to them in terms of what they bring in terms of satisfaction, trust, and time. It can help the business understand how important the customer is to them.

Businesses need to undertake transformative customer value research to fully understand the customer's needs and how they can be met. This type of research goes beyond simply asking customers what they want or need and instead seeks to understand their deeper motivations and unarticulated needs. Only by understanding the customer's true drivers of value can businesses hope to create products and services that deliver real value. Transformative customer value research is essential for any business that wants to stay ahead of the competition and provide innovative products and services.

**Future Customer Value Research Possibilities:** In the rapidly changing landscape of the 21st century, one thing is certain: the customer is king. To stay ahead of the competition, companies must constantly innovate and evolve their offerings to meet the ever-

changing needs and desires of the modern customer. One way to stay ahead of the curve is to invest in customer value research. This research type helps companies understand what customers want and need and how they value different products and services. By understanding the future customer value research possibilities, companies can make informed decisions about their product offerings and stay ahead of the competition.

In a rapidly developing world, it is becoming increasingly difficult for businesses to keep up with their customers' changing needs and expectations. To stay ahead of the curve, companies must research future possibilities for customer value. This means looking at long-term and short-term trends and making predictions about what customers want and need in the future. This research can help businesses make strategic decisions about product development, marketing, and customer service. By understanding customers' future needs, businesses can ensure that they are always providing the best possible value.

Customers today want more than just a great experience – they also want to know that it is worth their time and money. To stay competitive in this age of digitalization, businesses need to provide more value than rival companies. To do this, they need insights into what customers value most. Customers might be looking for the lowest price on an item or a faster delivery time from a preferred retailer. This data can help you determine your average customer's values differently to give them exactly what they are asking. The key is developing innovative ways to provide customer value beyond what competitors offer and quantifying how much your company's offering meets these customer expectations.

As marketing and customer experience rapidly evolve, so does the need for new and innovative research to understand what customers want and how they can best be served. Here are just a few of the many potential future areas of customer value research:

- Understanding customer decision-making processes – how do customers decide what products or services to buy? What factors influence their choices?
- Investigating customer needs and wants – what do customers need and want from businesses regarding products, services, and experiences?
- Determining the most effective channels for reaching and engaging customers – with the proliferation of new channels (e.g., social media, mobile), how can businesses reach and engage customers in the most effective way possible?
- Developing new methods for measuring customer satisfaction and loyalty – as customer

expectations continue to rise, traditional methods of measuring satisfaction (e.g., surveys) may no longer be adequate. What other ways can businesses measure customer satisfaction and loyalty?

- Conducting an in-depth analysis of customer journeys – with the increasing focus on customer experience, it is essential to understand all touchpoints along the customer journey to improve the overall experience.

There are many ways to research customer value, from focus groups to surveys. It's important to look at these avenues in new and creative ways. There are a few directions that future research about customer value can go. One way is to focus on the emotions that a customer has when they are using a product or service. It's important to understand why customers use a product or service and what they are trying to accomplish. This can help the business understand the customer's value of the relationship. Another way to research customer value is to look at how customers interact with their peers.

Understanding how customers react to the people around them regarding your product or service usage is important. This can help the business understand the value that they are getting from its customers. Finally, it's important to know how digital technologies impact customer value research. There are new technologies that are being created that are affecting the way that customers interact with businesses. It's important to know how these technologies are impacting customer value.

### ***Align your company around Customer Value as a core strategy***

Your company may miss out on key opportunities if it is not focused on creating and delivering customer value. It is not enough to identify what the customer wants and needs. It would help if you were also proactive in anticipating and understanding customer wants and needs changes. And it would help if you were relentless in delivering against those needs and wants. This is where customer value comes in. It is the intersection of what the customer wants and your ability to deliver it. Creating customer value is not easy. It requires understanding your customers, your business, and the marketplace. It also requires the ability to execute against what you know.

Many companies mistake focusing on what they do well rather than what the customer wants. This is a recipe for disaster. To create customer value, you must understand what is essential to the customer. What are their priorities? What are their needs? What are their wants? Then you must figure out how to deliver against those wants and needs. What can you do better, faster, or cheaper than your competition? And finally, you need to execute. This is where many companies fall short. They devise a great plan, but they can't execute it. So, how do you go

about aligning your company around customer value?

- Create a customer value strategy. This document outlines your company's strategy for creating and delivering customer value.
- Create a customer value proposition. This statement summarizes the unique value your company delivers to the customer.
- Create a customer value proposition matrix. This tool helps you prioritize and track the progress of your customer value proposition.
- Create a customer value delivery framework. This document outlines your company's plan for delivering customer value.
- Create a customer value playbook. This document outlines your company's actions to deliver customer value.
- Create a customer value dashboard. This is a tool that helps you track the progress of your company against your customer value strategy.
- Create a customer value culture. This is a culture that is focused on developing and delivering customer value.
- Customers are your company's most valuable asset. And customers know your brand, trust you and use your services

In today's business world, focusing on your customers is more important than ever. They are your company's most valuable asset and are essential to your success. Your customers are the lifeblood of your business. They know your brand, trust you and use your services. If you don't take care of your customers, they will go elsewhere. It's important to remember that your customers are not just a number or a statistic. They are people with feelings and needs. They deserve to be treated with respect and courtesy. The best way to care for your customers is to listen to them. Ask them what they want and need. Take their feedback seriously and make changes based on their suggestions. Your customers are the key to your success. Keep them happy, and they will keep coming back.

In conclusion, aligning your business around customer value is important as a core strategy to create a successful company. This will ensure that you always put the customer first and that your company is focused on creating lasting relationships with your customers.

### *Going Deeper*

#### *Your Marketing Brand's Assets: More Than a Color Palette*

Creating a brand isn't an easy task. It requires thinking outside the box and coming up with fresh ideas that your target demographic will find appealing. Your marketing brand should be no exception to this rule. You must first identify your business's best assets to create a

memorable brand. After all, not every business has the same value proposition or attributes that target customers want from their company in exchange for their money. To find out your business's assets, you need to list them (I use the technique of Asset Mapping) to see which ones are worth conserving and which can be replaced with something better.

In the Book, *How Brands Grow 2 Revised Edition: Including Emerging Markets, Services, Durables, B2B and Luxury Brands 2nd Edition* by Jenni Romaniuk and Bryon Sharp, the authors discuss three areas of concern:

- Consider the Environment: Where are you going to be using the asset?
- Consider the brand's history: What have you built in the past?
- Consider the metrics to make your choice evidence-based

When thinking about assets, the first thing to do is to consider the environment. Your asset should be in the right "place" for your target market. The environment in which marketing assets are used can greatly impact their effectiveness. For example, if the asset is going to be used in a store, then the marketer needs to consider the store's layout, lighting, and other factors. If the asset is used online, the marketer needs to consider the website's design and how users will interact. Taking the time to think about the environment in which the asset will be used can help marketers create a more effective and successful marketing campaign.

Another example supposes a company is trying to sell a product in a country where the culture is very different. In that case, the marketing materials may need to be adapted to be more effective. Additionally, a country's political and legal environment can also impact the use of marketing assets. For example, companies must be mindful of a country's strict advertising regulations when developing their marketing materials.

As you figure out what assets to preserve, ask about your brand's history. Have you been around long and built much trust with your target audience? The company brand's history is its track record of commitment to its customers. Or have you just started marketing your business, meaning there isn't history yet? Depending on the kind of assets you want to conserve could determine whether they are worth preserving or not.

For example, if your brand is still new and has few assets to conserve, it would be best to consider creating unique assets that appeal to your target audience. On the other hand, if your brand has a long history and plenty of assets to conserve, it would make sense to focus on preserving older assets that might not be as effective anymore.

If you're having trouble figuring out which assets should stay and which ones should, think

about how your marketing efforts affect potential customers. If potential customers don't notice anything unusual about your company's branding or marketing efforts, then consider whether those current methods deliver the desired results. Suppose they're not showing results quickly enough or are ineffective in reaching people who would benefit from them most (like older demographics). In that case, you may want to consider changing these current methods before it's too late.

Before you start your brainstorming, consider the metrics that are important to you. Some key marketing metrics to think about before starting your brainstorming session include leads, conversion rate, web traffic, and social media engagement. It's important to clearly understand what you want to achieve before starting your brainstorming session to focus on ideas that will help you reach your goals. Once you have collected all your ideas, it's time to narrow the list to the most feasible and practical ideas. Finally, present your ideas to the appropriate people and get feedback so you can fine-tune your plan. For example, those assets are worth conserving if you are looking for a marketing brand with many social media followings or an active blog community. These metrics will help you decide on assets to conserve and what else can be replaced with something better.

## *Chapter 4: Gathering Data and Developing the Product Vision*

In the age of digitalization, customer centricity, and social media, predicting customer behavior is challenging for any business. However, it becomes even more difficult when your business operates in a fast-moving competitive ecosystem where companies try to outdo their counterparts by innovating faster and offering better products at lower prices. To stay ahead of their competition and achieve customer loyalty, businesses must develop a customer value proposition (CVP) that focuses on meeting customers' needs and driving retention. Customer Value Proposition is a concept that addresses a person's feelings about their own experiences with the company as an individual instead of as part of a larger group. For example, if you walk into a clothing store and interact with every staff member as you look through different dresses before making your purchase. This makes you feel valued as a person instead of just another anonymous customer being looked after. To create a successful CVP, you need to access multiple data points so that internal teams can develop qualitative understandings of diverse customers' behaviors.

### *Why is it so hard to capture customer value?*

**Capturing Customer Value:** When we think about things like loyalty, brand awareness, and creating happy customers, it makes sense why capturing customer value may seem more challenging than it should be. It is difficult to capture customer value, and it is important to understand that it is not static. It takes another level of business expertise, which is why many companies often struggle with this concept.

To maximize it, you must work hard and continuously find ways to improve it. Most companies will utilize the qualitative and quantitative research models, two of the most widely used approaches in the social sciences. Qualitative research involves interviews and observation to understand participants' meanings of their experiences. Quantitative analysis, on the other hand, relies on numerical data to answer questions about the distribution and relationship of variables.

Despite their differences, the two methods are often complementary. Qualitative research can help identify important issues to be explored in more detail with quantitative analysis.

Quantitative research can provide a framework for organizing and analyzing qualitative data. Outcome-Based Mapping is a valuable tool for combining research, evaluating, and monitoring. By identifying and tracking outcomes, organizations can assess the effectiveness of their



programs and services and make necessary adjustments to improve the value they deliver.

Outcome-Based Mapping is a valuable tool for combining research, evaluating, and monitoring customer value. By identifying and tracking outcomes, organizations can assess the effectiveness of their programs and services and make necessary adjustments to improve the value they deliver.

**What Does Capturing Customer Value Look Like?** In a business sense, value is the amount of money one party is willing to pay for a product or service against the amount it costs the business to provide that product or service. For example, the value of a haircut might be \$15 against the cost of \$5 for the hairdresser. Capturing customer value doesn't happen. It happens when your business effectively understands and meets your customers' needs through your products or services. When you meet their needs, you create value. When you create value, you increase customer loyalty. Customer loyalty, in turn, helps your business survive and thrive in the marketplace while increasing your profits.

**How to Capture Customer Value?** Capturing customer value starts with clearly understanding your customer's needs and desires and then matching those with the solutions and services you offer. You can do this through research and understanding the customers' journey and decision-making process. You can also conduct customer retention surveys and interviews and ask for product reviews to understand your customers' thinking. Capturing customer value is a continuous process that needs to be integrated into all facets of your business. If a part of your business is not contributing to this process, it should be re-evaluated or re-examined to see how it could contribute

**Gather data on the customer value of your product offerings:** The most important part of developing a CVP is understanding your product's value. This means you need to gather data on what customers are buying and not buying and how they react to your brand and its offerings. Gather this information by researching, talking with customers, and developing surveys. When gathering data, it's important to remember many different types of customer value. For example, when Luke Wroblewski wrote about customer value for Forbes, he gave four categories: emotional, functional, financial, and social value. These categories are helpful tools for analyzing customer value but shouldn't be used in isolation. To get an accurate picture of your customer's experiences, you need to identify all the different types of customer value to develop a comprehensive understanding of your customers' feelings towards the company and its products.

**What are the benefits that my product offers them?** To develop a successful CVP, you need to access multiple data points so that internal teams can develop qualitative understandings of

diverse customers' behaviors. Customer feedback is one way to gather information, but it's not the only one. You can also use surveys and customer interviews to collect their thoughts on your products and services. To create a successful CVP, you will want to examine what your product offers its target market. The more benefits your product provides them, the more likely they will purchase it and recommend it to others. To get answers about what your product offers, you will want to ask your customers questions like:

- What would make you feel more satisfied with this product?
- What are some of the most important things we could do better?
- What are your biggest pain points with this product or service?

**What are the barriers preventing them from solving their problems?** The first step to resolving any business problem is understanding the root cause. What are the barriers preventing them from solving their problems? For example, a barrier in a company that makes kitchen appliances might be that the company doesn't listen to customer feedback. Or in a company that makes mining equipment, a barrier might be that the competitors offer lower prices than they do. To understand the barriers preventing them from solving their problems, businesses should take an inventory of what their customers want and how well current solutions meet these needs. This process will help companies to determine which needs haven't been met and what potential new solutions could satisfy these unmet needs.

**What are my customers' daily problems?** You need to have an understanding of what your customers are facing on a day-to-day basis. This is why it's important to look at customer surveys and other qualitative data to gather color and detail about your customer. It's also important to gather data about the customer experience and their current product offering. For example, you could ask different people questions such as "On a scale of one to ten, how likely are you to purchase from company X again?" or "How would you rate your recent experience with company X?" Your CVP needs to be based on what your customers are looking for and their willingness to pay. If customers feel like they are not valued, they might be more receptive to companies offering something else that might make them feel valued or happy. You need information that allows you to create a unique CVP for every specific audience to give them the best possible customer experience without losing any potential purchases. With this information, businesses can plan their marketing strategy appropriately to entice new leads and maximize revenue opportunities.

**What are their significant frustrations?** A person's frustrations with a company often cause them to defect to a competitor or stop using a product. Companies need to recognize people's frustrations, whether limited options, poor service, low-quality products, or high prices. You gather this data by understanding your customer on an individual level. For example, if

someone has been frustrated because they can't find the shirt size they're looking for and have constantly been searching on their laptop and phone that day, you need to know that information. You will then be able to understand their frustrations better and develop a strategy to address those needs to retain them as a customer.

**How much value does it create for them?** To manage customer value, businesses have to figure out what makes them worth the time and money of their customers. A good way to do this is through market research. Market research provides valuable information about how your customers view your company and your products and services. When you conduct market research, you can determine whether or not a customer is willing to pay for your product, what drives purchase decisions, and if customers are satisfied with your brand's offerings. The next step in managing customer value is developing a product vision that helps businesses understand how the overall experience of using the product will be better for customers when it's completed. This includes ensuring that the user interface is intuitive, that the design is modern and aesthetically pleasing, that there are clear goals for completing tasks, and that features are easily accessible.

**What does it cost to provide this value?** The CVP must balance the cost of providing this value to customers and the potential return on investment. The main goal of a CVP is to generate customer loyalty while maintaining profitability. This is achieved through engaging with customers in a way that provides value, which may be most effectively done by meeting their needs in different ways. Providing your customers' value often means finding a way to give them what they need at a lower price than their competitors can offer. This may mean taking lower margins or investing more into developing new products and services for your business's current market instead of expanding into new ones.

**Review data to determine the customer value of each product line:** The first step to establishing a CVP is by reviewing data. Product managers should conduct a needs analysis and determine the customer value of each product line. Product teams can prioritize which features impact customer engagement with this information. Once you know what your customers need and are excited about, you need to start developing your product vision and making decisions based on the insights gained from using data. Your vision will help you assess how well you meet customers' needs and give you direction in strategy and tactics. For example, suppose your company makes fitness trackers with activity-tracking capabilities. In that case, your vision might be to create an app that provides personalized coaching for people with different fitness goals or a device that tracks every second of activity to provide personal feedback on overall health. This vision will help you determine who your target audience is, how their actions relate to health, and what metrics they should monitor so that the product keeps them engaged over time.

**Market Value Pricing: Compared to the competition:** Market value pricing is a strategic pricing method that suggests setting prices at the point where your company's product or service is perceived to be of equal value to the competition. This means you are not trying to charge more than your competitors, but you are trying to charge enough so that customers perceive you as worth it. This strategy helps you stay relevant in the market and increase your chances of being profitable. The key factor for market value pricing is understanding the cost of production. You need to know what your competitors are doing and how much it costs them to produce their products for you to set an appropriate price for yours. If other companies sell their products for less, then yours will be priced appropriately below theirs. On the other hand, if your competitors cost more, then yours would need a higher price tag to remain competitive despite a lower profit margin.

**Market Value Pricing - What the customer is willing to pay:** To create a successful CVP, you need to access multiple data points so that internal teams can develop qualitative understandings of diverse customers' behaviors. Market Value Pricing is an important first step in creating your customer value proposition. A market value pricing model measures the actual price customers are willing to pay for the product or service they want while considering what the competition is currently offering. This means that, when developing your CVP, you can gauge which segment of customers will be most valuable and how much you should charge them for a product or service. For example, if your company plans to launch a new brand of women's clothing with more expensive materials than other brands are offering. Then it would be valuable for you to use Market Value Pricing to determine what price point would be most appealing to customers who fit this profile and their willingness to pay for a higher-quality item. After understanding the market value pricing model and its potential application in your business, you must develop your product vision. What do you hope to accomplish by creating this product? How will it affect customer behavior? What questions do you want to be answered? These are all important questions that need answers before developing another layer of your CVP.

**How much effort are customers willing to put into the product to derive benefits?** It's important to note that the effort customers are willing to put into a product to derive benefits varies based on how much value they feel they're getting out of it. If a customer feels that the cost of a product is worth the benefits she's receiving, she will be willing to spend more time with your company than if you provide low-quality products at an affordable price. The key question you need to answer when developing your CVP is, "How much effort do customers need to put in actually to derive benefits?" For example, most people would agree that \$5 worth of food from a fast-food restaurant takes less effort than buying a \$2,000 dress from an exclusive designer store.

You can determine this by asking customers for their opinions about your product and their experiences with your company.

**Develop a product vision for each product offering:** A product vision is a statement about what the company believes its products should do for customers. It helps to create a clear strategy that drives product development and marketing. It's easy to get bogged down in details when you're developing your vision. But, focusing on the big picture of your company's goal will help you stay focused on your CVP. For example, let's say you have a high-end women's clothing brand and your product vision is to offer a chic yet affordable look with every purchase while also focusing on ethical business practices. This will help direct your marketing efforts toward those goals throughout the year. When everything is aligned with this vision, prioritizing and delivering on customer needs will be easier because you know where you want to focus your energy. Businesses must align their product visions with their CVP to ensure that each tactic used aligns with the intended goal of creating customer value and retaining loyal customers.

### *Customer Identification - Marketing Segmentation and Market Clustering*

When identifying customers, companies typically use one of two methods: segments or clusters. Segments are groups of customers who share similar characteristics, while clusters are groups of customers with similar purchasing behavior.

**Market Segmentation:** Segments can help provide a way to quickly and easily identify customer similarities. This can be helpful for companies that want to target a specific group of people. Segments are created by identifying common characteristics among customers, such as age, gender, income, or location. Once these segments are identified, companies can create tailored marketing programs and products for each group.

One way to segment a market is by demographics, such as age, gender, income, and education level. A business can also segment a market by lifestyles, whether customers are early adopters or trendsetters or by their attitudes and beliefs about specific products or services. However, segments can also be limiting, as they can be based on inaccurate customer assumptions. For example, a segment created based on income may not be accurate if customers do not accurately report their income.

**Market Clustering:** Market clustering is the process of grouping similar customer segments together. Once a business has identified its customer segments, it can group them based on similarities in needs, wants, and behaviors. This can help a business better understand the

competitive dynamics of each cluster and develop targeted marketing strategies for each. Clusters can be more accurate than segments based on actual purchasing behavior. However, clusters can be more challenging to create than segments, requiring more data and analysis.

**So which is better: segments or clusters?** In an increasingly complex and competitive marketplace, businesses need to employ marketing segmentation and market clustering techniques to better understand their customer base and marketplace. Marketing segmentation involves dividing a market into groups of customers who have common needs and wants. Once a business understands its customer segments, it can tailor its marketing efforts to appeal to those segments.

Businesses need to remember that marketing segmentation and market clustering are not absolutes. Customers are not always neatly grouped into specific segments, and markets can be fluid and ever-changing. However, by using marketing segmentation and clustering techniques, businesses can better understand their customers and the competitive dynamics of their markets, which can help them be more successful in the long run.

There is no simple answer, as each has its benefits and drawbacks. Both methods help understand the customer base and design marketing programs. Segmenting customers is more likely to identify discrete customers who share everyday needs and wants. Clustering customers are more likely to identify groups with similar behavior and needs. In the end, it is up to each company to decide which method is best for them. Segments may be a good option for companies targeting a specific group of people. At the same time, clusters may be a better option for companies targeting customers based on their purchasing behavior.

**Marketing Clusters are shaped and defined by customers:** The most important aspect of marketing clusters is that they are shaped and defined by customers. They respond to the demands of their market and are constantly evolving. Companies can help themselves and their competitors gain traction by creating new platforms, such as customer-centric online communities.

**Who Benefits from Marketing Clusters?** There are many benefits to marketing clusters. For example, They enable brands to increase their competitive advantage by providing specialized services that help drive customer value. They create a more collaborative ecosystem and allow shared services that save money for both companies and customers, resulting in increased efficiency. Companies within a cluster can share knowledge, processes, technology, and expertise. Clusters also allow companies to identify market opportunities faster. Some different ways to think about clusters:

- **Customer Value Cluster:** This cluster focuses on customer value. It is the most numerous and includes companies in an industry that are focused on creating, delivering, and securing customer value. Customers in this cluster are generally the end users who purchase products or services offered by the companies within the cluster.
- **Capital Value Cluster:** This cluster focuses on capital investment and related factors such as R&D, new product development, brand building, marketing, and advertising. Companies within this cluster typically focus on attracting capital from investors to fuel growth. They are less concerned about customers, as their function is to attract capital for further expansion of the company's business. In this type of marketing cluster, winning firms may not produce revenue or profits for many years until they finally take off with a "big bang" strategy that attracts large amounts of capital investment at once. Losing firms will be relatively quick to go out of business due to a lack of financing needed for long-term investments like research and development(R&D) and brand building that won't generate short-term profit growth.
- **Revenue Growth Cluster:** In this marketing cluster, winning firms focus on growing revenue instead of creating customer value. Companies typically have higher costs associated with sales & marketing but can still grow revenue faster than other clusters due to their ability to gain market share quickly through low prices or other tactics like innovation or network effects which can increase demand for their service/

Competitive pressure forces companies to adapt new advantageous capabilities continually and keep excess value flowing to the customer. With marketing clusters, instead of duplicating efforts, different companies within a cluster can share services, enabling companies' specialized operations to be aligned with one another. Companies in a marketing cluster might do things like digital design experiences, develop mobile apps, or produce engaging content. As different companies within the cluster specialize in specific areas and share their expertise, they create a more collaborative ecosystem that enables them to offer products and services that can be sold at lower prices than their competitors. For example, it's not uncommon for businesses within a tech-oriented software business ecosystem to share digital experiences such as websites and email templates, development tools such as built-in analytics, or technical support staff through an outsourced vendor service provider.

Marketing is a term that evokes a vast array of images, both positive and negative. Mass marketing is undoubtedly one of the most vilified facets of the marketing space. However, the explosion of digital channels and communication tools has dramatically changed how we consume and create content. Rather than traditional mass-marketing, today's marketing is much more than advertising – it's all about creating connections between brand and customer that no

longer need middlemen like agencies or publishers. With the concept of marketing clusters emerging, companies can now take advantage of these digital connections and transfer our capabilities into customer value faster through shared services. While there will always be exceptions to this rule, I believe that most companies in this space are converging on similar services and capabilities that will enable them to engage their target audience in more meaningful ways.

Marketing clusters can be the easiest way for a company to gain efficiency in marketing efforts. By leveraging resources from multiple organizations, marketing clusters can help a company save time and money by spreading the work across various organizations. By bringing all of the organization's marketing efforts under one roof, there is more accountability and responsibility for a team tasked with driving results. Having all the groups working together also creates a more cohesive approach to marketing that can lead to better outcomes for the company and its customers.

Marketing Clusters emerge and grow from the economic possibility spaces of existing clusters in the network. Take the publishing industry, for example. Publishing clusters emerged in the early 2000s with the ability to produce and distribute books digitally. The economic possibility space of this cluster was created with the rise of the digital distribution of books, which then grew into a more collaborative ecosystem within publishing clusters by extending capabilities into customer value faster through shared services. Marketing clusters are not just limited to companies in an industry. There are many ways that marketing clusters can be established amongst different types of businesses within an industry.

Examples of Marketing Clusters Consumer Goods:

- Manufacturing companies share manufacturing capacity as part of their supply chain to reduce costs and increase efficiency -Distribution: Distribution companies share logistics and transportation as well as warehouse management systems to make sure their products get delivered on time and in full at the right place
- Retailers share sales data across all channels (online, offline, etc.) to provide a better overall experience for customers
- Fulfillment service providers share warehousing space or inventory management capabilities to ensure that products always get into the hands of customers on time and don't go out of stock too quickly

### *Going Deeper*

*Using Narrative Sales Inquiry to Research, Organize, and Present Customer Experiences Holistically in all its complexity and richness*



When selling to an organization, buyers are not faceless entities. They are people with specific challenges, needs, and expectations. What they need from your product or service is not the same as what another member of the organization needs. To target those specific buyer personas, you need to drill down into their experiences and patterns to offer them what they truly value in your offering—for example, selling office products to businesses.

It may not make sense for you to take an in-depth look at every business that uses your software or only talk to small-business users and ignore midsize companies with many employees who use it.

Customers within an industry have different needs than those outside of it, and these needs also change over time. And this is just scratching the surface of how buying experience plays out differently depending on the user type and company size.

**Highlight Critical Customer Events to Provide Customer Insights and Focus on Customer**

**Outcomes:** Companies need to segment their buyers based on their knowledge of them and their feelings to provide more customer insight. This is where narrative sales inquiry comes in. Narrative sales inquiry helps you understand what your buyer personas care about, their habits and patterns, what kind of person they are, and more. This information can help you focus on critical events at a certain time or even why a buyer made a particular decision that led to engagement with your offering.

For example, if you're selling software to companies, you would want to know when someone who has been using it for two years stops using it compared to someone who has used it for six months. You may also want to ask why someone stopped using the software before discovering what happened after the six-month mark.

**Identifying key Customer events and the details is a significant force in describing the**

**research:** What types of events should you look for when analyzing the customer event? For example, what are the key events in their experience that you're trying to understand more about? The answer to this question will depend on what is important to your buyer. Here are a few of the most common: - purchase decisions - sales processes - problems with products or services - opportunities for your product or service. The point here is to identify the key moments in their experience and then drill down into them. What were they thinking, feeling, and experiencing at these moments? What were the factors that contributed to their decision and actions? How did this change over time? What was important for them, and what features did they use first, etc.? Identifying key events helps you build out your story from an experiential perspective. It will help paint a picture of who they are and how they interact with your product or service.

**Narratives provide an organizational framework for viewing complexity:** This approach is powerful because it lets you see the customer experience fully. It provides a framework for thinking about the different types of customers, their needs and expectations, and how they differ. It helps you understand where your buyers fit within the larger market and how your offering can connect with them in ways that work for them. The power of narratives provides an organizational framework for viewing complexity. They break down silos, so it's easier to see how all customer experiences connect. You will gain a deeper understanding of your customers, their needs, limitations, and expectations, which will help you better tailor your offers to those specific personas.

**Narratives allow us to discover new meanings by assimilating experiences into a narrative schema:** This idea is what drives the narrative sales inquiry process. The process starts by creating a customer experience map and then determining the underlying patterns that lead to customer satisfaction or dissatisfaction. By doing so, you can pinpoint which customer types will most likely have a positive or negative experience with your offering. You can tailor your messaging, marketing campaigns, and sales processes accordingly. For example, suppose you know that small-business users tend to stay loyal to your product because they have less competition in their market. In that case, you can use this information to create targeted marketing campaigns focusing on small-business users who may not have heard of your product. You can also use this information to create a pricing strategy tailored toward small-business users.

## *Chapter 5: Customer Value Analysis: Why & How*

Customer value analysis is a strategic tool that can help you identify ways to increase customer value and, in the process, increase your profits. You can identify potential improvements by analyzing your customer's needs and the value they derive from your product or service. You can also develop a pricing strategy that meets or exceeds your customers' quality expectations. To maximize customer value, it is important to consider the following:

- How much does your product or service cost?
- What are the features and benefits of your product or service?
- How does your product or service compare to similar products or services?
- What do your customers say about your product or service?
- How well does your product or service meet your customers' needs?

Once you have completed your CVA analysis, you will have a clearer picture of how your customers value your products or services. You can use this information to price your products or services accordingly or adjust your marketing strategy to target your customer base's most valuable segments. Armed with this information, you will be in a better position to develop strategies for increasing the customer value of your offerings.

To increase customer value, you will need to focus on creating a unique selling proposition (USP). This can be done by focusing on your product or service's most important benefits to your target market. You will also need to ensure that your pricing is competitive and that your product or service is easy to use. Finally, you should focus on providing excellent customer service. Once your new strategies are in place, you will want to monitor customer value regularly to make sure it is increasing. There are a few ways to do this:

1. **Measuring customer satisfaction:** This is a great high-level metric that can show how your customers feel about their overall experience. Use surveys, social media monitoring, and customer service interactions to get this data.
2. **Looking at customer retention rates:** If you are retaining more customers, it's likely because they are happy with their experience and finding value in what you offer. You can track retention through lifetime value or churn rate metrics (more on these later).
3. **Checking purchase frequency and order values:** As your customers become loyal fans of your brand, they will buy from you more often and spend more each time. Look for increases in both of these measures over time to see if your new strategies have been successful.

You will also want to keep an eye on your competitors because they will undoubtedly respond to your changes.

**Track and Test Everything:** You will want to be sure that you track the changes you make to your website. You can do this by using Google Analytics or another analytics software. This will allow you to see how your changes affected your site traffic, conversion rate, and other metrics. If possible, test out different versions of your site to see which one performs better. A/B testing is a great way to compare how two similar versions of a web page perform against each other.

**Monitor Your Reviews on Google My Business:** If you have a brick-and-mortar business, then it's important to monitor the reviews left about your business on Google My Business. Google has made some recent changes where businesses with positive reviews will rank higher than those with negative reviews. So, if you have any bad reviews about your business, try to get them removed. You can also encourage customers who like your business and service to leave positive reviews by asking them directly or offering an incentive such as a coupon code or discount if they write a review about their experience with your business on Google My Business or another platform such as Yelp.

As you develop your marketing communications, be sure to highlight the value proposition that can be expected from each product line.

### *Analyzing Customer Discovery Interviews*

One of the key contributions of the theory of emergence is its emphasis on the importance of interactions between the lower-level elements of a system. In organizations, these lower-level elements are typically the individuals who make up the group or team. The emergence theory suggests that the interactions between these individuals are the key to understanding the group's behavior. The customer discovery interview aims to learn more about the customer's needs and how they currently meet them. You should also ask about their biggest challenges and how they would feel about potential solutions. Discovery Interviews are based on four principles:

1. Focus on the positive
2. Ask questions that foster discovery
3. Build on the strengths of individuals and groups
4. Create a safe and positive environment for exploration

The results of these interviews are then used to develop a picture of the system in its current

state and to generate a vision for the future.

**Making Sense of Complex Material:** When you collect interviews or conduct other sorts of field research, you are often presented with a lot of information — sometimes so much that you don't know where to begin. In this case, it is helpful to start by looking for patterns and groupings of data. When you look for patterns in the data, you need to ensure that you don't impose your biases on it. This is a common problem, especially when the people you collect data from have a different frame of reference than you do. If you impose your biases on the data, you will likely find what you expect. On the other hand, if you let the data speak for itself, you may be surprised at what you discover.

**Immersion into Customer Interview Transcripts and Notes:** After you have identified patterns in the data, you can then begin to look at the details — the words and phrases used in the interview. This is particularly important when the people you interviewed had their ways of describing the situation. To make this material your own, you need to spend time in the field with your customers and acquaintances, and you need to spend time with the interview transcript. You also need to have a way of taking notes that allows you to record your observations, your questions, and your reactions — all at the same time.

**Developing Concepts by Tagging and Categorizing Material:** After you have immersed yourself in the data and have a sense of the patterns and the words and phrases used, you can begin to look for connections between the ideas. To do this, you can organize the material on a wall or chart in several ways. Let's say you have made a list of the customer needs described in the interviews and found several themes in this material. You may want to draw a box around each theme and list the needs under each theme. Then, you can draw lines between the boxes, indicating that one theme connects to another. You can also draw a line between each box and the listed needs.

One way to brainstorm needs is to think about different themes in your life. For example, you may have needs related to your health, relationships, work, or personal growth. You may want to draw a box around each theme and list the needs under each theme. Then, you can draw lines between the boxes, indicating that one theme connects to another. You can also draw a line between each box and the listed needs. This will help you see how your needs are interconnected and fit into your life's different areas.

**Attributing Meaning to Customer Interviews:** As you establish connections between themes and needs, you may find that some connections don't make sense. If this is the case, ask yourself what is blocking the connection. This can help you to identify if you are blocking the connection due to trying to impose something. Maybe you are trying to force a connection that is not there,

or perhaps there is something else blocking the connection. Identifying the source of the blockage can help you find a way to establish the connection.

**Conceiving Customer Outcomes:** When you conceive customer outcomes, you are looking for the critical juncture points in the customer discovery process. These are the points in the process where the customer is likely to make a decision. When you sense these decision points, you can imagine customer outcomes that will lead the customer to the desired result. After you conceive customer outcomes, you imagine customers taking a journey leading them to the desired result. To do this, you have to be able to imagine the journey.

This means putting yourself in the customer's shoes and thinking about what they want or need to make the decision you want them to make. This can be difficult, but creating an effective customer journey is essential.

**Explaining Customer Outcomes:** Customer outcomes are the key to a successful customer discovery process. By understanding and aligning your interviews with customer outcomes, you can ensure that your research is effective and informative.

To ensure that your customer discovery process is successful, it is key to focus on customer outcomes. By understanding your customer's desired outcomes and aligning your interviews around those, you can ensure that your research will be effective in helping you achieve your business goals. This is because customer outcomes matter most to your customers, and by understanding them, you can better cater to their needs. Additionally, by keeping customer outcomes at the forefront of your research, you can avoid any potential problems that could arise from misunderstanding your customers' needs.

**Unraveling the Puzzle of Contradictory Statements:** This is particularly important when you are trying to communicate your solution to customers who may have a different frame of reference from your team. To effectively communicate your solution, you need to understand the customer's frame of reference and find a way to bridge the gap between your team's and the customer's understanding. Only then can you begin to communicate your solution to customers effectively. Without this understanding, it is easy for customers to become frustrated or even angered by what they see as a lack of clarity on your part.

One way to do this is to use analogy and metaphor to explain your solution in a way the customer can relate to. For example, if you're trying to sell a new type of car, you might say that it's "like a sports car, but with more space for families." An analogy or metaphor can make your solution more relatable and understandable for the customer, which can help increase sales.

**Charting Customer Trajectories and Trends:** As you continue to track and analyze customer data, you will be able to identify certain trajectories and trends. This information can be extremely helpful in creating targeted marketing and sales strategies. Additionally, understanding your customer base on a deeper level will allow you to serve their needs better. By assessing your data properly, you can make more informed decisions that will help your business grow.

**Tell The Customer Story and Make your Case:** The customer story is one of the most important tools in your sales arsenal. It allows you to connect personally with your prospect and articulate the value of your product or service in a relatable and persuasive way. When done well, the customer story can be a powerful tool for making the sale. To craft an effective customer story, you must focus on three key elements: the customer, the problem, and the solution. The customer is the protagonist of your story. Prospects must see themselves in the customer's shoes to connect with the story. The problem is the conflict that your customer faces. This is what your product or service is solving for. To communicate with the customer and create a lasting relationship, it is important for the customer to feel they can trust you and your product.

### *Going Deeper*

#### *How do you quantify customer service?*

Customer service is often seen as a "soft" skill, but it can be quantified in several ways. For example, customer satisfaction surveys can measure how happy customers are with their service. Complaint rates can measure how often customers are dissatisfied with their service. First, call resolution rates can measure how quickly and effectively customer service representatives resolve issues. Net Promoter Scores can measure how likely customers recommend a company to others. By tracking these metrics over time, companies can measure the effectiveness of their customer service efforts and make improvements where necessary.

You can do it in many ways, but one of the best ways is by measuring the improvement. This can be done in many ways depending on your company's needs. For example, you can measure the number of tickets closed, the time spent on them, and the time spent with each customer. You can also measure the satisfaction of your customers by tracking their activity on your website or through surveys. Overall, with proper tools and support, you can achieve amazing results with customer service metrics and reach your goals much faster!

**What is a customer needs analysis?** A customer needs analysis is a process that helps a company identify the needs of its customers and how its products or services can meet those needs. This analysis can help companies improve their products or services or create new ones.

A customer needs analysis is conducted by gathering information from multiple sources, including internal and external customer surveys, interviews, focus groups, and observations.

This information is used to create a list of customer needs and goals. Finally, products or services are evaluated based on how well they meet these needs and goals. By understanding customers' needs, companies can develop products or services that are both relevant and desirable to them. Furthermore, companies can improve their offerings by better understanding the features and functions that customers value most in their products or services.

**How can you create a customer-centric strategy?** You can take several steps to create a customer-centric strategy to help your business thrive. The first step is to understand your customers' needs and wants. Once you have a picture of your customer's needs, you can create a product or service that meets those needs and exceeds expectations. You can also provide helpful support and assistance to your customers if you want them to become repeat customers.

Another important aspect of the customer-centric strategy is to listen to your customers. Mistaking the tone of a conversation for intelligence is not something that any business should ever do, so make sure you're always hearing from your customers what they think about your product or service. By incorporating their feedback into the development process, you can create a better product that will ultimately lead to more satisfied customers.

Finally, remember that every customer is unique and may have different reasons for purchasing from you. By understanding each individual's needs and preferences, you can tailor your products and services to ensure they have the best experience possible while still receiving the best value. These steps can create a successful customer-centric strategy to help your business thrive.

**How can you improve customer experience?** It is pretty easy to improve customer experience; you have to listen to your customers and provide them with the best service possible. If you take care of your customers, they will take care of you. The customer experience can be improved in several ways.

1. Focus on creating a seamless customer journey\*
2. Ensure that customers are satisfied with their purchase.
3. Provide quality product or service that meets their needs and expectations.
4. Treat customers fairly and courteously throughout their experience with your company.
5. Listen to customer feedback
6. Take steps to improve the areas of the customer experience that are most important to them.



When crafting an experience, companies need to focus on the customer's entire experience, from the moment they first learn about your company to the post-purchase follow-up. Creating a consistent and positive experience at every touchpoint is essential to keeping customers happy and loyal. By following these steps, you can ensure that your customers have a positive experience with your company and are more likely to continue doing business with you in the future.

**How do you quantify customer experience?** Customer experience, or the quality of a company's interactions with its customers, can be defined in several ways. The most practical way to quantify customer experience is to use a numeric score out of 100. A high customer experience score means that the company's interactions with its customers are beneficial and worthwhile. A low customer experience score means the company's interactions with its customers are unsatisfactory and potentially harmful.

Numeric scores can be difficult to interpret and can sometimes lead to overly simplistic conclusions drawn from them. For example, suppose a company scores very high on all criteria considered important for customer experience (such as responsiveness and quality of service). In that case, the score may still not represent its overall quality relative to other companies in its industry. This is because it may have fewer satisfied customers than other companies, even though it enjoys high marks from those customers.

Another problem with numeric scores is that they can sometimes obscure more subtle tradeoffs and underlying complexities in a company's customer interactions. For example, suppose a company scores very high on all factors considered more important for customer experience (such as willingness to meet customer needs and provide support). In that case, it may also have lower scores on less important factors but is often still seen as desirable by customers (such as ease of use and design).

The advantage of using numeric scores is that they provide an easy way to quantify customer experience. They allow companies to quickly compare their performance against other companies in their industry and determine where they stand relative to them. Numeric scores also provide an objective foundation upon which more fine-grained analyses and discussions can be built.

**In what ways can you tap into customer motivation?** There are several ways you can tap into customer motivation, but one of the most effective ways is by understanding the behavior and needs of your customers. This deeper understanding of customer motivation can be gleaned through customer surveys, interviews, and other research methods. By knowing what motivates your customers, you can create products that are both relevant and compelling to

them. Additionally, you can better anticipate customer behavior and develop products that will meet their needs by understanding them more broadly.

**How can you use customer motivation to improve your business?** One of the best ways to improve your business is by understanding your customers' needs and desires. Listening and understanding your customers can develop a more personal connection, resulting in improved customer service and higher sales. Additionally, by taking the time to understand your customers' motivations, you can create more targeted marketing campaigns that can impact their overall happiness with your company. For example, if your customers are motivated by convenience, you can work to make your products more convenient. If you find that your customers are inspired by price, you can work to improve your pricing structure.

Another way to use customer motivation to improve your business is to create a more customer-centric culture within your organization. This can involve ensuring that your employees are properly trained in customer service and understand the importance of providing a positive customer experience. Making customer motivation a priority in your business can improve your bottom line and create a more loyal customer base.

## *Chapter 6: Assessing Customer Value and Developing Strategies*

### *Identifying Customer Value and Program Impact*

Capturing customer value is one thing. Finding ways to show that value in the marketplace is another. You can't rely on your customers to tell them they value your product or service. You have to be proactive in finding ways to demonstrate this value. When conducting outcome-based mapping studies, it is important to ask questions that can help you understand the customer value and impact of your program or service. Here are a few starting questions:

1. How do customers currently solve their problems?
2. What are their current options?
3. What are their needs?
4. How does your program or service meet their needs?

**How do you measure impact?** To effectively measure impact, aligning the questions being asked with the desired outcomes is important. In some cases, this may mean understanding the pre-existing data you can collect to measure changes in outcomes (i.e., before and after comparisons). In other cases, it may mean developing new ways of measuring impact that can be collected over time. Here are a few impact questions:

1. What is the impact of your program or service on customers and stakeholders?
2. What are their outcomes?
3. How does your program or service impact their lives?
4. What is the value of your program or service to customers?
5. How does your program or service improve their lives?

**Why does Measurement Matter?** Impact can be measured quantitatively or qualitatively. Quantitative measures are often preferred, but they may not always give a complete picture of what is happening on the ground. Qualitative methods, such as interviews and focus groups, can help fill in any gaps in the data by providing context and meaning around numbers and trends.

**What Are Outcomes?** An outcome refers to an observable and measurable event or change that results from a project or program activity; there The most important thing is to ensure that you have a clear plan for using data to improve your program or service. The following sections include some examples of measurement tools and tips for conducting outcome mapping studies

at different stages of development.

**Establishing Improvement Strategies:** Once you have identified and measured customer value and the impact of your program or service, you can start to identify areas where you can improve. Conduct a gap analysis to help you identify the areas where you can improve your product or service.

Examine your product or service from the perspective of your customer. What needs does it address? How well does it meet those needs? Make a list of your competitor's products or services. How do they compare to yours? Based on your customer's needs and your competitor's offerings, identify the areas where your product or service could be improved.

Prioritize the areas for improvement based on the potential impact on your customers and your business. Take a look at the outcomes your program or service is currently achieving and those you'd like to achieve. Compare those two lists to identify the gaps between them and strategize ways to close those gaps.

Capturing and maximizing customer value is a continuous process. It is not something that you can do once and then move on. It takes consistent effort and attention. To be successful, you must find ways to improve your product or service continually and how you deliver them. You also need to find ways to measure your progress and identify areas where you can improve. An outcome-based mapping study can be a helpful guide for conducting this type of analysis

A value ladder is a system you put in place to help your customers understand the different levels of value they can get from your product or service. The idea is that you start by offering your lowest-priced product or service, and then you gradually increase the value by adding features or offering more expensive options. This system is helpful for both you and your customers because it makes it easy for them to understand what they're getting and allows them to increase their investment in your product or service gradually.

There are a few key things to keep in mind when creating your value ladder:

1. Make sure that each ladder level is significantly better than the one below.
2. Clearly communicate the different levels of value to your customers.
3. Don't overwhelm your customers with too many choices.
4. Keep your value ladder updated as your business evolves.

Many people will mistakenly look at a value ladder as a purchase funnel. However, done correctly, it is a twofold process; Create value for the customer and create valuable customers

for the organization. You do this initially through a process called value modeling. Value Modeling is a tool that can be used to help build a value ladder. It is a more in-depth tool that quantifies the value of your product or service by breaking it down into specific components.

1. Identify the different value propositions of your product or service and how they compare to the competition.
2. Outlines the cost of providing each value proposition and the potential revenue it could generate.
3. Help decide pricing, marketing, and sales strategies.
4. Track the performance of your product or service and see how it changes over time.

The value ladder and value model are essential tools for any business. They can help you understand the value of your product or service and how to best market and sell it to customers.

Creating value for the customer means understanding what the customer wants and needs and delivering products or services that exceed those expectations. It also means developing a relationship of trust and respect with the customer. Creating valuable customers for the organization means identifying customers who are profitable and loyal and finding ways to grow that profitability and loyalty. It also means engaging customers in ways that encourage them to refer others to the organization.

Always keep the customer's problem at the forefront of your mind when creating your products and services. It's the key to providing value and building customer relationships.

### ***Creating and Using a Relational Customer Map for Enhancing Relationships and Resources***

Creating and using a customer map is an excellent way to achieve the best customer experience. A customer map represents all your customers, their needs, their boundary partners, and how they interact with your business. When you create a customer map, you can identify the different types of people who use your company's services; determine how these people are connected, and discover their needs and motivations. Doing so allows you to design strategies that meet those needs directly, thereby improving their experience and strengthening your organization from an operational standpoint. Creating and using a relational customer mapping tool is one of the most effective ways to manage cross-sell and up-sell opportunities.

A relational customer map is similar to an affinity diagram or a cluster analysis. It's an analytical tool that visually maps customer relationships based on shared characteristics,

interests, or needs. The purpose of a relational customer map is to focus your thinking on how all your customers and their boundary partners are related and how you might better leverage those connections for mutual gain. Be more intentional in engaging with your customers' ecosystem for learning and reflection. Create and Use a Relational Customer map for enhancing relationships and resources. The map will assist in being more relevant, responsive, and resilient with your customers.

How to create a relational customer map? A relational customer map is created by listing all your customers and their boundary partners. Next, list the attributes or characteristics that describe each person or entity. Finally, you draw a visual diagram showing the relationships between the customers and their boundary partners based on the shared characteristics.

### **Steps to Creating and Using a relational Customer Map:**

1. Identify the customers you currently serve.
2. Identify the customers' boundary partners.
3. List the attributes or characteristics that describe each customer or boundary partner.
4. Create a title for the diagram and draw a visual diagram showing the relationships between the customers and their boundary partners based on the shared characteristics.

**Identifying Which Relationships Are the Most Relevant:** Once you have collected customer/boundary partner data, you can group the data into clusters of customers and boundary partners with similar characteristics. Use these clusters to identify the most relevant relationships for your business. First, group the data into logical clusters of customers and boundary partners. Then, identify the clusters that:

- May have unmet needs you can address, which may lead to cross-sell or up-sell opportunities.
- Have the greatest potential for mutually beneficial collaboration.
- Represent the highest-value customers.

**Identifying Relationships Between Customers and Boundary Partners:** Once you have identified the most relevant clusters, identify the relationships between customers and boundary partners in each cluster. - List the relationships between customers and boundary partners in each cluster, such as common interests, complementary products or services, common goals, or similar needs. - Once you have listed the types of relationships in each cluster, choose the two or three types of relationships that best describe the clusters.

**Creating Strategies Based on Relevant Relationships:** Once you have identified the relevant

relationships in each cluster, use the relationships as a basis for creating strategies that meet the needs of your customers or their boundary partners.

1. Decide what needs the relationships represent.
2. Brainstorm ideas and opportunities for meeting those needs.
3. Select the ideas with the highest potential and generate the greatest value.

**Relevant:** Build strategic alliances through customer connections to be more effective: When you have identified the most relevant relationships, you can build strategic partnerships through customer connections to be more effective.

- Identify the needs that the relationships represent.
- Brainstorm ideas and opportunities for meeting those needs.
- Select the ideas with the highest potential and generate the greatest value.

**Responsive:** Be responsive and participate with customers in their problems, including the unexpected and unplanned: When you have identified the relevant relationships, you can be responsive and participate with customers in their problems, including the unexpected and spontaneous. - First, identify the needs that the relationships represent. - Next, brainstorm ideas and opportunities for meeting those needs. - Finally, select the ideas with the highest potential and generate the greatest value.

**Resilient:** When the unexpected occurs, tap your relationships within the ecosystem to regroup, recover, reorient, and reenergize: When the unexpected happens, tap your relationships within the ecosystem to regroup, recover, reorient, and re-energize. - First, identify the needs the relationships represent.- Next, brainstorm ideas and opportunities for meeting those needs. - Finally, select the ideas with the highest potential and generate the greatest value.

Using your relational mapping tool to enhance relationships and resources: Finally, when you use your relational mapping tool to strengthen relationships and resources, you will find that it's a valuable tool for managing to cross-sell and up-sell opportunities. It's an excellent way to keep your organization focused on serving customers, supporting their needs, and leveraging their relationships for mutual gain.

### *Going Deeper*

#### *How Does a Branding Strategy Create Value for Your Brand?*

Brand identity is the backbone of any company's marketing efforts. Your brand identity should resonate with your target market, making them feel connected and welcome to your company. Your brand identity should also be unique and different from what other companies in your

industry are doing. A branding strategy aims to define a business's values, personality, and uniqueness by using the four P's: persona, positioning, personality, and promises.

A branding strategy creates an emotional connection with others because it creates more than just a name; it creates an image, a story, and an experience which is why they can charge more for their services or products without compromising on quality. This can help you charge for your services or products at a higher price point because people will feel like they are getting more value for their money. Defining your Brand is one of the most important steps to ensure your business succeeds. When you build a brand, you are positioning your business in the marketplace and communicating your value proposition to your target audience. A value proposition is a key to bringing customers to your Brand. What do you do, and how do you do it better than the competition? Your value proposition is the reason customers choose you over your competitors.

**What is a Branding Strategy?** A branding strategy is a documented plan that outlines your goals for your Brand, your target audience, and how you will communicate your Brand to them. A branding strategy ensures that everyone on your team knows who you are as a brand and how you want to be perceived by others. It is recommended to create a branding strategy before designing your visual Brand. Why? A branding strategy will help you make the right decisions regarding marketing, such as what your visual brand identity will be. It will also help you avoid costly mistakes, like choosing the wrong fonts, colors, or logo designs. A branding strategy is the foundation of your visual Brand and the document that will be referred to the most. It is often referred to as the company's "blueprint."

**How do Company values affect the Brand?** Company values such as customer service, quality products, sustainability, or innovation can work in your favor when building your visual Brand. For example, if you are environmentally friendly, this will impact your visual Brand by making a visual connection between your logo and the environment. If you choose the right color palette or fonts for your visual brand identity, you can use these to represent your values or make a visual connection with your company values. You could use green in your logo or brand identity if you are an environmentally friendly company. Green communicates growth, nature, earth, and health, all values of being environmentally friendly. If you were to use green as your primary color, it would connect visually with your values and work as your primary branding color.

**How Does a Branding Strategy Affect Your Company?** A branding strategy will help your company to differentiate itself from the competition. By setting yourself apart from other brands, you create a unique identity that makes it easier for your customers to recognize your Brand. With branding, you can also make your customers feel a sense of belonging and



connection with your Brand. They will feel engaged with your Brand and are more likely to trust and purchase from you. Your visual brand identity will also have an impact on the success of your business. The colors, fonts, and other design elements in your visual brand identity can affect how people feel about your product or service. A branding strategy also helps your company stay consistent, making it easier for customers to recognize your Brand and connect with what you offer. With a branding strategy, you can avoid the risk of making significant design changes that could confuse your customers and hurt your Brand.

**Define your Brand's target audience:** A branding strategy will help you get to know your target audience to tailor your brand identity to them. A branding strategy is a great place to start getting to know your target audience by asking questions such as

- Who are they?
- What are they interested in?
- What are their lifestyles?
- What are their goals?
- How do they spend their time?
- How do they make money?
- What are their values?
- What are their pain points?
- What do they value?
- What do they spend their money on?
- What would they like to see more of?
- What would they like to see less of?
- What are their hobbies?
- What are their problems?
- What are their fears?
- What are their dreams?

Having a clear understanding of your target audience will help you create a unique brand that resonates with them. It will also help you make better decisions regarding your Brand's design elements and marketing strategy.

**Define your Brand's Value proposition:** A branding strategy will help you to define your Brand's value proposition or what makes your company different from the competition. The best way to do this is to list the problems or pain points your target audience is dealing with. Next, list out possible solutions to those pain points. Finally, select the solution your company can provide that is better than the competition. To do this, you will need to know what your

competitors are doing. Research their marketing strategies and see what they are doing that appeals to their target audience. Once you know what appeals to your target audience and what does not, you can create a value proposition that appeals to your target audience and sets you apart from the competition.

**Define your Brand's visual identity:** A visual identity is how you want people to perceive your Brand. It is essentially how you want your Brand to be visually portrayed to the world. A branding strategy allows you to decide what colors, fonts, and designs will be used in your visual identity. It is important to consider each visual element's message to your target audience. For example, if you want to use red in your visual identity, you need to ask yourself what red means. Red is a very powerful color that can be associated with many things. Depending on the context, it can be seen as sexual, bold, aggressive, energetic, passionate, lively, attention-grabbing, hot, or exciting. Therefore, when you use red in your visual identity, you want to ensure it sends these messages to your target audience.

Visual identity examples: Let's take a look at some famous brands and how they are visually representing their company. You will notice that each company has its own unique visual identity. Apple - Apple is a tech company that has branded its visual identity with clean, minimalist designs and bright colors. This visual identity makes Apple's products and packaging stand out from the competition. Disney - Disney has a visual identity heavily influenced by magic, childhood, and nostalgia. This visual identity makes Disney's Brand very memorable and recognizable. Google - Google's visual identity is clean and simplistic, focusing on the use of color. This visual identity makes Google's Brand recognizable and allows the company to use various colors. Branding is all about creating a memorable experience for your customers. A great way to do this is to use color, fonts, and imagery that ties back to your Brand's values and benefits.

Branding is about creating a memorable experience for your customers, making them feel connected to your company and Brand. A branding strategy will help you create a unique identity that is memorable and stands out from the competition. A branding strategy allows you to define your company's values, target audience, and visual identity so that you can tailor your Brand to each audience and set your Brand apart from the competition.

## *Chapter 7: Marketing Communication: Strategies and Assumptions*

### *Customer Engagement Planning Worksheet for Sales and Marketing*

How can you make your company's customer experience more delightful? How do you engage customers to turn them into loyal advocates? Engagement is vital to any organization that wants to grow its business. After all, how can you make customers feel special if they don't know why they should care about your brand or service? You need to create a strategy that connects the dots of your customer experience and makes it seamless for the end user. Creating a Customer Engagement Plan (CEP) is one of the most important activities in a company's growth strategy. In this blog post, we explain why and how you should create an Engagement Plan to increase customer loyalty and grow your business, as well as offer an example of how we do it at The Customer Collective.

**Purpose or goal of the customer engagement activity:** The purpose of the customer engagement activity will vary depending on your company's needs. For example, when consulting at a marketing agency, the main goal was to increase client retention and improve customer satisfaction. Gathering a group of stakeholders is one of the first steps in creating a CEP because it will help create an interesting, interactive process. You want to gather key decision-makers from across departments, including sales, marketing, and customer service.

This group will help guide you through the rest of the process and provide insight into how to achieve your goal(s) best. Identify and prioritizes metrics for success. This is also important. If you have an objective that is not measurable (like customer satisfaction), you will need to find other ways to measure your goals or determine whether they are reaching their desired outcomes. At The Customer Collective, we use an analytics tool called Optimizely, which helps us track conversion rates by traffic source type and acquisition channel, such as social media or search engine optimization (SEO). We then use this information to determine whether our campaigns are successful based on our CTR, sign-up rate, and revenue per visitor.

**What are the customer roles that will participate?** The first thing you should do is create a CEP with all of your customer's roles. A customer roles plan is an important document that helps to define the different "roles" that customers play in your organization. These can be your internal and external partners, sales reps, marketers, analysts, or even users of your company's services or products. The role that each person plays will contribute to the overall customer experience.

**What is the desired level of participation of the customer?** A customer engagement plan

should be based on your desired level of participation. This means that your CEP should be about the company and the customer. When you think about how much control you want to take over the relationship, it is important to clarify this distinction. To succeed with a CEP, it is important to have a firm grasp on what you want from the customer and what they are willing to give. Ideally, you would aim for 100 percent participation in your engagement plan, which may be difficult as some people will not be comfortable with certain aspects of their personal information being shared online or offline.

**What will be your method of customer engagement?** Your method of customer engagement will depend on your business and the goals you have for it. For example, if you're a local pizza delivery service, engagement may be as simple as taking pictures of your food and sending them to customers through a social media account. But if you're in the software sales industry, engagement might involve getting feedback from prospects before they buy. Your CEP should include tactics that are tailored to your business. For example, certain tactics may work well for a restaurant—like hosting Instagram contests—while other tactics would make more sense for an accounting firm or construction company. Your Engagement Plan should also include objectives that link back to your goals. Once you have completed this step, you will see how each tactic contributes to your strategy's overall success and what else needs to happen for it to succeed.

**How will they benefit from being involved?** As your company's CEP gains traction, you will gain more customer loyalty, which means that you will have more people willing to advocate for your business. For example, if you were to implement an Engagement Plan at your company and increase customer loyalty by 100 percent, those customers would be engaged enough to tell ten others about their experience. If each of those ten people tells two other people about the company, society has already been impressed enough with this customer engagement strategy that they could increase sales by a factor of 2. To create an Engagement Plan:

1. Gather detail on what a typical customer experience is like for every customer who comes through your doors
2. Create a plan to reduce friction in these interactions
3. Measure customer engagement to make sure it's moving in the right direction
4. Optimize for conversions
5. Support the individuals in your company who need help implementing new ideas
6. Reward employees for their contributions

**What will be the method of evaluation?** To create an effective engagement plan, you will need a method of evaluating how your efforts are going. For example, we use customer surveys in The Customer Collective Engagement Plan. We ask customers what they think of their

experience and what they'd like to see the company improve. We also include qualitative data in our Plan, such as interviews with employees who have talked with customers about their experiences. Once you have a method of evaluation and a process in place, it's time to start! Take some time to prepare some questions for your engagement plan. These will be the building blocks that help you create your first draft. You can also reach out to customers or employees and have them share feedback on how the company could improve its experience. Once you have gathered feedback from your users—including some from outside sources—you should develop ideas for enhancing your company's customer experience. From there, start drafting a vision for what you want your company to become by the end of 2018, and then create action items so that you can achieve that goal

**What measures or indicators will be used?** The first step in creating a Customer Engagement Plan is to determine the measures that will be used. These should cover all aspects of your business, from operations to marketing and sales. You will want to create a formula for these indicators and define how you will use them. For example, suppose you are a company that sells makeup. In that case, you might include the number of visitors visiting the website daily, the total return on investment (ROI), and social media engagement metrics like likes, shares, and posts. Once these measures have been identified and calculated, you can create an engagement score for each measure. This score will be based on how many users or customers complete that task and how long they spend doing it. Then by averaging those scores across all measures over time, you can create an overall engagement score that determines how engaged your customers are with your brand. Take a break from the intensity of Chapter 6 by retelling it through an example to make it memorable and contextual.

**How do you Assess Brand Awareness and Perception?** Given that thousands of brands are out there, it is almost impossible to effectively assess brand awareness and perception unless you have a large sample size and access to legitimate resources. The best way to evaluate brand awareness and perception is to conduct an influencer campaign targeting relevant audiences. A typical influencer campaign can be broken down into three main components:

1. **Assessment:** Identify the relevant target audiences that you are targeting with your influencer campaign.
2. **Creation:** Create an action plan that details which influencers you will approach and how you will pitch them.
3. **Execution:** Follow the action plan and engage with the influencers in a relevant and engaging fashion.

**How do you Assess Customer Value?** To assess customer value, you need to find out what the customer wants and provide it at the best possible price. While it is true that you should always

try to give the best value for money, you also need to remember that you are in business to make a profit. So, if you can provide the customer with something more valuable than what they are asking for, then do so. This will show that you understand their needs and are prepared to give them the best possible service.

**How do you Define Your Audience Strategy?** A customer's or viewer's unique intelligence that each individual brings to the table. We define our audience by understanding their unique needs and wants and combining it with the power of collective intelligence. Our customer intelligence team then uses this knowledge to develop targeted, highly relevant campaigns that ultimately connect with potential customers on their terms in their preferred environment, driving them to purchase.

This ensures that our campaigns are relevant to individuals, specific to their interests and needs, and precise in their messaging. The result is an increased conversion rate and more engagement with our campaigns than any other media channel.

**How do you Create a Marketing Strategy for Each Product Line?** A marketing strategy for each product line is unique because the needs of each product line are different. The steps for developing a marketing strategy for each product line are as follows:

1. Identify the target market for the product.
2. Develop a marketing messaging strategy for the product.
3. Develop marketing tactics for the product that appeals to the target market, such as advertising, packaging, and sales promotions.
4. Track and measure the results of the marketing tactics for the product.
5. Refine and update the marketing strategy as necessary based on results from step 4 and adjustments to the product's price or promotion schedule as needed.

**How do you Develop a Brand Awareness Strategy for Each Product Line?** There are a number of ways to develop a brand awareness strategy for each product line. One of the most common ways to establish a brand awareness strategy for each product line is to focus on building and improving your company's reputation. By developing and maintaining a positive reputation with customers, you can help build brand recognition, leading to improved sales and market share. A strong brand awareness strategy can also help drive demand for your products by driving awareness and interest among potential buyers.

**Define Your Target Audience:** Another important step in developing a brand awareness strategy for each product line is to define your target audience. With this information, you can craft relevant marketing campaigns targeting the right audience with the right message at the

right time. Targeting your campaign correctly will ensure that your efforts will likely reach your target audience and result in maximum impact.

**Choose Engaging Campaigns That Are Targeted Specifically Toward Your Target Audience:**

Your marketing efforts must focus on your target audience if you want them to be engaging and memorable. Targeted advertising campaigns can be designed specifically to appeal to your target group's interests and concerns, providing an excellent way to build brand recognition and increase engagement among potential buyers.

**How do you Develop a Lead Generation Strategy for Each Product Line?** You can develop a lead generation strategy for each product line in several ways. One approach is to assess the goals for the product line and translate them into marketing objectives. For example, if your goal is to increase brand awareness, you may develop an advertising campaign to drive awareness and engagement. Another approach is identifying potential leads from relevant sources, such as socio-demographic or customer base data. After you have leads, you can use marketing tactics such as email marketing, social media marketing, and content marketing to promote the product line and drive leads to your sales team.

**How do you Develop an Advertising Strategy for Each Product Line?** There are various ways to develop an advertising strategy for each product line, depending on your company's needs and particular product characteristics. To begin with, one approach understands your target customer and the product's unique selling points (USPs). Then, develop an appropriate advertising campaign based on these insights, considering budget constraints and other factors.

Another approach is to target specific categories or segments within the target market based on your company's marketing objectives and targeting criteria. Then, develop an advertising campaign specifically geared toward these groups. Eventually, however, you will want to hone in on a particular advertising strategy for each product line" specifically designed to generate maximum results with minimum effort.

One way to do this is to conduct A/B testing. This controlled experiment allows you to test two versions of an advertisement side-by-side, with one version being more effective than the other. If you uncover which version generates more positive results, you can implement it across all your advertising campaigns for that product line.

**How do you Create a Content Marketing Strategy for Each Product Line?** Several variables will dictate how to create a content marketing strategy for each product line, but the following tips should help you get started.

1. Know your target audience: If you don't clearly understand your target audience, you will likely end up with a generic strategy that does not resonate with your audience.
2. Create relevant and useful content: Whatever the content is, it needs to be relevant and useful to your target audience. This will not only make them more likely to share it, but it will also improve the quality of their experience when they do.
3. Build your audience over time: Once you have created initial traction with your content, you need to continue building your audience by regularly publishing new and exciting content. This will give them a reason to stay engaged throughout the life of your campaign.
4. Measure your results: Measurement is one of the most important aspects of any content marketing strategy. You need to understand exactly how many people engage with your content and its impact on their journey toward conversion.

**How do you Measure the Success of Your Strategies?** It is not easy to define the success of a project or a strategy, but if we take the time to reflect on the event, we can find several indicators of success. According to a McKinsey Global Institute study, 80% of project failures are due to unclear goals, poor planning, and failure to adequately assess projects' costs and benefits. One way to mitigate the risk of failure is to have clear goals and milestones that the team is working towards.

Apart from large-scale projects, there are many instances where smaller teams can achieve significant results. For example, in 2015, Cambridge Judge Insurance Group (CJIG) introduced five simple tools that enabled clients to utilize their quotas effectively. It also allowed employees more autonomy and control over their workday. The result was that team members were more engaged and satisfied with their jobs.



## *Chapter 8: Pricing, Strategies & Assumptions*

*Value-Based pricing requires focus and research on what matters to customers.*

Value-based pricing is a pricing strategy that involves setting prices based on the perceived value of a product or service to customers. Implementing value-based pricing requires focus and research on what matters to customers and what they are willing to pay for. It is important to consider how customers perceive value and to align prices with their perceptions. Value-based pricing can increase sales and profit margins when done correctly.

If you understand your customer well enough, Value-based pricing is not as challenging as someone might think. You need to know what combination of benefits and values your customer will pay for. Once you clearly understand this, you can start breaking down the price points for each benefit or value. Here's an example: Let's say a customer places high value on convenience and speed but low on customization. For this customer, you may consider offering a price point that includes all the benefits they are looking for, such as free shipping and delivery within 24 hours. On the other hand, if a customer places a high value on customization and a low value on convenience, you may want to offer them a lower price point that allows them to choose their shipping options and delivery times.

**Follow these steps to get started with value-based pricing:** If you're interested in implementing value-based pricing for your business, there are a few steps you will need to take. First, you will need to assess the value of your products and services. This can be done by looking at the perceived value to your customers and also by looking at the cost to produce and deliver your goods or services. Once you understand the value of your products and services, you will need to set prices that reflect that value. You will also need to be prepared to explain your pricing to customers and answer any questions they may have. Finally, you will need to monitor your results and adjust as needed. By following these steps, you can get started with value-based pricing and begin reaping the benefits.

The most common mistakes when implementing value-based pricing are as follows:

1. Not knowing your customer base or target market.
2. Not understanding what drives value for your customers.
3. Overlooking the importance of perceived value.
4. Not aligning your pricing strategy with your overall business strategy.
5. Failing to monitor and adjust your prices in response to market or business changes.

In Value-Based Pricing, it is best to focus on customer wants versus needs. This is because

customers are more willing to pay for something they want than they need. Businesses can charge higher prices and maintain customers by focusing on customer wants.

**A question of value - customer value mapping versus economic value modeling:** There is much debate in the business world as to which method is more effective for determining customer value: customer value mapping or economic value modeling. Each has its strengths and weaknesses, so it is important to understand both methods before deciding which to use.

Customer value mapping is a qualitative approach that looks at the perceived value of a product or service from the customer's perspective. This method can be very useful for understanding how customers feel about a company's offerings. However, it can be challenging to quantify the results of customer value mapping, making it difficult to compare different products or services.

Economic value modeling is a quantitative approach that uses financial data to calculate a product's or service's monetary value. This method can be more challenging to understand than customer value mapping, but it can provide more concrete results that can be compared and contrasted.

### ***Market-Value Pricing – Charge What Your Product is Worth***

Charging what your product is worth is one of the most important factors in increasing sales. If you're not pricing your products at a rate that reflects their value and what they can offer customers, you're missing out on an excellent opportunity to increase sales. Accurate pricing of your products is especially important in today's market, where many options are available. Customers have become accustomed to getting whatever they want at the click of a button, which means it's more complicated than ever for new businesses to break through with new products. However, it doesn't have to be as challenging as that.

**What is Market-Value Pricing?** Market-Value Pricing is a pricing strategy where you charge the market value of your product. The term "market-value pricing" refers to charging the price customers are willing to pay for an item. This can happen in various ways, but the most common is the prices of similar items. When you use this pricing strategy, you will compete with other products in your industry and their prices. This lets you put your product in a better position than similar items.

**Find out what your products are worth:** The first step in accurately pricing your products is to determine their worth. You've probably heard the phrase, "you get what you pay for," but that doesn't necessarily mean you have to charge a premium price for your product. If your product

offers something people want, and you offer it at the right price, then people will be willing to buy. If you don't know how much your products are worth, there are ways of finding out. The two methods include asking customers and conducting market research. If you ask your customers how much they would be willing to pay for your product, use what they say as a guidepost for pricing.

1. It's best to start by asking customers on social media or through surveys, both of which can be found online or around town. However, market research might be a better option if you choose not to ask customers how much they're willing to pay for your product.
2. To conduct market research (also known as competitive analysis), you need to locate competitors selling similar products in a similar market. Next, take notes on everything the competitors do when pricing their products and compare those things with what you're currently doing with your business. This will give you some insight into what customers find appealing about each competitor's offering and help ensure that yours is competitive in both features and cost while still being affordable.

**Use a pricing tool or service:** Pricing your products accurately is also important because you have a lot of competition. There are so many options for customers and businesses who want to sell their products, which means there has never been more pressure on businesses to be price competitive. If you're struggling with pricing your products, you should use a pricing tool or service. This is the easiest way to ensure that your prices reflect what they should be worth and what they can offer customers. These tools will help you determine the right price for your business without all the stress and guesswork.

**Set an initial price and stick to it:** One of the most important things you can do before pricing your products is to set an initial price. This allows you to test the market and see how customers respond to your product. If, for example, you launch a new product that sells out in a few hours, then you might need to adjust your pricing to reflect demand. If not, this is excellent news – it means people were willing to pay what your product was worth! Setting an initial price also helps you avoid overcharging or undercharging your product. If you're charging too little for the value of your product, then people will be turned off; if you charge too much for the value of your product, then people will be turned off as well.

**Understand your competitors' prices:** Before setting your price, you need to know what your competitors charge for their products. This helps you find out how much more or less you need to charge to be profitable. If your competitor charges \$100 for a service and you're selling it for \$150, you can start charging \$200.

**Establish your price point:** First, you need to establish your price point. What do you want to charge for your products? That's a personal decision and one that should be made based on your experience with similar products. But how can you make sure the price is accurate? The best way to do that is by using market-value pricing calculations. If you're unfamiliar with this process, it makes calculating a fair price quick and easy. There are two ways to go about doing this calculation. The first method is simple: just set a minimum and maximum price range at which you want to offer your product.

If the price falls within these two ranges, then it's accurate. The other way is more complex and involves what we will call "demand curve analysis," or DCA for short. This method gives you a great snapshot of what consumers will pay for your product in relation to its value and will help determine whether or not charging more than market-value pricing is worth it for your business. We recommend starting with simple market-value pricing calculations before diving into DCA if you don't know what consumers are willing to pay for your product in relation to its value. After establishing your price point, use DCA when necessary to get a more accurate insight into what consumers are willing to pay for your product in relation to its value.

**Don't be afraid to change your prices over time:** When you first launch your business, you must establish a pricing strategy reflecting your product's value. But what happens when customers become accustomed to getting whatever they want at the click of a button? You might find yourself with a lot of competition. To stand out from this competition, you need to be willing and able to change your prices over time. You'll be able to do so by studying other businesses in the industry and understanding that price is a critical factor in customer loyalty. This will allow you to identify the market-value pricing for your products and charge accordingly. If you decide that a price change would help your business thrive and increase sales, consider implementing it! If not, then stick with what currently works for you.

**Keep in mind when deciding on your new price:** Before deciding how much your new product should cost, it's important to consider what you're trying to achieve with your business.

- Are you looking to increase profits?
- Are you looking to attract new customers?
- What is the value of the product?

A competitively priced product in demand will help if you're looking for more profits. Tapping into an underserved market with a high-profit margin could be profitable for your business. New customers are harder to find than ever before, but if your product is something people need or want, investing in marketing can boost new customers. If you wish to have even more customers, then pricing your products according to their value can also help. This is because

these products will be cheaper than similar products on the market, and many people will choose them over the more expensive option from competing companies.

### *Charge What You're Worth and Get What You Charge*

If you want to be successful in business, you need to charge what you're worth and get what you charge. That means setting your prices based on your value, not on what you think the market will bear. It also means being clear about what you're offering, and its worth so that potential clients understand your value and are willing to pay for it. When you charge what you're worth and get what you charge, you're making a statement about the quality of your work and the importance of your services. You're also sending a message that you're not going to accept less than what you're worth. When you do this, you attract clients who are willing to pay for quality and appreciate your services.

Value-Based Pricing and Selling require establishing strong, differentiated value from the customer's point of view. This is often described through a mapping process. The importance of this cannot be overstated. It is the foundation for everything that follows in terms of price and value-based selling.

The process of mapping customer value involves understanding the customer's desired outcomes and then determining how your product or service can help them achieve those outcomes. This can be done through various methods, such as interviews, surveys, focus groups, etc. Once you understand the customer's desired outcomes, you can begin mapping out how your product or service can help them achieve those outcomes.

The steps to building a shared understanding with the customer are discovery, selecting, quantifying, and sharing value. The first step is to discover what the customer wants. This can be done through interviews, surveys, and other research methods. The second step is to select the right solution for the customer. This may involve testing different solutions to determine which works best for the customer. The third step is to quantify the value of the solution. This can be done by calculating the cost savings, increased efficiency, or other benefits of the solution. The fourth and final step is to share the value with the customer. This can be done through presentations, case studies, and other means of communication.

Value quantification determines the value to a customer of a product, service, or other offerings. The process begins with an understanding of the customer's needs and requirements. Once these are understood, the offering's benefits are identified and quantified. Finally, a cost-benefit analysis is performed to determine the overall value to the customer.

The value quantification process can be used to assess the value of both new and existing offerings. It is a powerful tool for evaluating proposed changes to an offering and assessing the impact of competition on a current offering. Value quantification can also be used to support pricing decisions by quantifying.

Value quantification can be a competitive advantage for demonstrating value to your customer by providing them with a clear and concise understanding of the benefits they will receive from your product or service. By outlining your company's value, you can help instill confidence in your potential customers and show them that you are the best option for their needs. Additionally, providing value quantifications can help build trust between your customers, as they will see that you are transparent about your company's offerings.

Once you have mapped out the customer value, you can determine the price points most appropriate for your product or service. This process should take into account the perceived value of your product or service, as well as the competition. You will also want to consider your business's most profitable price points.

Value-based pricing and selling are powerful tools that can help you increase sales and profits. However, it is important to remember that it all starts with understanding the customer's desired outcomes. Without this foundation, it won't be easy to price your product or service appropriately and sell it effectively.

Value-Based Pricing and Selling are built on understanding what the customer values. This can be accomplished through market research, customer interviews, and surveys. Once the customer's needs and wants are understood, the company can begin to build a pricing strategy that meets the customer's needs. Value-Based Pricing and Selling also require a company to understand its costs strongly. This cost analysis must include all product or service aspects, from raw materials to labor to shipping and handling. With this information, the company can establish a fair price for its product or service that meets the needs of both the customer and the company.

### *It's Not the Economy*

The economy may fluctuate, but people's lifestyles and preferences don't change. People will often pay extra for what they want, regardless of the state of the economy. In tough economic times, mid-priced products and services - those of average value - are often lost. Low-priced, low-value alternatives and high-priced, high-value options tend to thrive.

It's not the intent to make light of trying circumstances. Instead, the goal is to provide all who

are experiencing economic downturns whenever they may hit with the tools to minimize their impact on your business and your customers without lowering prices. If you want to send a positive statement to the market, raise or hold your prices when all others are lowering theirs.

**Some Businesses will thrive in any economy while others suffer:** When you're in a business, you're either growing or dying. The economy does not affect that. If a business is not growing, it's dying. The economy is a reflection of the conditions in a society. It's an indication of the overall health of people and the country. Your business's health depends on how you're serving your customers, not on the health of their community. When you have a good product or service, it does not matter what the economy is like because people buy necessities when they have to, regardless of the economy. If a product or service is important to the people who buy it, they will pay for it, no matter what the economy is like. The trick is to make your product or service more important to your customers than their other alternatives.

**Understand your loyal customers better:** People will pay extra for what they want: A big part of any marketing strategy is understanding who your current customers are and what makes their lifestyle so important to them. Then it would help if you used that understanding to attract new customers who are similar to those who are loyal to your brand. For example, if you know that your loyal customers are more interested in convenience than in cost savings, don't lower your prices and thereby forfeit the convenience advantage you have over lower-priced alternatives. Instead, consider ways to bundle or unbundle your product or service offerings to maintain your perceived value without sacrificing price. Suppose you know that your loyal customers are willing to pay more because they see value in your products and services that they can't get from less expensive alternatives. In that case, you can send a positive message to the market by not lowering your prices in the face of economic downturns.

**Look at Bundling or unbundling product and service offerings:** Bundling can add perceived value by giving customers more for their money. This can be done strategically to increase your perceived value and help you maintain or increase your prices. If customers are price-sensitive, consider offering a lower price without the bundled option. In the long run, this will help you retain or gain loyal customers by making your product or service offering more attractive. Unbundling is the process of providing only lower-priced options without the higher-priced bundle. It's often done when production costs or supply-chain issues make a previously offered product or service less profitable. When you're faced with the need to unbundle one or more of your products or services, you have an opportunity to make cost savings and use them to enhance your value in other areas.

**Don't lower prices to match the competition:** This is a terrible idea. You will send an unmistakable message that you can't compete with your existing customers on value. You'd be

encouraging prospective customers to go to your competitors for their purchases by sending a clear signal that you're trying to match their lower prices rather than adding more value to your product or service offerings. This is a surefire way to lose market share and make your business less profitable overall. The easiest way to lose your reputation for being a trusted brand is to respond in a knee-jerk fashion when your competitors lower their prices. You might get some immediate sales, but in the long run, you will be shooting yourself in the foot.

**If you must lower prices, get buyer concessions:** If you must lower your prices to remain profitable, consider getting concessions from your customers. For example, you might offer to extend the warranty length or offer a discount on servicing their products or a free training session on how to use them. This is an effective way to maintain your perceived value while reducing costs. If you must lower your prices, try to get something from your customers. This is a good idea regardless of whether your competitors are lowering their prices. Getting buyer concessions will help you to retain or gain more loyal customers, which is the key to growing your business.

**Bottom line:** Marketing is more than just filling the bottom line with sales. It's about building a brand that attracts loyal customers who will spend more and return often. In tough economic times, you will want to guard against the impression that you're only interested in immediate sales. You don't want to give the impression that you're only interested in immediate sales. You want to show that you value your customers and their loyalty by protecting their purchasing power by not lowering your prices. At the same time, you want to show that you value your business and the profitability of your brand by finding other ways to lower costs without lowering your prices.



## *Chapter 9: Product Development: Strategies and Assumptions*

### *Cascading effects of Customer Value on Product Development*

Product development is critical to any business, as it creates products and services that meet customer needs. Product development is an iterative process, with customer value playing a key role in driving success. Customer value is essential in product development, as it helps create products and services that customers will find valuable and desirable. It helps to ensure that products are tailored to meet customer demands and buyers' expectations.

When product development is isolated from understanding customer value, products may be designed and developed without consulting the customer's needs or preferences. This can lead to a product that is not useful or desirable to the customer. A disconnect between product development and customer value can also result in products that are out of step with customer trends, resulting in an inferior product that fails to meet customer expectations and generates a profitable return. Additionally, it can be difficult to identify customer feedback and make changes to the product if there is no understanding of customer value. This can lead to a lack of responsiveness to the customer's needs, resulting in an unfavorable product.

Customer value can have cascading effects on product development, from concept creation to pricing and marketing. It helps to inform the design process by understanding customer needs and desires, and it can also influence product pricing by helping to determine what customers are willing to pay. Understanding the importance of customer value in product development and how it can affect the entire process is important.

**Implications in Product Development, Understanding Customer Value:** Product development is a complex process involving understanding customer value and the implications of product development. Understanding customer value is essential to product development, as it helps define the features and functions of a product that will appeal to customers and provide the most value to them. Understanding the implications of product development is also critical, as it helps to ensure that product features are developed with the customer in mind and do not result in a product that fails to meet customer needs. By understanding the implications of product development and the customer value associated with a product, product developers can create an effective product that meets customers' needs.

**Identifying opportunities through a Customer Value Lens:** Identifying opportunities through a customer value lens is a process of understanding customer needs and wants to determine the best strategy for developing a new product or service. By taking a customer value lens

perspective, companies can better understand their customers and gain insights into how their products or services can better meet customer needs. This process involves analyzing customer feedback, observing customer behaviors, and conducting market research to identify potential opportunities for new product development. Doing so allows companies to ensure customer value as well as develop products that are relevant and useful. Analyzing customer value enables companies to create products that offer greater value, helping to drive customer loyalty and satisfaction.

**Improving customer experience through product design:** Improving customer experience through product design is one of the most direct and impactful ways of increasing customer value. Product design centered around the customer experience can be a great way to create an enjoyable experience for customers. To do this, designers need to focus on researching customer needs and wants, so they can create a product that meets their needs and exceeds their expectations. Additionally, product design should be focused on making the customer journey easy and intuitive, as well as making the product aesthetically pleasing. Doing this can create a positive customer experience, leading to higher customer satisfaction and loyalty.

**Expanding Customer Value through Product Development:** Product development is the key to creating long-term customer value. Customers may look elsewhere if a product is not competitively priced and improved over time. By investing in research and development, companies can create products that are better suited to customer needs, increasing customer satisfaction. Furthermore, product development allows companies to expand their customer base. This can be done by providing innovative solutions, adding new features, or creating products tailored to a specific market segment. Companies can increase their market share, revenue, and customer loyalty with expanded customer value.

In conclusion, customer value is an essential part of product development. Companies must focus on customer value to create better products and services. Companies must also consider the cascading effects of customer value throughout the product development process. Doing this will ensure that products are designed to provide the best possible customer experience, ultimately leading to customer loyalty and increased sales.

*Customer Value dictates how products are designed, developed, and marketed*

When designing a product or service, businesses must consider not just what features and benefits consumers will appreciate but also how much the customer will value these features and benefits. Value is a key component of any successful business, but entrepreneurs often overlook it when launching a new venture. If you're not familiar with the term, you're not alone. That's because most people don't understand how it relates to their company and its

products or services. However, if you pay attention to your market, listen to your customers, and read between the lines of their feedback, you can uncover insights that indicate which types of value your target audience will demand from your business.

**Understanding Customer Value Shapes Product Development:** The most important aspect of your business is understanding the customer value you deliver. This knowledge will provide a key driver in how products are designed, developed, and marketed. Understanding customer value is imperative when creating new products or services. For example, suppose you have a new product idea that requires a significant change in manufacturing costs. In that case, it's best to focus on the customer value that consumers will receive from your product rather than developing a new design to reduce costs. If you keep customer value in mind during product development, you can create products with an eye toward what customers want and need instead of what can be done for the lowest cost.

**Detecting Trends in Customer Value provides insight for product developers:** To create a product or service that your customers will value, you must consider customer value trends. It could mean looking at trends in the market, understanding consumers' feedback, and determining which options your target audience is looking for. When you examine your current and potential customer demand for certain types of value, it's easy to see the opportunity for success. For example, if your company offers digital marketing services and you find that the average spend per month on search engine optimization was \$10-20 before the end of 2016, then it would be wise to consider increasing your prices in 2017.

**Understanding your customers' markets offer guidance for trend development:** As you establish your company and its products or services, you must understand what your customers want. You can do this by tracking your competitors, reading industry publications, listening to customers, observing their behavior, and communicating with people with similar demographic profiles. By doing these things, you will discover trends in the market that may not be obvious from a broader perspective. For example: If you're launching an online personal shopping service that caters to women between the ages of 25 -40 with an annual income between \$75,000 -\$100,000 per year. You would likely find that most of these women use e-commerce sites such as Amazon and Wayfair to purchase household goods. This information is important because it helps you determine where to compete in the market by creating a unique value proposition based on those insights. With Amazon and Wayfair offering unlimited shipping on orders over \$35 and sales tax exemptions, online businesses like yours need to provide a similar benefit to stand out among competing companies.

**Uncover hidden value patterns by categorizing data from customers' markets:** One way to uncover hidden value patterns is by categorizing data from customers' markets. This method

will help you understand the value your target audience will demand from your business. To do this, you must complete a market research study and analyze the information you gathered. You should use demographic data to identify the most important features and benefits that are most valued by your target audience. This will help you determine how valuable these features and benefits are to customers in different segments of their market. For example, suppose your target audience consists of single African-American women between 20-35 years old who make at least \$50,000 per year. In that case, they might be looking for products or services with a specific type of value from the company, including a certain style or level of comfortability. It will also be important for company managers to understand what type of value their employees need to feel satisfied with their job. Understanding what values your employees require as part of their job duties could make it easier for them to prioritize tasks daily and align those tasks with customer needs.

**Build customer scenarios to create probable, plausible, and possible futures:** To understand what value means to your customers, you need to develop scenarios that show the future and include what you think could happen if your customer were satisfied. Developing these scenarios will help you identify customer desires and needs that your product or service can meet. This includes identifying possible outcomes for customer success, including whether they reach their goals or are satisfied with the performance, how they will perceive your product or service, and how many customers will stay with your business over time. The more skillful and successful you develop these scenarios, the better equipped you will be to shape a product or service that has value in the marketplace.

### *The Principles Of Market/Product Fit: Finding Your Focus*

What is Market/Product Fit? In a nutshell, Market/Product Fit is the degree to which your product meets the needs of your target market. To achieve Market/Product Fit, you must first understand your target market's needs and then build a product that meets those needs. It sounds simple enough, but it can be difficult to achieve in practice. There are a lot of factors to consider, and if you don't get it right, you risk wasting time and resources on a product that no one wants.

**The Market/Product Fit Process:** The "Market/Product Fit" process is crucial to any business's growth strategy. It involves finding the right market for your product or service and then developing a product or service that meets the specific needs of that market. There are four steps in the Market/Product Fit process:

1. **Research your target market:** This step involves identifying and researching their specific needs and wants. This research will help you determine the kind of product or

service most appealing to your target market.

2. **Develop your product or service:** Once you understand your target market's needs, you can develop a product or service that meets those needs. It's important to keep your target market in mind throughout this process, as you'll need to ensure that your product or service is something they would want to use.
3. **Test your product or service:** Before you launch your product or service, you must test it out with a small group of potential customers. This will help you fine-tune your offering and ensure it's appealing to your target market.
4. **Launch your product or service:** Once you've completed the previous three steps, you're ready to launch your product or service to the wider world. This step involves marketing your offering to potential customers and making it available.

Target Identification: The 4 Ps are still alive and well, or at least my 4 Ps. (Process, People, Product, Platform). They stand for process, people, product, and platform.

- **Process:** Before you can even think about marketing your product, you need to have a process in place for creating and delivering it. This process should be well thought out and streamlined to be as efficient as possible.
- **People:** You need to have the right people in place to carry out your marketing plan. This includes people with the necessary skills and knowledge to execute your strategy and people who are passionate about your product.
- **Product:** Of course, you need a great product that meets the needs of your target market. Without a strong product, your marketing efforts will be for nothing.
- **Platform:** Finally, you need a platform to market your product. This could be a website, a blog, or a community/membership. Whatever platform you choose, make sure it will reach your target market.

**Finding and Refining Focus:** When starting a business, it is important to have a clear focus to be successful. A Market/Product Fit can be used to determine what the best direction for your business should be. It considers the needs of your target market and the products or services you offer. Using this concept, you can find your business's niche and ensure that you provide what your customers want. After your initial market hypothesis, move to external thinking or action, where we visualize success for the customer and us. As a business, it is essential to understand what the customer wants and needs clearly, and what success looks like for both the customer and the company. There are a few key principles to keep in mind when it comes to Market/Product Fit:

1. **Start with the customer:** What does the customer want or need? What are their pain points? What would make their life easier? Understanding the customer can develop a

product that meets their needs.

2. **Define customer and company success:** What are the desired outcomes? What does success look like for each party? By clearly understanding what success looks like, you can develop a product more likely to achieve that success.
3. **Focus on delivering value:** What value will the product add for the customer? How will it make their life better? By focusing on providing value, you can increase the chances of achieving market-product fit.
4. **Test and validate your assumptions:** Don't assume you know what the customer wants or needs. Test your assumptions with real data and feedback from actual customers. This will help you refine your product and increase the chances of achieving market-product fit.

By following these principles, you can increase your chances of achieving a market-product fit and developing a product that meets the needs of your target market.

**Assessment:** We synthesize and conceptualize our go-to-market strategies. We take a systematic and comprehensive approach to understanding and analyzing our customer needs, GTM strategy, and Product/Market Fit. This allows us to make well-informed decisions on how to optimize our go-to-market strategy.

1. Segment our market and understand the needs of each customer group. This helps us determine which channels and messages will most effectively reach our target market.
2. Once we clearly understand our target market, we develop a GTM Sprint-type strategy outlining each initiative's objectives, tactics, and timelines. We then focus on execution, ensuring that each plan element is executed flawlessly.
3. Continuously measure results and fine-tune our strategy based on customer feedback. This helps us ensure we always deliver maximum value to our target market.

Market/Product Fit provides an immediate opportunity to take the reflective process into a collaborative process. When you have a clear Market/Product Fit, you can immediately take the reflective process into a collaborative process. With a focus on what your target market wants and needs, you can bring together a team of experts to validate or invalidate your assumptions quickly and efficiently.

Achieving Market/Product Fit results from developing an intimate understanding of your target market and what they need or want from a product or service like yours. This understanding comes from research, surveys, interviews, or other forms of collaboration with members of your target market. Once you have this understanding, you can create a laser-focused product or service that meets the needs and wants of your target market. This focus will save you time and

money in the long run because you won't be wasting resources on features or functions that no one wants or needs.

Market/Product Fit principles can be applied to any business, no matter its development stage. If you're starting, Market/Product Fit can help you validate your idea before you spend any money on development. If you're already in business, Market/Product Fit can help refine your offering to attract more customers and grow your business. Market Focusing is an integral part of doing this.

In business, market focus is understanding what potential customers want from a product or service and then marketing and creating an appealing offer. Market focus refers to the chosen target market for a company's products or services. Many businesses make the mistake of trying to be everything to everyone, but this approach rarely succeeds. It is far better to focus on a smaller group of potential customers and understand their needs, wants, and desires. Once this is done, businesses can create an offer tailored specifically to them and has a much higher chance of success. If businesses take the time to get market focus right, it will pay off in the long run with increased sales and happier customers.

**Market Timing is the Secret Ingredient for any Go-To-Market Strategy:** Market/Product Fit principles are important for any company seeking to bring a new product to market. But what secret ingredient can make or break a go-to-market strategy? Market timing is aligning your product launch with the right market conditions. It's about making sure that your product is ready for customers when they are ready for it. There are a few key factors to consider when evaluating whether your product is ready for market:

- Is there a need for your product in the marketplace?
- Is your product ready for prime time? In other words, is it fully developed and tested?
- Do you have the right team in place to support a successful launch?
- Have you identified your target market and created a go-to-market strategy that will reach them?
- Are you prepared to deal with any potential competition?
- Have you priced your product correctly?
- Do you have the necessary financial resources to support your launch?

By carefully evaluating each of these factors, you can ensure that your product is ready for market and positioned for success.

**The Benefits Of A Niche Market:** When it comes to business, there are many different philosophies on success. But one of the most important factors in any business is finding your

focus. And that's where a niche market can be a big help. A niche market is a small segment of a larger market with specific needs or desires. By catering to this smaller group, you can better focus your marketing and advertising efforts, leading to more sales and conversions. And because you're catering to a specific group, you're more likely to develop a loyal following among your target market.

There are a number of other benefits to focused marketing as well. When you can better target your advertising, you'll save money by not wasting ad dollars on people who will never be interested in your product or service. You'll also be able to build up expertise in your field by becoming known as the go-to source for information on your particular niche. So if you're looking to take your business to the next level, consider finding your niche. It could be the key to unlocking your success.

### *Why Lean Startups and other Product/Market Fit Strategies Fail*

Lean Startups and other Product/Market Fit approaches can fail due to a lack of vision and strategy in the early stages of development. It is essential to fully understand the target market and the product's unique value proposition. Without a clear understanding of the market need, it becomes difficult to prioritize and focus development efforts effectively. Additionally, many companies fail to properly validate their assumptions, instead relying on guesswork and intuition. Lastly, it is difficult to adjust and pivot quickly to respond to changing market conditions without a thorough understanding of the customer feedback loop.

For the Founders who successfully achieved initial revenues and product market fit and me, the approach that has proven effective is focusing on Market/Product Fit. Given my experience coaching over 50+ Startups (mostly SaaS) in the past few years and my journey in creating successful products and learning from unsuccessful ones, I can confidently say that the MVP approach is misguided. It doesn't work as it is currently set up, and it appears to be backward. It is estimated that 92% of SaaS startups will not survive beyond three years. This dismal statistic is likely due to the common mistake of utilizing the MVP (minimum viable product) process. While simple, in theory, this procedure often fails to identify an ideal market and has been demonstrated to lack the necessary elements for success.

SaaS Startups have a high failure rate, with 92% failing within three years. A major contributor to this is the usage of the Minimum Viable Product process, the methodology of creating the most basic version of a product and finding the market fit after that. Though this may appear simple, it can be a difficult process to master.

The problem with the MVP approach is that it's not a great fit for many types of products. The



strategy is intended to help startups validate their product ideas by trying to sell an unfinished product to users. However, the strategy is not set up well for most SaaS products like software, websites, and mobile apps. Most SaaS products are complex and require a lot of work before they're ready for release or use in the marketplace, so just one person can't own them. They need multiple team members with different areas of expertise working together to complete the development cycle. In addition, many SaaS products require licensing or third-party integrations that can't be done at just an MVP stage. It's even harder for SaaS companies to build a polished first version of their product, given the complexity involved in creating it in a scalable way and iterating on it quickly based on customer feedback.

**Why Product/Market Fit Strategy Is Inefficient:** The MVP is a simple strategy for startups to test their hypotheses. It is an approach that many people use as the basis for either starting or growing a startup. With the MVP, founders work on building a minimum viable product to achieve product market fit. The idea behind this strategy is that by having only one big thing, it will be easier to identify what does and does not work for your company, and you can make adjustments quickly.

However, This approach doesn't help you figure out what your customer wants because you're only looking at one small piece of the puzzle. It's hard to know if you're delivering something they need without more than just one piece of information. On top of that, the process is inefficient because you're trying to find a whole company with just one product. Your focus should be on finding the right market and then figuring out how your product fits into that space and addressing some key pain points in that market, not just hoping your customers will like what they see on the surface level when they don't care about what it all means yet. The MVP strategy is based on guessing what might work instead of understanding what works by taking time to understand your customers and analyzing data from past experiences with similar products or services.

Market/Product Fit focuses on getting the right customer, making sure they like your product, and then building a successful business. This focus requires deep customer understanding because you must know what appeals to the customer. Startups often make the mistake of focusing on the product itself in its MVP stages and not the customer. This creates much work for them later when they try to turn it into a sustainable business model. But with Market/Product Fit, you can easily validate assumptions before spending a lot of time and money developing your product. Many companies make this mistake when trying to build out their technology without knowing who their customers are or what they want from their products! It is important to remember that Market/Product Fit doesn't mean that you don't do any market research or market validation before launching a new product or service. It means that your focus should be solely on getting the right customer and making sure they love your

product so that you can build an enduring business around it rather than just one-hit wonders!

Traditional Product/Market Fit strategies have had their share of problems. According to research from Harvard Business School professor John Hettich, these strategies fail when founders are unable to understand their market and value proposition properly. Many startup founders share my experience of being stuck in the wrong approach and feeling "stuck" on an idea or a strategy that didn't work.

Based on my experience, I'm convinced that the MVP approach isn't the answer for Startups or any other type of business. It doesn't work because it's not set up for success. If you're going to try it, I recommend doing so with a laser-sharp focus on Market/Product Fit as your core strategy and nothing else.

**The UBER case study (From zero to market fit in 100 days):** In the case of Uber, they had a solid vision and strategy from the beginning, which made it possible for them to reach the initial product to market in just over 100 days. They clearly understood their target market and how their product would solve a problem for their customer. There is no doubt that reaching Market/Product Fit is not easy and requires a lot of time, effort, and resources. But if you're going to take on this challenge, you should be prepared to do things differently than what has been traditionally done. Uber had already accomplished these things before the product:

1. A focus on a target market
2. Understanding customer needs
3. Proven value proposition

The MVP approach is a flawed way of thinking about product development. It doesn't work as it is currently set up, and it appears to be backward. What ultimately works is the Market/Product fit strategy.

### *Going Deeper with Customers*

As businesses increasingly adopt a customer-centric focus, they realize that simply understanding what customers want is not always enough. To create precious customer experiences, companies need to go deeper and understand what makes customers tick.

- What motivates them?
- What are their aspirations?
- What are their fears and concerns?

Only by understanding the underlying psychological factors that influence customer behavior can businesses genuinely hope to create experiences that exceed customers' expectations.

One company that has embraced this philosophy is Amazon.com. Amazon has long been known for its customer-centric approach. The company has continued to push the envelope by introducing new features and services that consider customers' psychological motivations.

For example, Amazon's new "dash buttons" allow customers to order household goods with a single button. This simple yet ingenious idea considers that many people are busy and don't have time to browse the Amazon website or even remember what they need to order. By offering a simple, convenient solution that eliminates the need to make a decision, Amazon is catering to one of the most fundamental psychological motivations: the need for convenience.

Another example of Amazon's deep understanding of customers is the company's virtual assistant, Alexa, which gives them the ability to order products, get information, and handle other tasks without ever having to touch a screen. Alexa considers that many people are uncomfortable with technology and are hesitant to use new gadgets. By offering a voice-activated assistant, Amazon addresses one of its customers' most common fears and concerns.

Amazon is committed to going deeper with its customers to create exceptional experiences. Other businesses would be wise to follow its lead. The benefits of connecting with your audience on a deeper level are apparent.

**What are the Risks of going deeper?** It's no secret that to be successful, one must connect with their audience on a deeper level. The benefits are clear. By getting to know their audience and understanding what makes them tick, communicators can create more engaging and compelling messages.

**However, there are risks in going deeper.** The first is that it takes time and effort to build these connections. It's not as simple as sending out a survey or posting a few questions on social media. Communicators must be prepared to invest the necessary resources to get to know their audience.

Another risk is that getting too close to your audience can backfire. This happens when communicators start to think that they know their audience too well and stop taking the time to listen to what they have to say. It's important to remember that audiences are constantly evolving, so keeping the lines of communication open is essential.

Overall, the benefits of connecting with your audience on a deeper level are apparent. By taking

the time to understand what makes them tick, communicators can create more effective and engaging messages. However, risks are involved, and it's important to keep the lines of communication open.

By deepening your understanding of your customers, you can create a more powerful connection with them and learn how to serve their needs better. Taking the time to get to know your customers personally can help you build a lasting relationship with them and create a more successful business.

## *Chapter 10: Managing Customer Value: A Strategy for Growth*

### *How do you go about aligning your company around customer value?*

A customer value strategy will articulate your company's approach to creating and delivering customer value. This strategy should consider the needs and wants of your target customer base and your company's strengths and weaknesses. Once you have a clear customer value strategy, you can start aligning your business around it. This means ensuring that all aspects of your company work together to create and deliver customer value. This can be challenging, but creating a sustainable competitive advantage is essential.

Customer value is the perceived benefits (tangible and intangible) and perceived costs (tangible and intangible) of a product or service from the customer's perspective. To align your company around customer value, you must first understand how customers segment themselves and what they consider valuable.

Achieving customer value alignment is essential for any company that wants to be customer-centric. After all, if there is no alignment, there can be no real delivery of customer value. A company might think it is customer-centric, but if it does not deliver on that promised value, it is only fooling itself. This lack of alignment manifests in many ways, but some of the most common are:

- **Focusing on the wrong things:** If a company is not clear on what customers segment themselves by and what they consider valuable, it will likely end up focusing on the bad stuff. It will invest in features or product development efforts that do not matter to customers and, as a result, fail to deliver real customer value.
- **Not integrating silos:** Most companies are set up in silos, with different departments responsible for other parts of the business. For a company to be truly customer-centric, those silos need to be integrated so that everyone understands who the customers are and what they want. Otherwise, each department will end up working in its little world with its objectives and priorities, again leading to a lack of alignment and an inability to deliver real customer value.
- **Failing to communicate:** Even if a company does have a shared understanding of who the customers are and what they want, that won't matter if there is no effective communication between departments. If different departments are not talking to each other, there will be no way for them to coordinate their efforts and work together to deliver real customer value.

Delivering real customer value requires more than just creating a few new features or redesigning a product. It requires a fundamental shift in how a company thinks about itself and its customer relationship. Only then can it develop the culture needed to support true customer centricity.

Your company's ability to deliver customer value is the cornerstone of your success. To ensure that you can consistently deliver customer value, you need to have a robust framework. This framework will outline your company's plan for delivering customer value and should be designed to meet your organization's specific needs. There are a few key elements that should be included in your customer value delivery framework:

1. Define customer value for your company: What specific things do you want to achieve for your customers? What needs do they have that you can address? What are their pain points, and how can you help them overcome them? Taking the time to define customer value will help ensure that everyone in your organization is on the same page.
2. Outline the process for delivering customer value: What steps need to be taken to deliver customer value? Who is responsible for each step? What tools and resources are required? A clear process will help ensure that customer value is delivered consistently and effectively.
3. Set up metrics to track progress: How will you know if you successfully deliver customer value? What metrics should you be monitoring? By setting up metrics at the outset, you will be able to track progress and identify areas for improvement.
4. Communicate the plan to all stakeholders: Customer value delivery cannot be successful if everyone is not on board with the plan. Be sure to communicate the details of the framework to all stakeholders, and solicit feedback so everyone can contribute. Creating a robust customer value delivery framework will set your company up for success in delivering lasting value to your customers.

Your customer value framework(playbook) should outline your company's actions to deliver customer value. It should be a living document that evolves as your company grows and changes. And it should be used as a guide for all of your decision-making. If you're not sure where to start, here are a few questions to ask yourself:

- What are our core values?
- What do our customers need and want?
- How can we best meet those needs and wants?
- What does our competition offer?
- How can we differentiate ourselves?
- What are our unique strengths and capabilities?

Asking yourself these questions will help you focus on the right things and make better decisions about how to deliver customer value.

*Going Deeper*

*Emergence as a Pattern of Market Change: Order Arising from Chaos*

Many market-oriented economies have experienced periods of intense change in recent years. These periods of change are often referred to as "market transformations." These changes create opportunities for business growth but also present great risks to businesses that do not keep pace with these changing conditions or cannot innovate quickly enough in response to them.

Emergence is a process of order arising from chaos by which an existing market space becomes more coherent and easily understood. Emergence is not the only process that can lead to the emergence of coherent market space, but it is one of the most common. The article also discusses how some firms can seize opportunities in chaotic markets through innovation programs. Innovation programs are designed to be disruptive and create new market spaces that allow organizations to respond quickly and effectively to emerging patterns of change.

**Coherence: Existing Market Space:** We define our marketing space as our current state, our place of comfortability. Within that space, we can shift incrementally without too much effort and risks. To assess an existing coherent market space, we need to identify and map out the different stakeholders, their interests, and how they interact. We also need to look at the current state of the market and identify any gaps or opportunities. Finally, we need to assess the potential for growth and expansion. There are a few key factors to consider when assessing an existing coherent market space. The first is the overall size of the market and its growth potential. Then you need to look at the key players in the market and their share of the pie. Finally, you need to assess the level of competition in the market and whether there are any major barriers to entry.

If we want to move outside of our marketing space, it requires more effort and risk. We need to explore and understand the new territory, which is usually unfamiliar and uncomfortable. We need to be open to new ideas and ways of doing things, which can be scary. It is incoherent. Understanding these two spaces' differences is important because it affects our decision-making. When we are faced with a choice, we usually go with the option that requires the least amount of effort and risk. But if we want to achieve something great, sometimes we must be willing to venture into the unknown.

**How do we disrupt coherence compassionately?** We can disrupt coherence compassionately

by being present with others in a non-judgmental way and offering support and understanding. This allows us to see the situation from different perspectives and to find creative solutions that work for everyone involved. Emergence is a pattern of change that is often linked with chaos. Disrupting with compassion is one way to manage the coherence between these two patterns.

- Compassion is a quality of heart that allows us to see the suffering of another and respond with kindness. It is the capacity to feel with others and to want to alleviate their pain.
- Disruption is an act or instance of causing disorder or discontinuity. It is a break in the normal flow of things.

When these two patterns are combined, they can create a space for new growth and creativity. Disruption with compassion can help us to see the potential for change in our lives and the world around us. It can also allow us to be more open to change when it does occur. To create a successful market transformation, we need to understand what stages of market change are happening and how they can be managed. The article makes the observation that emergence is a pattern of change that is often linked with chaos. One way to manage the coherence between these two patterns is to disrupt with compassion, not to disrupt the lives of those experiencing market transformation.

**Disruption: Insider, Outsider, On the Edge:** Many people believe they are the first to be disrupted. However, the truth is that many organizations have become outsiders or have been edged out of a market by new entrants. Many companies believe they can prevent this by quickly adapting their products, services, and marketing strategies as these changes occur. But the truth is that disruption is not always something you can avoid. There will always be change, and your business needs to evolve rather than fight against it. Organizations should not expect disruptions to happen linearly; instead, change occurs in waves which can cause somewhat disruptive periods followed by more stable periods. These patterns create opportunities for those ahead of the curve to innovate further and for those lagging to catch up with the competition and join them on the next wave of change.

There are three kinds of organizations in your marketing world; Outsiders, Insiders, and People on edge. Outsiders are people who don't know about your brand or product. Insiders are people who are familiar with your brand or product. People on edge are considering using your brand or product.

Insiders are in the room. They know it, love it, and protect it. Outsiders don't know your doors exist. They are uninterested, unsure, and unwelcome. If you want new people to come inside, you need to open new doors that speak to outsiders and welcome them in.



The people who are in the know are inside the room. They are aware of it, enjoy it, and look out for it. Those who are not in the know are outside the room. They lack awareness, interest, and acceptance. If you want new people to come inside, you need to open new doors that speak to outsiders and welcome them in.

**How do we engage disruption creatively?** A critical part of emerging markets is the transformation that occurs during a time of chaos. This chaos can be disruptive and even painful for traditional economies. In an attempt to find some comfort during these periods of disruption, organizations will often cling to their tried-and-true methods of creating value in the market with little regard for innovation or change. However, this strategy is not sustainable as it does not consider the natural cycles within these markets. To thrive, traditional businesses must recognize the patterns that emerge from these chaotic periods and creative design strategies.

**Differentiation: Insiders, Outsiders:** Differentiation is essential to market change. When a market transforms, it becomes differentiated based on what it does and how it can do that. The following are some examples of differentiating markets:

- **Insiders:** insiders tend to be well positioned in terms of status and wealth, they have significant influence over the market, they have routine access to information, they are more likely to control information flows into the market, they tend to be better educated, and they often have strong brand recognition.
- **Outsiders:** outsiders tend to be less wealthy than insiders but usually have greater access to resources than insiders. They may not have as much power or influence, but in many cases, their skills are highly valued by insiders. Outsiders are typically less well-educated but sometimes possess valuable knowledge that insider organizations would love to acquire.

**Hierarchical Markets:** hierarchical markets consist of two or more layers, with a central layer serving as a coordinating entity for the activities in the various levels beneath it. Hierarchical markets offer opportunities for integrative action within the marketplace. Different levels or groups can work together for mutual benefit or individual gain (i.e., oligopoly).

**Coherence - New Market Space:** The emergence of new market space often accompanies market transformation. The new market space may be completely different from the old one, or it may be a subset of the old one that has evolved in response to change. Either way, organizations need to understand these shifts to survive and thrive. When markets evolve as

part of a transition, they often cohere as part of an emergent pattern (as opposed to a coherent pattern) that can only be explained through chaos theory. When markets evolve as part of a transition, they often cohere as part of an emergent pattern (as opposed to a coherent pattern) that can only be explained through chaos theory. This theory states that complex systems like markets are inherently unpredictable and that small changes can lead to large and unexpected consequences. Therefore, predicting market behavior is difficult, even for experienced traders.

**How do we renew coherence wisely?** There is no one answer to this question, as the best way to renew coherence will vary depending on the situation and the people involved. However, some general principles that can help renew coherence wisely include:

1. Take time to reflect on what has happened and why it has happened.
2. Seeking input and feedback from others.
3. Identifying areas of agreement and disagreement.
4. Working towards a shared understanding.
5. Addressing underlying issues and concerns.
6. Generating new ideas and solutions.
7. Implementing changes step-by-step.
8. Evaluating the results and adjusting as needed.

Ultimately, the question of renewing coherence in the market should be a source of serious reflection and contemplation. As we enter an era of unprecedented change and uncertainty, it becomes increasingly important that businesses adapt quickly to market conditions. This will be particularly important as these changes create opportunities for business growth but also present great risks for companies that do not keep pace with these changing conditions or cannot innovate quickly enough in response to them.

**How does an emergent pattern, as explained by the chaos theory?** The chaos theory describes how an emergent pattern can occur. A system is highly sensitive to initial conditions, and small changes can have large effects. This can lead to complex behavior that is hard to predict. Chaos theory is a branch of mathematics that deals with the behavior of systems highly sensitive to initial conditions. In other words, small changes in a system's starting conditions can lead to large changes in its behavior over time. This makes it difficult to predict the long-term behavior of such systems. The chaos theory explains complex weather patterns and stock market fluctuations.

# *Appendix 1: Managing Customer Value Program*

An organization's customers are its most asset in today's world. They know your brand, trust you and use your services. Suppose you want to unlock the value of your customer data and align your company around Customer Value as a core strategy. In that case, you should implement a specific initiative to achieve this.

Business901's Managing Customer Value program enables you to implement the program effectively with minimal disruption to your existing processes and resources. It also gives you the skills required to manage that program effectively and becomes a strategic asset from which your customers and company will benefit. Read on to discover what people hire Business901 to do: Design, Implement and Manage Their Customer Value Programs

**Design and Develop Your Program:** A Customer Value Program should be iterative. It will start with creating a hypothesis and then using one of our team members to research it by executing the act of discovery – understanding how your customers interact with your product/service. This is done by creating a customer value map for the business. After completing the research, we will create a design that outlines what a value program would look like. We will also develop ways to implement and manage the program once it is fully designed and developed. The following steps are to work with the company's management team to create a budget and timeline for executing the Customer Value Program based on their goals and objectives and determine what resources they will use to succeed. Your design can be created in any format you like. Still, if you want us to help you execute your program, we will need a document where all stakeholders can see, understand and articulate their goals for this initiative.

**Hire Staff with Expertise:** Finding someone to manage a Customer Value Program (CVP) is easy. But what if you want a person who knows the field? There are many ways to find staff with expertise. One is hiring a freelancer, contracting out work, or finding employees on the outside. With these methods, you might end up with someone who knows how to run a Customer Value Program but may not know anything about your company, products, and services. If you hire someone without expert knowledge, it can be difficult for that individual to see the value of the program and design solutions for a specific problem effectively. They also might not have detailed knowledge about your current processes and resources, so it would be difficult to implement solutions effectively without disrupting your existing operations and resources. Hiring expert staff is better by using an employee referral program. When you do this, people will have an easier time finding someone they know they can trust while still being

paired with someone who can run their CVP effectively.

**Train and Educate Your Team:** Customers are your company's most valuable asset. They know your brand, trust you and use your services more often than any other group in the company. If you want to unlock the value of your customer data and align your company around Customer Value as a core strategy, you need a Customer Value Program. To do this, bring in Business901 to help design a solution that leverages your customer data effectively within a defined time frame. We'll focus on areas where your customers are experiencing issues hindering their ability to use your products and services in the ways they were designed--in particular, creating a better experience for them. The problem: You have an audience with varied needs and expectations regarding product usage and service delivery. Solution: Create user personas that represent different types of users who come into contact with the product or service (e.g., "Active Users," "Frequent Users," "Occasional Users," etc.). Next, identify the problems that these personas face when using the product or service (e.g., difficulty understanding how a particular feature works, inability to find relevant content/information, difficulty connecting with others). Then build solutions for each persona through specific tasks such as training materials, video tutorials, etc. This ensures that everyone is clued in about what features and functionality should be used by whom for what purpose and at which point during their interaction with the product or service.

**Manage the Program's Healthy Development:** Business901's Customer Value Program is a blend of knowledge, skills, and a culture that helps you grow your customer value. With more than six decades in the business, we understand how to promote the healthy development of your Customer Value Program so that it becomes an asset and not just another burden on your team. Our unique approach means we can provide training on a range of topics, including:

- Building a comprehensive digital strategy
- Leveraging technology effectively
- Developing effective marketing campaigns
- Crafting winning digital content
- Using data analytics to drive insights and actionable information
- Crafting successful customer experiences

We offer these services through workshops, webinars, and customized consulting engagements.

**Establishing an integrated Customer Value program is a long-term commitment:** It's important to note that a Customer Value Program is a long-term commitment. It takes patience, dedication, and persistence on behalf of your leadership team to implement. You need to understand that the program will require dedicated resources from the beginning. This

commitment will result in an organization with a customer-centric mentality focused on delivering high-quality products and services at affordable prices. Customers are more likely to do business with you than competitors because they know you care about them. That sets your company apart from many others in the market today.

**Wrapping Up:** A Customer Value Program is a strategy that aligns your company around the customer. It provides you with the skills and guidance to design solutions for specific problems within a defined time frame, implement those solutions effectively, and administer that program so it does not burden your team. In today's world, a company's most valuable assets are its customers. If you want to unlock the value of your customer data, make sure they trust you, and use your services more often than any other group in your company, you need a Customer Value Program. A Customer Value Program is a strategic approach that helps you design solutions for specific problems within a defined timeframe. Implement those solutions effectively with minimal disruption to existing processes and resources, and manage that program so it becomes an asset rather than another burden on your staff.

## *Appendix 2: Outcome-Based Mapping*

### *What is Outcome-Based Mapping?*

Outcome-Based Mapping is strategic planning and decision-making tool that helps organizations identify the customer and organizational outcomes. It is most often used in the social and public health sectors but can be applied in any industry or sector to increase the quality and impact of program services. It is a process that involves the following steps: Identify the issue or challenge that the organization is trying to address. Create a visual map that outlines the relationships and interactions between people, organizations, and issues. Identify and name the individual and organizational outcomes related to the issue. Create a plan for how the organization can address the issue and how to measure progress.

**Why Map Outcomes?** When we think about outcomes, we often focus on the outputs of our work, such as the number of people who receive a particular service or the number of products sold that meet specific requirements. But outcomes extend beyond these measures and include your work's impact on individuals, organizations, and the surrounding community. Outcomes are the results that matter to your organization, your community, and the people you serve. An outcome-based approach to planning and decision-making helps organizations keep their focus on achieving these critical results. It also helps organizations track and measure their progress toward achieving these outcomes over time so that they can make adjustments as needed.

**What are the benefits of measuring outcomes?** Outcome measurement can help you:

- Assess your progress toward achieving goals and objectives.
- Evaluate program effectiveness for improved decision-making.
- Increase organizational accountability.
- Communicate results to funders, policymakers, and others.

**What is the outcome of the evaluation?** Outcomes are the desired changes in knowledge, attitude, skill, or behavior that result from an educational activity or process (i.e., learning experiences). ... The term "outcome" is also used to refer to the process itself, as in "the evaluation will focus on outcomes rather than outputs" (Krathwohl 1998).

**What are examples of outcomes?** An example of an outcome is how much money someone makes after paying taxes and their net income. An example of an outcome is the result of a legal decision; the suit's outcome was that she would pay damages—a consequence that follows an event that has occurred; as a consequence or result.

**How do you measure outcomes?** Here are some tips for measuring outcomes: Make sure there's a shared understanding about what you want to achieve with everyone involved in your project or program.

### *Ten Steps in using Outcome-Based Mapping To Evaluate and Monitor Customer Value*

**Define what the customer values in their own words.** The customer's values are what they hold important in their life. This can be different for everyone, but understanding their value will help you better understand the customer and what they are looking for. Take the time to ask them about their values and what they hold important in their life to understand better who they are.

1. Map out the customer's journey, including all the steps they take and the touchpoints they have with your company. The customer's journey begins when they first learn about your company and what you have to offer. They will then compare your products or services to those of your competitors.
2. Once they have decided that you are the right fit for them, they will act and become customers. Throughout the customer's journey, they will have different interactions and touchpoints with your company. These touchpoints could include visiting your website, speaking to customer service, or reading online reviews. Each touchpoint will influence the customer's opinion of your company and their decision to continue doing business with you. It is important to map out the customer's s journey to identify where there may be opportunities to improve the experience.
3. Identify the desired outcome at each stage of the customer's journey. The desired outcome at each stage of the customer's journey is to provide a seamless and satisfying experience that meets the customer's needs and expectations. By identifying the desired outcome at each stage of the customer's journey, businesses can create a customer experience tailored to the individual, leading to customer loyalty and advocacy.
4. Evaluate and monitor the customer's value at each journey stage. The customer's value must be continually monitored and evaluated at each journey stage to ensure they receive the best possible service. This will help to improve customer satisfaction and loyalty, as well as reduce churn.
5. Make changes to improve the customer's value at each journey stage. Ensure you constantly improve the value you provide customers at each stage of their journey. This could involve changing your products or services, your marketing strategy, or how you

interact with customers. Continually striving to improve your value will ensure that your customers keep returning for more.

6. Identify the outcomes the customer values. The customer values positive outcomes, such as feeling happy, accomplished, or like they have made progress. They may also value adverse outcomes, such as feeling relieved or avoiding a bad outcome.
7. Map the customer value outcomes to business processes. By mapping customer value outcomes to business processes, businesses can better understand how to serve their customers best and improve customer satisfaction and loyalty.
8. Identify opportunities to improve customer value: Identify opportunities to improve customer value by providing them with products and services that they need and want. Constantly seek feedback from customers to learn what they value and how you can improve their experience. Anticipate customer needs and be proactive in finding ways to improve their value.
9. Improvements to business processes: Improve business processes to increase efficiency and productivity. This may include automating processes, streamlining steps, and improving team communication and collaboration.
10. Evaluate the results: Assess the results to see if they were positive or negative. After completing your assessment of the results, look to see if they were positive or negative. This will help you to determine if you need to make any changes to your plan or if you are on the right track.

The benefits of using Outcome-Based Mapping to evaluate and monitor customer value are that it provides a structured approach to understanding what the customer values and how those values can be delivered through business processes. Additionally, it can help identify opportunities to improve customer value and monitor the results of process improvements.

### *How to Conduct an Outcome-Based Mapping Study*

The term "study" in this context refers to a carefully planned activity where researchers collect data from a representative sample of customers or stakeholders to gain insight that can be used to inform decision-making and improve programs. There are several ways to conduct outcome-based mapping studies.

1. One-on-one interviews: This is the most common way to conduct an outcome-based



mapping study. It involves a researcher meeting one-on-one with a customer or stakeholder to learn about their experiences and identify their needs and desired outcomes.

2. Focus groups: A focus group is a qualitative study involving a few participants engaging in an interactive discussion about an issue or topic of interest to the researchers.
3. Product testing: This involves testing a product or service with a small group of customers or stakeholders to learn about their experiences and identify their needs and desired outcomes.
4. Participatory Mapping: This involves bringing together a group of people affected by the mapping issue and asking them to identify the key outcomes they would like to see as a result of the mapping study. Once the outcomes have been identified, the group can begin mapping out the steps needed to achieve these outcomes.
5. Surveys: Using surveys is a common method for conducting outcome-based mapping studies. This involves distributing surveys to many people and asking them to identify the key outcomes they would like to see as a result of the mapping study. The use of surveys can be very effective in gathering a large amount of data from a wide variety of people. Once the data has been gathered, it is important to analyze it to identify patterns and trends.

The Outcome harvesting Process needs to be customized according to the context. The steps are not always distinct, and feedback from one or more actions can cause a return to earlier steps.

Outcome harvesting is when people within a company capture the business value of existing initiatives and map them to a strategic roadmap. The output of an outcome-harvesting process can be anything from an action plan with specific objectives to a live strategy map identifying exploration areas. The goal is to get more clarity around the company's mission and identify the different pathways that could lead to its realization. It helps reveal what works, what does not, and why it does not work so you can improve processes going forward. Outcome harvesting involves identifying gaps in current initiatives and mapping out their potential positive outcomes (PPOs). These PPOs are usually identified through qualitative research or as part of an implementation pilot project. This unlocks ideas about possible ways these initiatives could be better aligned with other programs or improved entirely to deliver even greater benefits to stakeholders.

**Design the user questions that will guide the process and decide what information will need to be collected.** Many of the questions you will need to answer during the process will come from stakeholders. They might ask how they can help, what they can do to improve, or what they hope to get out of it. It's important that you have a good understanding of your audience and why these people are invested in the outcome-harvesting process. Outsourcing SEO services for small businesses can be a good idea because it allows companies to use their resources more effectively and avoid the pitfalls inherent in attempting to handle everything on their own. The benefits of outsourcing SEO include cost savings and an overall effective digital strategy by incorporating external expertise into the process. The key is to find an agency that fits your company's needs, has experience with your industry, and is focused on delivering successful results.

**Gather the data by reviewing existing documentation and drafting the descriptions:** The first step in outcome harvesting is gathering the data by reviewing existing documentation and conducting qualitative research with team members. This information helps you identify gaps in current initiatives and map out their potential positive outcomes (PPOs). The next step is to draft the descriptions of these PPOs. This process might be facilitated through a facilitated conversation or an online brainstorming tool like Mind Mapping. The purpose of this step is to consolidate different ideas into a single, unified view of the company's strategic direction. Finally, the last step is to create an action plan that incorporates all of the PPOs and provides a timeline for their implementation. This may involve developing a prioritized list with deadlines for specific actions or creating an overarching strategic plan that guides day-to-day efforts.

**Engage with the informants (the change agents) to review the draft outcome descriptions:** Engaging with the change agents within your company must identify the best outcome for them is essential. When conducting qualitative research, it's important to understand the outcomes most meaningful for the intended stakeholders and how they can be translated into concrete actions. For example, a potential outcome of implementing a new HR system might be more time for employees to focus on their work versus compliance-related tasks. With these insights in mind, you can use the available data and feedback from informants (change agents) to better address their needs when conducting the outcome harvest process. There may be gaps in current initiatives or changes that could improve them. You should also ensure that you're engaged with those who will enact your plans or contribute significantly to them on an ongoing basis. If you don't have enough buy-in from those closest to the initiative, then it's unlikely that it will succeed.

**Analyze and interpret the outcomes of initiatives:** The next step of the process involves analyzing and interpreting the outcomes of these initiatives. This means that people within a company identify what's working, what's not working, and why it is not working. The

outcome-harvesting process comprises four steps:

1. Identify initiatives to harvest and create hypotheses about their outcomes
2. Test the hypotheses with qualitative research and pilot projects
3. Harvest the outcomes of initiatives through quantitative analysis
4. Develop action plans for how to align initiatives with each other better or improve them entirely so they can be more effective

**Support the use of the findings:** The process of outcome harvesting offers additional possibilities for the company's growth. One way to support findings is with a review board that reviews findings and helps guide the next steps. The review board collects feedback from stakeholders and uses it to prioritize implementing changes identified as a result of outcome-harvesting activities. Some firms don't have a formal review board, but it is possible to use an informal one. These can be set up using any number of tools such as email listservs, online forums, or having a conversation with your team members after they return from a project using outcome-harvesting techniques. In short, outcome harvesting offers many benefits for companies and their employees. It can help identify strategies to help you achieve your business goals faster with less effort.

## *Appendix 3: Appreciative Inquiry*

### *The Starting Point for a Business Development Project: Appreciative Inquiry*

*What outcomes do we want to create?*

*What supports and barriers*

*What do we need to plan for?*

*Who needs to be involved?*

*Notes: Appreciative Inquiry has its theoretical framework in positive psychology and positive organizational scholarship. First developed by David Cooperrider*

If you're reading this, you've probably come across the term business development and wondered what it means for your business. Business development is identifying potential partners, suppliers, distributors, franchisees, and other external stakeholders who may be willing to work with your company or invest in it. Business development aims to bring in new customers or partners who will help expand a company's reach and offer additional services or products that benefit the company. When working on any project, the first step is figuring out where you want to start and what results you want to achieve. If you don't know where to start, try breaking down the different types of projects you could be working on and understanding if any of those support your specific needs.

**(Definition) What are you presently doing, and how do your clients and organization feel about them?** The first step into your business development project is finding out what you're currently doing and what your clients and organization think of them. If you are trying to find out what kind of services or products your company can offer, look at the information you already have about your business. Do any of those services or products make sense in this new development? If so, then you know where to start from.

**(Discovery) What is your present business promise for retaining customers? What is your Current business promise for acquiring customers?** Once you know where you want to start, it's time to put your discovery skills to work. Business development begins with understanding your company's current state and its impact on customers and potential partners. Begin by deep diving into who your customer is, their needs, and how they expect you to interact with them. This is crucial because it helps you figure out what promises your business offers to different stakeholders and lets you better understand if you have enough resources at hand to make those promises a reality.

Once you know where you want to start and what results to achieve, begin planning how your business can meet the promises outlined. This includes developing goals that will help guide

your business in a particular direction while also considering the barriers involved in achieving those goals and who needs to be engaged for those goals to be met successfully. For example, if your goal is building a successful website, then one of the things that should be planned for would-be who will help design and maintain the site (and how many people will need that help). You might also consider putting together a timeline for when specific parts of this project will happen so that everyone involved knows when they should be getting started on their part of the project.

**(Dream) What are your targets? How will we measure success?** First, figure out what your target is. Without a clear target, it's hard to measure success. For example, if you want to create more visibility for your company, then focusing on social media posts and website traffic will be the best measure of success. Next, consider what resources you'll need to achieve those results. Maybe your business needs marketing expertise, so you will need someone who knows how to build a solid marketing plan with digital ads and social media campaigns. If you're looking for bigger investments, an investor might be helpful. Lastly, think about who needs to be involved in achieving your targets. Do you only want one person involved, or are there several people that need to be included in your project? Who do you like or should you have on your team?

**(Design) Do you understand your customer's decision-making process? For each product/market segment?** If you're trying to understand how your customers make their decisions about what products to buy, then it's important that you know their specific needs and wants. To do this, you must ask yourself the following questions: What are the main reasons people choose your company's product over others in your market? What are the most important factors for these customers? Do your customers need a more personalized approach? Do they need a more personal experience with your brand? If so, what would be an appropriate contact form for each type of customer? Are customers primarily concerned with price or quality? How can you create a product that is affordable but also meets the needs of each customer? What would key features help distinguish your product from others in the market?

**(Destiny) What's your investment strategy – not only in media but in time and events?** One of the things you must consider when starting a business development project is your specific goals for the project. You will want to invest in marketing and advertising to build a brand. You could also focus on building credibility through various promotional events. If you're looking to attract new clients or customers, you may be interested in hosting networking events or workshops where potential customers can get an insight into your company. As with any other project, always think about your exit strategy before investing in anything because that will help ensure that your efforts won't go to waste later.

***Core Strategies of Successful Appreciative Inquiry Salespeople***

***Focus on What Works to Drive Winning Performance and Build a Thriving Community***

Appreciative inquiry has gained traction as a unique sales playbook. This is because it focuses on the customer and their needs instead of the product or features offered. As such, buyers feel they are being heard and understand how the solution will meet their needs. Essentially, it enables buyers to buy with confidence. Appreciative inquiry is a process that asks: "What do our customers value?" and then uses that feedback to drive better results in the future. It encompasses multiple research methods, including observation (watching), questioning, analysis of qualitative data, and observation/analysis of quantitative data. In this blog post, we'll explore its fundamental principles from different angles so you can get more out of this sales approach by understanding what makes it work well for your organization and teams.

**Inquiry - Ask powerful questions:** The inquiry process often starts with a powerful question. For example, "What problems are you facing?" This will help generate an idea of the customer's values and needs.

**Illumination - understanding your people's core values, goals, and desires and the issues they face so that you can bring out their best:** At its core, it's a process of discovery by which we learn more about our customers: what they want and their needs. What is it that makes them tick? The second principle is participation. It means taking care of everyone involved in the process — people, products, and procedures—so everyone feels like they are part of something bigger than themselves. The third principle is synergy. This means finding ways to work with other organizations or parties to create greater success for all involved. The key here is creating mutually beneficial partnerships and not just one-sided transactions so that everyone benefits from the collective fruits of their labor.

**Inclusion - Engage with People to Co-author the Future:** Inclusion is a key principle of Appreciative Inquiry. It means being present with your customers, which includes building meaningful relationships with them. This helps you understand their needs so that you can help them solve their problems and reach the future they want. This is achieved through engaging with people in the following ways: Creating an environment where people feel valued and appreciated Being receptive to feedback Listening to and understanding what people say, Building trust

**Inspiration - Awaken the Creative Spirit:** Creativity is a powerful force that drives innovation and new solutions. Appreciative inquiry helps to awaken the creative spirit of your employees and team members, making them feel more energized, uplifted, and inspired. Studies have

shown that more creative people are more likely to engage in meaningful work. When you utilize appreciative inquiry's core principles and tactics, it will be easier for your sales team to release their creativity and feel good about their work. They will also be happier because they feel like doing something meaningful. That can boost customer retention rates and build a thriving community of learners in your organization—all of which will contribute to your success as a business.

**Integrity - Make Choices for the Good of the Whole:** This is the foundation of business. Your choices benefit your team, customers, and relationships with them. This is what will help you build something greater than yourself. Integrity means doing what's suitable for the good of the whole, regardless of personal gain or loss. The challenge with integrity is that, in business, it's not always easy to know when and how to apply it effectively. To keep this important principle at the forefront, you need to use it as a guiding light in working through difficult situations and decisions. You should also be aware of when and where integrity isn't an effective tool to gauge when it needs re-evaluation in your business. This principle should never remain static; it needs to change depending on the situation and circumstances.

### *Provocative Propositions*

**Developing Provocative Propositions; short statements that describe the desired future:**

Sometimes, a compelling visual image may be enough to encapsulate the dream. However, groups often prefer to add a brief message, which can act as a purpose statement or summarize their strategic vision. The power of the Dream phase is that it encourages people to use the creative side of their brains, enabling them to come up with ideas and solutions they may not have considered in a more formal setting. It also allows people from various levels within an organization or community setting to communicate with one another on an equal basis.

**Facilitating new thinking and conversations around the company vision:** A good way to kick off a provocative proposition development session is to use a mapping exercise. Start by asking participants to write words, phrases, images, sounds, smells, and feelings they associate with their organization on sticky notes. You can then display the notes on a large wall or virtual space. An advantage of the virtual space is that it can be easily shared and accessed by a wider group, including customers or people outside the organization. Another way to get everyone thinking is to ask participants to write down their hopes and fears for the organization's future. This can bring out some surprising and revealing insights.

#### A Checklist for Developing Provocative Propositions

- Keep it Affirmative - it needs to be positively stated about what you want rather than

what you don't want.

- Stretching - it needs to challenge people and the organization to raise their game (hence 'provocative') but still be achievable
- Stated in the present tense - to make it easier for people to associate with and imagine
- Exciting - this is where many published propositions fall. To make the proposition statement as exciting and vivid as possible, avoid abstract concepts (like 'business benefit' or 'stakeholder value') and jargon verbiage (like 'leverage')
- Use simple, evocative, sensory-specific words so that they form pictures or tell stories.
- Using the active rather than the passive voice
- Make sure it resonates with the core.

**Developing a shared understanding with customers of the desired future state:** For organizations with a customer-facing focus, one of the key benefits of taking time out to develop a provocative proposition is that it enables a collective understanding of customers' needs, aspirations, and dreams. This is important because it can create a common language in which future customers and stakeholders can engage in conversation about the products and services offered. As part of this process, the team should develop a shared understanding of the desired customer state. This involves asking several questions that might include:

- Who are our customers?
- What do they currently do or experience?
- What would they like to do or experience?
- What would we like them to do or experience?

An advantage of developing a shared understanding of the desired customer state is that it enables the team to visualize a product or service based on customer needs and aspirations rather than the company's internal value proposition.

**Provocative Propositions versus Value Proposition:** While the provocative proposition is the strategic vision, the value proposition is the specific customer benefit set that makes the vision a reality. Although there is some overlap between the two, the value proposition is more precise and may rely on some detailed customer research. The value proposition is developed by looking at the company from the customer's point of view to find out what they want, need or expect from the product or service. At the same time, the company needs to understand its strengths, weaknesses, and core competencies. These then need to be aligned so that the company can provide the benefit that the customer is seeking.

**Using the provocative proposition to guide sales and marketing strategy development:** A provocative proposition might be a single sentence or a short paragraph. It describes the



organization's desired future state, the ultimate goal, or destination. Ideally, it should be short enough to be printed on a single page or as a single headline. The provocative proposition should be communicated to all levels of the organization, as well as to customers. It can guide the development of the marketing or sales strategy. It can also be used to guide product or service design development. The advantage of using a provocative proposition to guide the strategy development process is that it enables the company to put the customer at the center and consider the product or service from their perspective.

**Using Provocative Propositions in Sales Proposals:** One way the provocative proposition can be used is to help structure the sales proposal. Sales proposals are often written as narratives, describing the customer journey from the customer's perspective. The compelling sales narrative needs to be customer-centric. However, it also needs to reflect the company's value proposition. The customer-centric nature of the sales proposal enables the customer to see themselves engaged in the narrative and to experience the sales rep's expertise first-hand. It also allows the customer to feel they are being listened to and that their needs are being heard and understood. By adding a compelling and customer-centric provocative narrative, the company can show how it can meet customers' needs and aspirations. The sales rep can then summarize the sales proposition at the end of the narrative.

**Conclusion:** The corporate strategy development process is usually very top-down and management-led, with little or no input from lower-level employees. This can result in a strategy that is not only uninspiring but also unworkable. The Dream phase offers a more inclusive approach to strategy development, enabling people from all levels to communicate with one another on an equal basis. It also encourages people to use the creative side of their brains - which seems to enable them to come up with ideas and solutions which they may not have considered in a more formal setting. Dreaming up a provocative proposition empowers the team to imagine and visualize the future and determine how to get there.

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## *How Business901 Works*

**We act as Teachers, Consultants, Strategists, or Implementers:** Implementing a Managing Customer Value initiative requires a team of experienced professionals who can act as teachers, consultants, strategists, and implementers. Business901 specializes in providing such services and can help you seamlessly transition into a successful new program.

As a teacher, Business901 can provide an educational platform to your team with virtual courses and on-site training. This will ensure that all team members are updated on the latest techniques and strategies for managing customer value. Business901 will also provide individualized consulting services and strategizing sessions, which can help you identify the best ways to implement the program.

When it comes time to implement the program, Business901 will act as your implementer. They have the necessary experience to ensure the program is implemented without disrupting your existing processes and resources. Business901 will provide you with dedicated teams of professionals who will work to ensure the implementation is completed most efficiently and cost-effectively.

If you want to align your company around Customer Value as a core strategy, you should implement a specific initiative to achieve this. Business901's Managing Customer Value program enables you to implement the program effectively with minimal disruption to your existing processes and resources. It also gives you the skills required to manage that program effectively and becomes a strategic asset from which your customers and company will benefit.

The program is designed around specific milestones and time frames to meet your outcomes. A starting point:

- Designing and Developing Your Program
- Training and Educating Your Team
- Manage the Program's Healthy Development
- Establish and Integrate a Customer Value program.

Please get in touch with me at [jtdager@business901.com](mailto:jtdager@business901.com) to arrange an introductory session about Customer Value.

Creating a robust customer value delivery framework will set your company up for success in delivering lasting value to your customers. Your customer value framework (playbook) should outline your company's actions to deliver customer value. It should be a living document that evolves as your company grows and changes. And it should be used as a guide for all of your decision-making. If you're not sure where to start, here are a few questions to ask yourself:

- What are our core values?
- What do our customers need and want?
- How can we best meet those needs and wants?
- What does our competition offer?
- How can we differentiate ourselves?
- What are our unique strengths and capabilities?

Asking yourself these questions will help you focus on the right things and make better decisions about how to deliver customer value.

Enjoy the journey. - Joe Dager

