

The Value Equation

What is the RESULT they are looking for?

Service is asymmetric - we think of what we sell as a product - but they are looking for a result - do we understand what that result is?

Understanding value from the customer's perspective

$$V = \frac{\text{Result} + \text{Process}}{\text{Price} + \text{Effort}}$$

*Time
Reliability
Knowledge
Empathy
Proof*

How does our PROCESS support them getting that result?

KEY QUESTIONS:

How important is 'time' to them?
What is 'reliability' in their eyes?
Do they experience us as knowledgeable at every touch point?
Do we understand what it is like to be them?
Can we make our service more visible to them?

Have we maximised the PRICE/value relationship?

Can we increase our price if we offer better value, i.e. better understand what result they actually need?

In what ways would more or less EFFORT on their part enhance their value perception?

Can we make it easier for them, and increase our price?
Or, can we let them do more themselves in exchange for a cheaper price?