

Customer Perceived Value™

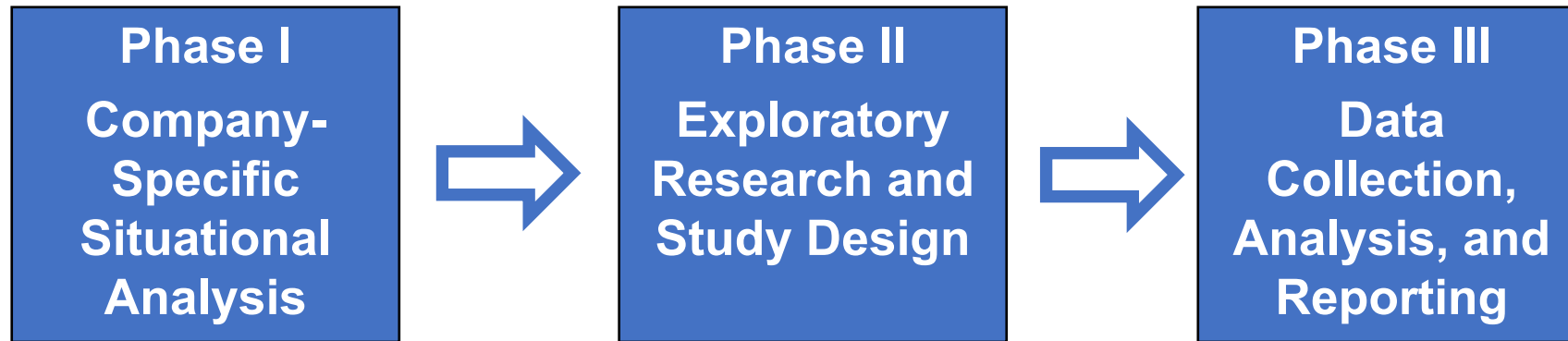
Understanding How Customers' Perceive the of Value a Product or Service

What is Customer Perceived Value™?

- CPV™ is the market's evaluation of all the benefits and costs of using a product or service compared to the alternative.
- Customer focus and market orientation have become commonplace terms in strategic planning.
- CPV™ deserves even more careful consideration because it offers a basic premise on which management can build strategy, manage processes and measure success.
- The customer's buying process is a “balancing” of factors that goes into the evaluation of a product or service.
- Factors are issues that customers take into account when making a buying decision.
- Sometimes buying decisions are based on **explicit** analysis with defined attributes and an established grading criteria...
- ...But just as often, the evaluation is done more **implicitly**, with many factors that go into the overall buying decision occurring at a more subconscious level.

The CPV™ Process

- It is recommended that the introduction of CPV™ methodology to an organization utilize all three phase of the process to encourage client involvement and build enthusiasm for the results:



The CPV™ Process

Phase I: Company-Specific Situational Analysis

- The primary task of Phase I involves in-depth, one-on-one interviews with stakeholders. This is a key phase of the research because it fosters the collaboration necessary for good market research. The results of this phase will help to guide the research in its ensuing phases, ensure accuracy and accelerate the implementation of findings once the research has completed.

Phase II: Exploratory Research and Study Design

- This next phase is designed to optimize the effectiveness and efficiency of the survey instrument used in the confirmatory research phase. Exploratory research usually consists of an open-ended dialogue with research subjects, in which the subject matter, emphases, and language is left largely to those subjects. Its purpose is to *discover* how buyers think about the market in which we compete and how to best construct a survey instrument to capture desired information in the subsequent survey.

Phase III: Data Collection, Analysis, and Reporting

- Confirmatory research consists of a survey and its purpose is to *describe* how buyers perceive value.

The CPV™ Process

- CPV™ will encourage change in how markets are viewed and the customers for whom we provide service. I believe that change is about relentless adjustment. Microsoft exemplifies this observation. They never seem to get any of their releases correct but they are in constant motion, always adjusting and somehow, they end up in the right place.
- The change process will involve collaboration to implement results. Following the CPV™ model, the manner in which customers value their experience with products and services is the defining success measurement. Learning from customers, creating the experience they want, measuring success, then continuously fine-tuning and returning to customers to learn more becomes the primary mission.

Benefits of the CPV™ Process

- It is a collaborative effort involving an organization's key decision-makers.
- It accurately represents the marketplace, including customers and non-customers.
- Its scope is determined not by the investment and associated risk of the specific management decision but by the depth and breadth of the research undertaken to achieve specific objectives.
- It is best utilized by articulating management business assumptions, exploring and finally validating them.
- It can be used by the managers who compete for market share every day.

CPV™ Deliverable

The following slides demonstrate how CPV™ models are presented. Data representations are not actual results and are for demonstration purposes only. Actual results also include analysis of open-ended responses and models can be constructed according to the needs of the end user.

CPV™ Factor Importance – Smartphone Customers

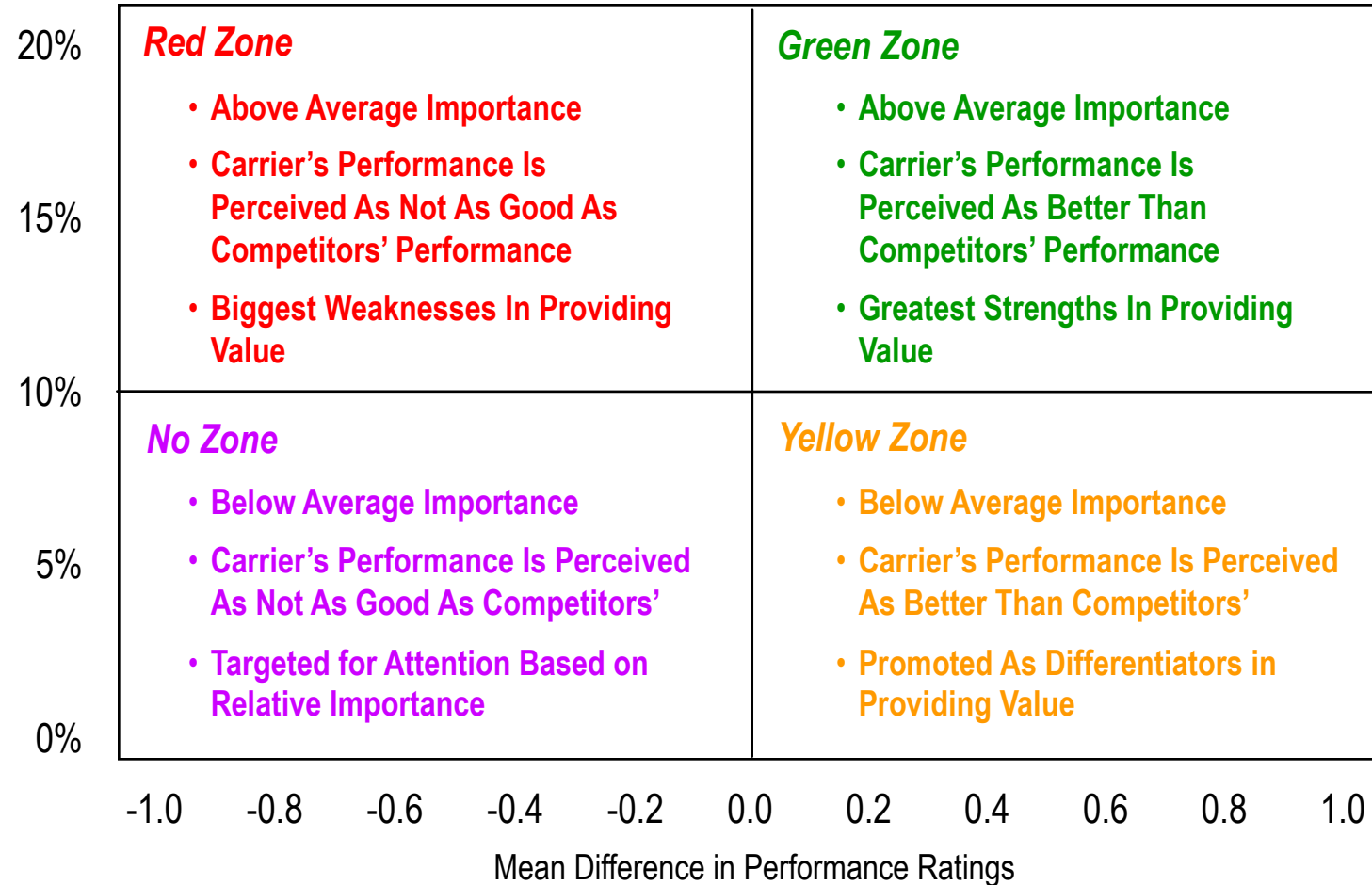
“Please indicate the relative importance of these factors to you by assigning a total of 100 points across all eight factors.”

FACTOR	Total Sample [300]
Screen Size	16.5%
Price of Device	18.5%
Ease of Use	10.6%
Battery Life	14.4%
Internal Memory	12.0%
Operating System	10.2%
Device’s Brand Reputation	9.3%
Device’s Brand Awareness	8.5%

Average Relative Importance: 12.5%

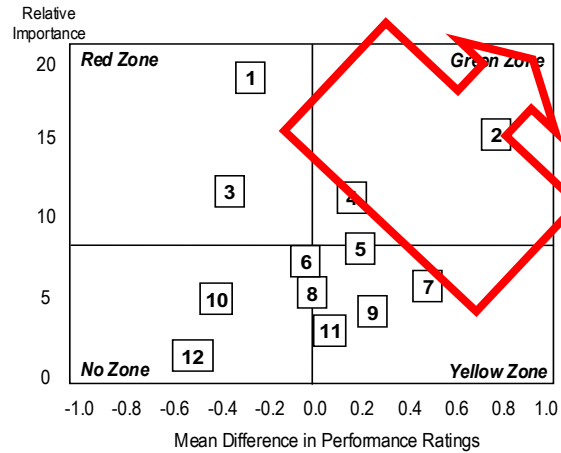
Customer Perceived Value™ Profile

Relative Importance

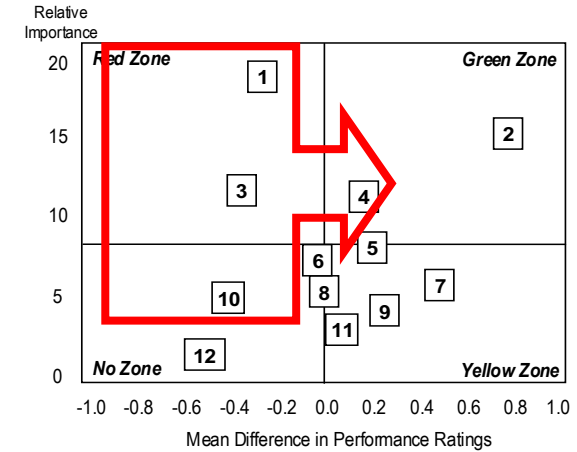


Strategic Use of CPV™ Information

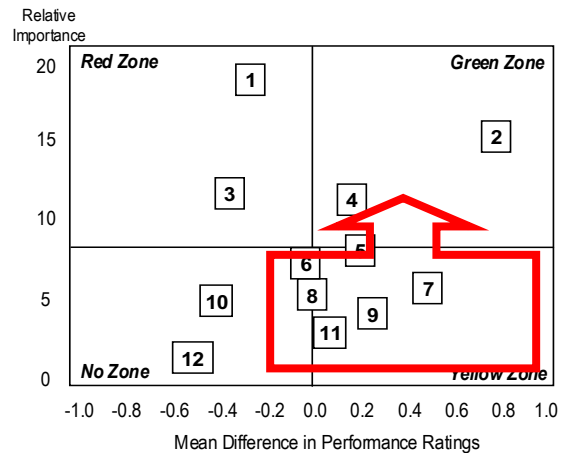
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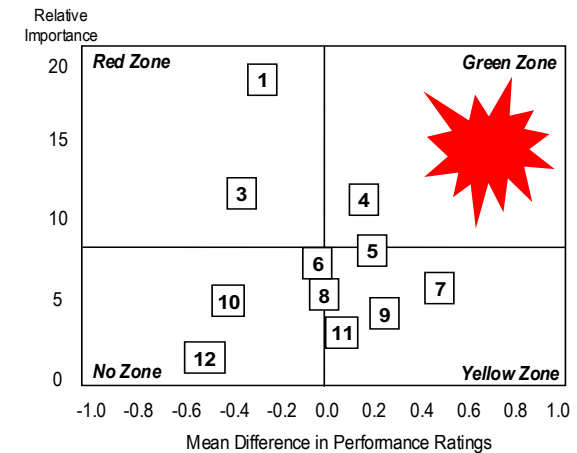
IMPROVE



PERSUADE

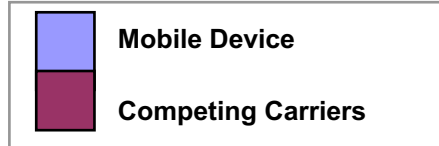


INVENT

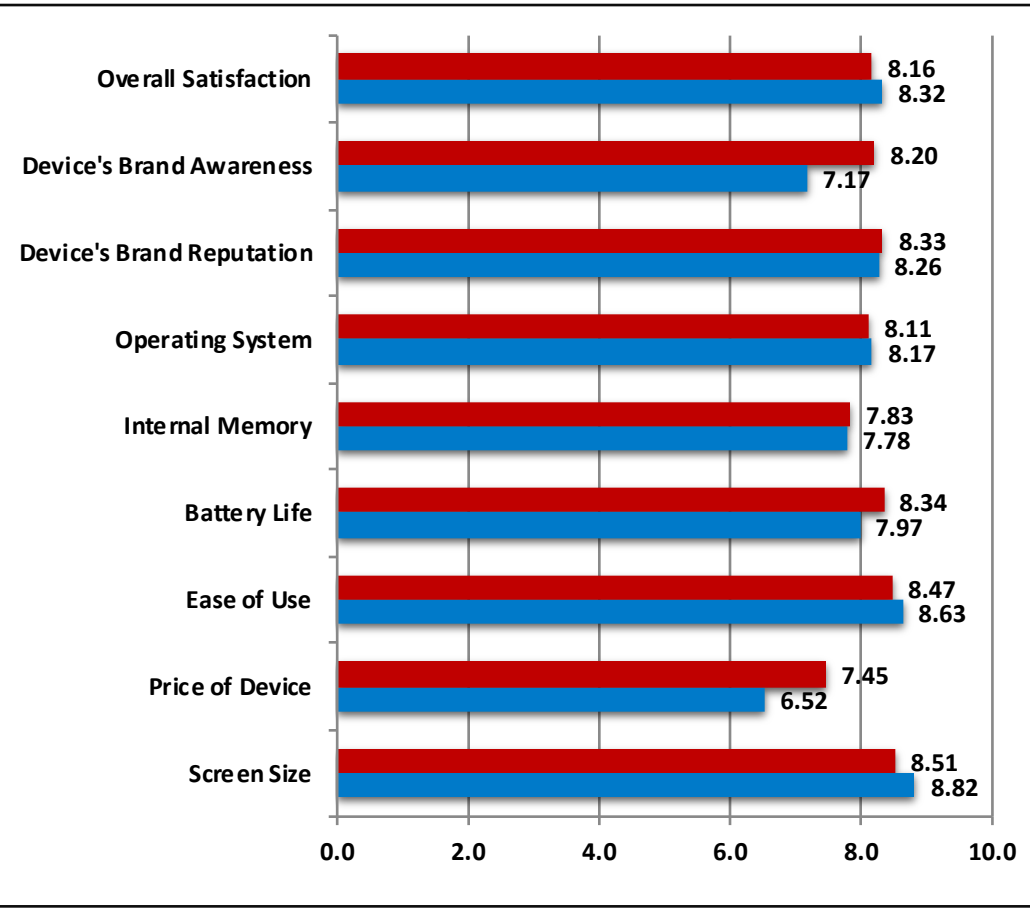
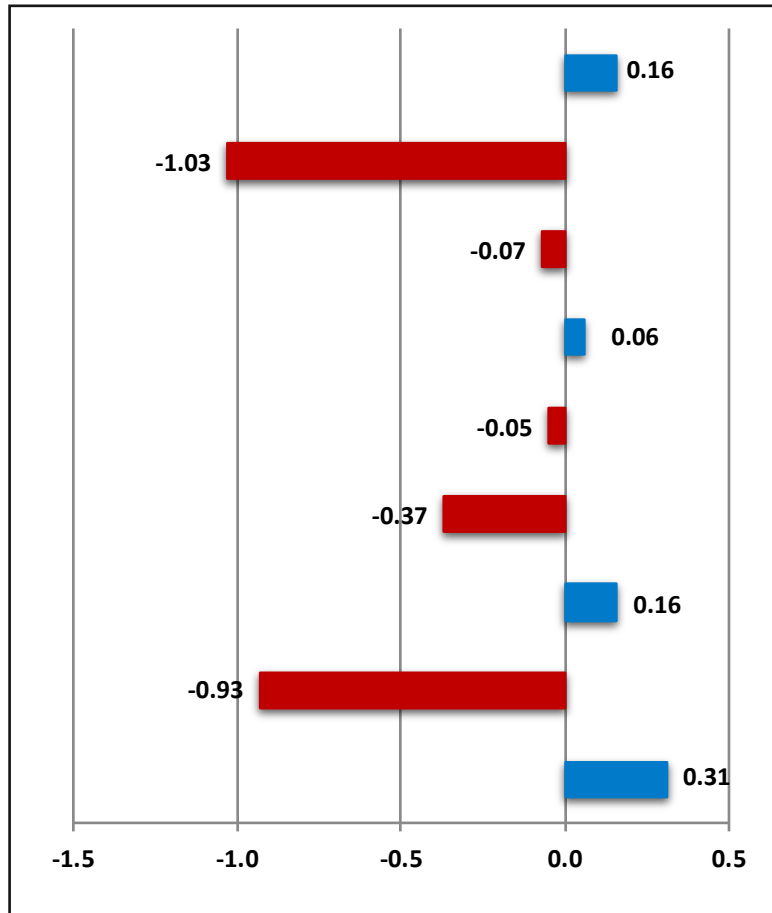


Perceived Value Relative Performance

Mobile Device vs. Competitors



total number of respondents = 300



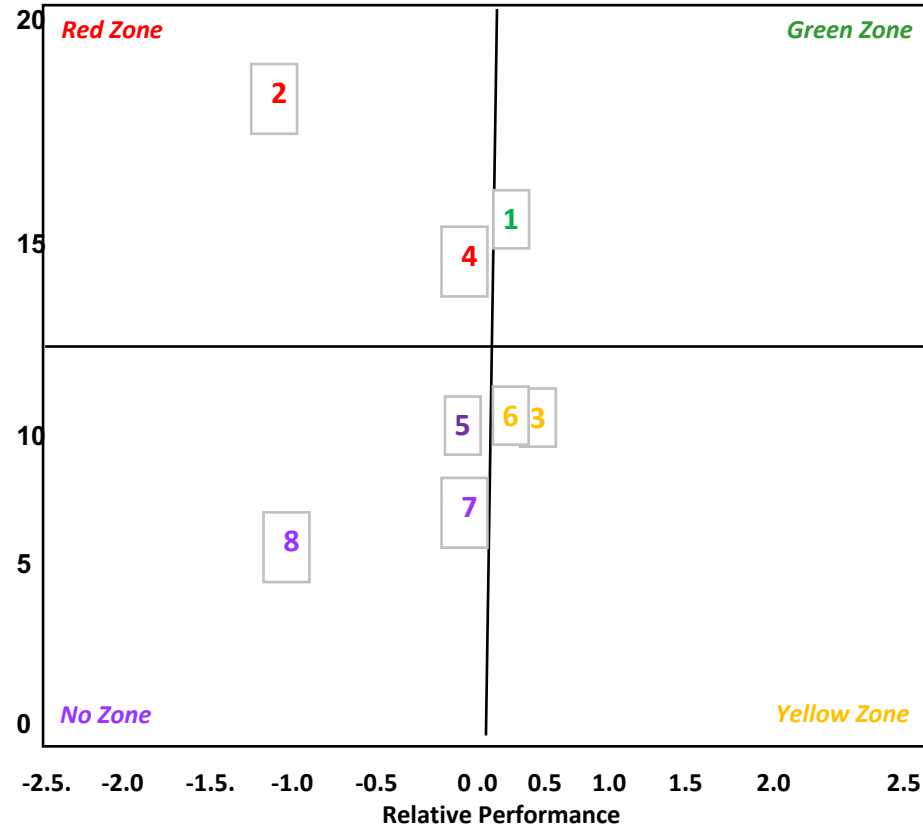
CPV™ Profile

Mobile Device. v. Competitors

CPV INDEX

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Relative
Importance



1. Screen Size

2. Price of Device

3. Ease of Use

4. Battery Life

5. Internal Memory

6. Operating System

7. Device's Brand Reputation

8. Device's Brand Awareness

Summary - Total Sample

- Mobile Device is superior to competitors only in the **Screen Size** factor
- If the company is to increase retail distribution among carriers it must improve the battery performance and offer more competitive pricing. They are underperforming versus competitors in **Battery Life** and **Price of Device**
- **Ease of Use** and **Operating Systems**, while below average in importance are perceived as superior to competitors and offer Mobile Device a strategic marketing opportunity
- Specific to product design, **Internal Memory** while below average in importance, is viewed as inferior to competitors.
- Mobile Device's **Brand Awareness** and **Brand Reputation** are marginally below average in importance. These factors should be consistently monitored because of the highly competitive nature of the mobile device industry. While consumers do not yet perceive awareness and reputation as important relative to other factors that are above average in importance, carrier/retailers require it to support sales