MARKETING MANAGEMENT AND STRATEGIES

Your Name (First M. Last)

School or Institution Name (University at Place or Town, State)

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Customer value is the value which identifies the satisfaction level of the consumer. The word value refers to the worth of the goods or services for the customer. Worth indicates the feeling of satisfaction or likeness that means whether the customer feels being fully benefitted from the product or service he received. In other words, customer values are the difference between the benefits gained by the customer to the cost he paid.

$$Customer Value=Benefits-Cost$$

In the equation, cost does not mean the price only that customer has paid. Cost also includes time, energy, expectation, and similar factors. Benefits include advantage, quality, experience, image and long-term takeaways.

Every customer has different needs and resources, hence acquire a different level of satisfaction. No two individuals gain the same customer value for the same goods or services. Therefore, companies establish customer value on such aspects which can provide satisfaction to the maximum number of consumers (Anderson & Narus, 1998). Marketing can create customer values in three ways that are by providing:

* **Best service:**

When a company provides the best service, it increases the benefits for the customers. For instance, retailer Nordstrom has the best retailer service in the industry, therefore, acquires maximum customer value.

* **Best Cost:**

Reasonable price is the key to attract consumers. It means, the customer gives more value to low price product then the high price product even it provides more benefits. For instance, KFC provides quality food at a reasonable price.

* **Best Product:**

This is the best and important strategy to develop customer values because product quality not only satisfies the customer it also helps to compete in the market. For instance, Toyota Motor Corporation makes the best quality cars which make it the top company in the motor industry.

iPhone from Apple brand is one of the best products acquiring great customer value because the product identifies as the best product with the best mobile phone service at the best cost. iPhone provides the maximum level of satisfaction, therefore, its demand is higher than the other smartphone products in the market.

References

Anderson, J. C., & Narus, J. A. (1998, November 1). Business Marketing: Understand What Customers Value. *Harvard Business Review*, (November-December 1998). Retrieved from https://hbr.org/1998/11/business-marketing-understand-what-customers-value