

ADDITIONAL READING ON CUSTOMER VALUE AND PERCEIVED BENEFITS

Value is difficult to define because it means different things to different people. The most common definition of value relates customer benefits to costs: a customer's subjective evaluation of benefits relative to cost. This leads to the following value equation:

Value=Benefits/costs. Value is therefore subjective and relational.

Functional benefits

Functional benefits are tangible benefits of using products and services. Reliability, durability and performance are operative words to describe the features and functional attributes of products. For services, the words trust, flexibility and safety.

Emotional benefits

Emotional benefits come into play when a customer buys a product or service and experiences a warm feeling of pleasure using it. For example, buying a product that helps preserve the environment may create a good feeling in the customer.

Image benefits

Image benefits are used when referring to the reputation of the organisation, which may provide assurance. The buyer will therefore feel confident in investing his or money in the product or service.

Social benefits

Customers using particular products or services may derive social benefits from their use in the form of compliments from friends, family or associates. For example, someone driving a Lexus may elicit positive responses from colleagues.

Service benefits

Customers frequently value, compare and evaluate the benefits of accompanying services, such as deliver, maintenance and guarantees. These become differentiates when the functional and tangible features of competing products are perceived as equal.

Experiential benefit refers to how the customer experienced the product or service. This can refer to products with higher symbolic meaning, like entertainment, arts and leisure activities. For example, the pleasure and enjoyment of driving a powerful motorbike and the associated adrenaline rush can offer experiential benefits to the customer.

Reference

Jooste,C.J., Strydom,J.W., Berndt,A. & du Plessis, P.J. 2012. Strategic Marketing. 4th ed. Cape Town: Juta