

Customer Value: A Systematic Literature Review

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ABSTRACT:

Customer value refers to the emotional bond customers develop with a brand. The concept is defined as a person's perception of the experience of being associated with a brand. It can be considered a powerful tool for increasing customer loyalty and satisfaction. However, Customer value needs further analysis to understand how it can drive business performance. A business can also increase its customer value by improving customer satisfaction. The value of a customer is directly linked to their opinion. People who are loyal to a business will become an advocate. In return, the customers will advocate for that business by referring them to their friends. It is a mutually beneficial relationship that will make the business grow and expand. And while the customer value of a product is essential, it is only the price and quality that matter. As a marketer, customer value is essential for business. It will help you make the right decisions for your business. Your customers will always choose the product or service that provides them with the best value. This is why it's critical to provide them with a high-quality, high-value product. But, the key to achieving a great customer experience is to focus on the benefits of your product, not on the costs. This review paper explores the significance of customer value.

Keywords: customer value, products, cost of a product, customer experience

INTRODUCTION:

Customer value refers to the relative preference of consumers for certain subjectively evaluated product and service attributes. The concept of consumer value has many applications and is used to improve marketing strategy and customer service. It is also an essential factor for the success of a new product or service. As a result, the concept of customer value is crucial. It helps you determine the benefits customers want to receive from your product or service. In addition, it helps you increase the overall profit margin of your company (Donaldson & Sheppard, 2004). Unlike products and services, which can be touched, services require a close relationship with their customers. However, consumers are not interested in lengthy conversations about their purchases. Therefore, the key to customer satisfaction is to offer them benefits and an excellent experience. By doing this, you'll have an advantage over your competitors. And, the importance of Customer Value cannot be underemphasized (Weinstein & Oliva, 2004) & (Woodruff, 1997). Customer value is the difference between the costs and benefits of a product or service.

In addition to price, customer value also includes time and effort. The most obvious cost is the price paid, but the amount of time spent in the process of purchasing the product is essential as well. The convenience of using a convenience store compared to a grocery store is more attractive to some consumers than convenience stores, so it is necessary to consider how much time it will take to make a purchase in the latter. The time involved in making a purchase is important to some, but it's not crucial for others. Blocker; Flint; Myers & Slater (2011). The cost of a product or service is often the lowest of these factors. By measuring the total cost of a product, a company can determine its customer value. The average customer spends more than \$3,000 a year. While this figure sounds high, it is a much more realistic measure of the overall value of a business. If your customers feel appreciated, they'll be more likely to buy your products again (Wang; Chi. & Yang, 2004) & (Oh, 1999).

A company's Customer Value is a measure of its value to customers. It is an evaluative factor, which means that it can be used to determine the price of a product or service. The cost of a

product is always higher than the value of the customer. The difference between perceived values and costs will influence your profits. While customer value is a key component of profitability, it also depends on the quality of the product or service (Sinha & DeSarbo, 1998). The cost of a product or service is part of the Customer Value equation. A product or service's cost is usually reflected in the price. However, other factors such as time, effort, and inconveniences can also affect a company's Customer Value. In this case, a convenience store is better than a supermarket, and the latter is faster, so consumers may be less interested in a convenience store. Creating a product or service with high customer value will increase your profits many times (Smith and Colgate, 2007).

The cost of a product is the price the customer pays for it. For a customer's convenience, a convenience store will be faster than a supermarket, and vice versa. Moreover, the price is much lower than a product or service cost. Hence, the difference between a convenience store and a supermarket is the perceived value of a product. A retailer's costs, in turn, will be determined by the cost of the product or service (Weinstein & Oliva, 2004) & (Herrmann & Huber, 2001). A consumer will buy a product or service if it offers the best value for money. The consumer will typically buy an item that has the highest value. The most important factor in a consumer's decision will be the cost. A convenience store will save time. A grocery store is faster. A convenience store will save a customer money, while a supermarket is more convenient for them. A fast service is a customer's value. A consumer will choose the most expensive item in their purchase decision. It is the same with a restaurant (Williams & Soutar, 2000). The customer value of an item is measured in terms of the price and the experience. In this case, the higher the price, the higher the value of the service. As a result, the consumer is more likely to choose a product or service that has a higher perceived value. A business can also increase its profit by increasing its customer's value (Woodruff, 1997).

CUSTOMER VALUE:

To be a successful business, it's important to understand how your customers value your products or services. The key is to make them think that the product or service they're buying is worth more than what they're paying. After all, people buy things for a reason. If your product or service isn't worth what the buyer is paying for it, they'll probably go somewhere else to find the same thing.

Here's how to calculate customer value:

Consider this: A customer's perceived value is a major factor in their decision to purchase something. When comparing two or more products, customers will consider their overall costs and benefits and determine which is the best value. While prices play a significant role in customer value, other factors are equally important, such as the time, energy, and cost of the product or service. Another way to determine the value your customers place on your product or service is to collect data on them. A survey will help you gather information about your customers' preferences, so you can repeat the formula and see if it works. In addition, your customer data will show which factors are more important to them. For example, if your customers believe that you offer quality, price, and experience, they're more likely to purchase from you again (Butz & Goodstein, 1996)

Another way to determine customer value is to measure the amount that each customer pays for a product or service. While price is a major factor, customer satisfaction is equally important. The longer a customer is satisfied with the experience they've had with your product, the higher the value is. If the cost is too high, the customer's satisfaction drops. But if the experience was great, the customer will return. This means delivering more than a good experience, and that's what your customers want (Schmitt; Skiera & Van den Bulte, 2011). The cost and effort involved in purchasing a product or service is an important factor in customer value. For example, a consumer can save time by going to a convenience store rather than a grocery store. The convenience of using the product or service is also a major factor for some customers. By making your products and services more convenient, customers will be more satisfied and will buy more of them. In this

way, you can increase customer satisfaction and loyalty by offering the right experience (Graf, Albert & Maas 2014)

Customer value differs between different types of customers. Each segment has different needs and expectations. They have different goals and standards of what a product is worth. To create a profitable business, you need to understand your target market and the values of its various segments. If you're not sure about which customer segment is the most valuable, consider identifying the attributes that make your customers happy. Ultimately, the value of each customer segment is a key factor in determining your profitability. Creating value for your customers is essential to the success of your business. This will help your brand reputation, profits, and long-term success. By providing a product or service that has value for the customer, you'll improve the quality of your products and boost your customer's loyalty. Once your customers are happy with your products, they'll be more likely to recommend your product to others. By offering the right benefits to your customers, you'll increase the likelihood that they will buy more from you and recommend you to others (Schmitt; Skiera & Van den Bulte, 2011).

In addition to price, customer value is also measured in terms of benefits. The benefit a customer receives outweighs the price. Therefore, the value of a product is the difference between the product and its price. Your customers' perceived value is what determines their behavior and what they'll pay for. The more value your customers have to spend on a product or service, the more value they will have for you. This is your Customer Value. To make a product or service more valuable, you need to consider the value of the customer. While customers don't pay for a product, they are willing to pay for a service or a product that meets their needs. In addition, you need to understand how the cost affects the perceived value of your customers. And, if the cost increases, the perceived value will decrease. You can make your customer happy by changing the price (Graf, Albert & Maas, 2014)

REVIEW OF LITERATURE:

A business must have a great customer value if they want to stay in business. While price is a

universal concept, customer value is highly subjective. One customer may not be willing to pay the same amount for your product as another. A good business values its customers so much that it invests in customer experience. Here are some tips to increase customer satisfaction and customer loyalty (Donaldson & Sheppard, 2004). To improve your customer value, consider the following strategies. In this article, you will learn how to improve your customer value. The first step is to create a good customer value. This is the foundation for any successful business. This value is a combination of factors that influence the customer's decision to buy your product or service. Creating a great customer value is the key to success for any business. The benefits of your product or service are what make it valuable. You can create your product to provide these benefits, and improve the user experience. As a result, you will be able to drive sales forward (Kumar & Reinartz, 2016)

A great customer value creates a sense of urgency for customers. This creates a sense of urgency in customers and encourages them to make a purchase as soon as possible. By creating a strong customer value, businesses can form timeframes for key benefits. In addition, this makes sales workers more productive because they will have a better idea of how long the benefits will be. Once the timeframes have been set, the sales workers will be able to close the sale faster. The next step in improving your customer value is to identify what they value. Whether it's a service, product, or brand, there are ways to increase your customer's satisfaction, and they are not always directly related to price. The customer's satisfaction is important, because it will influence the value of a brand. In addition, it will affect the brand image and social benefit, and this is the best way to improve your customer's experience (Khalifa, Azaddin, 2004) & (Wang, Chi, & Yang, 2004).

To increase customer value, a business must focus on three things. A high customer value is the product that enables the consumer to express themselves, feel better, or buy more. This is the ideal value for a business, so it is critical to provide that to your customers. Intangibles like brand image and customer satisfaction will increase customer loyalty. They are not the only factors that influence your customer's value. If you care about your customers, they will be loyal. Creating a high customer value means

paying your customers the right price for their products and services. This is a very important part of the equation. The higher the price, the higher the customer value. The more you charge, the more customers you'll need to sell. But if you're looking to make money, you'll have to increase your customer value if you want to stay in business. However, remember that the best value comes from your customers (Kumar & Reinartz, 2016) & (Smith and Colgate, 2007).

A high customer value is the total value of a customer's benefits and their satisfaction. It encompasses the economic, social, and emotional benefits of a product or service. A high customer value will lead to more repeat business and loyalty. And a high-quality product will help you earn your customers' trust and loyalty. That's why Customer Value is so important to your business. In short, a great business value will not only be a happy and loyal customer but also a satisfied one. Creating customer value means creating a good customer experience. A high-quality customer experience will build a positive brand image (Payne, Adrian; Holt, Sue, 2001). A high-quality product will make customers feel more confident about their purchase. And the better the client experience, the greater the customer's brand equity. The customer value is a powerful factor for a business. The more value a customer has, the more money they will spend. But how do you create a great customer experience? A high-quality product or service can increase a business's value. It should make a customer's life easier and more productive. Besides, the value of a product or service is dependent on how many benefits a person receives from it. Having a high-quality product or service will boost a company's overall brand equity. Providing a great customer experience is key for business success. The best customer experience will lead to higher profits (Evans, 2002) & (Smith and Colgate, 2007).

CONCLUSION:

Customer value is a process that dives into the psychology and experience of your customers. As a marketer, it's important to remember that a product's value is not only a monetary one, but also a subjective one. While this is the case, you can use it as a tool for improving your products. It's a great way to attract new customers and

increase your market share. You can use this concept to create a better product that will satisfy your existing customers and increase your profits. Customer value is the value that a customer will perceive as a product or service. It's the value that your customers will pay for your product or service if they are satisfied with the quality. In a competitive marketplace, this can be a critical advantage. Successful companies will be able to capture their customer's attention and increase their revenues with customer-centric strategies. When it comes to customer-centric marketing, the importance of customer value is intangible, and your customers' loyalty will drive your bottom line. When a product or service is superior in terms of customer value, it is a success. Its superiority is measured by the difference between the benefits that the consumer sees and the costs that a customer will pay for the product. A product or service that is perceived as having superior value will have a higher chance of generating revenue and profits. It will also increase the brand's market share and keep the customers coming back.

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