

12.20: Defining Value

Learning Objectives

- Define value

“Value” is an overused and under-understood term in business today. Since we are wearing a retailer hat, we want to focus on value as it relates to our customers. For customers then, value is the perceived monetary worth of the combination of product, service, and utility provided.

The term “value proposition” is also a heavily-trafficked term used by business people today. Think of a value-proposition as an innovative feature intended to make a company or product attractive to customers. It can be best illustrated by a thought-scenario: You are shopping for media services to help you get the word out online about your new candy store. The first company comes to you with the following statement: “Trust me, our firm is number one and will give you the most for your money.” The second company comes to you with: “We can guarantee 200 clicks per day for every month of our contract.” Which value proposition would make you the most impressed?

For retailers, value can take on even more meaning. For example, there is a class of retail companies referred to as “value-price” retailers (generally discounted and/or inexpensive products). The largest home-shopping network uses value as part of their daily programming with a hook called “Today’s Special Value.” And when was the last time you were in a retail store and did **not** see some signage referring to “great value,” “best value,” or “value guarantee”? It is no wonder that our definition of “value” has become so murky.

Practice Questions

<https://assessments.lumenlearning.co...sessments/9269>

Contributors and Attributions

CC licensed content, Original

- Defining Value. **Authored by:** Bob Danielson. **Provided by:** Lumen Learning. **License:** [CC BY: Attribution](#)

12.20: Defining Value is shared under a [not declared](#) license and was authored, remixed, and/or curated by LibreTexts.

- 12.20: Defining Value is licensed [CC BY 4.0](#).