

# Gaining a Sustainable Advantage

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**MARKETFIT**

Strategic Services for  
Measurable Growth

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Cute  
Friendly  
Soft Fur  
Fetch  
Potty Trained





**\$10**



Minimum  
Viable  
Puppy  
v0.9

Feedback?



Asking customers if they like your product  
is like asking “is my puppy cute?”

\_\_\_% **Fail?**

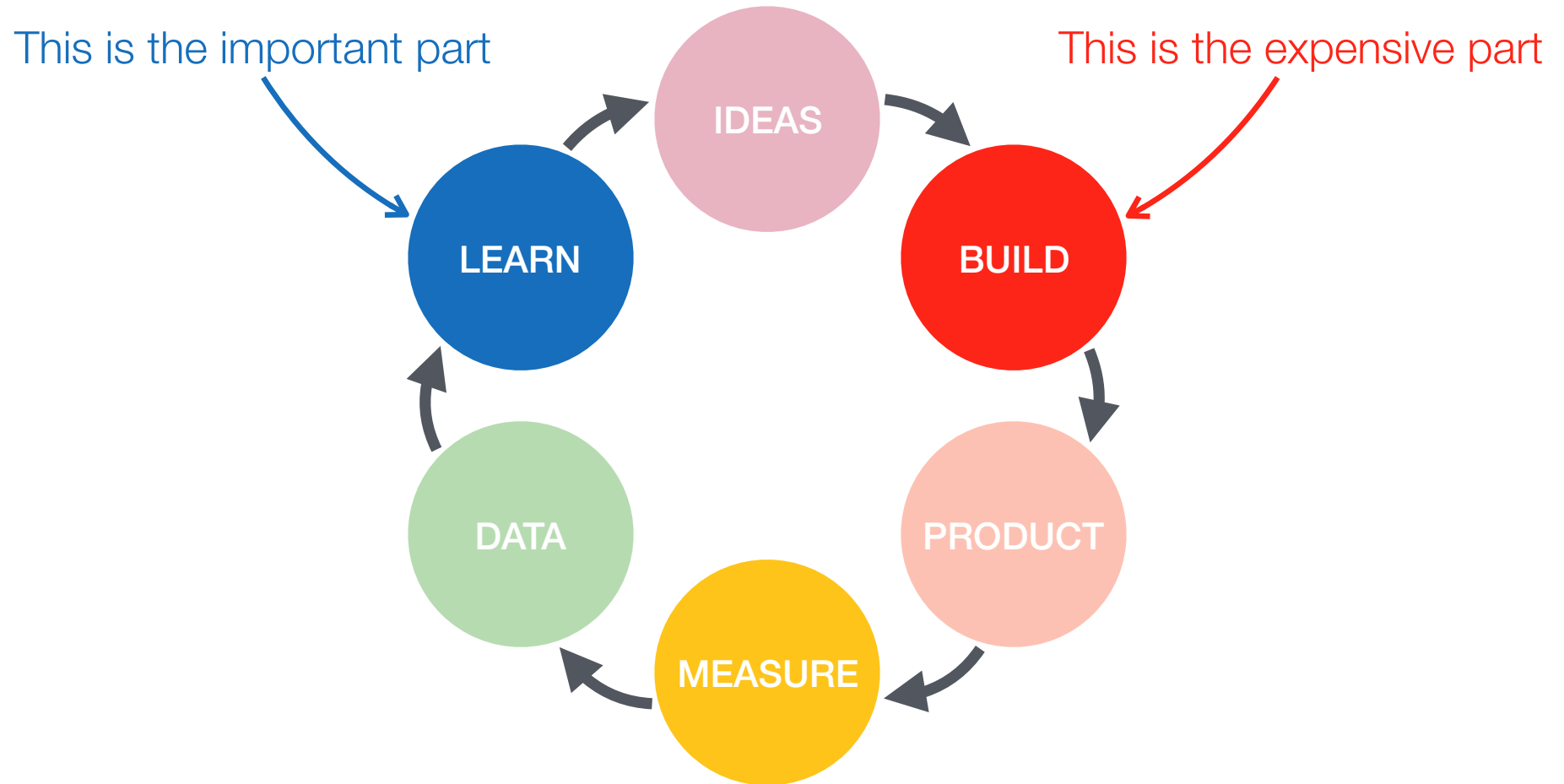
>80% **Fail**

\$29.5 billion spent creating features that aren't used



If our current best practices are so good,  
why is our failure rate so high?

# Why do we save learning for last?





Why build *before* you measure?





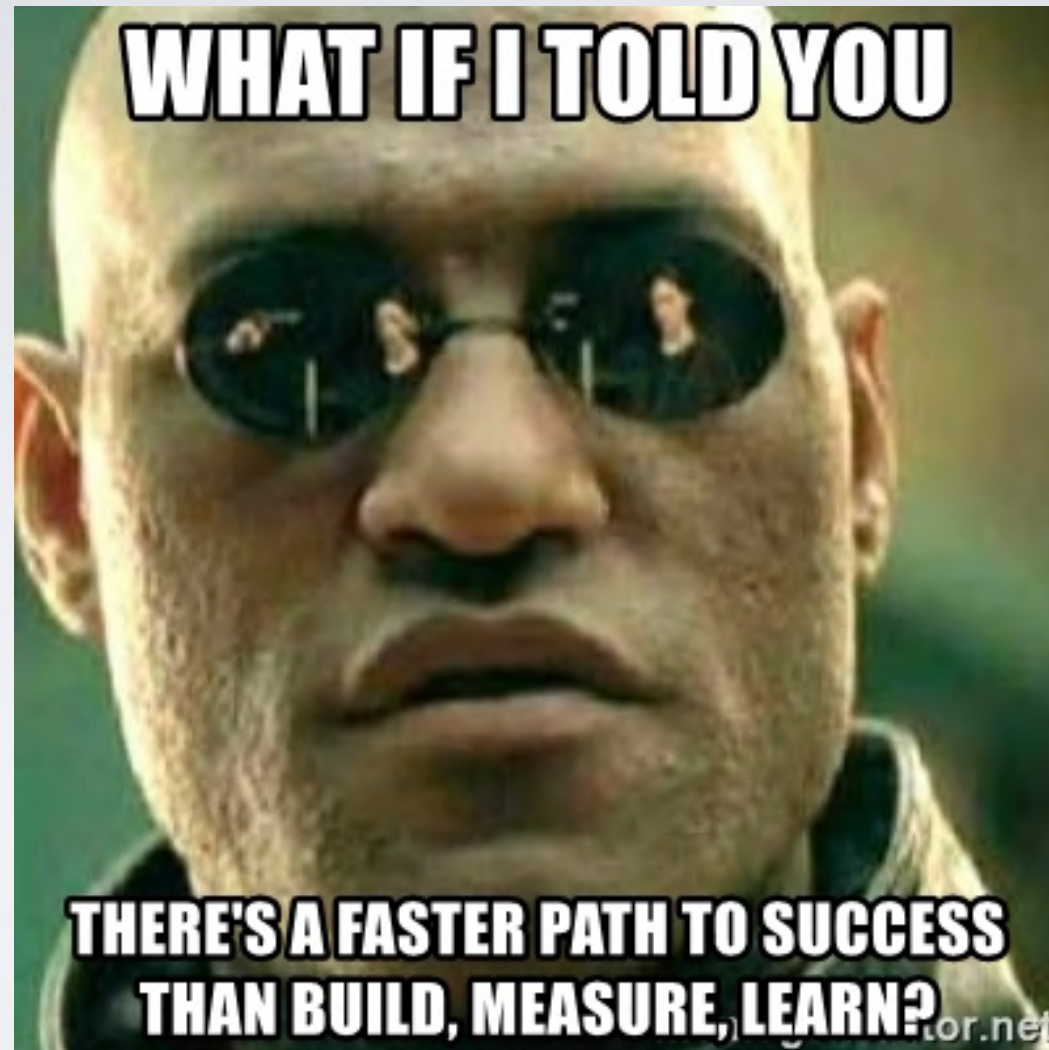
Why sprint before you know the right direction?





Why fail fast?

Why not focus on succeeding sooner?



**WHAT IF I TOLD YOU**

**THERE'S A FASTER PATH TO SUCCESS  
THAN BUILD, MEASURE, LEARN?**

lor.net



A bit about me...

Cognitive Psychology  
Computer Science

Startups  
Bootstrapped  
Venture-funded  
SMB  
Fortune 500

B2B Products & Services  
B2C Products & Services



# Agenda

The Need for a Better Approach

**Customer Perception of Value**

Case Study

How To

NO Optical Drive  
NO Ethernet Port  
NO Media Card Slot  
NO replaceable battery  
ONLY 1 USB slot  
SLOWEST processor

> 80% More \$



The world's thinnest notebook. **MacBook** Air.



# Introducing Customer Perception of Value

**Customer Values =**

motivations

goals

concerns

emotions

what people care about

**the “why” that makes them buy**



## EXAMPLES OF CUSTOMER VALUES

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Minimizing costs

Increasing revenue

Reducing risks

Social interaction

Gaining confidence

Making friends

Convenience

Wide selection

Low price

Rapid deployment

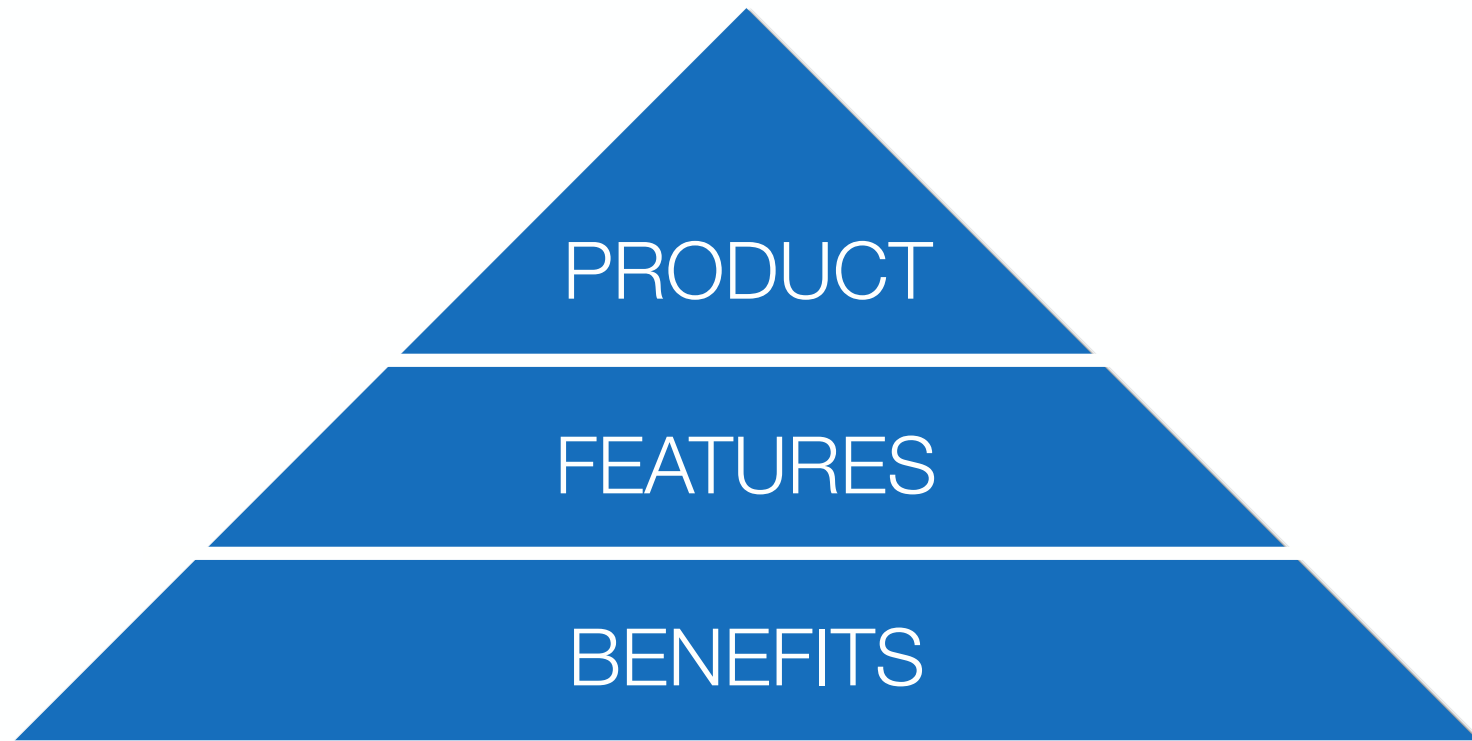
Minimizing disruption

Environmentally friendly

Socially conscious

Global presence

Local office





PRODUCT

FEATURES

BENEFITS

VALUES



PRODUCT

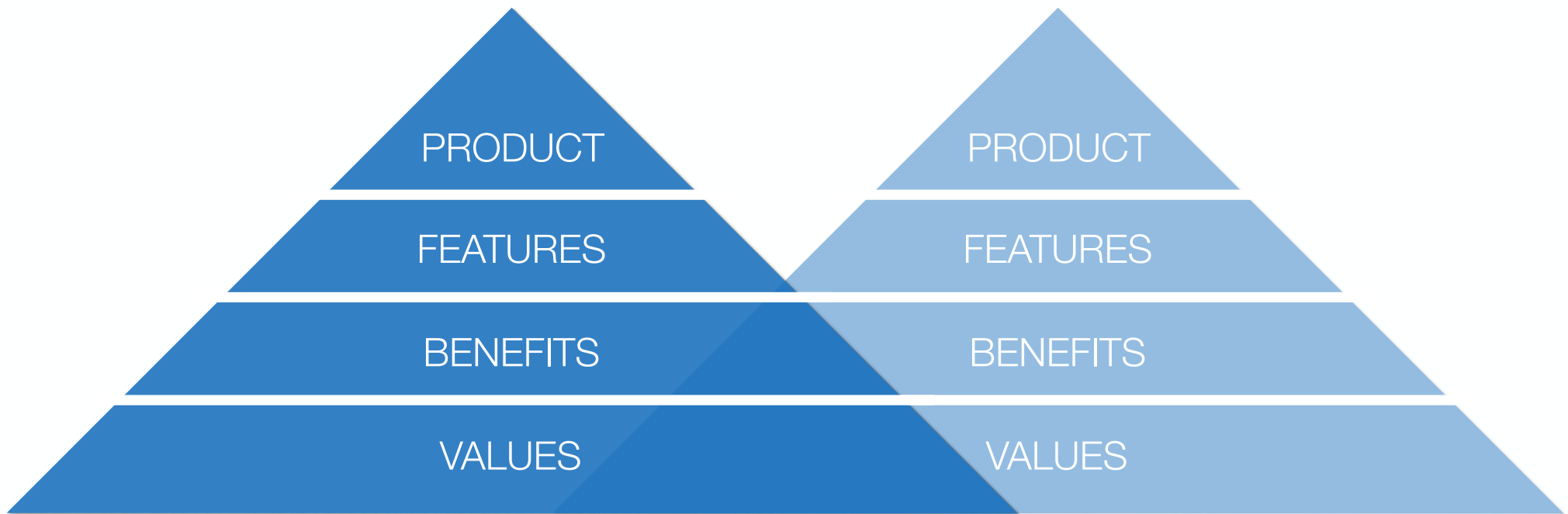
FEATURES

BENEFITS

VALUES

START HERE

People with different values  
choose different products



People with different values  
react differently to the same product





New definition of Market Segment:

People who share  
the same perception of what's most valuable.

You can segment your market by  
Customer Perception of Value.

Segmentation → Differentiation → Pricing Power





# Values Drive Our Behavior

Buying

Usage

Retention

Recommendation

Values Drive *All* Behavior

You can easily change

ideas

products or services

markets or segments

positioning and messaging

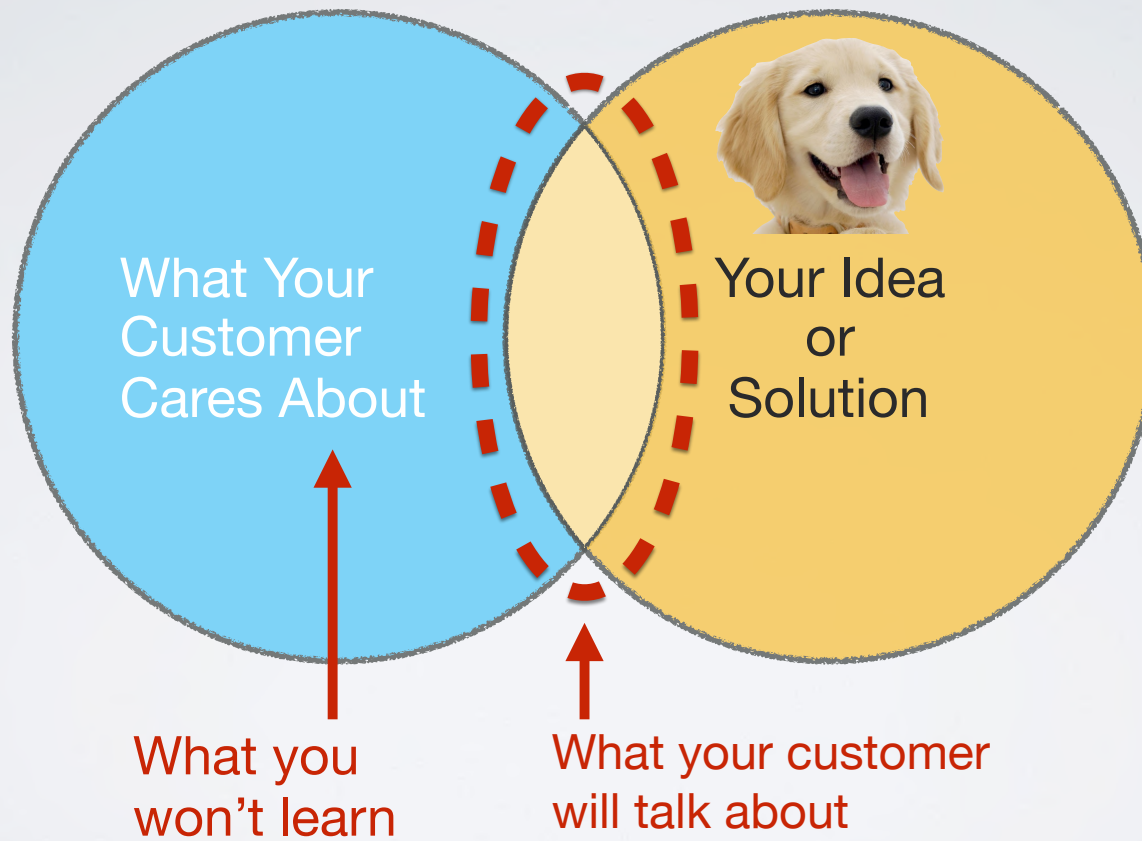
Customer Perception of Value

hard to change

sparks emotion

discoverable

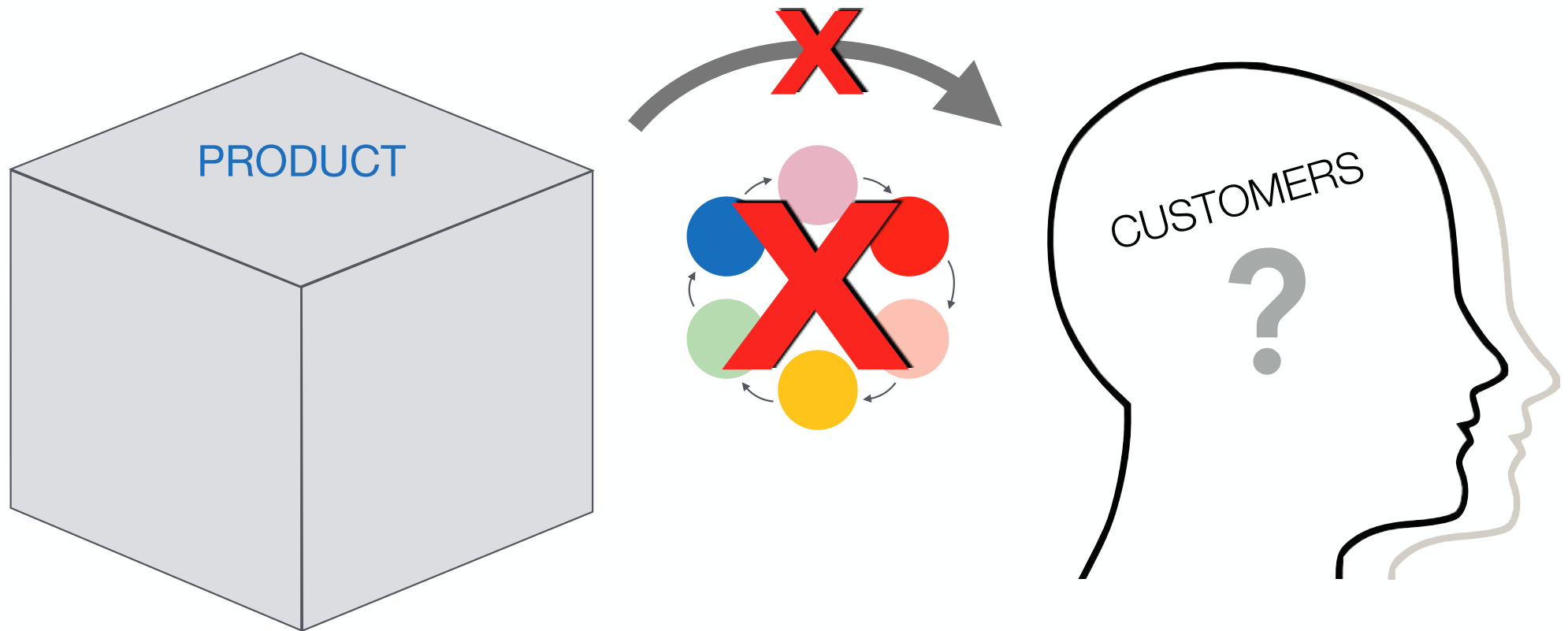
measurable



The next time you talk to a customer, try  
not mentioning your idea, product or feature at all.

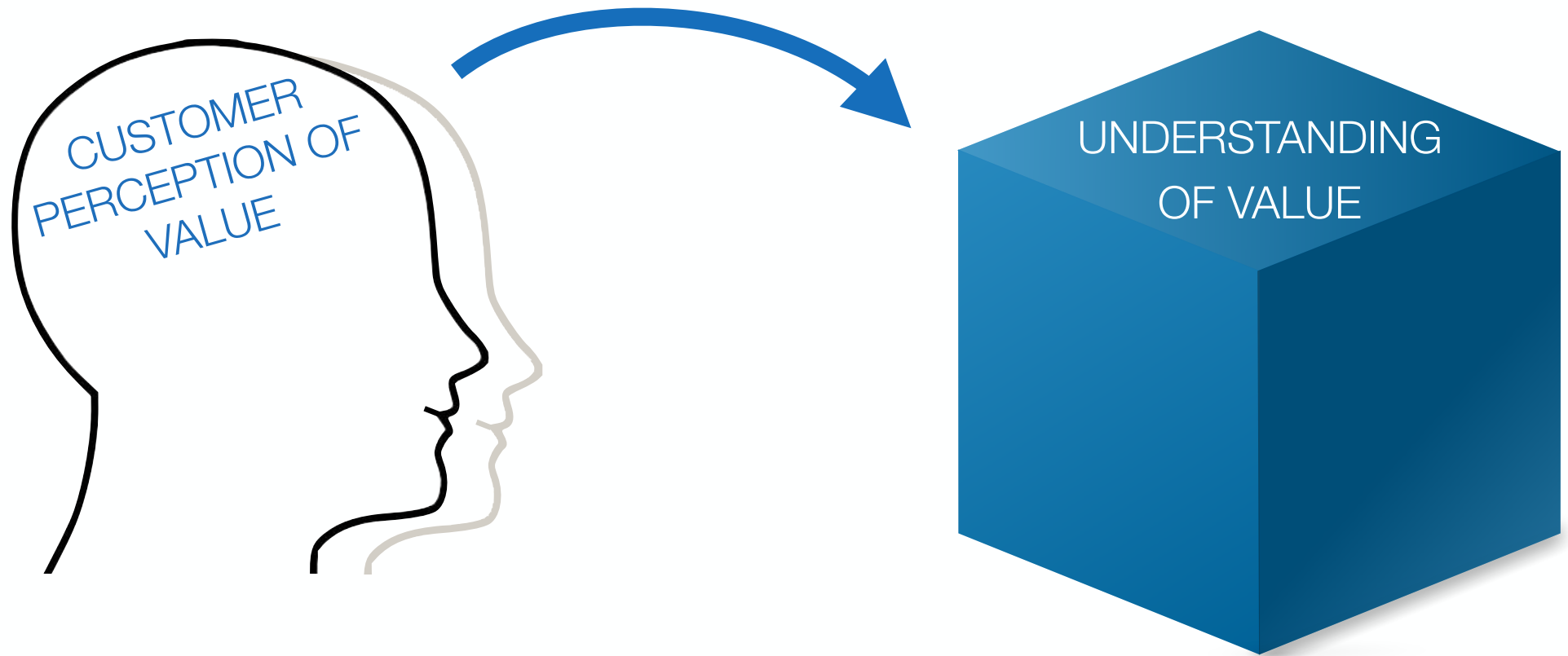


# Changing the Product to Find a Fit

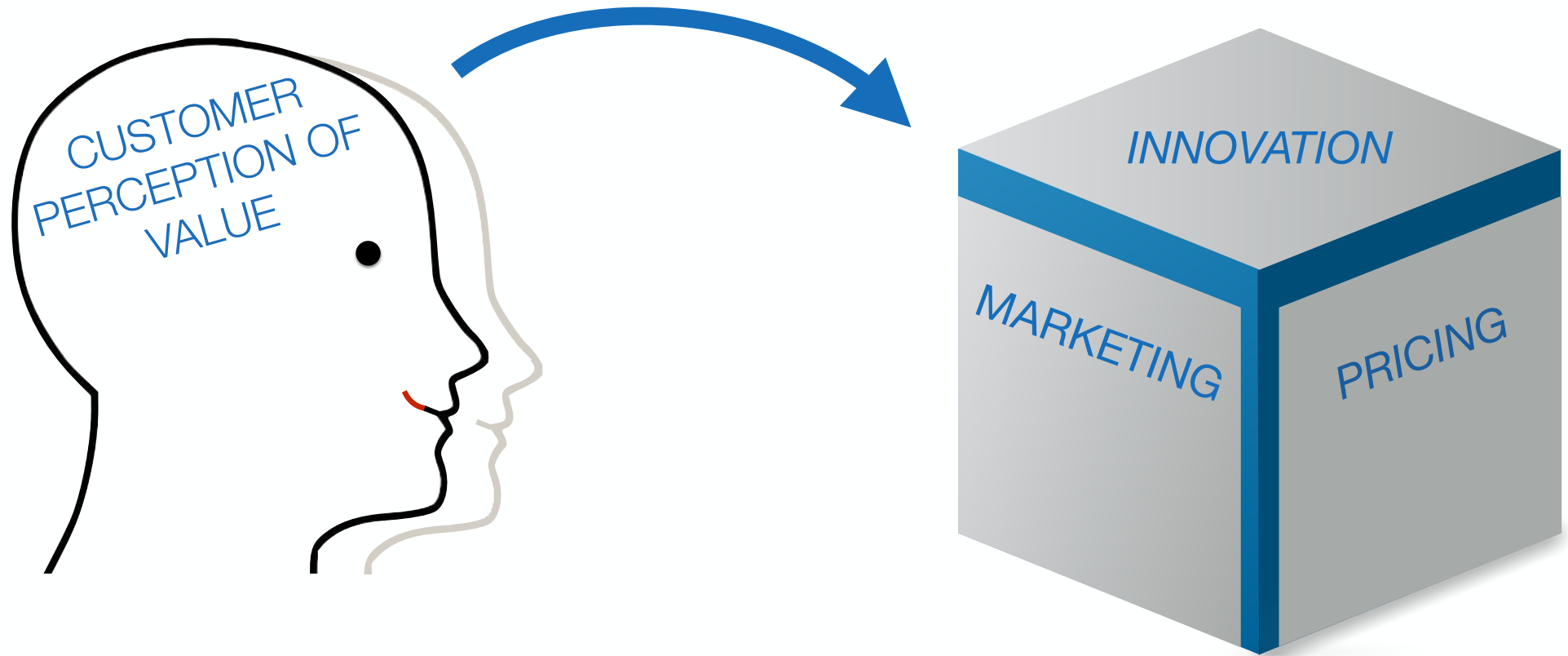


Understanding **Customer Perception of Value**  
helps us make better use of product analytics.

# Designing for Customers' Values

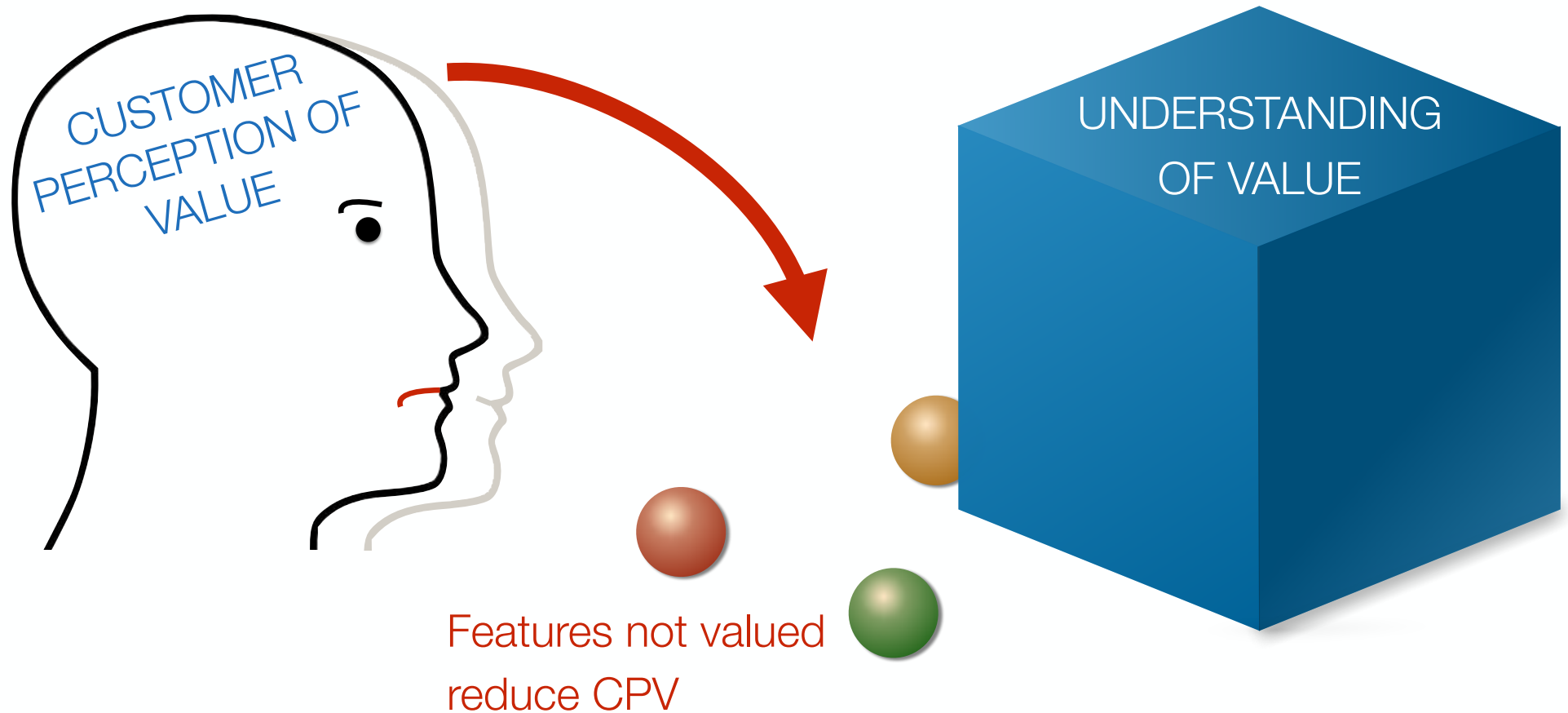


# Designing for Customers' Values

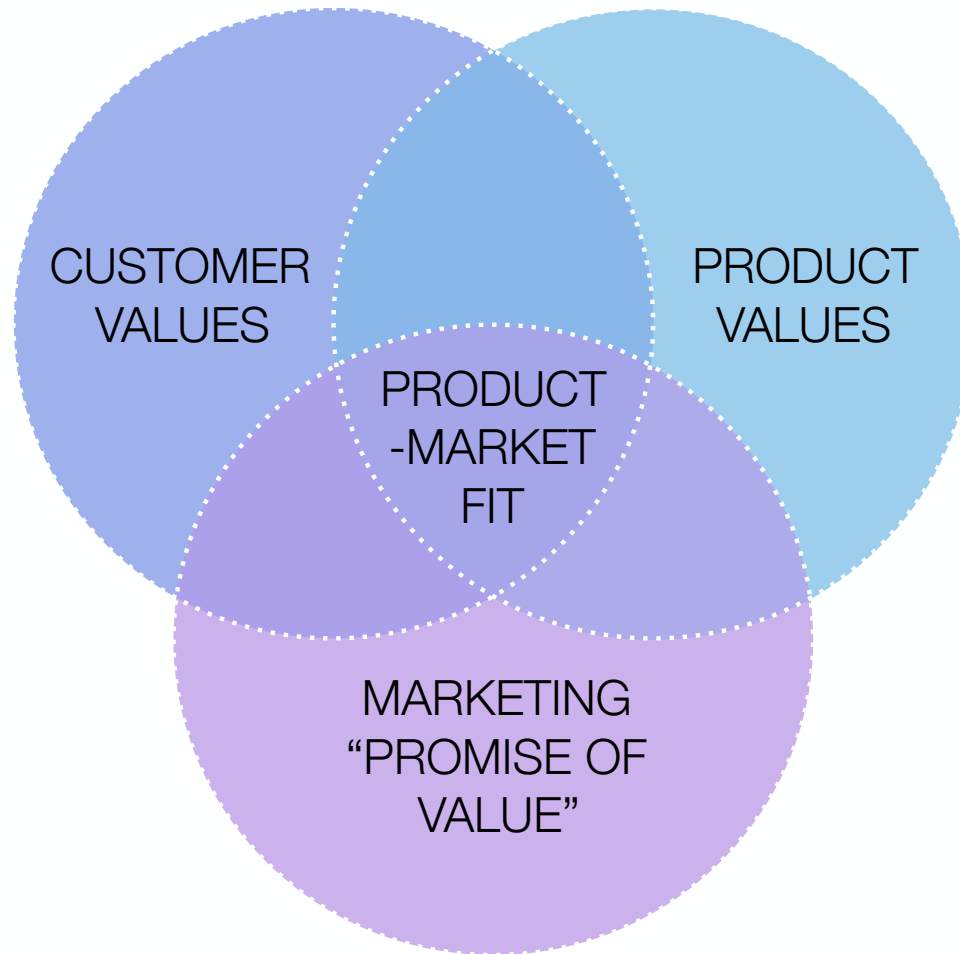


helps build a sustainable competitive advantage

# Designing for Everyone's' Values



# Designing for Product-Market Fit



Understanding Customers' Perception of Value  
provides long-term guidance for **sustainably**  
**innovating** in directions they'll care about  
**marketing** in ways that motivate action  
**pricing** for things worth paying for

# Agenda

The Need for a Better Approach  
Customer Perception of Value

## **Case Study**

How To



# Case Study - Infobip

Global Messaging Infrastructure

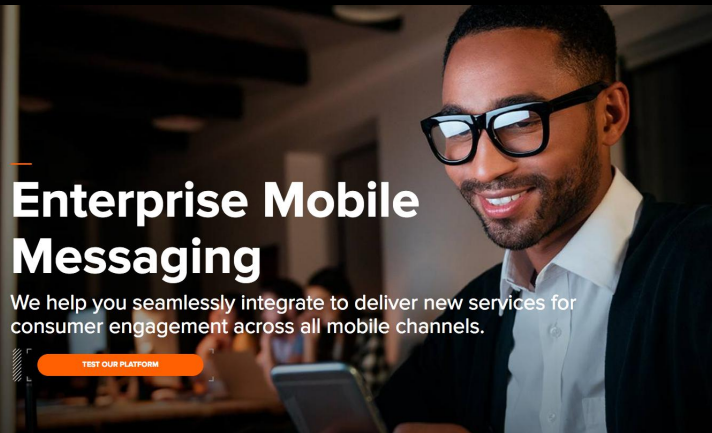


## Enterprise Mobile Messaging

We help you seamlessly integrate to deliver new services for consumer engagement across all mobile channels.

[TEST OUR PLATFORM](#)

# Case Study - Infobip

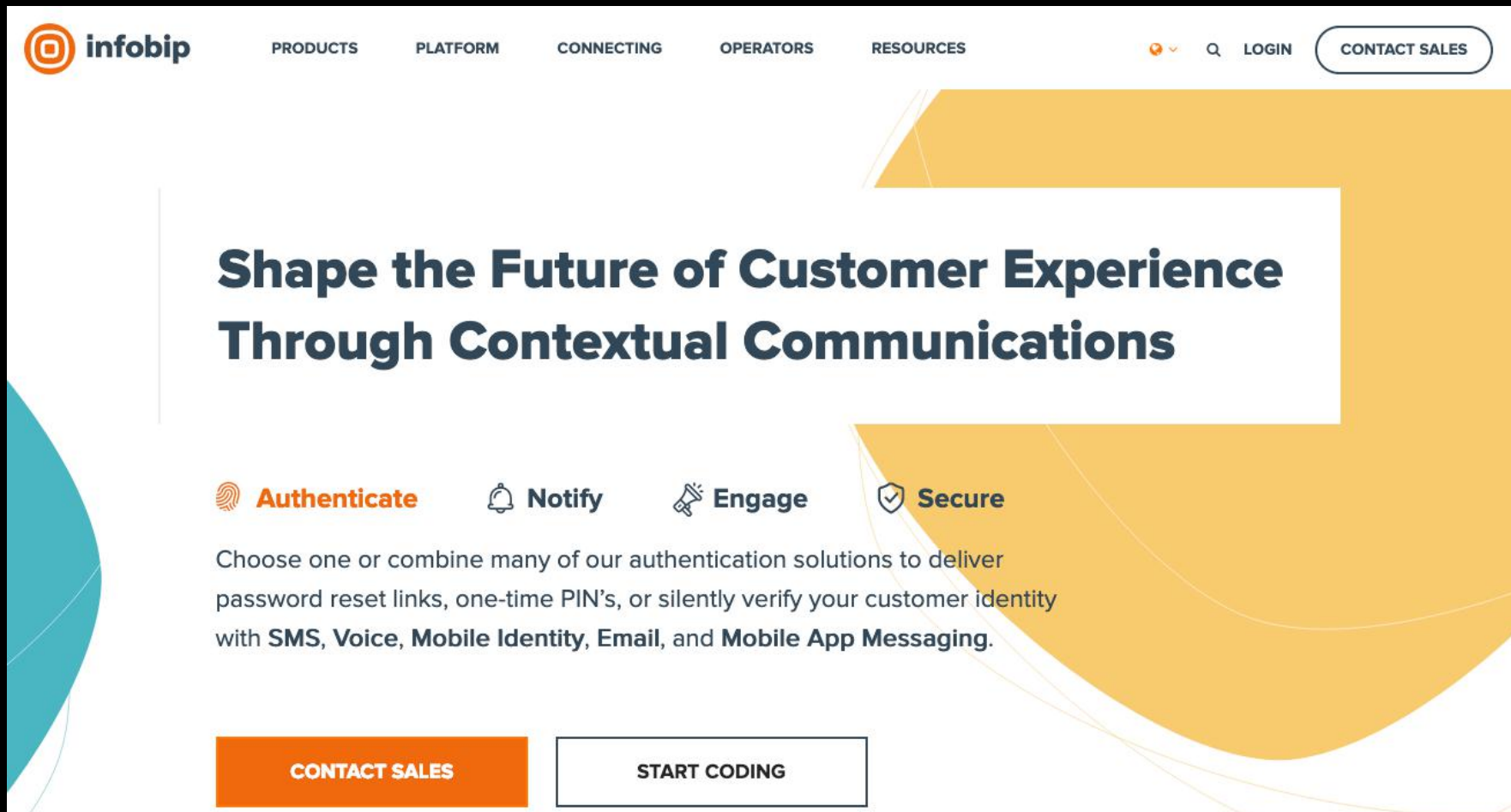





Challenge: Successful global market leader, **dissatisfied with growth in N.A.**

First Step: Research & insight into **Customer Perception of Value**





Next Step: Used **surprising** CPV insights to revise their value proposition

# Case Study - Infobip

The image shows the top portion of the Infobip website. The header is white with the Infobip logo on the left and navigation links (PRODUCTS, PLATFORM, CONNECTING, OPERATORS, RESOURCES) in the center. On the right, there are links for a user profile, a search icon, a LOGIN link, and a rounded 'CONTACT SALES' button. The hero section features a large white box with the headline 'Shape the Future of Customer Experience Through Contextual Communications'. Below this, four service categories are listed: 'Authenticate' (with a fingerprint icon), 'Notify' (with a bell icon), 'Engage' (with a megaphone icon), and 'Secure' (with a shield icon). A paragraph of text describes the authentication solutions. At the bottom, there are two buttons: an orange 'CONTACT SALES' button and a white 'START CODING' button with a black border. The background of the hero section is white with large, abstract yellow and teal shapes on the sides.

 [PRODUCTS](#) [PLATFORM](#) [CONNECTING](#) [OPERATORS](#) [RESOURCES](#)   [LOGIN](#) [CONTACT SALES](#)

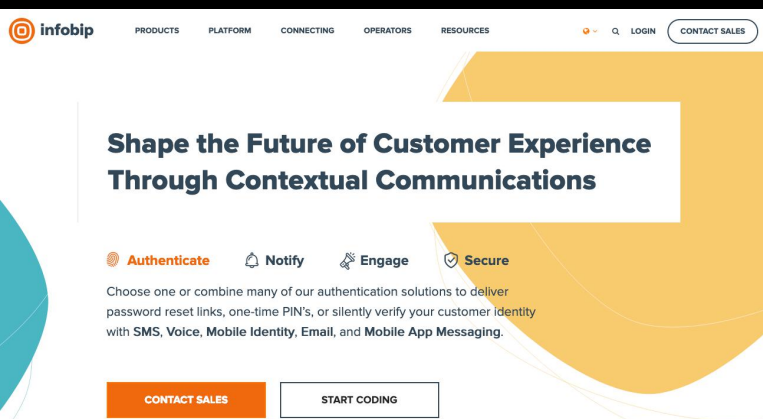
## Shape the Future of Customer Experience Through Contextual Communications

 **Authenticate**  **Notify**  **Engage**  **Secure**

Choose one or combine many of our authentication solutions to deliver password reset links, one-time PIN's, or silently verify your customer identity with **SMS, Voice, Mobile Identity, Email, and Mobile App Messaging.**

[CONTACT SALES](#) [START CODING](#)

# Case Study - Infobip



## Recommended new Pricing Model

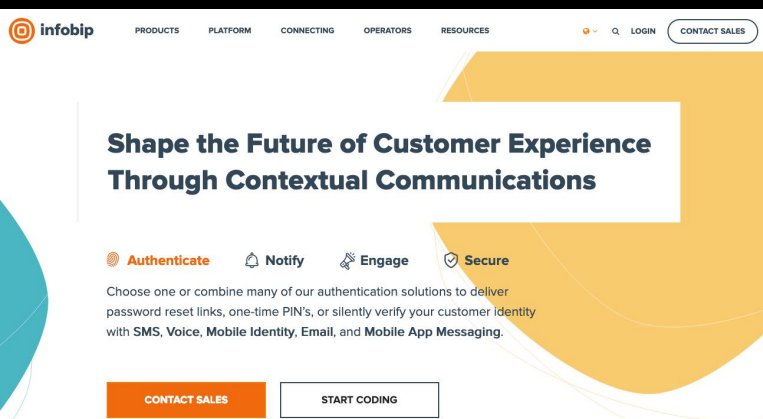
based on discovered customer values

\$ / Transaction → SaaS subscription

New Pricing Tiers, Bundles & Add-ons

Free Service & Support → Paid

# Case Study - Infobip



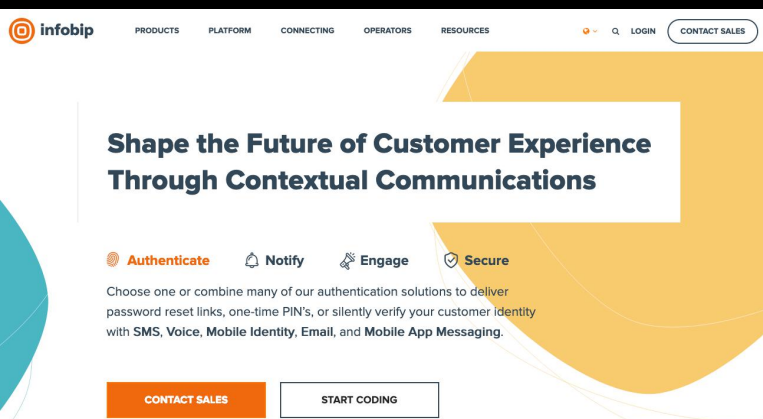
Results: Subscription revenue target for entire year reached in **month 2**

Support Dept. on path from cost center to profit center by **month 6**

Gross profit for SMB segment **increased by 3x - 5x**

Product Managers **happier**, too!

# Case Study - Infobip



“I think the single biggest problem in Product today is that folks who build products don’t know enough about their customers — yet they assume that they do.”

Customer values are discoverable, measurable and quantifiable. Why skip this step?



# Agenda

The Need for a Better Approach

Customer Perception of Value

Case Study

**How To**

Discover → Measure → Validate



**The New York Times**

## After Funeral and Cremation, a Shock: The Woman in the Coffin Wasn't Mom

By MICHAEL WILSON   MARCH 21, 2016





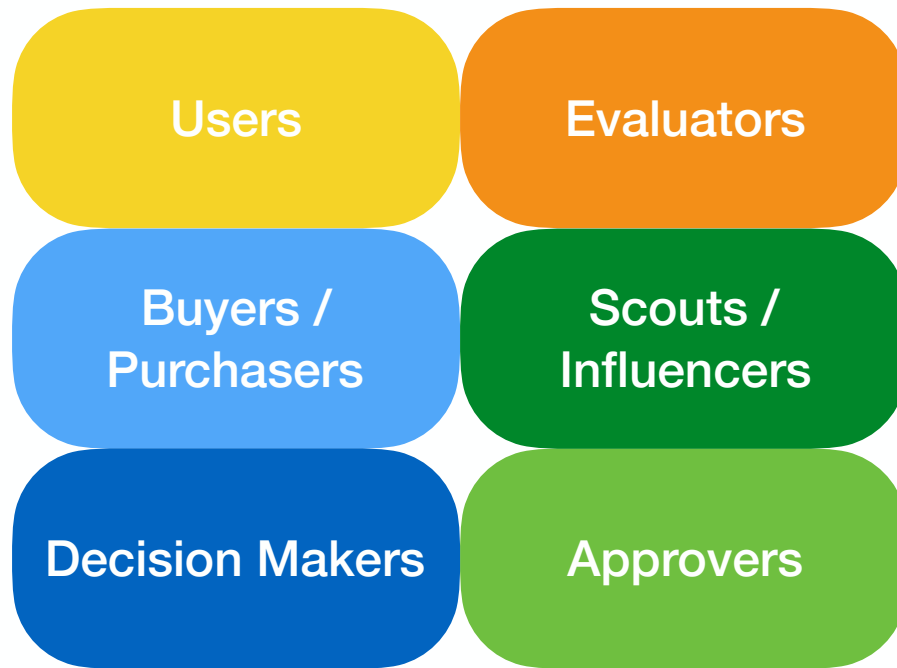
Why not just ask “what are your values?”



Explore the past reality, not the unpredictable future



# Focus on one audience at a time

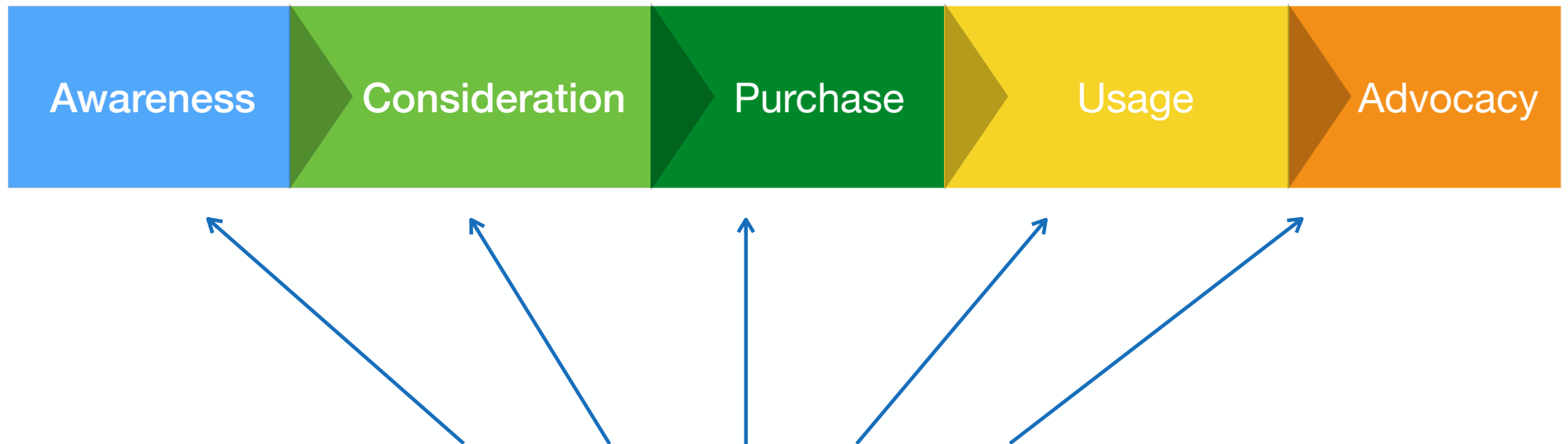


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Each Audience Perceives Value Differently

# Focus on one context at a time

## Customer Journey



## Different Perceptions of Value Along Customer Journey



# Customer Perception of Value Research Tips

- |   |                                     |
|---|-------------------------------------|
| • Never pay for subjects                        | Talk only to people who care        |
| • Gain insight with live interviews             | Use surveys for screening audiences |
| • Avoid yes/no, a/b or forced choices           | Let them use their own words        |
| • Don't mention your product or features        | Learn what <i>they</i> care about   |
| • Quantify the <i>intensity</i> of their values | Learn which values matter most      |
| • Don't disagree, prove or sell                 | Learn what <i>they</i> think        |

## Interviewing for Customer Perception of Value

Ask them to describe their behavior in your chosen context

What did they actually do in that context?

Ask only about the past — not the present or future

Then ask about their thinking at that time

What led them to do the things that they did?

How did they go about making their decision?

Don't ask about features. Focus on how they decided.

## Customer Perception of Value Mini-Workshop

Ask your neighbor to name a purchase they made recently.

Focus only on their **buying decision** in their customer journey

Ask them to describe their **behavior**

- What did they actually do in that context?

- Ask only about the past — not the present or future

Then ask about their **thinking** at that time

- What led them to do the things that they did?

- How did they go about making their final decision?

## Insights into Customers' Perception of Value



# Use Your CPV Insights to Drive

Innovation that matters

Marketing that motivates

Pricing that outperforms



## Customers Perception of Value as North Star



# The ROI of Understanding Values

Lower risk of failure

Lower cost of development

Lower cost of acquisition

Faster sales cycle

More customers

More revenue per sale

More customer retention

More referrals



Cost Savings

Revenue  
Profit  
Market Share



# The Value of Understanding Values



# Gaining a Sustainable Advantage

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Measurable Growth

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