

Perceived Value

WHAT IS PERCEIVED VALUE? Perceived value is what a customer thinks an item might be worth based upon how they experience that item. It is a consumer's mental assessment of an item and their personal appraisal based on perceived benefits.

Take a look at the two examples of beaded bracelets pictured below. What do you think the bracelet in the first example is worth? What do you think the bracelet in the second example is worth? This is what we do as **consumers** when we **contemplate** whether or not to purchase an item—we **compare** and we **conceive** then we **commit** provided we are **convinced**. You can think of this process as the six "C's" rule of consumer spending.



"This also is made of Glass beads & will sell for \$___ will take pics of other things I make & sell after Christmas & post them then.I have 2 other Bracelets in the mean time I will post at a bother time."



This earthy stretch bracelet is made of hand painted jumbo coco wooden beads polished to a luxurious luster.

A comfortable bracelet suitable for a man, woman, boy or girl and will match well with your jeans or casual attire.

Sizes:

XS - 6.5" (6" inner circumference)

Small - 7" (6.5" inner circumference)

Medium - 7.5" (7" inner circumference)

Large - 8.5" (8" inner circumference)

PRICE: \$_____

WHY SHOULD I CARE ABOUT PERCEIVED VALUE? Perceived value is more important than assigned value. It is what stimulates your customer into spending their hard-earned dollars on your product. Whether your target audience is budget conscientious or a consumer of luxury goods, perceived value is equally as critical.

Before customers will commit to buy, most anything at most any price, they must be convinced. They must be able to equate the benefits of your product with the asking price and identify that price as equitable. Perceived value is relative to the benefit a consumer expects to gain from owning an item. It is derived from a combination of psychological and tangible experiences, which has a direct effect on desirability. It is up to you, the seller, to convey worth and therefore increase desirability.

HOW DO I CONVEY WORTH AND INCREASE DESIRABILITY? Perceived value is expressed via **integrity** within communication, handling and representation of goods from the moment of conception through to the end buyer.

HOW DO I CONVEY WORTH WHEN I SELL ONLINE? When you can't express yourself in person, you must communicate integrity via non-verbal and subliminal means, such as photographs and written information. You must make it crystal clear that your product has benefit that is equal to, or better than your asking price. Strive to employ a policy integrated with integrity, which will effectively convey worth.

Communicate through your photographs and information so as to:

1. Impart integrity.
2. Generate memorability of you product.
3. Broaden appeal of your product.
4. Professionally stage & represent your product.
5. Employ images and information that is captivating and inviting.
6. Strike a balance between denotations and positive connotations when communicating.
7. Create a positive shopping experience for your customer.
8. Be honest and factual.
9. Avoid creating displeasure, shopping drudgery &/or blockades.
10. Eliminate confusion, contradiction &/or doubt.
11. Avoid negative communication.

WHAT CAN I DO TO ELEVATE PERCIEVED VALUE? Once you begin to integrate methods of communication permeated with integrity, you must then strive to maintain and increase perceived value. Here are some tips that could help:

1. Use a quality control process in the manufacturing, handling and representation of your product and let consumers know how you rate.
2. Do not adopt a "good enough" attitude. Every time a photograph and information representing your work is released to the public, consider it your calling card. Your product is only as good as how it is represented.
3. Be crystal clear with communicating the benefits of your product.

4. Be creative with packaging if not brilliant.
5. Create dynamic and cohesive branding.
6. Use the language of color to gain a psychological advantage.
7. Compete with value, don't compete with price.
8. Use celebrity endorsements.
9. Publish testimonials and feedback.
10. Offer incentives and rewards.
11. Raise the price of your product to a higher price point than your competitor.
12. Do not offer cut-rate discounts on your product.
13. Eclipse your competitors and demonstrate how your product is better than your competitor's product.
14. Position yourself strategically amidst products with similar price points.
15. Publish sales records.
16. Publish statistics.
17. Improve marketing campaigns and promotion techniques.
18. Seek professional help and advice.
19. Conduct and publish surveys.
20. Meet and exceed expectations.
21. Start a buzz on a blog by getting your product critiqued and published.
22. Offer social proof of desirability via social networking.
23. Strategically govern supply and demand.
24. Start a collectors club or a fan club.
25. Offer a free trial or sample.
26. Reverse risk by offering guarantees, warranties and simple return policies.
27. Offer customer support with easy solutions and recourse if in the event of errors or flaws.
28. Create an affiliate program.
29. Demonstrate return on investment.
30. Be malleable, keep up with change and be open to improvements.
31. Listen to your customers and be responsive so as to fulfill their needs.

Now go back and review the photographs of the bracelets again. What strategies do you think could be used to help elevate the perceived value of the two bracelets? *[The photos used in this tutorial are genuine photos posted on the Internet by sellers. The first bracelet pictured above was priced at seven dollars. The second bracelet was priced at four dollars.]*

Challenge yourself regularly to strive to elevate the perceived value of your product. Be mindful of the six "Cs" rule of consumer spending i.e. **consumers contemplate, compare, conceive and commit after being convinced**. And remember *"Integrity is the essence of everything successful."* -- Richard Buckminster Fuller