

Creating Advantage: Customer Value Leadership

Price is what you pay. Value is what you get.
—Warren Buffett

Strategy 101 is about choices: You can't be all things to all people.
—Michael Porter, HBS professor, founder of The Monitor Group

Ever since Morton's put a little girl in a yellow slicker and declared, "When it rains, it pours," no advertising person worth his or her salt has had any excuse to think of a product as having parity with anything.
—Malcolm MacDougal, Jordan Case McGrath & Taylor

Our attention now shifts from strategic market analysis to the development of strategy. What value will the firm offer and in what product markets will it compete? How will it compete, and what assets and competencies will be important to its sustained competitive advantage? Will it lead or follow? How will it develop strong customers and brands, and how will these assets be leveraged over time to grow the business? What investments and disinvestments should be made to improve company success over time?

The next 12 chapters in this book are portrayed in Figure 6.1. This chapter discusses alternative value propositions that can be adopted by the company and the importance of achieving customer value leadership. Chapters 7 and 8 focus on the all-important role of the customer relationship, including building and managing strong customer relationships and managing customer equity for long-term profits. Chapters 9 and 10 consider how to create valuable brands and to develop a key asset, brand equity.

The following four chapters present growth strategies—energizing the business (Chapter 11), leveraging the business (Chapter 12), creating new businesses (Chapter 13), and managing global strategies (Chapter 14). Chapter 15 discusses setting priorities among business units and managing investment and divestment decisions for future growth.

Chapter 16 examines the organizational challenges underlying the implementation of marketing strategy and offers solutions in the form of developing a customer-centric organization. Finally,