



By Richard D. Czerniawski

## **VALUE-ADDED BRAND BUILDER OR EXPENSE?**

When we offer an additional service, even if it comes with a price tag to customers, is it a value-added brand builder or expense? The answer to the question will impact how you use it and the customer experience you deliver.

First, let's address what value-added means. It's about going beyond the tangible product or service offering to make the whole product offering more attractive in creating and maintaining customers. In other words, it's adding value for the customer.

Amazon Prime's free delivery is value-added. While I pay an annual fee, it saves my family money since we shop frequently. Additionally, I receive expedited shipment, in many cases "next day."

Apple Care, while a specific Apple product, is value-added, both functional and psychological. The functional aspect is getting the help I need when I need it. The psychological added value that I receive is knowing that highly knowledgeable Apple personal are present to assist me in resolving any problems when I need them.

Value-added services or performance help provide a good experience, which, in turn, leads to building the brand. As I've written many times, we need to look beyond the product we sell and think about the customer experience we deliver!

Two matters came up that spurred this musing. One, phishing my Apple email. The second was failing to get Microsoft Teams running. Both were highly disruptive and disturbing.

For the phishing incident, I called Apple. Someone there, Jake (not the spokesman for State Farm Insurance), answered my call following the appropriate prompts. I shared the problem with him, and he remedied it on the spot. He also reassured me that my email account was safe as I had not responded to the phishing attempt with any of my information. Score a win for Apple Care! The company perceives its offering as value-added.

As per Microsoft Teams failing to connect, I called the Microsoft 365 helpline. However, an electronic message directed me to go online. There was no one for me to speak with about helping me with the problem. When I went online to their site, I was requested to verify my account. I tried several times and failed each time. I got nowhere with them.

Perhaps, it is due to my ignorance of computers and software that I could not resolve my issue with Microsoft. But then, I shouldn't blame myself. Those programming geniuses at Microsoft should have made it so easy that even a computer simpleton like me could navigate successfully without any hassles.

The question in my mind is whether Microsoft perceives its service offering as a value-add or an expense. You know what I think because you've probably come to the same conclusion. It's an expense. That's why they don't have someone readily available to help me with my problem. In practice, they've made it difficult and time-consuming to get to where I need to go. They're doing it on the cheap. Today it's cheap; tomorrow, they'll find a way to make it even less costly to reduce their "perceived" expense further.

The Microsoft experience leaves me with a bitter taste from a frustrating experience. I want my Teams account up and running—now! I need help—now! Yet, I must navigate with the precision of landing Astronauts at a specific site on the moon. They've found a way to reduce expenses that places the burden on the customer—their customer.

Truth be known, I'd drop Microsoft if I could. But I can't since my clients all use Microsoft and many use Microsoft Teams. I need to be on their chosen platform, or I become a problem for them.

Do you treat your intangible services as value-added or expenses? The answer is simple. If you make it easy for the customer to access and contribute to a positive customer experience, you are using it as true value-added. If, on the other hand, you choose to cut corners to reduce its cost to you, well, then it's obvious you see it as an expense.

The former serves as a value-added brand builder. The latter as an expense that is probably doing your brand more harm than good.

### **Proposed Action(s) for Implementation (*Crossing the chasm from learning to impact*):**

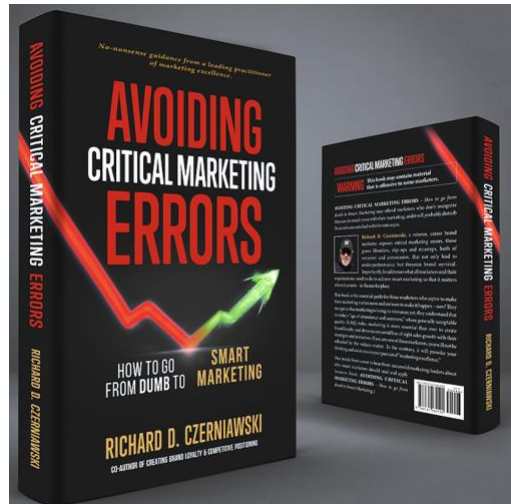
1. Identify any added value value-added feature that you provide your customers.
2. Determine if your organization treats it as a brand builder or expense.
3. If the company treats it as an expense, identify its impact on customer (dis)satisfaction and sales.
4. If you cannot identify a value-add element of your offering or if it's the same as your competitors, identify and test the value of new ones.
5. Select one that generates incremental sales and bolsters customer loyalty.
6. Invest in it. Don't treat it like an expense.

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Also, consider following me on LinkedIn <https://www.linkedin.com/in/richarddczerniawski/> where I share my perspectives from 50 years of successful worldwide brand marketing experience in my blog THINK ABOUT IT each week.

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critical marketing errors and, importantly, suggest actions you can take to make your marketing matter even more.



Peace and best wishes,

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