



Tools of Customer Value Management

Free Factsheet Series

Attribute Trees™

To choose the right value proposition, a company needs to know what factors customers in their target market consider in deciding where to take their business, and how much customers get and what they pay. Now you start drilling down to find out what's important to them at the next level. The first attribute tree can look like this:



The next question is, what factors impact how people feel about what they're paying? The answer will vary depending on what type of business the company's in and the characteristics of that market. So the next branch of the attribute tree might look like this:



The goal is to keep breaking down each branch of the tree into its component branches, to get a full understanding of what drives value for the target market. On the other branch of the initial tree, you might see:



In the book, Ray states "If you can attach 'impact weights' to each of these branches, you have an even clearer picture. If customers in your target market give 70% weight to "what I get" and 30% weight to "what I pay" when they're assessing the value of your offering, you probably want to focus on this branch of the tree. You then want to know what weight they put on the product itself versus the services of your brand image, what weight they put on reliability versus ease of use or features, and so on."

