

Santiago Lopez

# Value-based Marketing Strategy

*Pricing and Costs for Relationship Marketing*

VERNON SERIES IN BUSINESS AND FINANCE

## Summary

This book offers novel methods for developing Value-based marketing strategies aimed at increasing revenue and profits. The Value concept relates all the benefits offered by a product with its price and the effort required to obtain it. Global competition requires managing Value rather than individual products or brands. This fosters customer loyalty, and provides a solid basis for relationship marketing. The book takes a practical, step-by-step approach to explain:

- How the forces of supply and demand interact with customer Value;
- The relationships between benefits, quantities, prices and costs;
- How to develop effective competitive strategies;
- How to manage inventory and product mix efficiently;
- How to apply the Value model to increase profitability, and solve major market- ing problems.

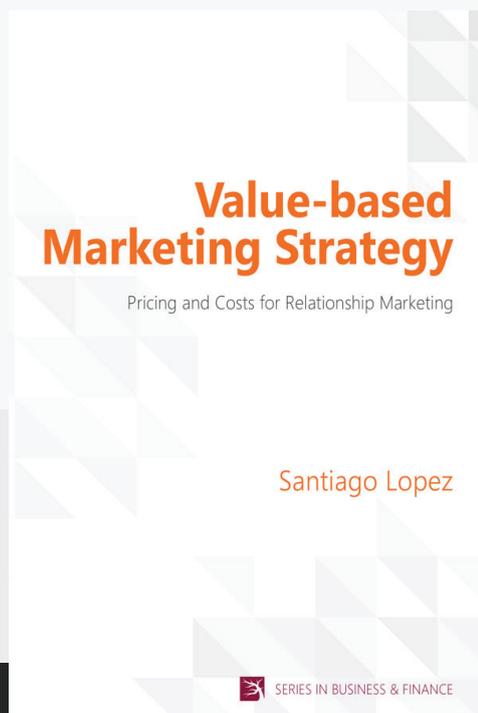
The book sets forth several new approaches for marketing and pricing deci- sion-making:

- The concept of Value integrates marketing, finance, economics and account- ing, in order to link Value-based pricing with relationship marketing.
- The law of supply and demand is restated with quantity as a function of Value instead of price; this makes it a more realistic and practical tool for understand- ing today's highly competitive business environment.
- The confrontation and complementation concepts provide useful tools for guiding marketers into new segments, and pricing products accordingly. They play a key role for devising win-win strategies, not only with customers, but also with competitors.
- The Value Matrix is a practical tool for understanding the product's positioning, analyzing its competition, setting prices and devel- oping strategy. It aims at achieving an optimal balance between customer loyalty and product mix profitability.
- The Value Life Cycle illustrates how Value acts as a force that constantly changes revenue, providing insight for developing strategies in each phase of the product's life cycle.
- Analogies with physics illustrate how policy constraints create resistance to sales velocity, thereby determining the rate at which a firm advances towards its financial and marketing goals.
- The strategy for pricing business services applies Value to balance supply with demand; this leads to increased revenue.
- The marketing approach set forth unifies product portfolio and inventory man- agement with Value-based pricing for maximizing income.

Clear explanations and accessible language make this book ideal for marketing professionals and non-specialists. Advanced readers may refer to the appendices, where the subjects are analyzed further and the mathematical foundations are laid out; numerous solved problems of pricing and costs are included.

## About the author

Santiago Lopez works as a business con- sultant and marketing professor. Trained as an economist (Dartmouth College, USA) and MBA (Universidad de los Andes, Colombia) specialized in marketing, sales and finance. His professional experience includes management posts in Colom- bian and multinational corporations in diverse industries, such as Compañía Global de Alimentos S.A. (General Man- ager), Chemonics International (Market- ing consultant for agribusiness projects), Ralston Purina Colombia (Director of Fi- nance and Administration); Baker Hughes Inc - Milpark Drilling Fluids (General Manager for Colombia and Venezuela); Seguros Aurora S.A. (VP Finance), and Berol S.A. (Financial manager).



Sep2015 | Paperback 236x160mm | 293 Pages | ISBN: 978-1-62273-033-9

SUBJECTS Business Studies, Business Economics, Marketing

VIEW/ORDER ONLINE AT [www.vernonpress.com/title.php?id=60](http://www.vernonpress.com/title.php?id=60)

\$ 45

€ 42

£ 35

**20% DISCOUNT ONLINE**  
USE CODE AT CHECKOUT

FLR20



**VERNON PRESS**

[www.vernonpress.com](http://www.vernonpress.com)