

What is Business?

2.3 The Meaning of Value

In this class we dug into the topic of Value--probably the most important idea in business and one of the most important in life. We reviewed many different meanings of value before defining the main way its used in business: "Price is what you pay. Value is what you get."

Practice Exercise

Start to pay attention to the decisions that you make about how you spend your money, your time, and your attention. What kind of value are you getting? And what does it say about your deeper values?

Pick one product or service that's particularly valuable to you and try to sort out the different types of value that you receive from it.

Product or Service Name _____

Functional

How well does the product do its job or solve a problem?
(e.g. the battery life of a computer)

Emotional

How does the make you feel?
(e.g. by evoking memories)

Financial

How does the product's cost affect value that you receive?
(e.g. a free upgrade to a loyal customer)

Psychological

How does the product change the way that you see yourself?
(e.g. being more confident because of how you look)

Conditional

Does the value of the product change in different contexts?
(e.g. having an umbrella when it's raining)

Social

Does it change the way that others see or accept you?
(e.g. feeling like you are part of a community)