
MEMORANDUM TO EVERY OFFICE

TO: Everyone
FROM: edmoss@maykit.me.uk
SUBJECT: Cost, value and worth, all getting confused
DATE: Today
CC: Everyone else who might otherwise miss it



Cost, value and worth - becoming ever confused, so don't fall into the trap yourselves

Three words seem to be very misunderstood out in marketing land - "cost", "worth" and "value".

I have to smile when I see the advertisements, most noticeably from the phone providers or phone bucket shops, for the "New super-duper Acme phone" which includes "free Acme2 headphones worth £199".

Er. No. Sorry. The headphones are not in any way "**worth**" £199. That £199 is the "**cost**" of them in the shops, not their actual worth. They are actually "worth" about £25, if that!

Oh! And by the way. They're not "free". The price has been factored into your phone contract. Which would be a few quid less a month if it didn't include the "free" headphones. The ones that are worth £25. But cost £199.

Supermarkets are increasingly coming under scrutiny for their special offers that have been discovered to be not all that special after all. The "buy one for £2.50 or two for £4" type of thing, when they've not really been on sale for the required previous period of time at £2.50, and were in fact price-hiked from £1.85 prior to the supposed offer price anyway.

The management trot out the believable yet extremely lame excuse that they have thousands of items on sale in their stores at any one time and mistakes do happen.

Well, a well-organised and rather simple spreadsheet would take care of that! You list your products down the left of the spreadsheet. You then list the prices across the top of the spreadsheet with the statutory date range and relevant prices. You then place your spreadsheet within easy access for staff on your content management system and hey presto!

The perfect mechanism for all management to monitor your prices.

Hardly rocket science!

An insurance site recently offered a staggering 1,000 Nectar points if you took out an insurance policy with them. So you pay your multiple hundreds of pounds to get your car insured against someone looking at it, just to be able to run up and down the street in joy clutching your 1,000 Nectar points.....worth £5. It wouldn't even buy you a gallon of petrol!

Almost as bad as taking out one of those coffin policies clearly marked "*you may not get back the sums you have paid in premiums*" where they give you an incredibly cheap and nasty flat-screen TV as an incentive.

Some "experts" have worked out that it may be better just to plonk your £5 a week into an ISA. Or under your mattress.

