

Long-Term Value
vs
Short-Term Cost

Defining the terms...

Long-Term Value

- **Value**: is a complicated thing to measure because it means different things to different people at different times.
- **Long-Term Value**: is simply taking that undefined **value** and multiplying it over time.

What is the Value of this \$100?



What can you buy with \$100?



CLEOPATRA

DIAMOND VAULT

CLEOPATRA

DIAMOND VAULT

DIAMOND VAULT

FORT KNOX
BALANCE \$15,149.09
BET \$1,111.66 \$262.67
\$37.65 \$14.36

FORT KNOX
BALANCE \$15,149.09
BET \$1,111.66 \$262.67
\$37.65 \$14.36

FORT KNOX
BALANCE \$15,149.09
BET \$1,111.66 \$262.67
\$37.65 \$14.36

FORT KNOX
BALANCE \$15,149.09
BET \$1,111.66 \$262.67
\$37.65 \$14.36

FORT KNOX
BALANCE \$15,149.09
BET \$1,111.66 \$262.67
\$37.65 \$14.36

SA & SAL
JONES

Just a side note:

Clark County, in 2017, by the numbers:

- Casinos grossing more than \$1 million in gaming revenue: 161
- Total casino gaming revenues in Clark County: \$9,589,605,525
- Total casino gaming revenues on the Las Vegas Strip: \$6,038,883,957

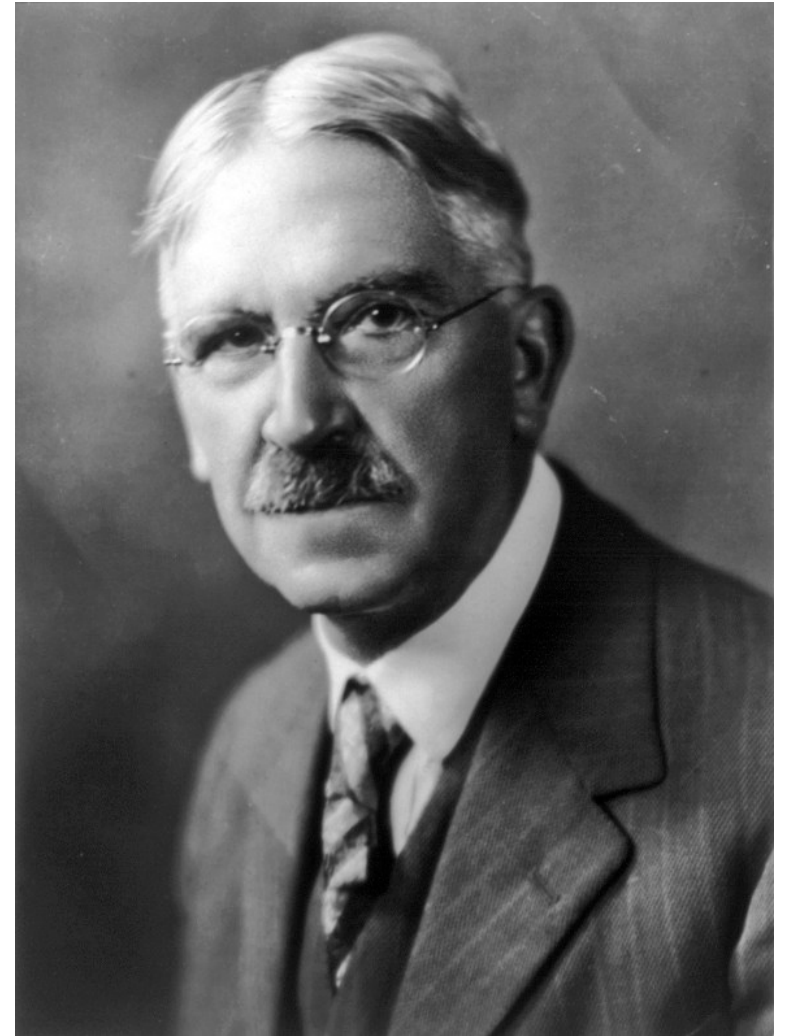
In 2016, the typical visitor spent an average \$827 gambling.

So, what is the value your money?

How do you decide when and where to spend it?



In 1910 **John Dewey**, an American philosopher, introduced a five-stage consumer behavior model still used today.



1 Problem Recognition – Perception of a Need

Need: Financial needs are expenditures that are essential for you to be able to live and work.

Housing

Transportation

Gas and Electricity

Insurance

Food

Want: Are expenses that help you live more comfortably. They're the things you buy for fun or leisure. You could live without them, but you enjoy your life more when you have them.

Travel

Entertainment

Coffeehouse
Drinks

Gym
Memberships

Designer
Clothes



2 Information Research – Seeking Value

This is the buyer's effort to search internal and external business environments, in order to identify and evaluate information sources related to the central buying decision.

Your customer may rely on print, visual, online media or word of mouth for information.



3

Alternative Evaluation – Assessing Value

All the various points of information, collected from all the different sources, are used in evaluating alternatives and their attractiveness.

While evaluating goods and services, different consumers use different bases.

Generally, the consumers evaluate these alternatives based on the attributes of the product, the degree of importance, belief in the brand, satisfaction etc. to make their decision.



4 Purchase Decision – Buying Value

- **Where should I buy it?** Influenced by price, terms of sale, familiarity of the company, the return policy, urgency of need and availability etc.
- **When to buy it?** Influenced by the store or website atmosphere, timing of need (holiday or birthday), is it on sale, the overall shopping experience.
- **When not to buy it?** Alternatively, they may also decide that they want to make the purchase at some point in the future.



5

Post Purchase Behavior – Value in Consumption or Use

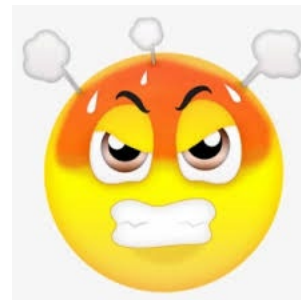
Customers will often compare their expectations to previous experiences and will be either ecstatic, satisfied or dissatisfied.

If your customer is ecstatic the result is total brand loyalty.

A satisfied customer will likely purchase again – but possibly could be lured away.

A dissatisfied customer will likely never purchase again.

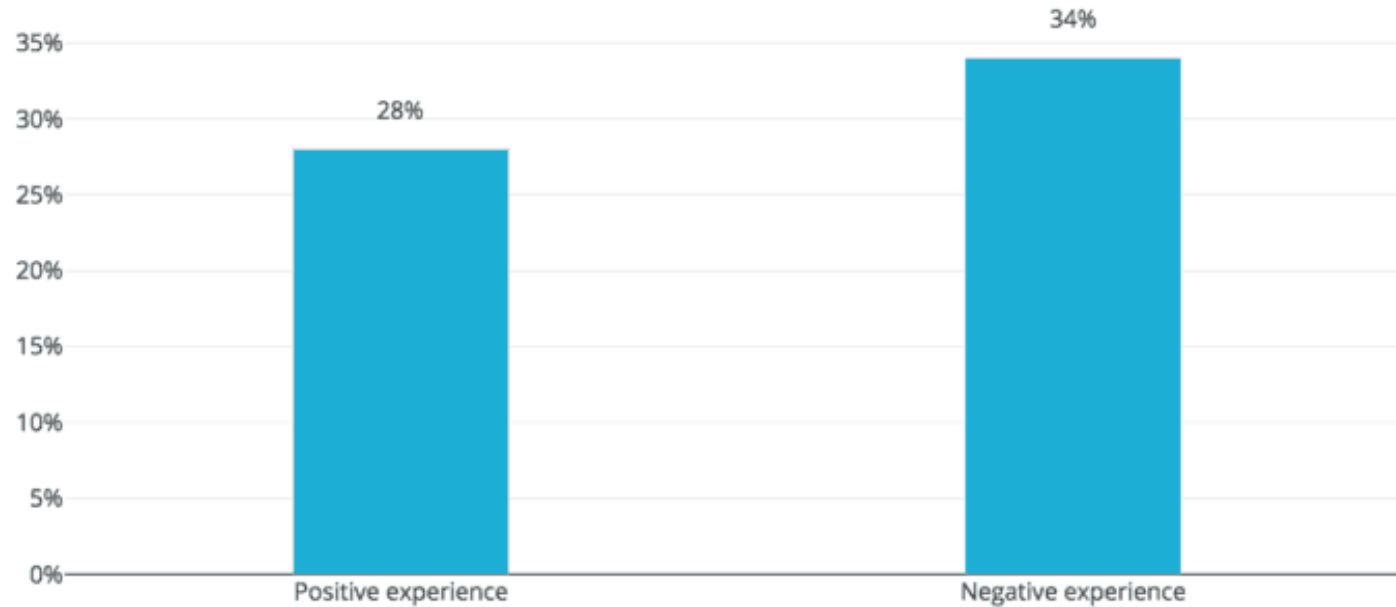
This is a critical stage for retention of customers.



What else do really happy, or really unhappy, customers do?



Percent of consumers who say they are likely to leave a review after...



(Review Trackers.com)

87 percent of e-commerce shoppers believe social media plays a vital role in their shopping decisions. ([Adweek](#), 2018)

78 percent of online shoppers value the availability of product reviews by other shoppers. ([NPR/Marist](#), 2018)

The 5 Stage Process to Buying Decision



Know your customer...

Where ever your place is in the irrigation industry - manufacturer, distributor, contractor, installer - understanding the buying decision process of your customer should help you make the process easier and more appealing to those customers.

Consumers: Are influenced by price but are also concerned about product quality and durability, suggesting their preference towards purchasing high quality products at an equitable price rather than searching for cheaper products.



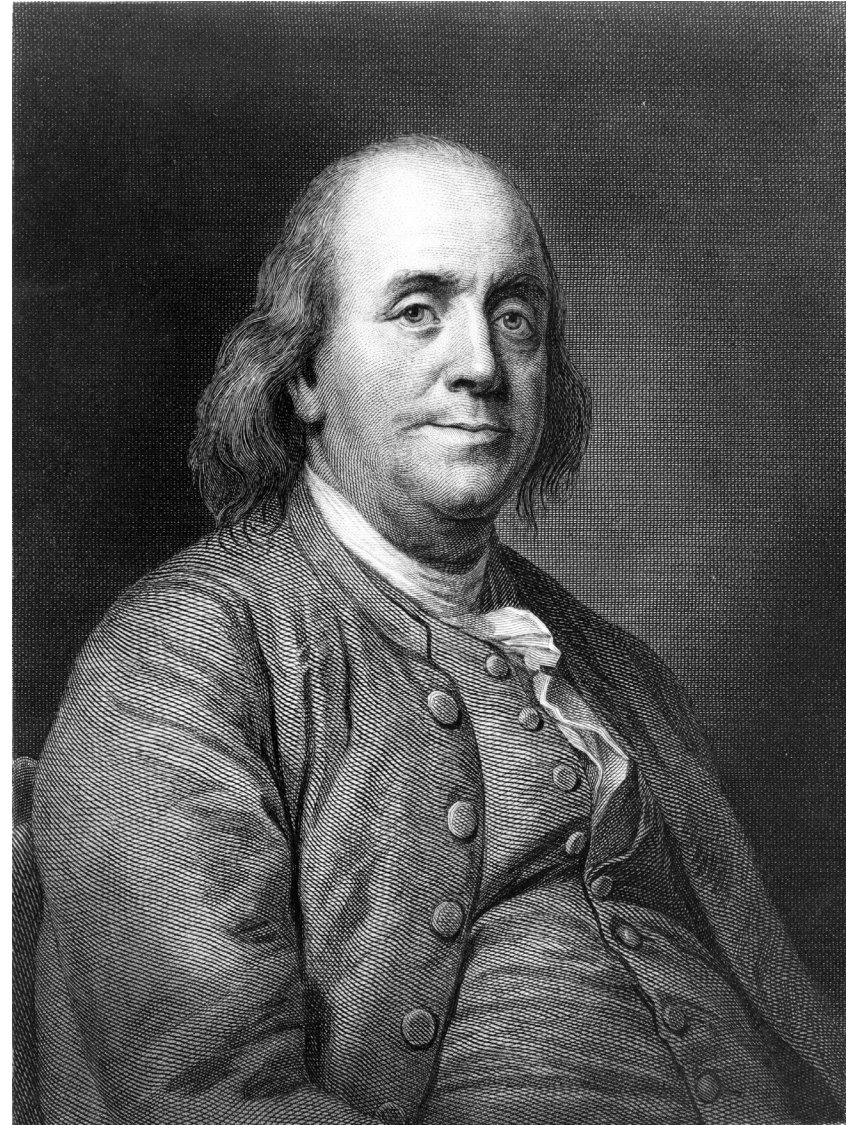
Know your customer...

Present-day consumers make more informed purchasing decisions through their own research evaluating available alternative solutions rather than being overly reliant on the information provided by a sales representative.

For corporate end users: Product price is only a fraction of the overall cost involved. Most industry verticals would be willing to trade-off paying more for a solution that would avoid interruption of work at a critical delivery window. (Stax-Insights, 2016)



“The bitterness of poor quality
remains long after the
sweetness of low price is
forgotten.”



Ben Franklin

Thank you