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THE 24-HOUR CUSTOMER

**New Rules for Winning
in a Time-Starved,
Always-Connected Economy**

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MAIN IDEA

At one time, the adage “time is money” reigned supreme. Today, that’s an outdated concept. Time is now much more important than money when consumers make a choice. In fact, today’s consumers make most of their purchase decisions based on time rather than product features. There are some things consumers want to spend a lot of time on (Facebook or YouTube, for many) and others which they want to spend the minimum amount of time on (routine and repetitive tasks). If you can learn how to use the limited time and attention of consumers in savvy ways, you can gain a competitive advantage over competitors who ignore this issue.

Time-Value tradeoffs factor into the vast majority of consumer decisions which get made today. Instead of fighting time and attention barriers head-on in a battle you’ll ultimately lose, become proactive in figuring out how you can use time and attention limits to your advantage. Treat time and attention as the scarce resources they are. No matter what technology comes along in the future, there will always be no more than 24 hours in a day.

“Today, time isn’t money. Time is more important than money. It’s certainly more important than brand recognition, product features, authenticity, or most of the other factors that usually figure into an executive’s product plans. Time isn’t the only consideration for customers, but it is the most consistently overlooked and misunderstood factor driving customer decisions.”

– Adrian Ott

1. The Time-Value Tradeoff Framework Page 2

Consumers make purchase decisions every day based on how much time and attention they want to devote to what is being considered. When analyzed systematically, it becomes clear products and services fall into one of four quadrants:

1. *Motivation* – high time, high attention
2. *Habit* – high time, low attention
3. *Convenience* – low time, high attention
4. *Value* – low time, low attention

2. The New Rules for Winning Consumer Markets Today Page 3

Everyone today tallies up in their head the time-value tradeoff before they decide whether or not to buy. You probably do something similar. The equation is: Value > Price + Customer Time Investment
 The perceived value of what you are considering buying must exceed the price of the product or service plus the time investment required to use it or it isn’t worth it. Time is now a big factor in any purchase decision. For a product to do well nowadays, value must be positive when time is factored in.

3. Motivation Quadrant Products – Try and create time magnets Page 4

Everyone in business aspires to position their products or services in the motivation quadrant. The reality is it’s hard to get there in the first place and even harder to stay there for the long-haul. Customers keep asking “Is this worth my time?” over and over. To get here and stay here, you’ve got to be adding more value all the time. You’ve got to create and maintain a genuine time magnet.

4. Habit Quadrant Products – Make everything function on autopilot Page 5

Habits are behaviors which require little attention but demand significant time. The primary goal in developing and maintaining a habit-based product is to keep things running smoothly and to avoid upsetting the time-value dynamic in any way so customers don’t wake up, smell the roses and start paying attention to what competitors have to offer.

5. Convenience Quadrant Products – Be pragmatic and save people time Page 6

Convenience-driven products require very little time but do demand short sharp bursts of attention on the part of consumers. Attention is normally given to convenience products in the pursuit of time savings rather than superior features. Pragmatism is good but the main driver here is time savings – which generally means convenience products appeal to those who procrastinate or seek quick productivity boosts.

6. Value Quadrant Products – Lower your costs or migrate to other quadrants Page 7

Products in the lower-left quadrant are value-driven. Customers make a choice and then spend as little time and attention as possible thinking about these products because they possess standard features. If you’re going to stay in this quadrant, you’d better have the lowest costs in your industry and offer customers the lowest prices. There is no other criteria by which consumers will make a decision about value quadrant products.

7. The Future of the 24-Hour Customer Page 8

The Time-Value Tradeoff framework provides a fresh perspective about customer behavior which is likely to uncover all kinds of new product opportunities which have never before surfaced. To come up with new product or service ideas, keep in mind time and attention are scarce now and likely to become even more limited in the future. Rather than fight these barriers, you can and should be looking for ways to harness them so you can generate and sustain your own competitive advantage.

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