

# Value Case History

## De-commoditizing a commodity product



### Business Issue

*A commodity producer of natural gas needed a strategy to profitably navigate through industry deregulation. With increased competition and an often oversupply of natural gas, previous differentiation efforts had failed. Nevertheless, management sought a way out of the commodity price trap.*



### Approach

- *Formed a dedicated team to rethink their customer experience and go-to-market strategy.*
- *Trained on the Customer Value Innovation methodology and tools.*
- *Conducted “Day in the Life of a Customer” (DLC) analyses of users and non-users.*
- *Segmented the market based on the value required to win customer preference and designed innovative value delivery strategies for high-margin segments.*



### Insights

*Over 40% of the market, previously thought to be commodity buyers, would prefer a more value-added customer experience. Incremental value required new programs and services wrapped around the core product. Several target segments were significantly more profitable than the base “commodity” business.*

## Results



*Profits up 40%*



*Results featured in  
Harvard Business  
Review*

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