Pricing Strategy

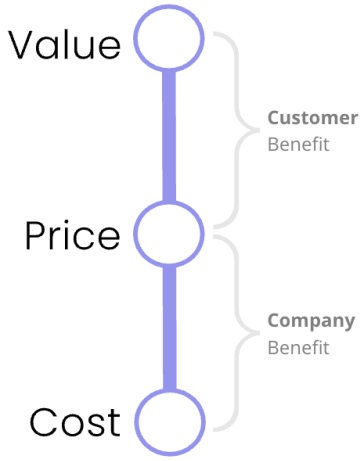
Here are 5 things to consider when designing your pricing:

1

Where is the pricing sweet spot?

There are three numbers at the heart of all pricing decisions: Value, Price and Cost. Remove the guesswork in setting your prices by having a clear understanding of the costs you incur and what customers are willing to pay for the value your product or service delivers to them.

Between those two numbers is the sweet spot for pricing.



Top Tip!

Value can take many forms as there may be functional, emotional and social benefits of using your products. Try to quantify the tangible outcomes for your clients (more leads, more sales, more profit, time saved) but also understand what the intangible outcomes really mean to your customers (peace of mind, social kudos, enjoyment).

2

What does your pricing say about your brand?

Ever heard the phrases 'reassuringly expensive' or 'worryingly cheap'? Your pricing needs to tell the *same story* as your brand.

3

Does your pricing underpin your business goals?

Your pricing needs to evolve with your business and is a powerful lever for driving business performance. Whether your current focus is improving acquisition, retention, cross-selling or profitability, pricing is here to help!

4

What customer behaviours do you want to encourage?

Spend more? Spend more often? Subscribe? Pay upfront?
Use your pricing as an incentive to nudge customer behaviours.

5

Has the context changed for your customers?

When the context changes, the value changes.
Where is the value of what you do going down and where is it going up?