

# Pricing Strategy

Here are 5 things to consider when designing your pricing:

1

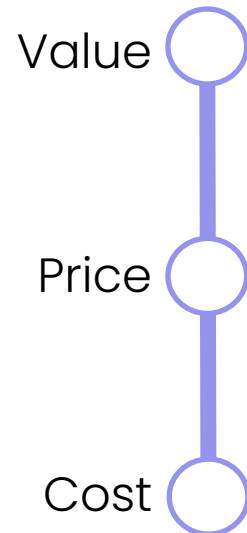
## 10x Rule of Thumb for setting prices

There are three numbers at the heart of all pricing decisions: **Cost, Price and Value.**

Remove the guesswork in setting your prices with a clear understanding of the costs you incur and the value that's delivered to your customer.

**Aim for the value to be 10x higher than your price.** For example, to charge £100, your customer needs to get £1000 in value.

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 fit with your business goals?

Start with your end point in mind. Whether you want to achieve £1m or £100m in sales, figure out how many customers you need at different price points to reach this goal. Then you can establish if that's achievable.

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?