Pricing Psychology

8 reasons to give your customers options to choose from at different pricepoints

- Empower your customers to make **easier, faster decisions**
- Attract customers with **different budgets** and different needs
- **Shift the focus from cost to value** by pricing product bundles or service packages, rather than the individual components
- **Influence price perception** by anchoring with a very high priced option
- **Remove psychological barriers** by packaging together the most commonly used products or features
- **Create the perfect upsell** by showcasing an increasing amount of value at different price points
- **Avoid comparison** with your competition and shift customers from a binary "buy/not buy" mindset to "which should I buy"
- **Nudge customers** to the most effective solution as they can clearly see the trade-offs between value and price

3 steps to designing packaged options

1. 3 is the magic number when designing options to offer your customers.

   Aim to offer 3 relevant choices (Good-Better-Best), everytime.

2. Reduce your core offering to create the lowest-priced option.

   It should clearly be an inferior offering, at only a slightly lower price.

3. Throw in all the bells and whistles for a much higher priced option.

   Think of how you can really go the extra mile for your customers.

Top Tip!

If it's not possible to add or remove from your core offering, consider differentiating with customer service levels, payment terms, delivery options, volume, access, or subscription/contract length.