

INSIDER PRICING STRATEGIES

DISCOVER HOW TO SKYROCKET SALES AND POSITION YOUR BUSINESS FOR ONGOING SUCCESS!



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Introduction

You've likely heard about the power of pricing and positioning. Your price structure plays an important role in your ability to convert a prospect into a loyal customer, but assigning value to your offer goes well beyond that.

Positioning your business so that it is geared towards a tight market is equally important. Doing this will help you better tailor your offers so they meet market expectations, but it will make it easier for you to create a powerful marketing message that sets you apart from the competition.

In this special report, we'll look at the different pricing strategies so that you can determine which will work best for your business.

We'll also drill down into some of the most popular positioning strategies that will help you better connect to your target audience so that you're not competing on price alone.

By the end of this report, it's my hope that you will have the tools needed to give your business the competitive edge you've been looking for.

Let's begin!

Know Your Audience

So, you've created a product or service, and you're anxious to maximize your income and grow a successful business. Or, perhaps you've been involved in business for years, but have struggled to boost sales, or even get a foothold in your niche.

It doesn't matter where you are in the process, your goal should be to develop a **successful pricing strategy** that **positions your brand above the competition**.

Sounds difficult? Not at all!

The key is to know your market and to determine, early on, how you could use pricing as a powerful positioning tool.

For example, brands like Dollar General use pricing as a positioning tool to encourage consumers to shop at their outlets in order to save money. This is referred to as **penetration pricing**.

On the other hand, there are companies who have positioned themselves as a premium or luxury provider of products, often employing a scarcity element into their marketing, and their price point reflects that, such as Rolex or Luis Vuitton. This is referred to as **price skimming**.

And finally, there is what's considered middle-of-the-road pricing strategies that often involve graduated pricing in the form of upgrades, or simply positioning your offer so that it appeals to the large majority of customers stuck in the middle of two main price points.

There are many different ways you can utilize the power of pricing as a positioning tool in order to solidify your brand and maximize your income.

It begins by making the decision what your point of entry will be, and choosing a pricing model based on your product or service.

And finally, understand that whatever price point you choose, you will be alienating certain customers. Whether you go in with a lower price point, a higher one or somewhere in the middle, it's impossible to appeal to the masses.

And that's okay!

Because in truth; a product cannot be all things to all people.

Business owners and companies who attempt to please everyone often find themselves in a stagnant phase of growth. When the focus is too broad, and you haven't identified your core audience, you'll always chase the sale.

In reverse, the more you know your target audience, the easier it will be to attract customers and build a loyal tribe of buyers.

You'll know what is most important to them and can align your marketing message to highlight those benefits.

Further, the better your marketing message with resonate with that audience making it easier to target them in future campaigns.

As an example, in 2013, Nathan Barry quit his job as a software programmer to start his own business. He created a SaaS platform to help bloggers, podcasters, and authors.

Nathan struggled. His profits were meager, and people continued to tell him he'd made a mistake. It was clear that he had to decide whether he wanted to quit or work even harder. He chose the latter.

Today, his company, ConvertKit.com, has over 50 employees and an annual earnings statement of over twenty-four million dollars!

What did he do to get there?

He positioned his product to focus on one **specific targeted group** who saw immense value in his service and then priced it accordingly.

Audience concentration will not only help you find your target customer base, but it will reduce the number of people you're attempting to service at once.

With smaller groups, you're able to specifically cater to their wants and needs, who then, in turn, refer more customers just like them.

The B.L.S Formula

Your customers will have a plethora of different needs and wants, even within your target audience. This makes creating a product or service tailored towards one core audience often difficult, but it's imperative that you do the footwork involved in keeping your sights set on **one core group**.

The tighter your target audience, the easier it will be for you to create a compelling marketing message that resonates with your customer base.

You'll know what they are most interested in, what is most important to them, and how best to cater to that.

So how do you get started?

Regardless of your market, your prospective customers will likely fall into one of three basic categories:

Benefits, Logic, and Scarcity.

The B.L.S. formula will help you figure out how to market to each of these three types of shoppers.

- **Benefits:** Is typically driven by emotion and the vision of a better life or gaining a solution to a problem. Justifies their purchase with logic.

- **Logic:** Focuses on hard data, stats, facts and other forms of proof. Particularly fond of case studies and before & after marketing campaigns.

- **Scarcity:** Is driven by the fear of losing out. Responds well to urgency in marketing messages and in being part of something special.

When you are figuring out how to market to your prospective customers, the first step is in thinking from their point-of-view.

- What are the benefits that will stand out to them?
- What is most important to them?
- What are they hoping to gain from your product or service?

When we create a product or service, it's not always easy to gain a clear vision as to all that it encompasses and how it will benefit people in different ways.

After all, we're close to our projects, we've put a lot of time and energy into creating them and so what we often believe is the key benefit or the U.S.P isn't always what resonates best with our audience.

So, the easiest way to create a marketing message that will appeal to the majority of your market is to try to see things from their point-of-view.

Consider the benefits, features, logic and scarcity points and how you can utilize these elements to improve outreach and maximize conversion rates.

Here are a few things to keep in mind:

- **Features:** What are the different parts or aspects of the product or service?
- **Benefits:** What do these parts or aspects do? Will it save time or money? Will it prevent pain? Will it help to remedy a specific situation?
- **Logic:** What facts, case studies, statistics, and social proof stand behind the product or service?

- **Scarcity:** Is there an urgency associated with the product or service? Is there a limited quantity available? Will the doors close after a certain time? Is the product on sale?

Once you identify the answers to these questions, you'll be able to take that information and apply it to your marketing process.

Set Yourself Apart

Your product or service is likely not the only one on the market, and so you'll need to do some work in highlighting the differences and why someone should purchase your product over another.

Even companies with an incredibly strong product still need to dig deep in order to position their product or service in a way that motivates customers to take action.

They do this with a U.S.P.

So, what is a U.S.P exactly?

U.S.P: Unique Selling Proposition.

Without a U.S.P, your product will always struggle to compete in your market. It won't stand out and therefore it can't leave an everlasting impression in the minds of your prospects.

Your product already has a U.S.P, your goal is to simply identify what that is, and highlight it in your sales pitch and marketing message. It also becomes part of your positioning strategy.

It begins by evaluating your product objectively, similarly to what we covered in the previous chapter when identifying the strengths of your product and evaluating it from a customers' perspective.

How can it improve someone's life?

How can it help your customer?

What does it offer that other products fail to provide?

Is your product easier to use than the competitions'?

Before you can create your U.S.P, you need to know your target audience. What is most important to them? What are they struggling with the most? How can you truly connect to your target audience? What is their greatest challenge?

Again, the better you know your audience, the easier it will be to develop a U.S.P that means something to them.

There are many different strategies for creating a USP for your product. Dan Kennedy's method for identifying a USP is in answering the question, "Why should I choose to do business with you versus your competitor?".

The very reason why you created a product or service in the first place could hold the key to defining your U.S.P.

Think about how your product is different than others on the marketplace, how does it add more value?

How does it address a question, concern or simplify a process, such as reducing a learning curve, saving your customers time or money.

Your product USP is the driving force behind defining value and creating a recognizable brand in your market.

There are businesses who have so carefully highlighted their USP that they can charge twice what their competitors do, and still sell out every single time.

Because the truth is, if your target audience recognizes you as the premium source in your niche, it doesn't matter how many companies out there are selling the same thing for a lower price. This is especially true for companies that sell very niche products.

Value Stack Strategy

Question of the day: *how much money should you charge for your product or service?*

Deciding how to price your product depends on the type of customer you are hoping to appeal to, whether you are focused on high-quality clients who are comfortable paying premium prices, or you plan to appeal to a wider audience with lower price points, but it goes behind that.

Structuring a price point and positioning your offer so that it makes sense to a customer requires **selling the benefit to the right audience.**

Your goal is to get them excited about what you are offering and demonstrating your ability to provide them with exactly what they've been looking for.

One of the easiest ways to multiple the value of your product so that it's perceived value is greater – thus appealing to a wider audience without devaluing your product – is by utilizing a Value Stack Strategy.

You've likely seen this in action. A business bundles in additional bonuses, savings or even products at “no extra cost”, adding value to product while highlighting the savings.

Example: Product A is priced at \$97. Using the Value Stack Strategy, you would offer Product B, valued at \$57, as a free bonus – increasing the value from \$97 to \$154.

The Value Stack strategy is an easy way to persuade customers that they are getting the best deal possible, while appealing to both logic groups as well as those driven by benefits and scarcity.

When it comes to your products and their overall perceived value, pricing matters. Simply lowering your price to compete in your

market could ultimately backfire, as it sends a message that your product may not be as valuable or as high-quality as others.

You never want to compete on price alone.

Whereas, on the other hand, pricing your offers too high may deter even the most dedicated customers who are on the hunt for quality products.

The value stack strategy simply puts you in a better position to compete.

Remember, before you decide on a specific price for your product or service, make sure that you do enough research to fully understand your product's worth to the consumer.

You do this via market research, analyzing top sellers in your niche and determining what the level of resistance is likely to be based on different price points.

Remember, you can always change your prices later. It's important to always test all variances of your marketing, especially price structures.

Just the same, keep in mind that it's often easier to increase a price later, than it is to lower it without upsetting customers.

The GAP Strategy

To find the perfect price point for your product or service, you'll have to do a bit of market research.

This involves analyzing top sellers in all **3 price groups**: the most expensive, the cheapest and those that fall in the middle.

We call this “filling the gap”, hence the GAP Strategy.

The GAP strategy is a great way to fill the void. You're catering to the market that sits between one end of the price spectrum and the other.

In many cases, this group is far easier to market to because they've already passed over the products that are too costly and out of budget, as well as the ones that are priced so low they

aren't positioned as being high-quality or valuable.

Begin by researching your competitors who are positioned on a high-price point platform.

Then, look for those who are at the lower end of the spectrum.

Finally, find what that middle ground is and assign a price point to your product based on hard data.

You can find competitors on all the major platforms and marketplaces, such as Amazon.com, Facebook, Instagram and Google.

Take notes, specifically the benefits highlighted in their products and of course, their pricing strategy.

You'll quickly create a snapshot of your entire market, ranging from the highest price point to the lowest. Once you have those

numbers, determine the average price point, and fill that gap!

Your next step will be to justify your price point and you do this by highlighting the benefits and the differences in your offer.

Again, think from a customer's point-of-view and study your market well enough to know what their triggers are and how best to persuade them into taking action.

Learn the marketing language that will resonate with them and always focus on how your offer will improve their life.

In the words of Bill Gates, "Only a few businesses succeed by having the lowest price."

Your goal isn't to undercut the competition; it's to stand out in your market by positioning your business so that it has a clear focus and a price point that makes sense.

Loss Leader Strategy

One popular strategy that will help you garner attention, secure a foothold in your market, and remove all barriers when trying to persuade a customer to take a chance on you, is by employing the loss leader pricing strategy.

This is where you sell the initial product at a low price to garner the attention of your market, and then upsell other, higher priced products or services.

The key is to have a sequence in place so that you're able to guide a customer through your funnel, starting with your lowest-priced offer and then finally, to your highest-priced one.

The loss leader strategy only works when you have a series of products, so if you're just starting out you'll want to build up a backlist of offers first and then implement the loss leader into your marketing message.

You see this strategy employed in almost every market. For example, authors will often price book 1 in their series at .99, with every other book priced at \$3.99 or higher.

This lowers the barrier, inviting readers into their funnel with minimal risk. It makes it easy to persuade those who are new to the author that they should take a chance on them, and in turn, as they complete book 1, they are immediately directed to purchase book 2 and so on.

The loss leader strategy is also a great way to test niches as your market won't have as high expectations when purchasing at a lower price point.

This will mean lower refund rates and support requests, allowing you to focus on creating other relevant offers that can become part of the funnel.

Qualify Your Customers

With sites like eBay, Alibaba, and Amazon, you can watch as companies' wage price wars against each other.

Sometimes, prices get so low that profit margins are in the pennies!

But, is this pricing strategy viable? Does it make sense to your business, or will it exhaust your resources and take more time and energy than it's worth?

It's not always wise to cater to consumers who make their purchases based on a lower-price point alone, with no concern about quality or overall value.

Quite often, you may find that you are spending a lot of time dealing with customer support for lower-end products and no

room for increasing the value of that customer through upsells or upgrades.

While almost everyone goes through a point in life where they purchase something solely based on price, you don't want to cater to just that group of consumers.

However, if you compete a level of value where you are justifying your price and the time you spend on customer support issues, then you'll be in a better position to grow your business and maximize the time you spend on it.

And as long as your product or service delivers as promised, you will deal with fewer complaints and refunds.

In addition, you should always be split testing marketing messages and price points, so you can determine what resonates with your audience.

You can do this easily with a service like

<https://www.SplitTestMonkey.com>

Split Test Monkey will make it easy for you to test different ideas as well as increase conversion rates by testing everything from sales copy to upsell offers.

Incorporate Social Proof

Social proof is everything. It reassures potential customers that they will benefit from their purchase, it positions your business in a way that appeals to the majority and it helps to highlight the benefits of your product.

The key is to create a clear and honest marketing message that is based on real value.

You want to avoid inflating the value of your product because you won't be able to follow through on your promise. And once a product or service receives a negative reputation, it's very hard to come back from that.

On the other hand, positive reviews and testimonials from satisfied customers can skyrocket your sales and simplify your task of persuading your market that your product is worthy.

This is another reason to consider focusing on high-value clients. If you can deliver on your promises, you will find less negative reviews than you would with those who simply bought your product due to its low price.

Some of the easiest ways to garner positive reviews, testimonials and case studies is to provide excellent customer support. You'll want to install a help desk or offer access to a private group.

Make sure that you're available to those who have questions prior to the sale, but also to those who have already followed through and made the purchase.

Set times where you are available so that you are able to condition customers to better understand what to expect.

Follow up with email campaigns that ask for feedback and always be open minded about how your product or service can improve.

Survey your audience by sending out regular polls using a tool like <https://www.FeedbackFox.com>

With Feedback Fox, you're able to improve customer satisfaction and loyalty by keeping a pulse on what your audience is looking for, as well as what they enjoy most about your offers.

You're also able to boost engagement by asking your audience to share their insights. Not only will this help you improve existing products, but it will give you ideas for future releases!

And above all else, surveying your audience will make them feel valued and appreciated which will result in an increase in testimonials and social proof that will help you take your business to the next level.

The satisfaction of your clients will not only reflect in your reviews, but will dictate the number of return customers and customer referrals.

To build customer loyalty, you want to create a fantastic experience for your customers from start to finish.

One company that is known for having excellent customer service is the shoe company Zappos. They focus their attention on providing an outstanding customer experience so that people refer their business and of course, return to them again and again.

Because the Zappos focus is so high on the customer experience, the company boasts revenues of over \$2 billion a year and in 2009 was purchased for \$1.2 billion by Amazon.

By excelling at customer service, Zappos is not only bringing in new clients, but they are also reducing the number of returns and refunds.

Win-Win!

Provide Top-Notch Support

To create a stellar customer support system, you have to understand what the major points of customer dissatisfaction are.

The reasoning behind returns, bad reviews, and loss of customers isn't always because of your product or service. There are a multitude of reasons that a customer can become unhappy.

In order to provide excellent client support, you have to first understand the most common reasons behind returns and negative reviews.

Buyer's Remorse: Usually, buyer's remorse happens after a customer gets excited over a product or service, completes the purchase, but is left with confusion or unanswered questions.

Make sure if your product or service requires training, you create a series of training videos and make information readily available

for your customers. You want to do this directly after they make their purchase.

Never leave a customer waiting for access to their purchase!

Unrecognized Charge: Sometimes a refund simply comes from the fact that a customer doesn't recognize a charge on their credit card statement.

If the company name that shows up on the customer's bank statement is not identical to the product or service, it's a good idea to send a confirmation email that includes the business name, directly after purchase.

Include a note that indicates, "You may see [credit card phrase] on your credit card statement."

Customer Expectations: When a company does not set expectations for customers, assumptions can be made that lead

to frustration, and ultimately a negative review. At some point during the sale, explain the details of the transaction in a checklist or bullet-point format.

When you're dealing with clients, you want to make sure that you're anticipating issues before they arise. That way you can tackle them head on and minimize refund rates.

Often, when a customer has a problem, and the company is prepared to handle it immediately, that customer will leave the experience still satisfied, despite the issue.

It's all in how you handle things so focus on creating the most positive customer experience possible.

Tip: Incorporate a website chatbot into your offer so you can boost engagement and assist potential customers who have questions prior to making the sale.

Here's my recommended service:

<https://www.ChitChatChimp.com>

Final Thoughts

Pricing and positioning begins by knowing your audience. The closer you keep a pulse on your market and the better you understand what potential customers are looking for, the easier it will be to determine the best price point for your offers.

Never focus on trying to satisfy everyone. Not only is it impossible, but you'll spend a lot of time and energy chasing the sale. Instead, work towards identifying your core audience and creating offers based on their wants and needs.

Avoid competing on price alone. Regardless of what pricing strategy you decide on, you should always focus on highlighting the benefits of your offers so that pricing is secondary.

If you create a marketing message that resonates with your core audience, you'll be able to maximize conversions regardless of your price structure.

And finally, always work towards improving your customer's experience.

From prompt support to immediate access to their purchases, you want to do your best to streamline the process and make it the best experience possible.

I hope that this report has helped you better understand your options in terms of pricing and positioning, and that you now have the tools needed to maximize outreach and sales.

To your success,

Resources

Here are links to a few resources that I believe will help you:

Feedback Fox:

>> <https://www.FeedbackFox.com>

Split Test Monkey:

>> <https://www.SplitTestMonkey.com>

ChitChatChimp:

>> <https://www.ChitChatChimp.com>

Customer Support Software-Zendesk:

>> <https://www.zendesk.com/>