

# Let's Talk Pricing

Adam Juda

[TapRun Consulting](#)

# The four Ps of marketing

- Product
- Place
- Promotion
- Price

# About me

- Economic consulting since 2014
- "Wrote the book on strategic pricing"
- BA economics & MBA

# Two Questions





20

FEDERAL

RESERVE NOTE

20

EL 38653406 E

THE UNITED STATES OF AMERICA

B 102

20

FEDERAL

RESERVE NOTE

20

THE

B 102

20

FEDERAL

RESERVE NOTE

20

EL 38653406 E

THE UNITED STATES OF AMERICA

B 102

L12



THIS NOTE IS LEGAL TENDER FOR ALL DEBTS, PUBLIC AND PRIVATE

*Robert M. Harkins*

Treasurer of the United States.

EL 38653406 E

*John W. Snow*

Secretary of the Treasury.

SERIES 2004

20

JACKSON

TWENTY DOLLARS

# What should I charge?

Three bad methods

# What most people do... #1

1. Guess a price



# What most people do... #1

1. Guess a price

2. Cross their fingers

## What most people do... #2

1. Find a competitor

## What most people do... #2

1. Find a competitor
2. Copy his prices

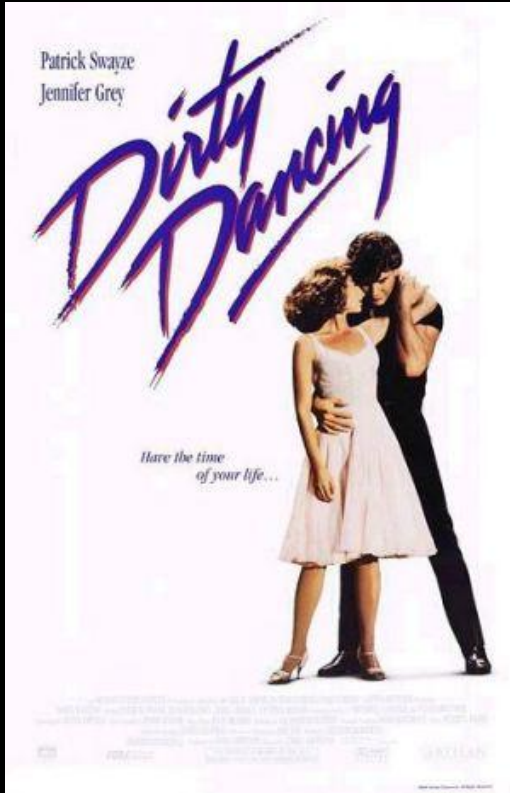
## What most people do... #3

1. Analyze their product

## What most people do... #3

1. Analyze their product
2. Come up with a price

# What do these items have in common?



~~YOUR  
PRODUCT~~

YOUR  
CUSTOMER

# What should I charge?

The right methods



# Value pricing

**1. How much value will my customers obtain?**

- 1. How much value will my customers obtain?**
- 2. Charge less than that.**

**Adam's secret method to  
calculate customer value**



**\$13**



**\$81,000**

**BATNA**

# **Best Alternative to a Negotiated Agreement**

**1. If not me, then whom?**



- 1. If not me, then whom?**
- 2. Charge less than him.**

**Almost everyone gets  
BATNA wrong.**

**The BATNA might be  
to do nothing...**

**General advice to earn  
higher profits**

# 1. Charge more



2. Become one of these



**MONOPOLY**

# **3. Reduce customer risk**

(fixed pricing)

# **4. Increase perceived value**

(lack of insight)





**Private or public?**

|                    | Public prices | Private prices |
|--------------------|---------------|----------------|
| Low value          | ✓             | X              |
| Low customization  | ✓             | X              |
| Similar customers  | ✓             | X              |
| Short buying cycle | ✓             | X              |

|                      | Public prices | Private prices |
|----------------------|---------------|----------------|
| High value           | X             | ✓              |
| High customization   | X             | ✓              |
| Dissimilar customers | X             | ✓              |
| Long buying cycle    | X             | ✓              |

# Using tiers

# Progressive naming

BRONZE

starting at

**\$49**

per month

SILVER

starting at

**\$69**

per month

GOLD

starting at

**\$99**

per month

PLATINUM

starting at

**\$199\***

per month

# User-focused naming



|                          | Free                        | Home Office                 | Professional                | Small Business              | Enterprise                 |
|--------------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|----------------------------|
|                          | \$0                         | \$9.99/mo                   | \$19.99/mo                  | \$39.99/mo                  | Looking for more?          |
|                          | <a href="#">Get Started</a> | <a href="#">Get Started</a> | <a href="#">Get Started</a> | <a href="#">Get Started</a> | <a href="#">Contact us</a> |
|                          |                             | 30 day free trial           | 30 day free trial           | 30 day free trial           |                            |
| Feature included         |                             |                             |                             |                             |                            |
| Fax Pages <span>?</span> | 5 total                     | 300/month                   | 500/month                   | 1000/month                  |                            |
| Team Size <span>?</span> | No team                     | 5                           | 10                          | 20                          |                            |

**Don't push the  
least profitable option**





## 2 Choose a plan that fits your needs

MOST POPULAR

### BASIC

\$22.00 /month



All the features of the **Free Plan**, PLUS:

- ✓ Send unlimited emails
- ✓ Connect 3  or  accounts
- ✓ Remove VerticalResponse branding in email footer
- ✓ Automatically send Follow-Up Emails to non-responders

### PRO

\$32.00 /month

All the features of the **Basic Plan**, PLUS:














- ✓ Connect up to 6  or  accounts
- ✓ Exclusive benefits:
  - Dedicated contact person
  - Delivery rate improvement review
  - Email template with your logo

## Independent contractors

## Small businesses

| Self-Employed                  | Simple Start                    | Essentials                      | <b>MOST POPULAR</b><br>Plus     |
|--------------------------------|---------------------------------|---------------------------------|---------------------------------|
| <del>\$10</del> <b>\$5</b> /mo | <del>\$15</del> <b>\$10</b> /mo | <del>\$30</del> <b>\$21</b> /mo | <del>\$40</del> <b>\$28</b> /mo |
| <a href="#">Buy now</a>        | <a href="#">Buy now</a>         | <a href="#">Buy now</a>         | <a href="#">Buy now</a>         |
| ✓                              | ×                               | ×                               | ×                               |
| ✓                              | ✓                               | ✓                               | ✓                               |
| ✓                              | ✓                               | ✓                               | ✓                               |
| ✓                              | ✓                               | ✓                               | ✓                               |

# Pricing

| PLAN DETAILS                          | BASE  | PREMIUM   | ELITE   |
|---------------------------------------|---|---|---|
| Price per Month<br>Promo!             | \$49  | \$149   | \$299   |
| Facebook Ads Spending                 | up to \$3,000   | up to \$10,000  | up to \$50,000  |
| Facebook Ads Accounts <span>?</span>  | Unlimited   | Unlimited   | Unlimited   |
| Unlimited Ads split testing           |  |  |  |
| Powerful simple analytics             |  |  |  |
| Essential Features *                  |  |  |  |
| Automatic optimization <span>?</span> |  |  |  |
| Sub Accounts <span>?</span>           |  | up to 2   | up to 30  |
| Data Update Frequency <span>?</span>  | 60'   | 30'   | 10'   |

# Features vs. benefits

Features → your product

Benefits → your users

zendesk

CSAT surveys?

Unlimited light agents?

Data center location?

Essential

from...

**\$5** per agent per month

- Email & social channels
- Basic knowledge base
- Web Widget & Mobile SDK

Team

from...

**\$19** per agent per month

Essential, plus...

- Branded customer portal
- Business rules
- Performance Dashboards

Professional\*

from...

**\$49** per agent per month

Team, plus...

- Multilingual content
- CSAT surveys
- Custom reports & dashboards

Enterprise

from...

**\$99** per agent per month

Professional, plus...

- Custom agent roles
- Multibrand support
- Multiple ticket forms
- Launch Success Program
- Satisfaction Prediction

Elite

from...

**\$199** per agent per month

Enterprise, plus...

- Unlimited light agents
- 99.9% uptime SLA
- 1 hour service level objective
- Advanced encryption & security
- Data center location

"One of the most repeated rules of writing compelling copy is to stress benefits, not features."

[copyblogger.com/benefits-not-features](http://copyblogger.com/benefits-not-features)

July 2016

Save \$240

**Blogging tools?**

\$145 *per month*

Billed Annually

GET STARTED NOW

**A/B testing tools?**

**Podcasting tools?**

\$165 *per month*

Billed Monthly

GET STARTED NOW

**Rainmaker includes:**

- ✓ Integrated email
- ✓ Landing page builder
- ✓ Powerful blogging tools

- ✓ Marketing automation
- ✓ Responsive HTML5 designs
- ✓ A/B testing tools

- ✓ Online course builder
  - ✓ Podcasting tools
- [Plus much more, take a look ...](#)



# Summary

# Summary

1. Focus on customer, not product
2. Use a pricing method that makes sense
3. Don't race to the bottom; stand out instead
4. Guide buyers to higher priced offerings

# For More Information:

- Adam Juda
- adam@TapRun.com
- <https://TapRun.com>