A close-up photograph of wooden blocks on a green surface. Four blocks are arranged in a row, spelling 'VALU'. A hand is holding a fifth block with the letter 'E' above the 'U' block, completing the word 'VALUE'.

VALU

HOW TO RAISE PRICES (AND MORE)

Mark Stiving, Ph.D.
Founder, Impact Pricing

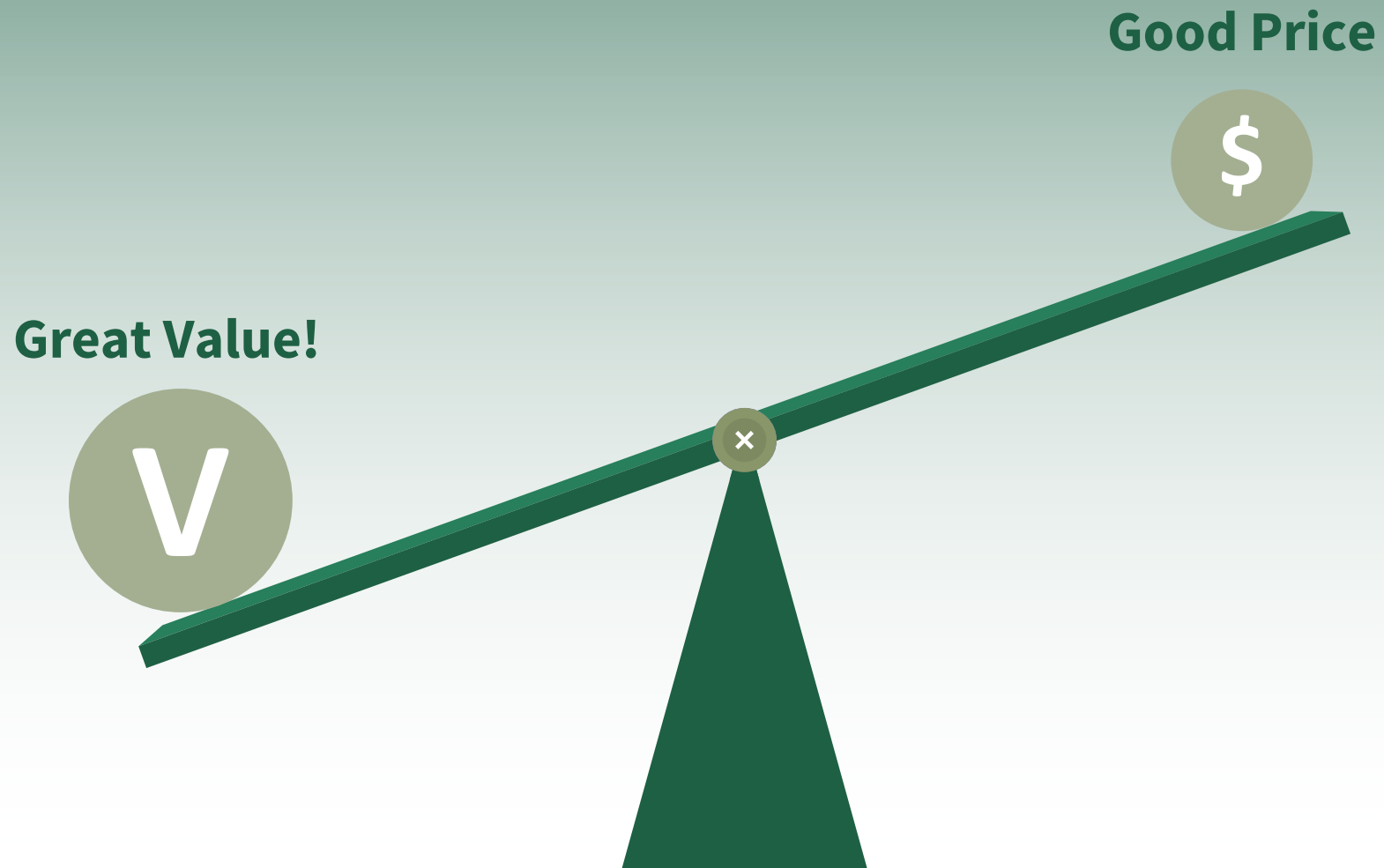




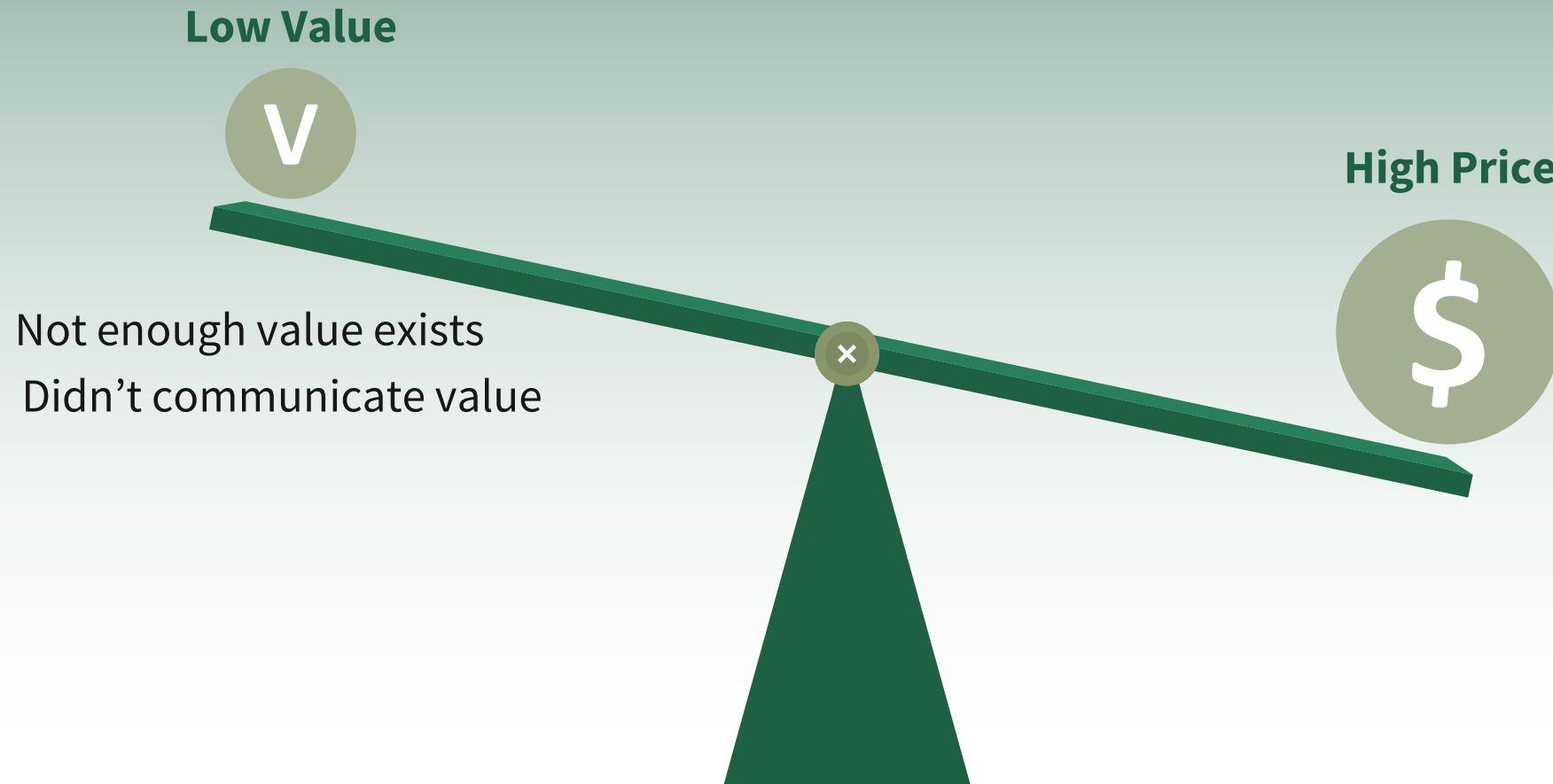
Buyers trade
money for value



BUYER BUYS!



TWO REASONS FOR EVERY LOST SALE



WHAT IS VALUE?

Inherent vs Relative
Features vs Benefits (Results)
Experts vs Non-experts
Value in Subscriptions
Perceived vs Experienced
General vs Specific
Platform vs Solutions
B2B vs B2C
Value to Buyer Personas

WHERE TO USE IT?

Market segmentation
Packaging
Pricing metrics (models)
Price segmentation
Raising prices
Marketing messages
Selling value





Buyers trade
money for value

Value-Based Pricing





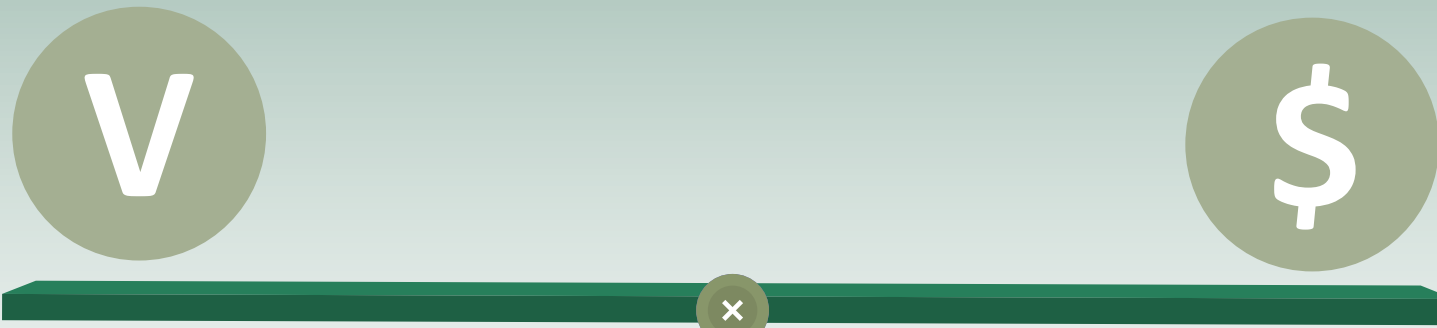
**THE MOST PROFITABLE
PRICING STRATEGY:**

VALUE BASED PRICING

Charge what a buyer is
Willing To Pay (WTP)



THE PERFECT PRICE



When Value is defined as
Willingness to Pay (WTP)







Cost = \$20

Cost = \$50

Cost = \$150



WTP = \$100

WTP = \$100

WTP = \$100



Price = ???

Price = ???

Price = ???

IT'S IMPOSSIBLE TO PRICE BETTER THAN WTP



WTP is NOT
Based on Costs



IMPACTFUL INSIGHT

IN VALUE BASED PRICING ...
VALUE COMES FIRST





Buyers trade
money for value

Segmentation













EXERCISE

UBER'S UNIQUE BUYERS

Think of many use cases for Uber.
Which ones have more value?



Use case

Usage

Pain

Urgency

Season

Weather

Time of day

Location

Competition

Confidence

Recommendations

Choice set

Trust

Mood

Volume

Current events



VALUE
DIFFERS
BASED ON
CONTEXT

How to Capture more Value

- Market segmentation
 - Product line
- Offering
 - Packaging
 - Pricing metric
- Pricing
 - Price segmentation

RAISING PRICES





Buyers trade
money for value

What is Value?



TYPICAL VALUE JOURNEY

WILL I?

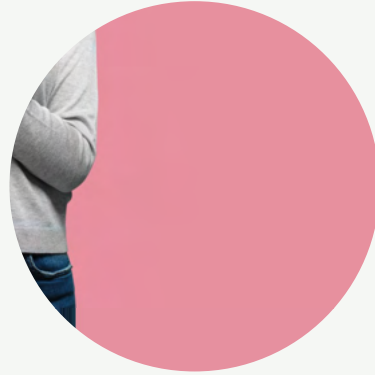


Inherent Value

Solve the problem
Less price sensitive



WHICH ONE?

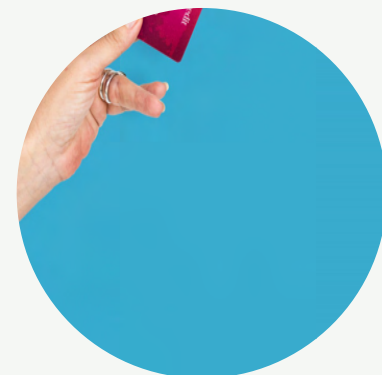


Relative Value

Compare alternatives
Very price sensitive



PURCHASE



Most new purchases
go through
both decisions



WHEN BUYERS ONLY MAKE WILL I DECISIONS

WILL I?

A competitive alternative was not considered



PURCHASE

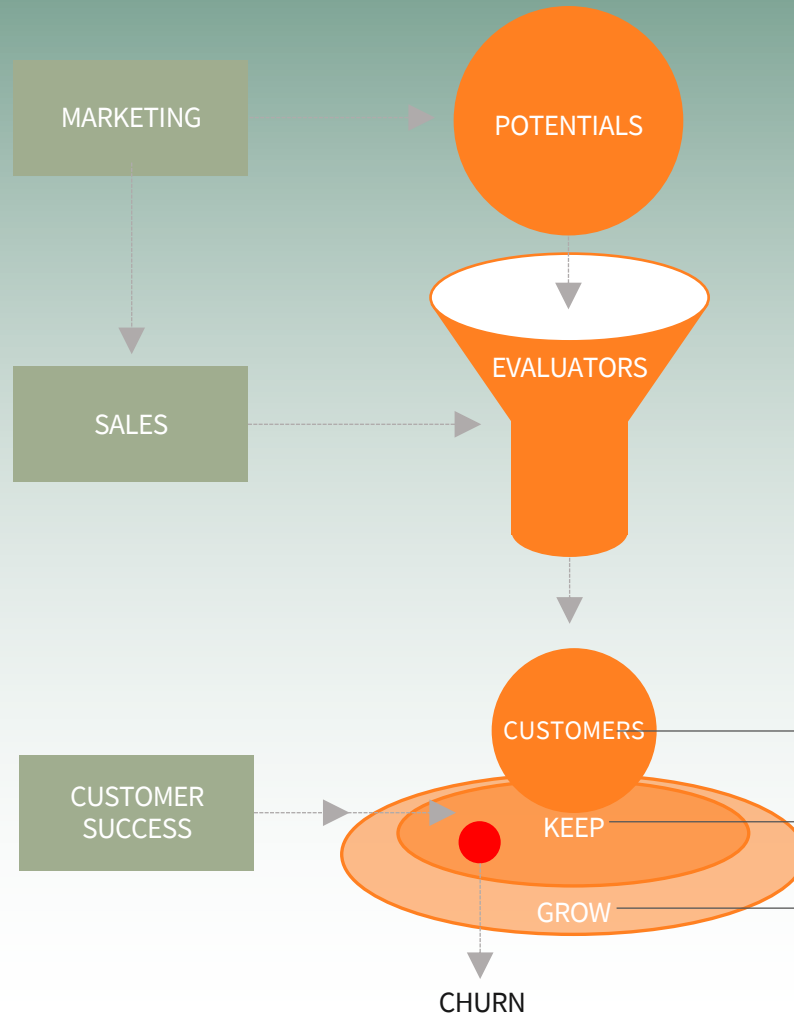


Inherent Value only



SUBSCRIPTION BUSINESS (RECURRING REVENUE)

HOW DO YOU **GROW**?



3 REVENUE BUCKETS

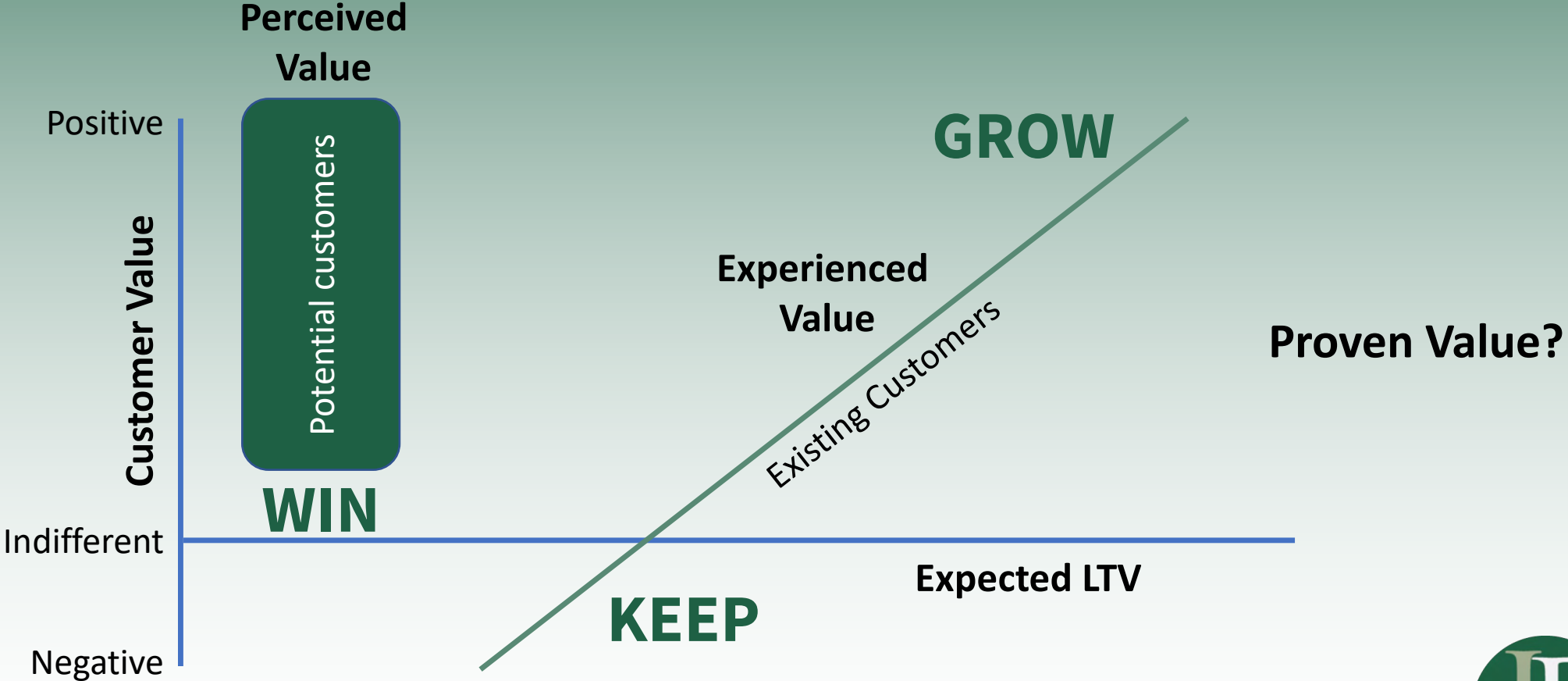
WIN - ACQUISITION

KEEP - RETENTION

GROW - EXPANSION



CUSTOMER VALUE IN SUBSCRIPTIONS



VALUE TABLES



SOLUTION



PROBLEM



RESULT



VALUE



PRODUCT FEATURE EXAMPLE

SOLUTION



PROBLEM



RESULT



VALUE



We have a lot of electronics failures on top of light poles due to condensation from large temperature swings. Citizens complain that our city is not safe.

The vent allows the escape of condensation, lengthening the life of the electronics resulting in 20% fewer failures. For 100,000 light poles, the normal failure rate would be 1000 per year. That would decrease by about 200 per year.

Saving 200 failures * \$1,000 per repair = \$200,000 or \$2/pole/year





Buyers trade
money for value

Raising Prices



When to Raise Prices (in normal times)



Not losing enough



Win ratio increasing



Competitors raised
prices



Deliver more value



Annually





FEAR HOLDS YOU BACK



INFLATION

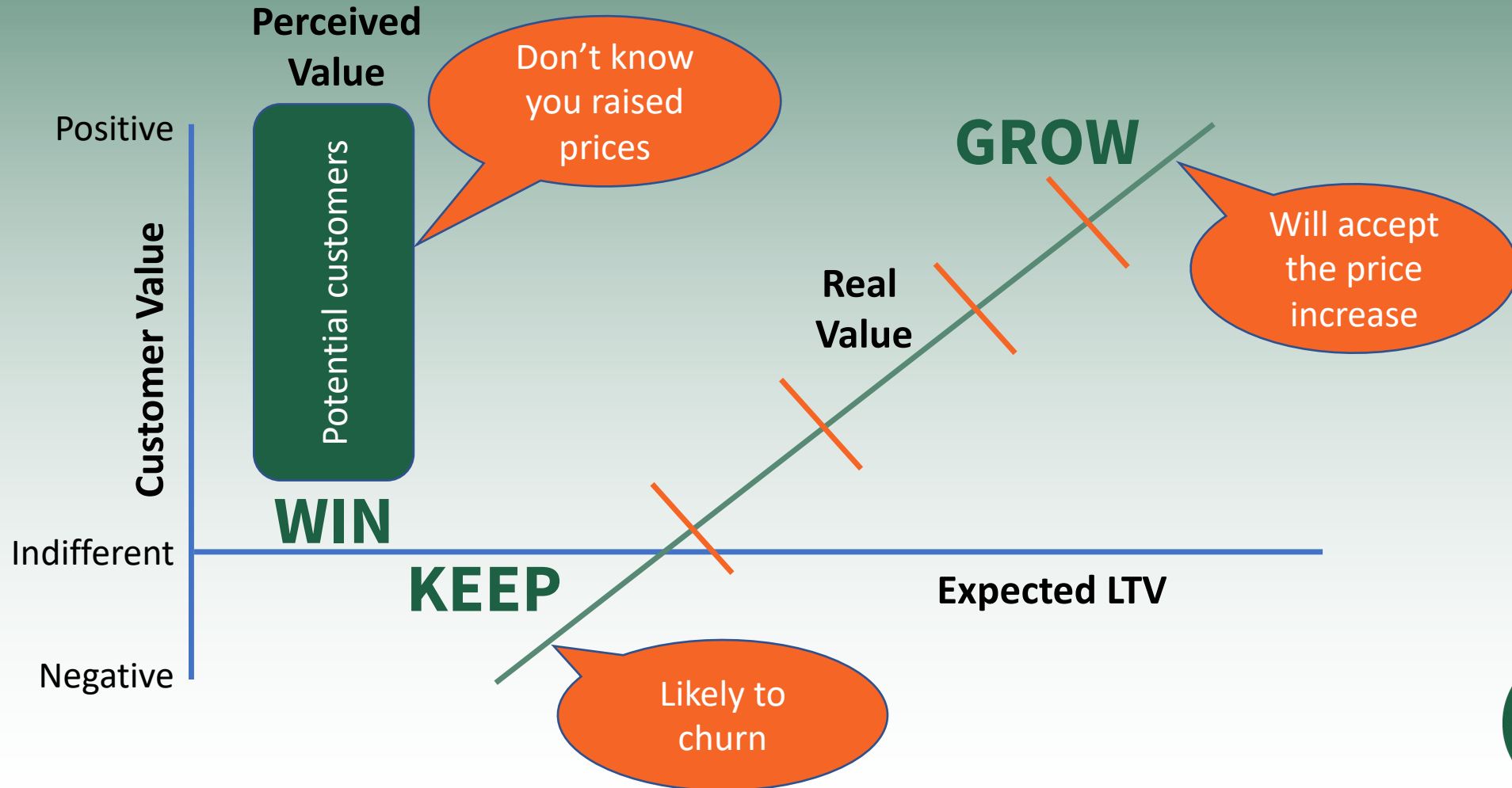
MONEY IDEA

DISCOVER YOUR 'WILL I' PRODUCTS
AND RAISE PRICES

PAGE
VAULT



RAISING PRICES IN SUBSCRIPTIONS



MONEY IDEA

RAISE PRICES ON A SUBSET OF
CUSTOMERS.

WATCH THEIR RESPONSE.





COMMUNICATING PRICE INCREASES

- 1 “Costs went up”
- 2 “We added more value”
- 3 “We haven’t raised prices ...”
- 4 “You still pay less than ...”
- 5 Do something nice





HANDLING PUSHBACK

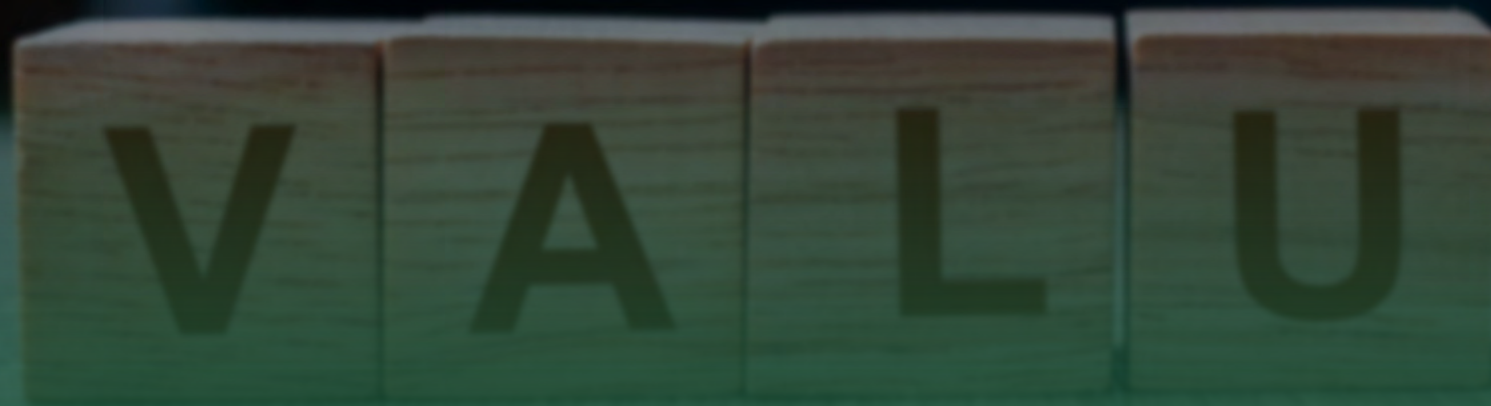


90 day extension



Revert to old price





VALUE ACCELERATION BOOTCAMP

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Founder, Impact Pricing



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