

LESSON

Premium Pricing Guide

Let's talk about pricing!

Adding a price tag to your offer may feel like it's fraught with challenges. Let's turn that around and see those *challenges* as *opportunities*.

Pricing is an opportunity to position your business in the marketplace.

When you plan your pricing strategically, you'll also discover multiple ways to promote your offer.

Smart pricing is one of the easiest ways to increase your revenue

In this lesson, you'll use the Premium Pricing Planner spreadsheet to think through how you can price your offer now and in the future.

The Market Exploration Kit gives you a place to research your industry. Once you've done this research, you'll have an idea of who your competitors are and what they're charging for their offers.

Premium Pricing Planner				
YEAR				
Competitor A				
Competitor B				
Competitor C				

On the Premium Pricing Planner, add the prices you see your competitors charging. In the top row, note the year when you saw those prices. You can make this spreadsheet your own by adding comments, notes, or screenshot images.



What's the true value of your transformation?

The most important row on this spreadsheet is the one that says **Transformation: True Value.**

This is where I want you to think deeply about how your customers' lives will change for the better once they have experienced your offer.

How will your customer's life change in these areas?

Better relationships:

Will they experience closer relationships, better relationships, more balanced relationships? Or will you help them establish new relationships — personal or business?

What impact will better relationships have — not just now but for the rest of their lives?

What is that worth to them?

More money:

Will they have more money in their pockets once they've experienced your offer transformation?

Remember, your offer *does not* have to have anything to do with finances in order for this to happen.

If you're teaching people how to cook meals, they can **save money** by cooking at home and not going to restaurants.

If you're teaching business concepts, the new skills your offer gives them may lead to **more revenue.**

If you're providing a service, does that service lead to **more spending power** in their personal or business lives?

What impact will more money have — not just now but for the rest of their lives?

What is that worth to them?

Better health:

Will they lead a longer life because of your offer?

Think creatively here: You may be surprised how your offer can help prospects lead a longer, healthier life.

Are you helping them directly with their mental or physical health?

Will they be happier, feel more connected, feel more balanced ... and will this lead to a longer life?

What impact will better health have — not just now but for the rest of their lives?

What is that worth to them?

Stepping into your true value

After you look at your offer from these angles, think about the true value of the transformation you offer.

If it's easier, *imagine someone else offering your solution* — what would *their* offer be worth?

Don't be afraid to attach a high-value amount to your transformation.

If you're in this program, you have a lifetime of expertise to offer.
You need to charge accordingly.

Get comfortable being one of the more expensive offers in your industry. We're going to position your offer and market it in a way that your prospects will understand *why* you charge what you charge.

Next to **Transformation: True Value**, I want you to write the full lifetime value of the transformation you offer.

This should be a big, scary number. No one has to see it except for you.

Mapping out your pricing strategy



Your offer price will increase steadily from your first promotion to your regular price.

Let's work backward to map out the rest of your pricing. We'll move from right to left on the graphic above.

We'll start with your **Regular Price**. This is the price you'll charge for your established offer when it's not in a promotion period.

Offer ACCELERATOR

Transformation: True Value					
Regular Price					
Promotion Price					
Early Bird Price					
First Promotion Price					

Big, scary number here!

Mostly for comparison

Your customers will pay one of these prices

You're going to learn multiple ways to promote your product using a limited-time promotion period, so your regular price will mostly serve as a comparison point for the prices your audience will actually pay.

It'll look something like this when you share it:

~~Regular price: \$1,500.00.~~
Join during the early bird promotion for just \$975.00

Feel uncomfortable with this idea? Remember, we've seen this in retail establishments for years. The regular price of an item helps establish its true value in our minds.

Remember the true value of your transformation and create a regular price that shows the world what it's worth.

Regular Price:



The next price we'll create is a **Promotion Price**. This price is significantly less than your regular price — perhaps by 20 to 25%.

When you run this price next to your regular price, the difference should be obvious.

Promotion Price: ~20-25% less than your Regular Price

Below that you can create an **Early Bird Price** — *this pricing tier is optional*.

During a promotion period, you can offer a special price to people who purchase in the first 24 to 48 hours.

It's extra work to put this together, so if you're not comfortable running promotions yet, you can eliminate this pricing tier.

Early Bird Price (optional): ~35% less than your Regular Price

The final price we'll come up with is your **First Promotion Price**. This is the price you'll use for a brand-new offer, the very first time you reveal it in the marketplace.

This price should be *extremely appealing*.

Remember, at this stage you're likely selling a Smart Start version of your offer. You may be creating the offer as you deliver it.

Your goal is to gather a group of paying customers who will test your offer and give you feedback so that you can make it better as you develop the full version.

Make your First Promotion Price a “no-brainer” number that your ideal customer will look at and say, “I must take advantage of this!”

First Promotion Price: ~50% less than your Regular Price

Here's a quick formula for coming up with these prices if you're struggling with them. Remember, you need to adapt your pricing strategy to your industry, to what your competitors are doing, and to your customers. Your mileage may vary!

- Regular Price = X
- Promotion Price = X – 25%
- Early Bird Price = X – 35%
- First Promotion Price = X – 50%

Why reward “Pay-in-Full” buyers

The reality of online business is that a certain percentage of people who sign up for a payment plan will not complete their payments.

For this reason, it makes sense to create a pay-in-full price that benefits those who can use that pricing plan.

At the same time, offering a payment plan helps people with a stricter budget to invest in your offer.

If you can, try to offer both a pay-in-full price and a payment plan.

You can reward pay-in-full buyers two ways:

- With a lower overall price (see below)
- With additional bonuses that are only available to them

The rule of thumb for pay-in-full pricing for an annual program (with 12 payments) is to offer the equivalent of two months free.

EXAMPLES:

\$2,400 offer

- 12 payments of \$200
- Pay-in-full price of \$2,000

\$12,000 offer

- 12 payments of \$1,000
- Pay-in-full price of \$10,000

For programs that are not 12 months long, you can decide how much of a discount you'd like to offer to buyers who pay in full.

Remember, pay-in-full buyers save you money. You don't have to spend you or your staff's time chasing down payments, getting

credit cards updated, or simply losing out because someone decides not to pay for the full program.

That said, a pay-in-full discount is optional. Some online business owners offer payment plans that end up with a total value that's the same as the pay-in full-price. This is your decision!

7s and 5s and 9s

When people create prices, they often get caught up with what number their price will end in.

It's a valid concern. The *left-digit effect* impacts how your prospect understands your price. In cultures that read from left to right, the first number on the left is the first number your prospect sees.

The reason we see so many prices that fall *just below* a round number is that studies have shown they work.

I encourage you to explore this with your pricing. If your promotional price is \$1,000, can you make it \$995? Chances are, you'll sell to at least one more person, more than making up for the \$5 you forfeit.

The most-common price endings are:

- 5, as in \$995; \$1,495; \$12,995
- 9, as in \$999; \$1,499; \$12,999
- 7, as in \$997; \$1,497; \$12,997

HOMEWORK:

Map out your pricing strategy on this Premium Pricing Planner. Need help? Reach out to our group to get feedback, guidance, and support as you price your offer.