

*Do you have to have  
a prayer session  
before raising the  
price by 10%?*

***Do you have to have a prayer session before raising the price by 10%?***

Pricing is where the push comes to shove.

You can have the smartest strategy and best innovations.

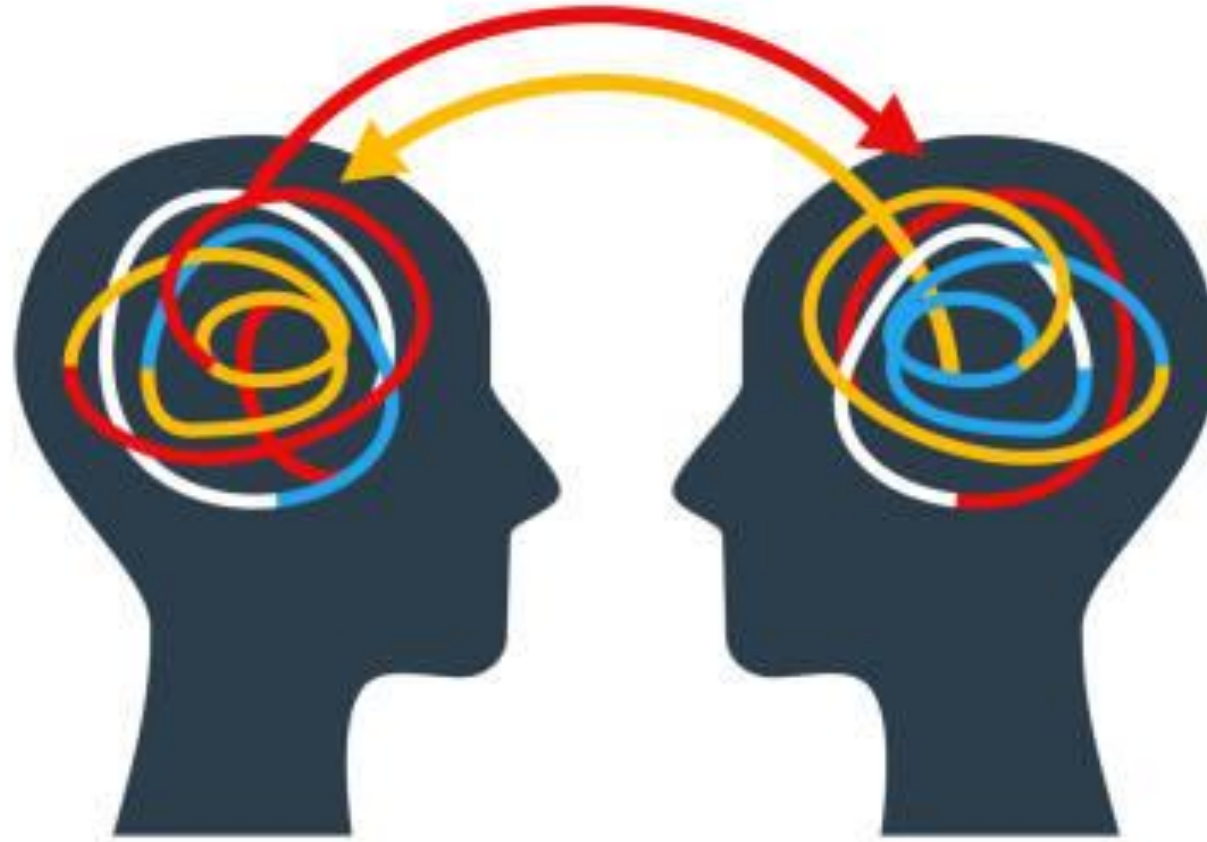
But if you can't monetize it, what's the point?

**Maciej Kraus Ph.D.**

- ✓ You have faith in a greater force
- ✓ Your product sucks and all customers will leave
- ✓ You don't believe in what you do (imposter syndrome)
- ✓ You've never done it before

- ~~✓ You have faith in a greater force~~
- ~~✓ Your product sucks and all customers will leave~~
- ~~✓ You don't believe in your product (imposter syndrome)~~
- ✓ You've never done it before

# Exchanging ideas platform



# Question

Did you raise your price in  
2024?



# 2024 SaaS Pricing Index

Average Price Increase



QUEEN  
HEDVIG  
ACADEMY

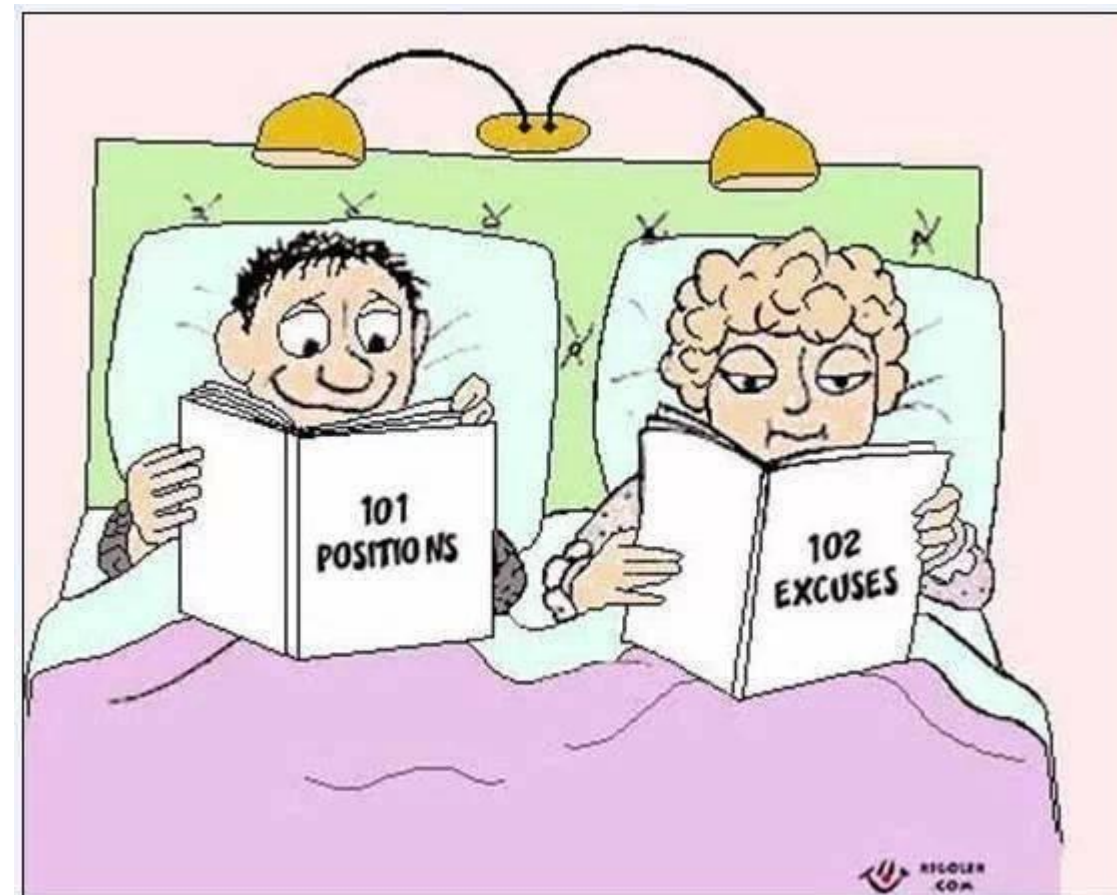


PricingSaaS.com/pricingIndex (January 1st - September 30th, 2024)



**“Pricing is like  
teenage sex:**

**everyone SAYS  
they’re doing it, few  
are, and if they are  
then it’s not as great  
as they say it is.”**



## 4 pricing hats

Entrepreneur



Advisor



Investor/ VC



Ph.D. / lecturer



Number of pricing projects:  
-----  
200 +

Cumulative profit & performance improvement experience:  
-----  
20 years +

 Software



 Business Services



 Healthcare



 Manufacturing



 Business Services



 Other



**My goal is to give  
you a summary of  
my 20y in pricing in  
1 h...**

All startup advice is only useful in context, and I am a firm believer that ~~the only good generic startup advice is that there is no good generic startup advice.~~ So take what is written here with a grain of salt—it is very much one person's experiences, not a rulebook for what is correct for every company in every context.

If the high-growth stage at your company feels like a chaotic, scary, stressful shitshow, don't worry. It feels that way for everyone the first time around. Buckle up and enjoy the ride!

Elad  
@eladgil

**„High Growth Handbook: Scaling Startups from 10 to 10,000 People“  
Elad Gil**



# CHAPTER

# 1



*What is pricing?*



# Pricing

is a tool to help you learn  
and grow faster

# Pricing can teach you:

- ✓ Who wants your product (lower paying customers churn faster)
- ✓ How much they want it (PMF justification)
- ✓ How much value your product provides
- ✓ Which channels you can use to acquire customers

# Startup success = Product + Growth + Revenue

Make something  
people want



**Product**

Get lots of people  
use the product



**Growth**

Get lots of people  
pay for the product



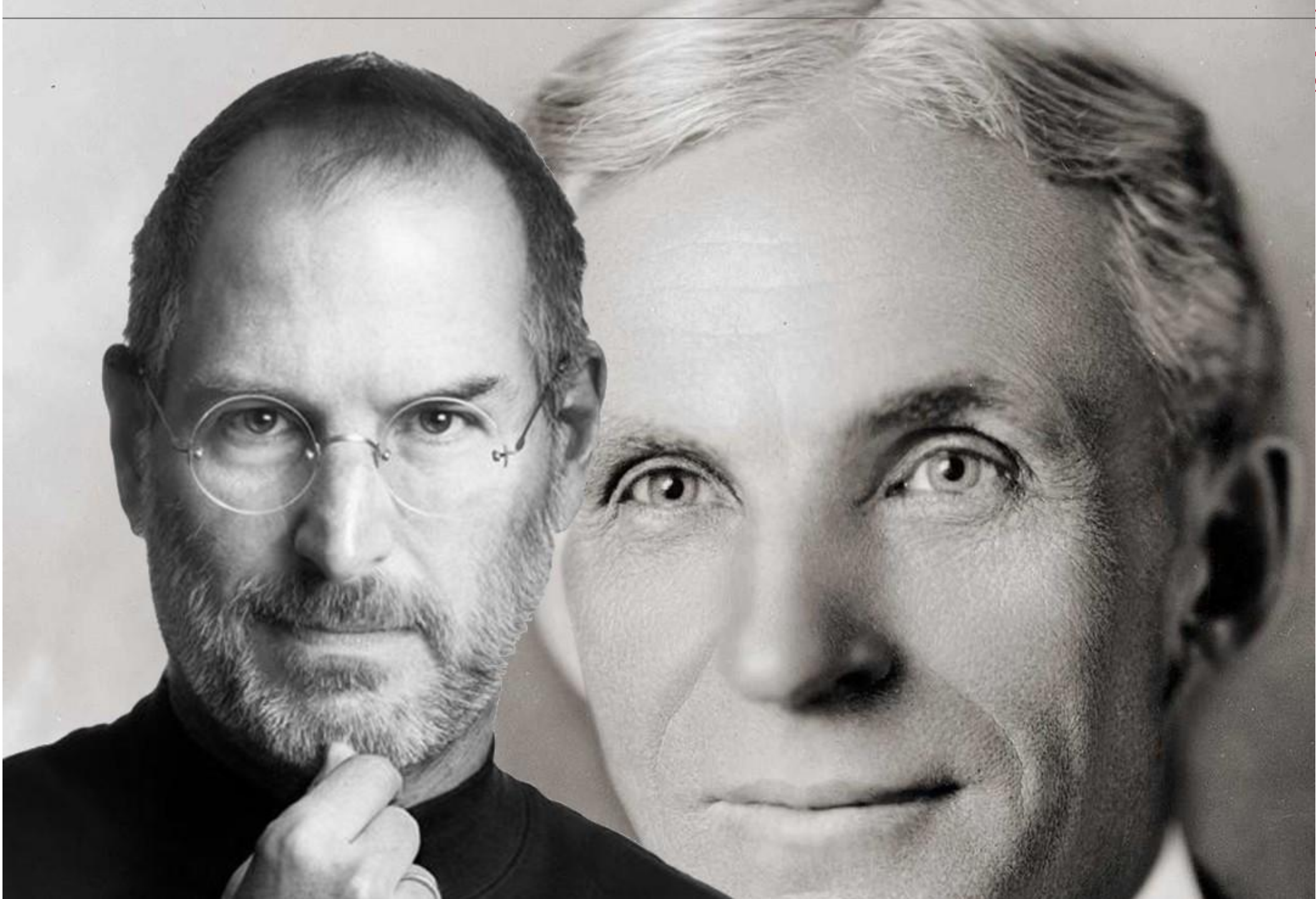
**Revenue**

## Good Product Comes First, Growth Second

- ✓ Investing in growth before you have a good product is a waste of resources.
- ✓ It might seem to work initially, but reality catches up eventually.



- Work of monetizing is often viewed as **unsavory, dirty, and detrimental to true innovation and business**
- Asking product manager and engineers to think about pricing and willingness to pay **infringes on their creativity**



**FASTER HORSES**

**H.FORD**

**PEOPLE DON'T KNOW  
WHAT THEY WANT UNTIL  
YOU SHOW IT TO THEM**

**S.JOBS**



<https://www.youtube.com/watch?v=QUuFbrjvTGw> STEVE IPAD



HOW MUCH DO  
YOU LIKE OUR  
NEW PRODUCT?

1-5

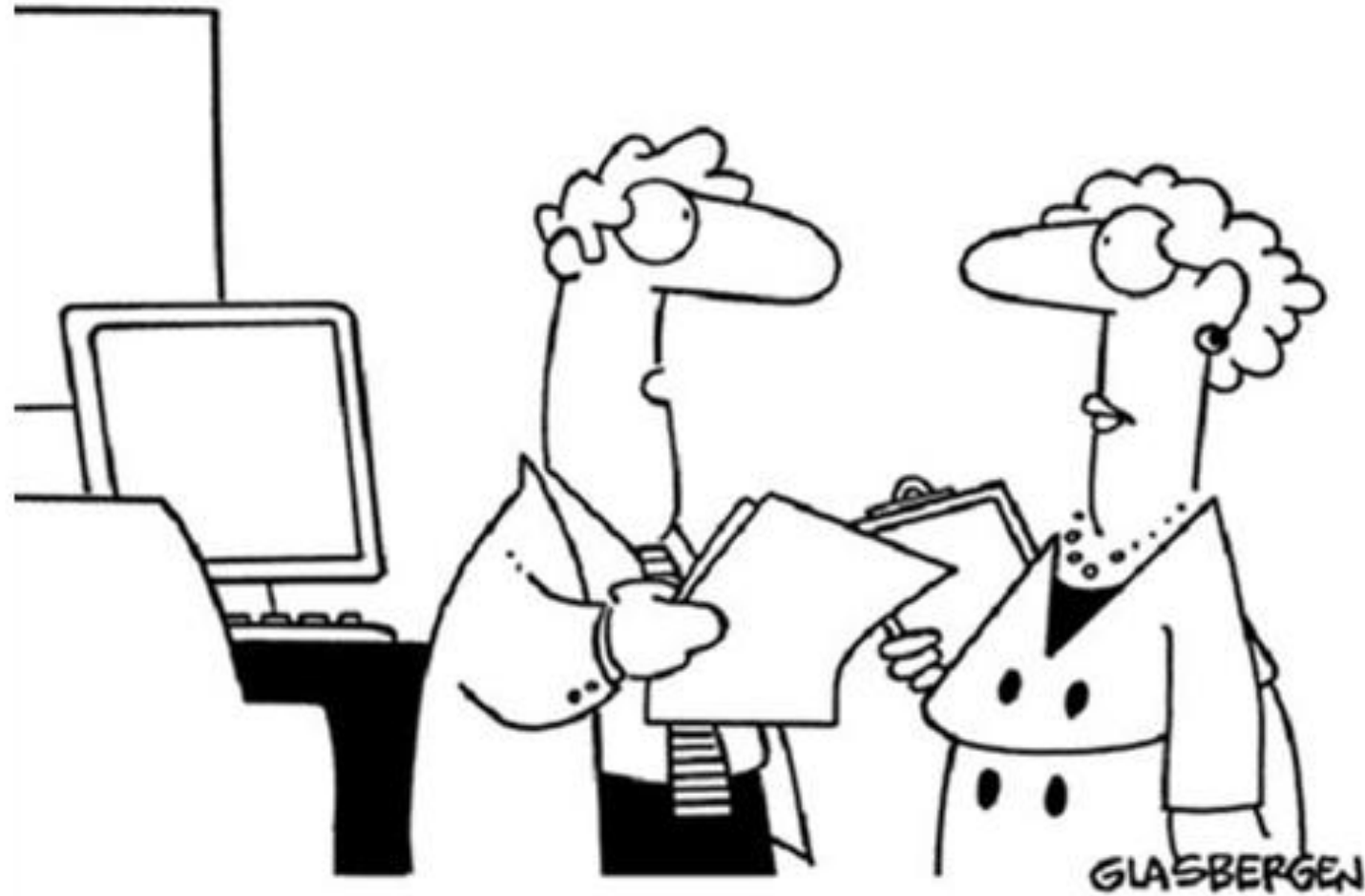
WOULD YOU  
BUY OUR NEW  
PRODUCT

\$10?

WOULD YOU  
BUY OUR NEW  
PRODUCT

\$20?

# Make value to Customer the Center of Your Process



**“My team has created a very innovative solution,  
but we’re still looking for a problem to go with it.”**



# CHAPTER

2



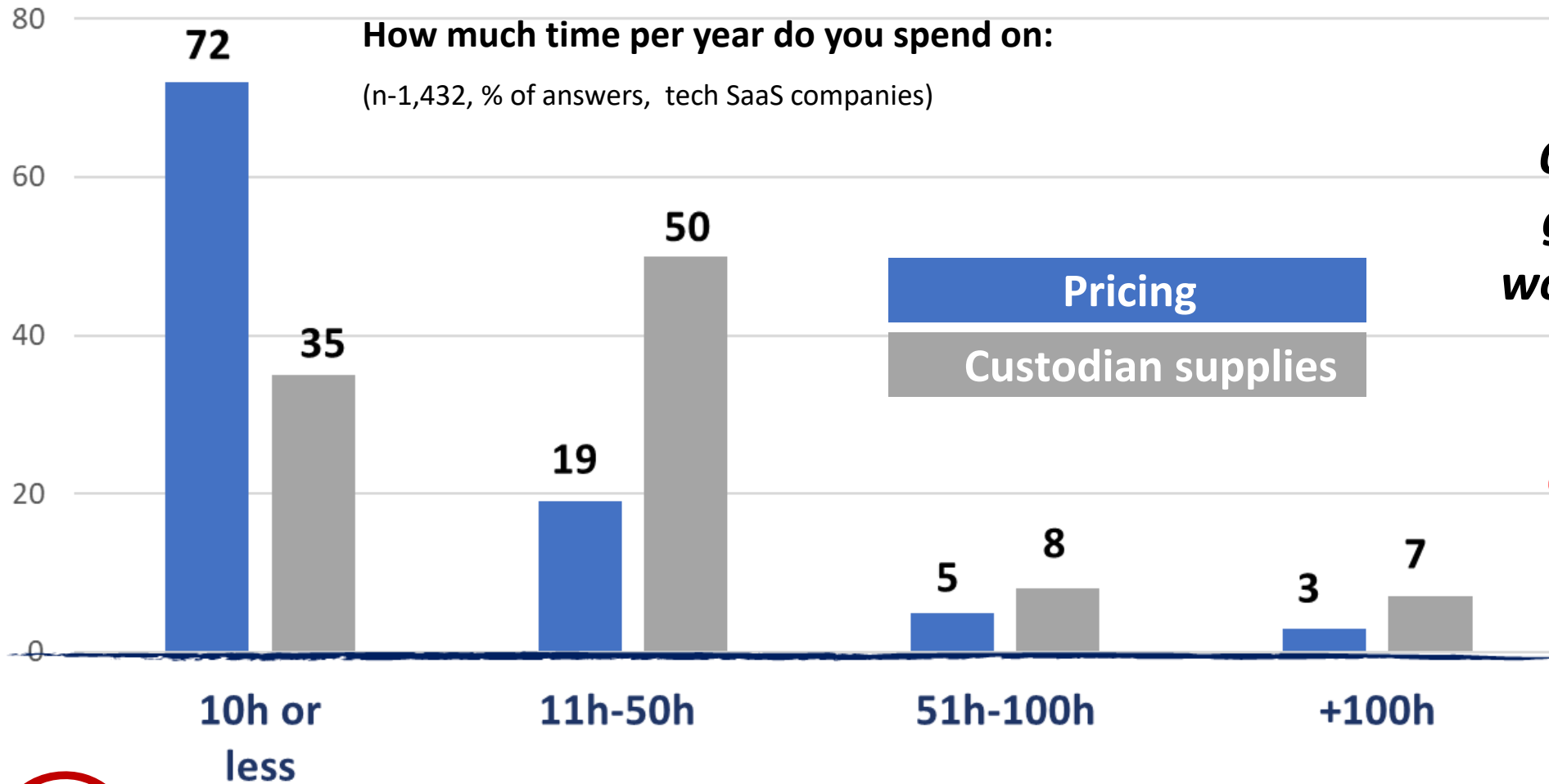
# PRICING STRATEGY



*Pricing is a skill*

*you have to do the heavy-lifting  
yourself*

# Most growing companies spend more time on selecting toilet paper than on pricing



*On average a growing tech would change its pricing logic*

*every 2+ years*



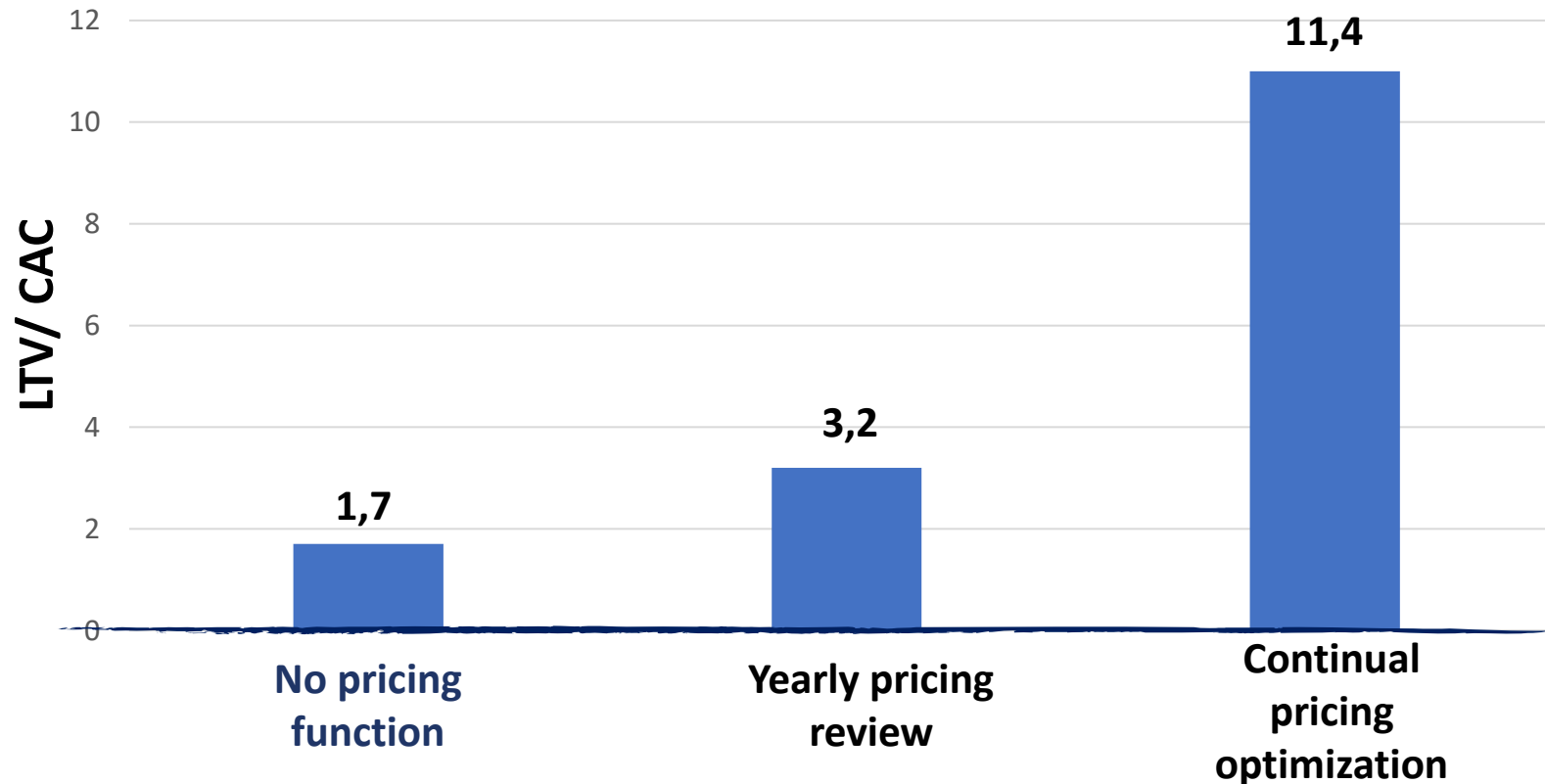
**Startups spend 15 hours per year on picking out toilet paper, compared to an average of 12 hours in the entire history of their business on pricing**

*Pricing is a skill*

*why should I care?*

# You should spend much more time on your pricing

(n-734, SaaS companies)

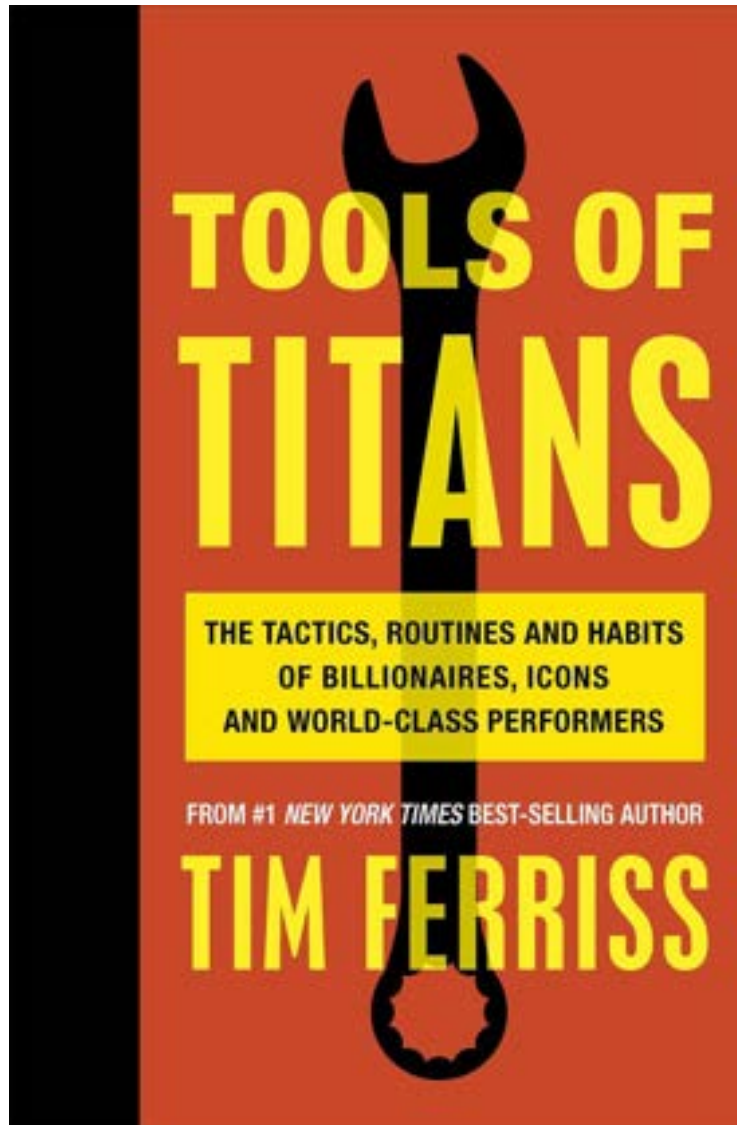


- Pricing is more than just the number on the page. It's packaging, positioning, localization, and dozens other pieces.
- Prepare for continual price optimization: You should be changing up your pricing every six to nine months.
- Pricing is a process and should be a continual effort. You don't have to do everything in one go, and shouldn't, because your market, customer, and product are constantly evolving.



**If you want to be a successful CEO, build your pricing muscle!**

## Tools of titans: Marc Adreessen „Too hungry to eat”

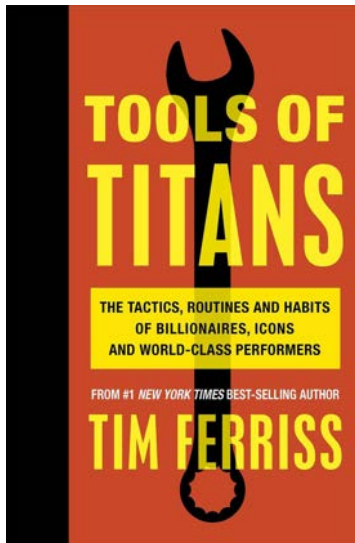


Tim Ferriss in his interview with Marc Adreessen asked him a simple question: **If you could have a billboard anywhere, what would it say?**



**Raise prices**

## Tools of titans: Marc Adreessen „Too hungry to eat”



If you could have a billboard anywhere, what would it say?



**Raise prices**

*„It has become absolutely conventional wisdom in Silicon Valley that the way to succeed is to price your product as low as possible under the theory that if it's low-priced everybody can buy it and that's how you get the volume.*

*It's a problem called "too hungry to eat.*

***And so, probably the single number one thing we try to get our companies to do is raise prices***

***Is your product any good if people won't pay more for it?"***

Ed <https://www.youtube.com/watch?v=462a3SW8Ggs>



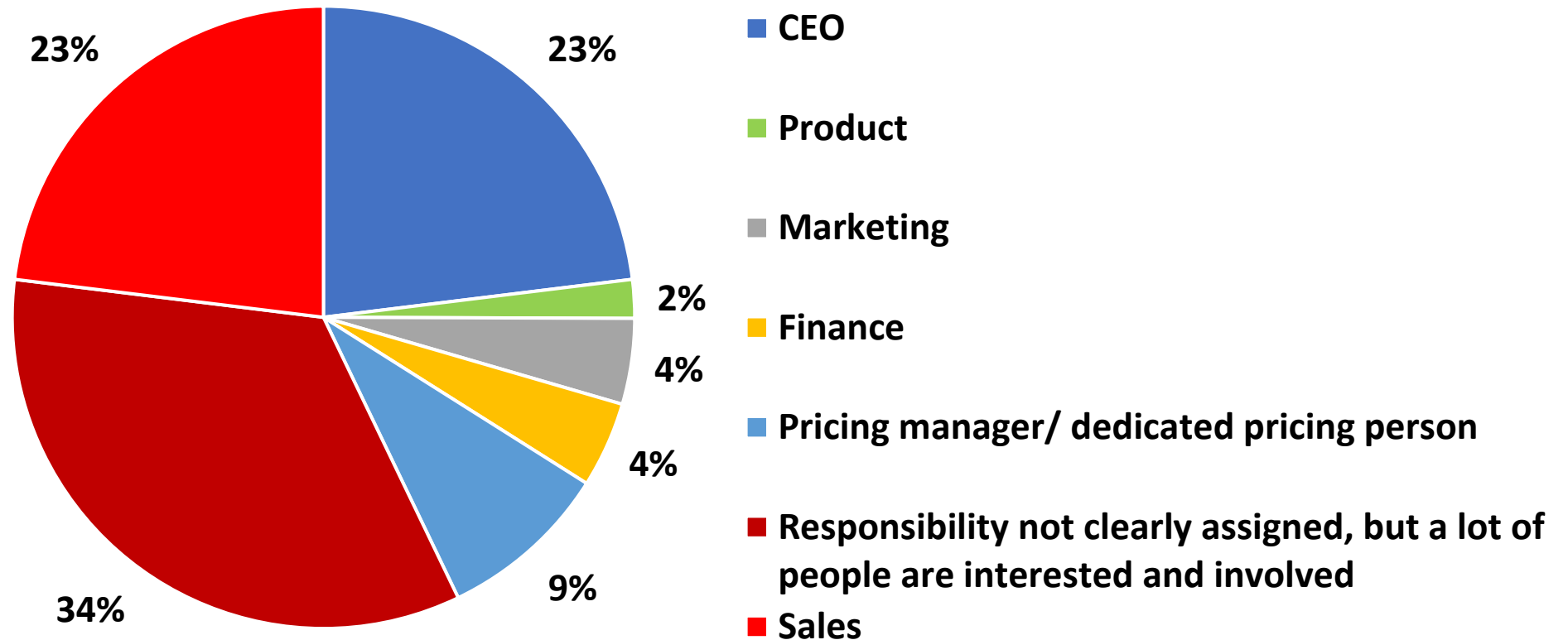


Daniel Abrahams





# Who's responsible for pricing in your organization?



**Pricing is not changed because of politics. No one owns it and is responsible but everyone is interested**

**The more people  
touch pricing in your  
company, the more it  
goes DOWN...**

# Your Pricing Committee

Product Leadership

Corp Dev/Finance Leadership

Sales Leadership

Marketing Leadership

Main Coordinator Typically in Product or Marketing



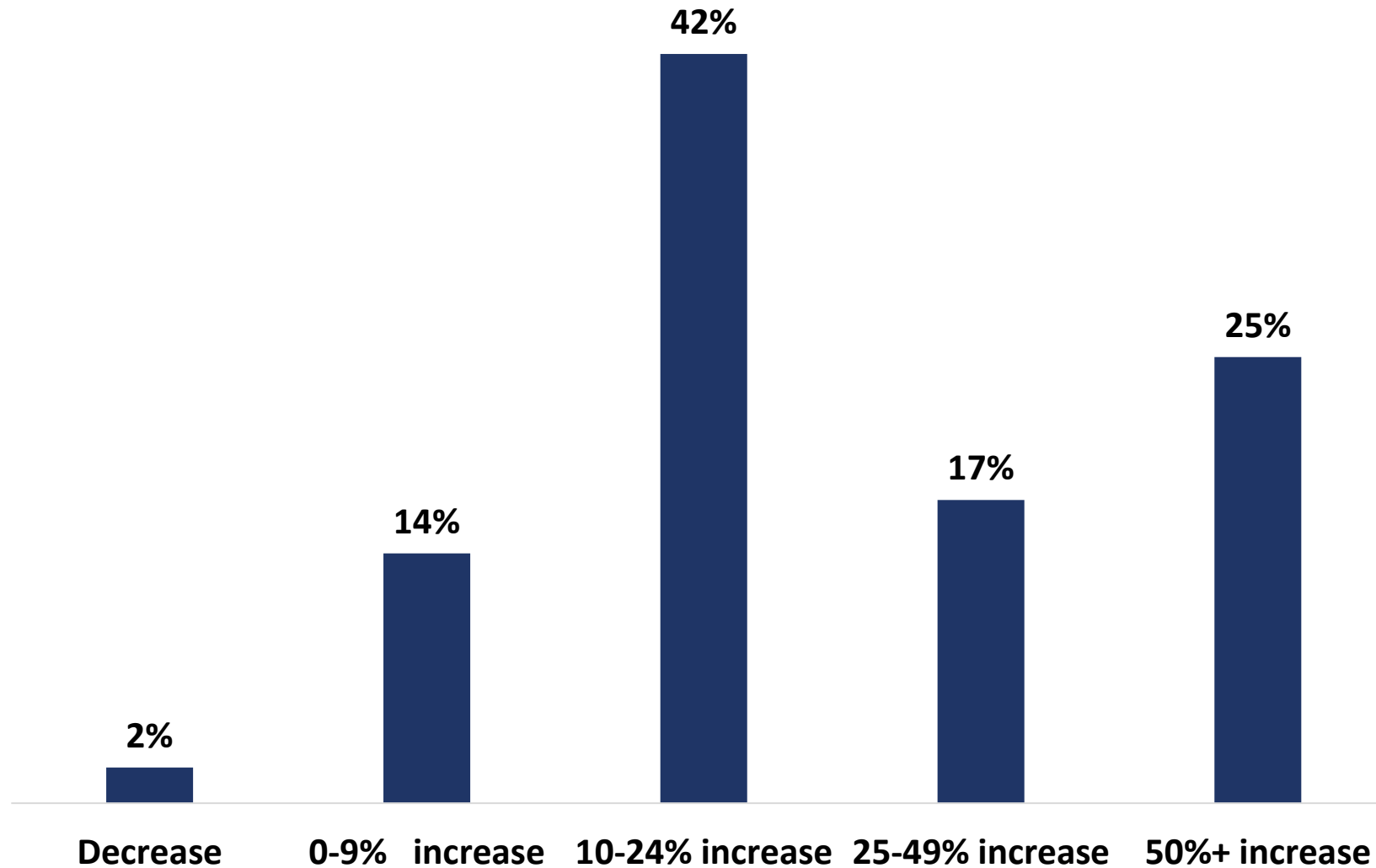
Main Decision Maker

(could be a member of the committee, as well)

**Meet every quarter minimum!**

## Price change – good idea?

### Impact of pricing changes on revenue Growth (2022)



**How do you do pricing today?**

**1. Cost-Plus Pricing**

**2. Competitive Benchmarking**

**3. Value-Based Pricing**

**4. Dynamic**

**5. Subscription & Hybrid Models**

**6. Internal Decision-Making Processes**

**7. Time-Based Pricing**

**8. Ad Hoc & Experimental Approaches**

# So, how can we set the price?

There are three approaches to pricing strategy



What do the particular elements mean?

1

Costs

- Making sure that **all cost elements** are properly included in the price

2

Competition

- **Understanding differences** in price compared to **competitors' price**
- Setting the **targeted difference (e.g. index)** between our and competitors' price
- Ensuring the **implementation of prices is in line with the assumptions**

3

Value for Customer

- Understanding the customers' **Willingness to Pay (WTP)** for particular elements of the offer
- Proper pricing of the **value delivered to the client**



Popularity



# So, how can we set the price?

There are three approaches to pricing strategy



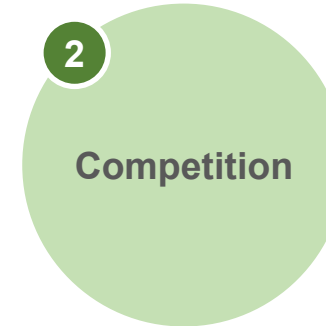
What do the particular elements mean?



Popularity



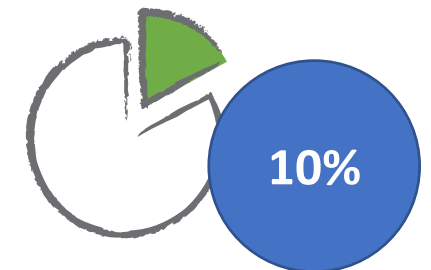
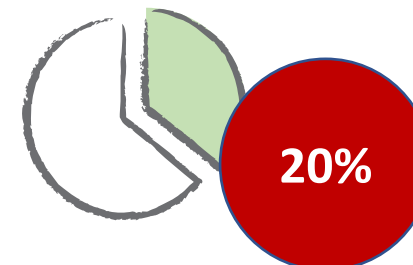
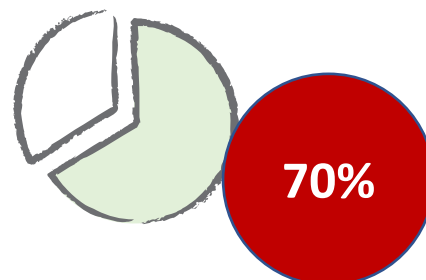
- Making sure that **all cost elements** are properly included in the price



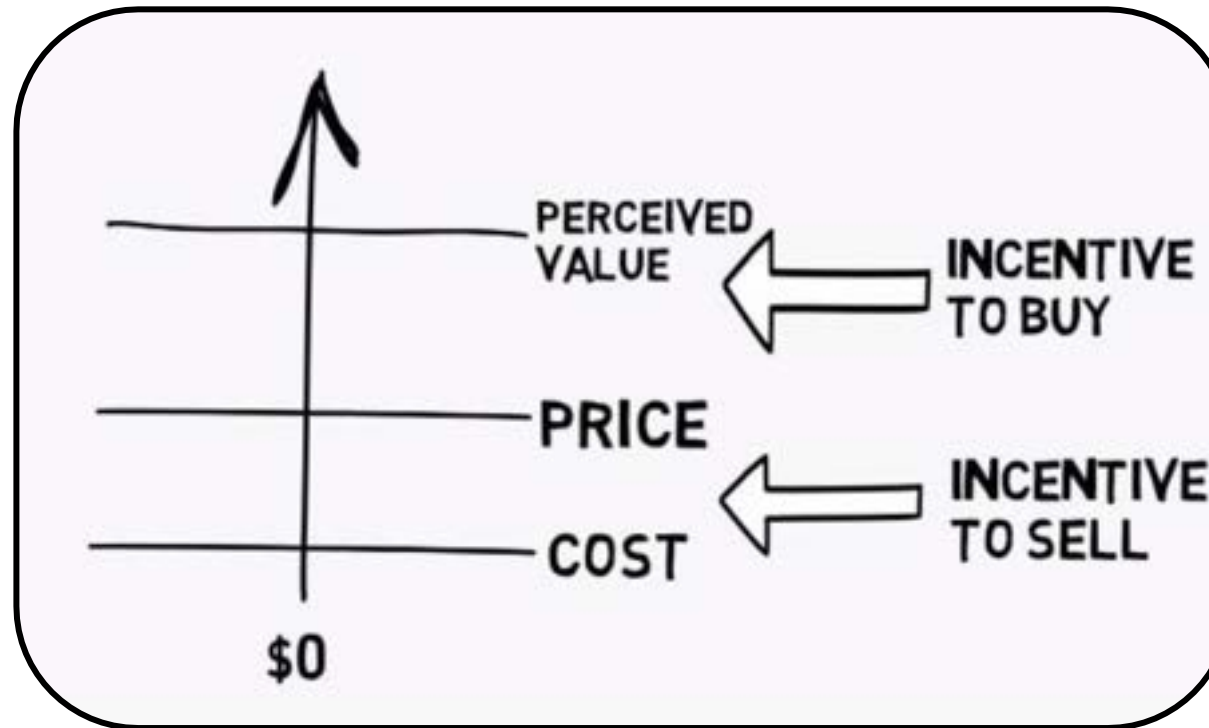
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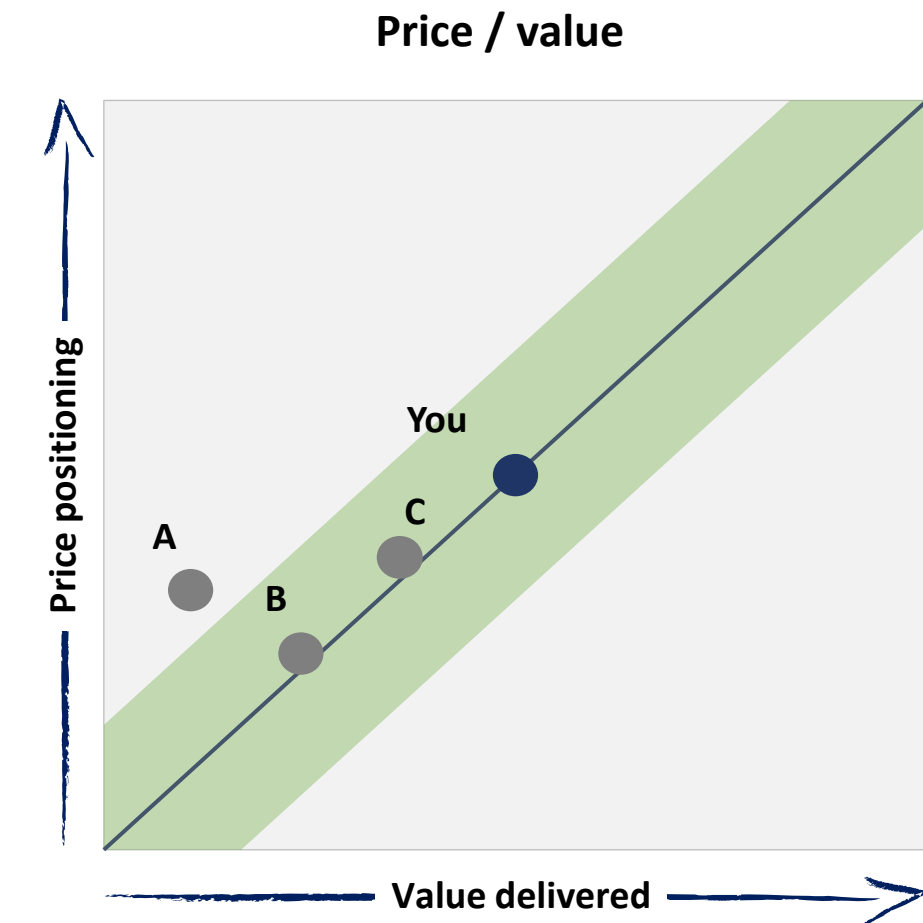
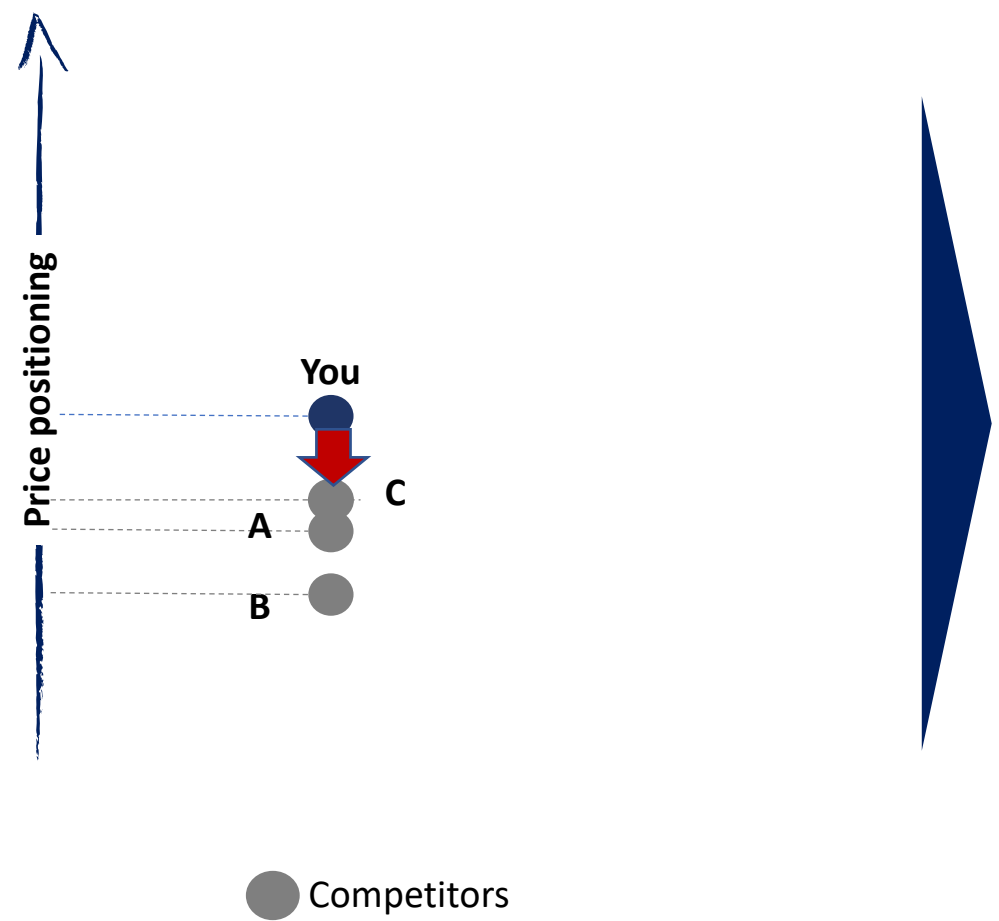
- Understanding the customers' **Willingness to Pay (WTP)** for particular elements of the offer
- Proper pricing of the **value delivered to the client**



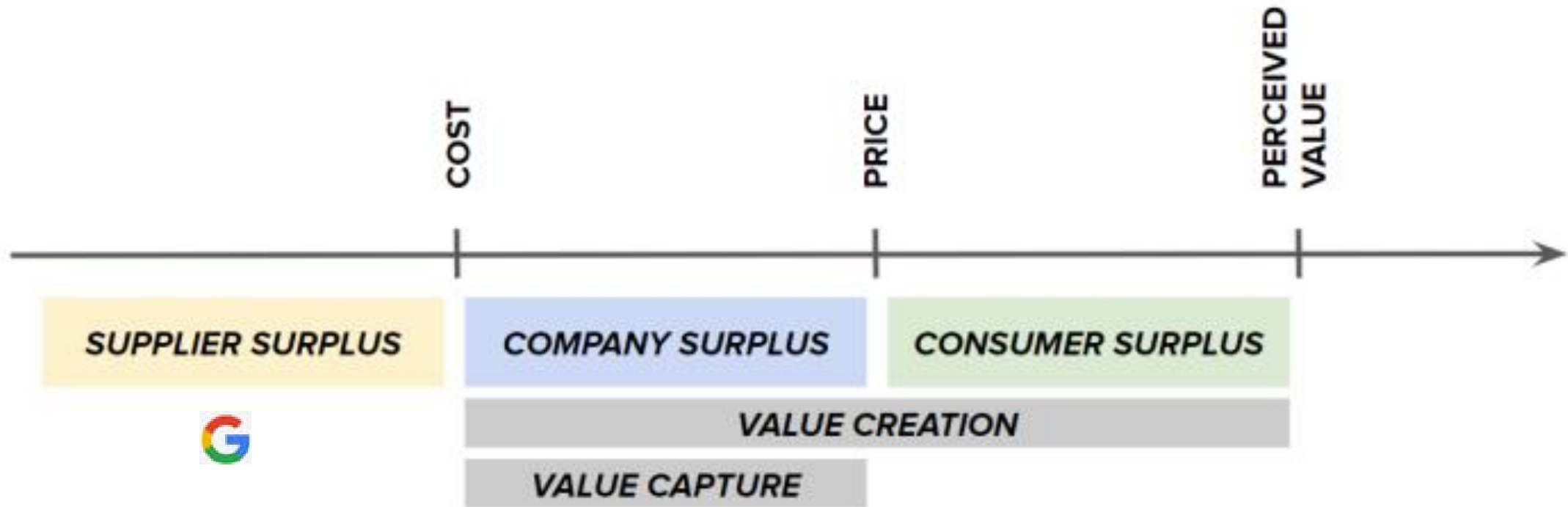
## Sequoia Capital: pricing rule



*Usually, companies fixate on the gap between how much their products cost to make and how much they charge for them. But you should also focus on the gap between your price and how much value customers think it delivers, a concept known as perceived value.*



*Your pricing is the exchange  
rate on the value you're  
creating in the world*



# Rake levels

Company	Rake	Notes
<b>Open Table</b>	1.9%	Reservation fee / average meal per person
<b>Homeaway</b>	2.5%	Estimated (low due to use of listing model instead of transaction)
<b>Comparison Shopping</b>	6.0%	Estimated
<b>ebay</b>	9.9%	This is partially listing fees, partially marketing fees, and part PayPal.
<b>oDesk</b>	10.0%	10% on top of all work billed
<b>AirBNB</b>	11.0%	3% + 6-12% depending on size of transaction
<b>Expedia</b>	11.9%	Per 2012 10-K
<b>Amazon Marketplace</b>	12.0%	Guess based on rate table
<b>Fandango</b>	12.5%	Fee charged to user / ticket price
<b>PriceLine</b>	18.5%	Per 2012 10-K
<b>TicketMaster</b>	26.0%	Estimate for tickets sold by TM (non box office) - very har to discern
<b>Steam</b>	30.0%	Rate Card
<b>iTunes</b>	30.0%	Rate Card
<b>Facebook Credits</b>	30.0%	Rate Card
<b>Groupon</b>	38.2%	Calculated from 2012 10-K. Does not include direct goods.
<b>Shutterstock</b>	70.0%	From S-1





# CHAPTER

2a



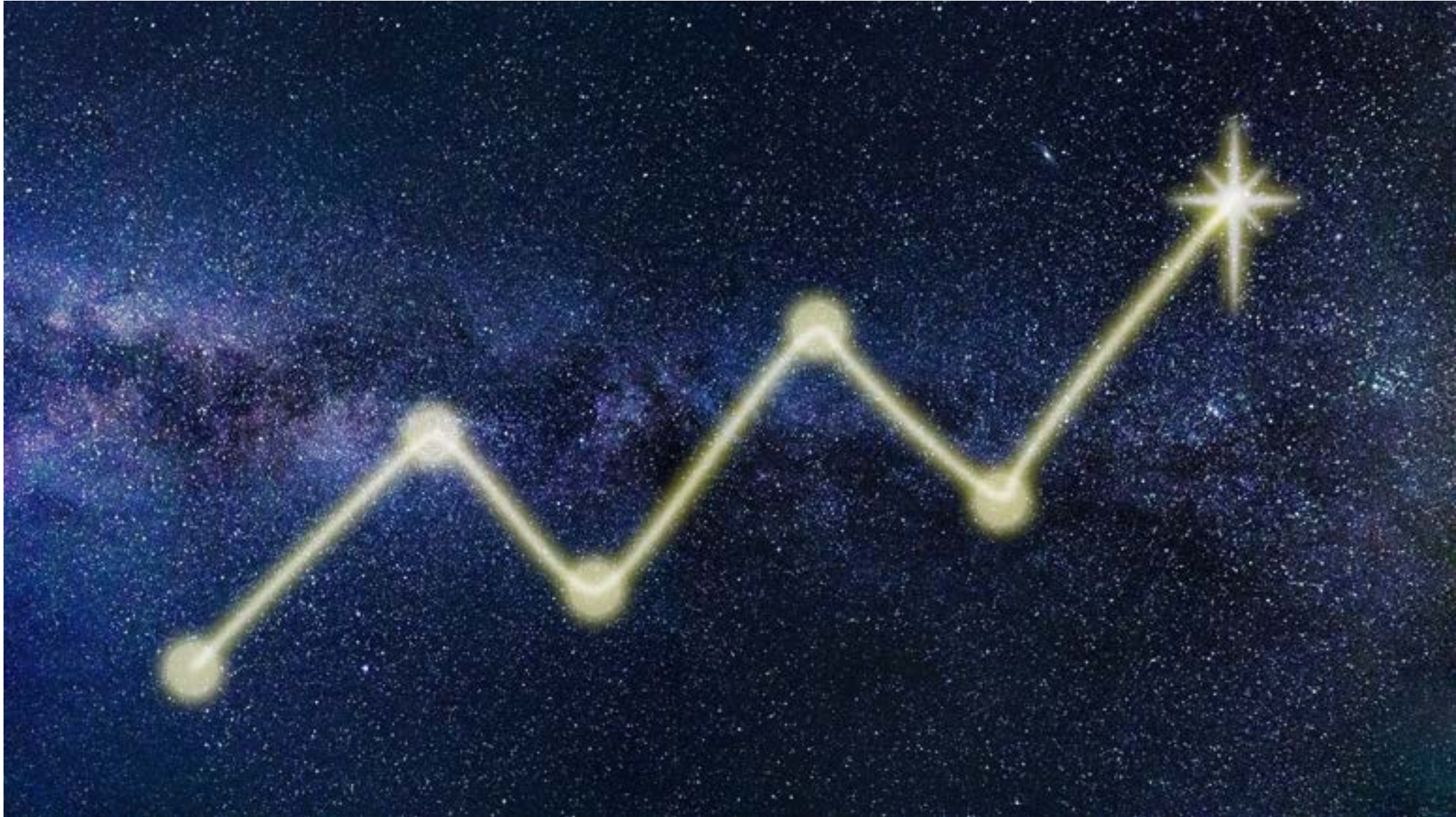
# PRICING OBJECTIVES/ NSM





**Pick the right  
PRICING HAMMER**

# What's your north star metric?



All I'm offering is the truth. Nothing more



**You go for profit**

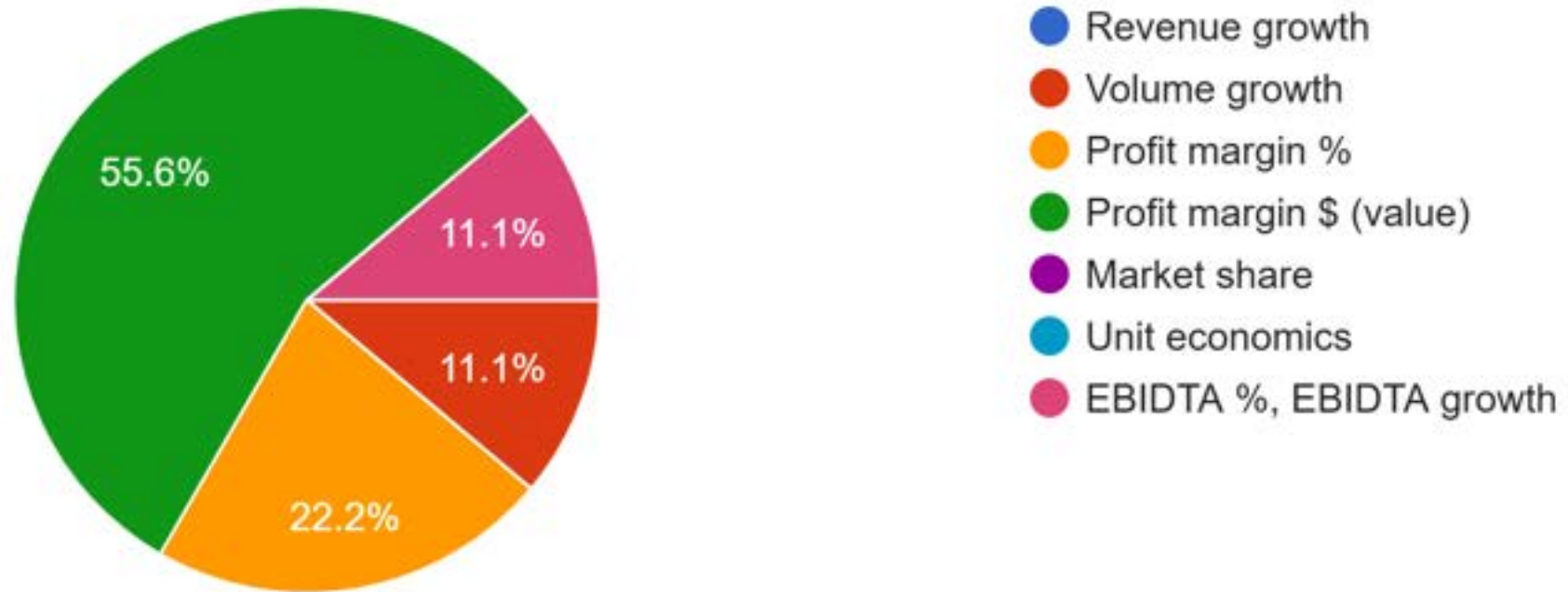
and you have a nice lifestyle  
business and live off of it

**You go for growth**

and you hope to be the next  
Unicorn

...and I show you how deep the rabbit hole goes

# What's the main priority in your pricing strategy?

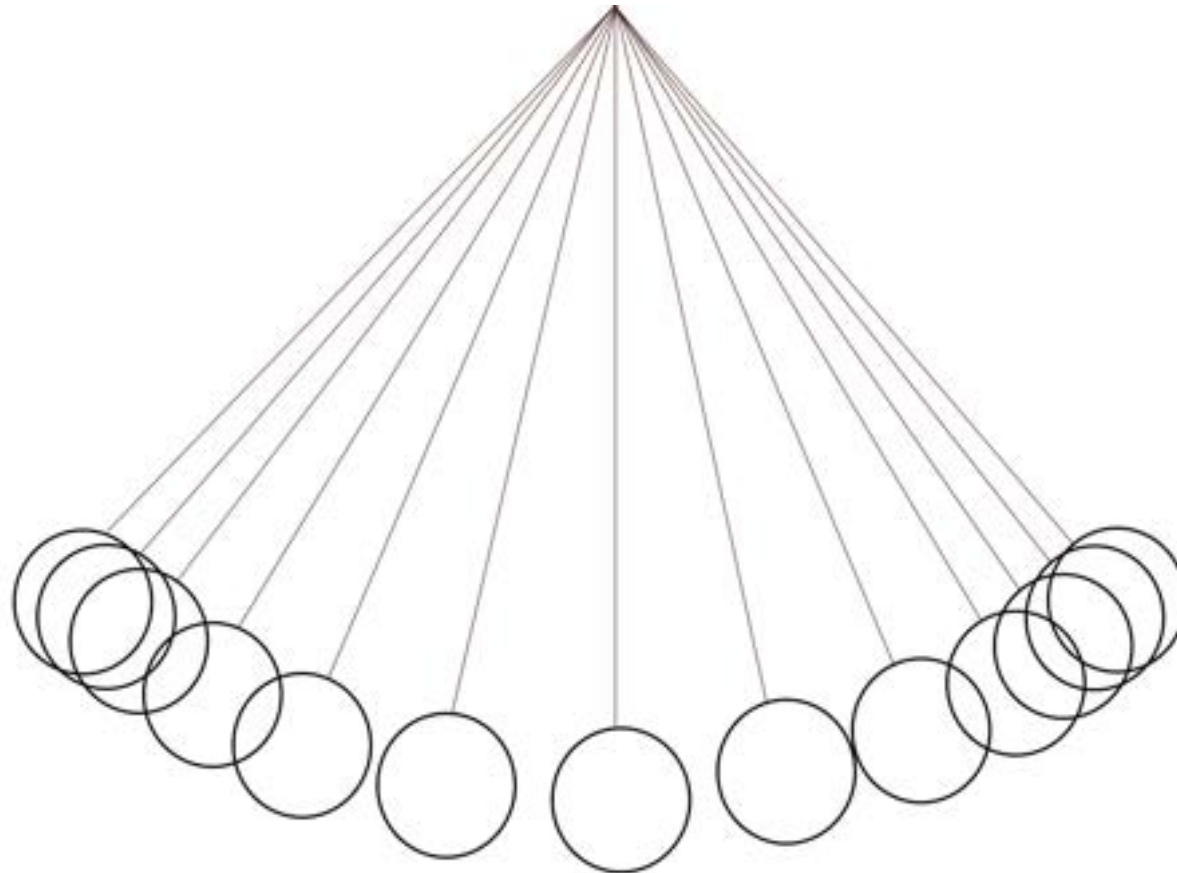


***What answer would your team give???***

# Avoiding the “yo-yo” effect

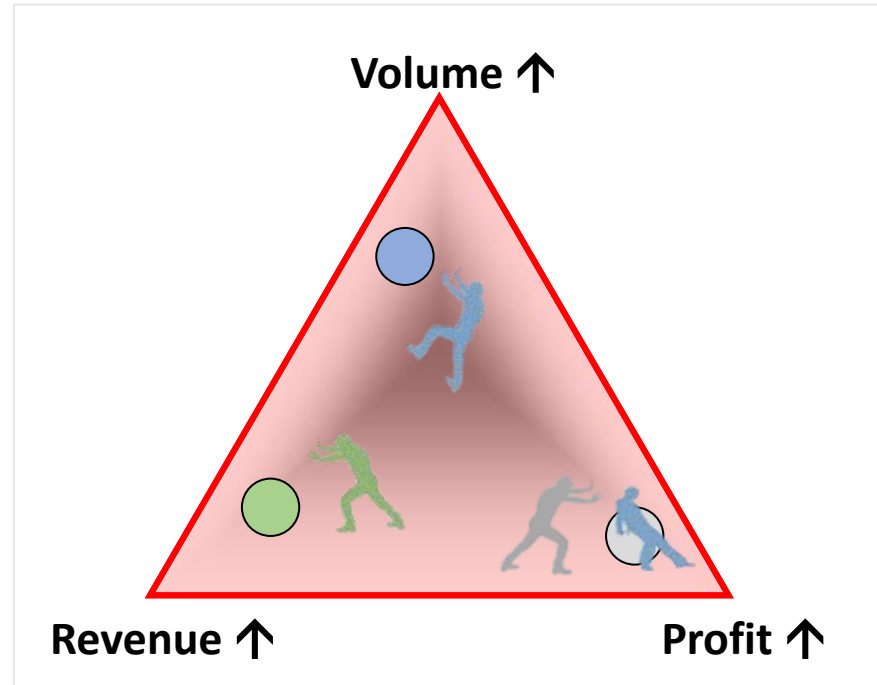


Sales



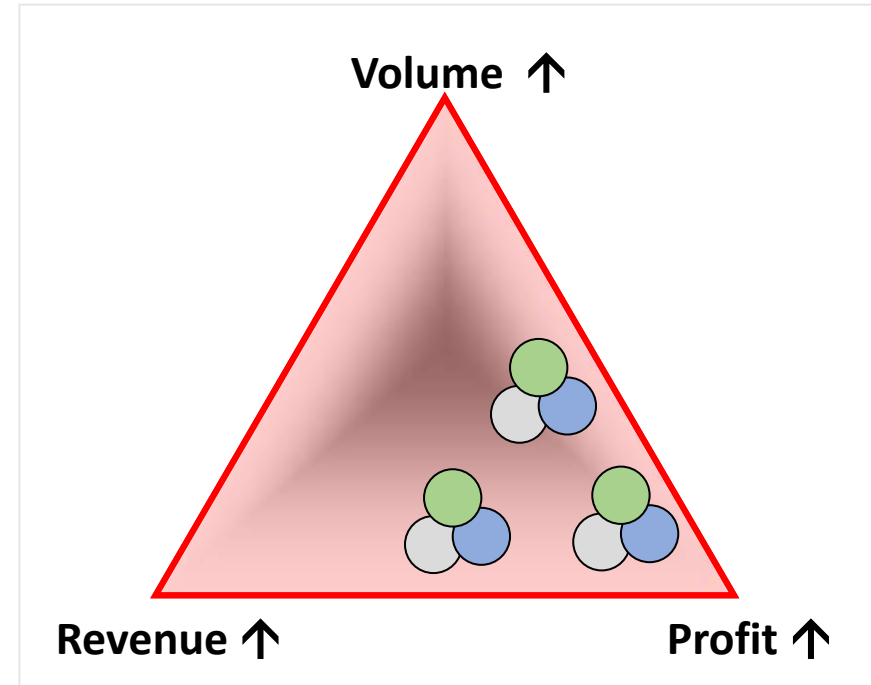
Profit

# Define the priority and focus of your company



○ Finance   ○ Marketing   ○ Sales

vs



○ Finance   ○ Marketing   ○ Sales

# Profit equation

## Profit equation

**Profit=**

**volume \* (price-variable costs)- fixed costs**



**What is the importance of price?**

If we could, right now, with the use of magic wand:



- |   |                              |
|---|------------------------------|
| 1 | Increase sales volume by 10% |
| 2 | Reduce variable costs by 10% |
| 3 | Reduce fixed costs by 10%    |
| 4 | Increase prices by 10%       |



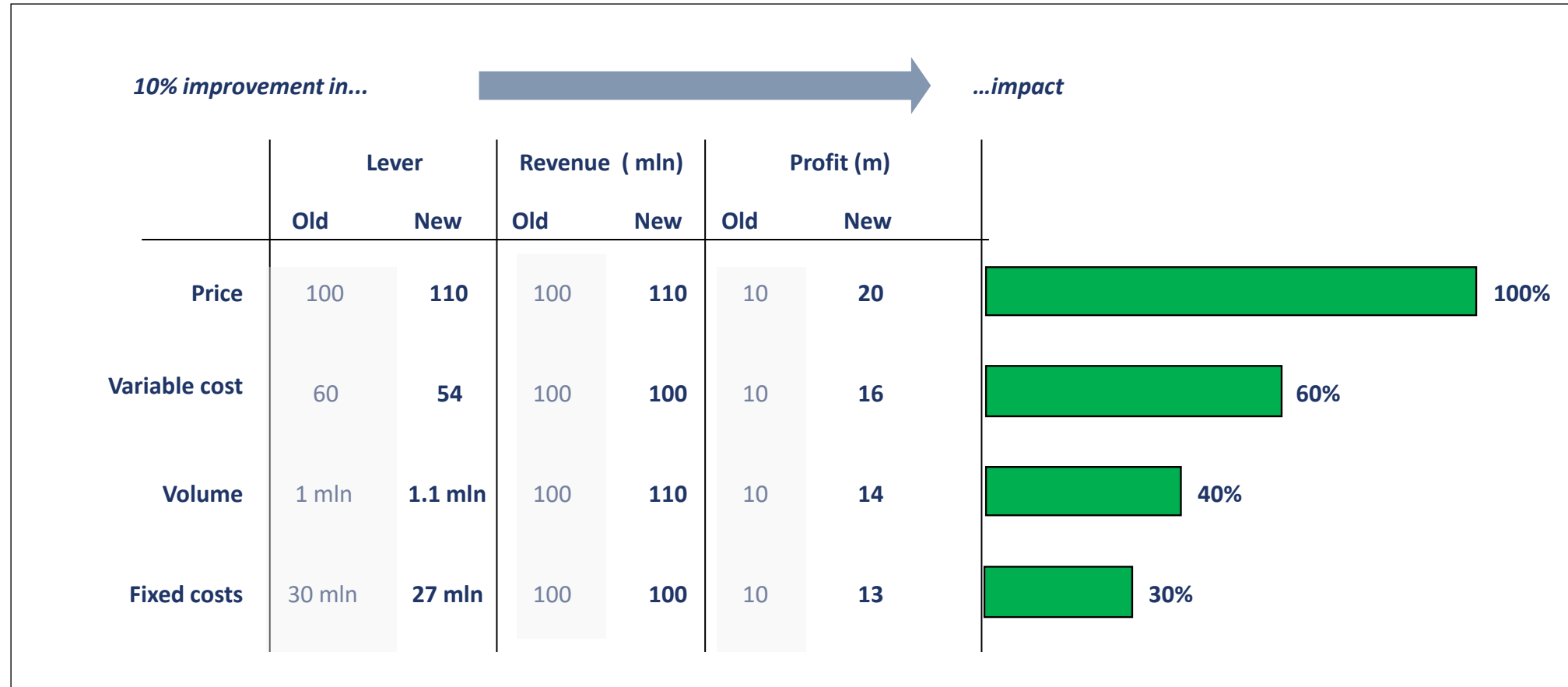
Which one would You choose to increase profit?

# BEST WAY TO INCREASE PROFITS ACCORDING TO AMERICAN CEOs 🤖



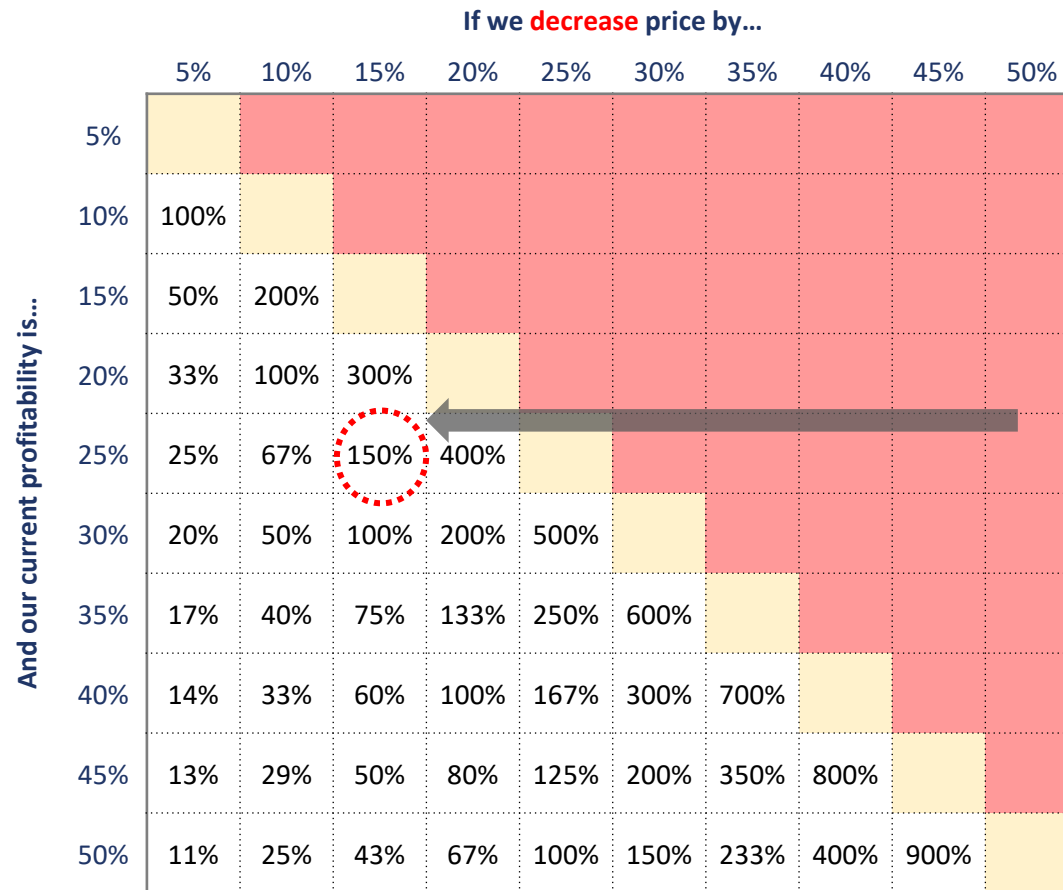
DO YOU UNDERSTAND HOW PRICING AFFECTS  
PROFITABILITY??!!

# Example : price change impact



# The magic of pricing formula

Price reductions often demand impossible to achieve volume increases.



“... If our current profit margin is 25%, and we consider a 15% price decrease, we need to sell 150% more to keep our USD profit...”

# The magic of pricing formula

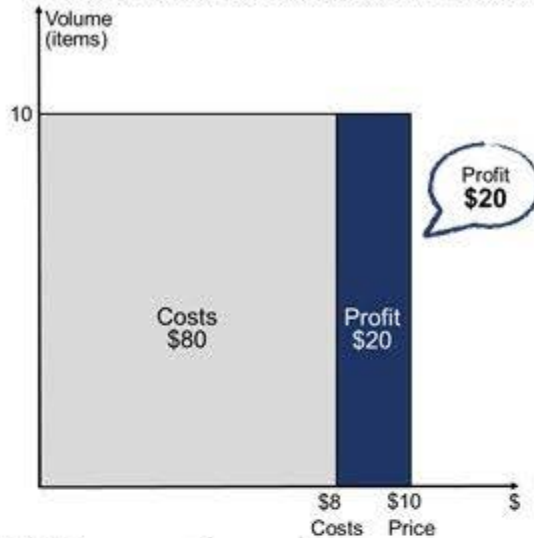
	If we <b>increase</b> price by...									
	5%	10%	15%	20%	25%	30%	35%	40%	45%	50%
5%	50%	67%	75%	80%	83%	86%	88%	89%	90%	91%
10%	33%	50%	60%	67%	71%	75%	78%	80%	82%	83%
15%	25%	40%	50%	57%	63%	67%	70%	73%	75%	77%
20%	20%	33%	43%	50%	56%	60%	64%	67%	69%	71%
25%	17%	29%	38%	44%	50%	55%	58%	62%	64%	67%
30%	14%	25%	33%	40%	45%	50%	54%	57%	60%	63%
35%	13%	22%	30%	36%	42%	46%	50%	53%	56%	59%
40%	11%	20%	27%	33%	38%	43%	47%	50%	53%	56%
45%	10%	18%	25%	31%	36%	40%	44%	47%	50%	53%
50%	9%	17%	23%	29%	33%	38%	41%	44%	47%	50%

Price increases can bring Very profitable effects...

*“... If our current profit margin is 25%, and we consider a 15% price **increase**, we can sell 38% less and will keep our USD profit...”*

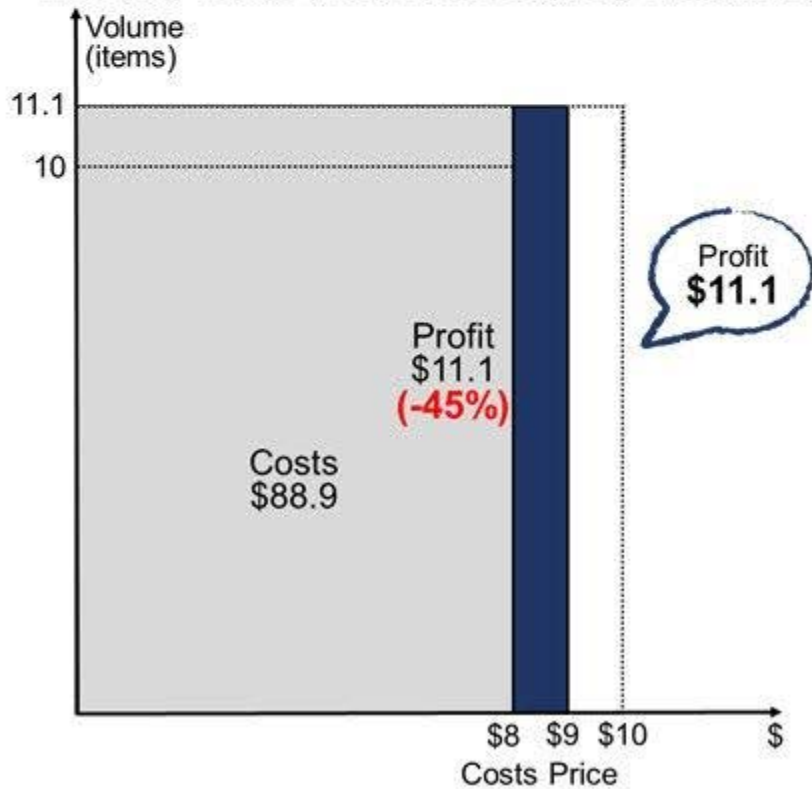
**Initial situation:**

Price (\$10), Volume (10), Revenue (\$100), Profit (\$20)



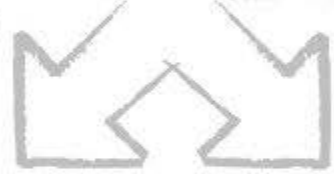
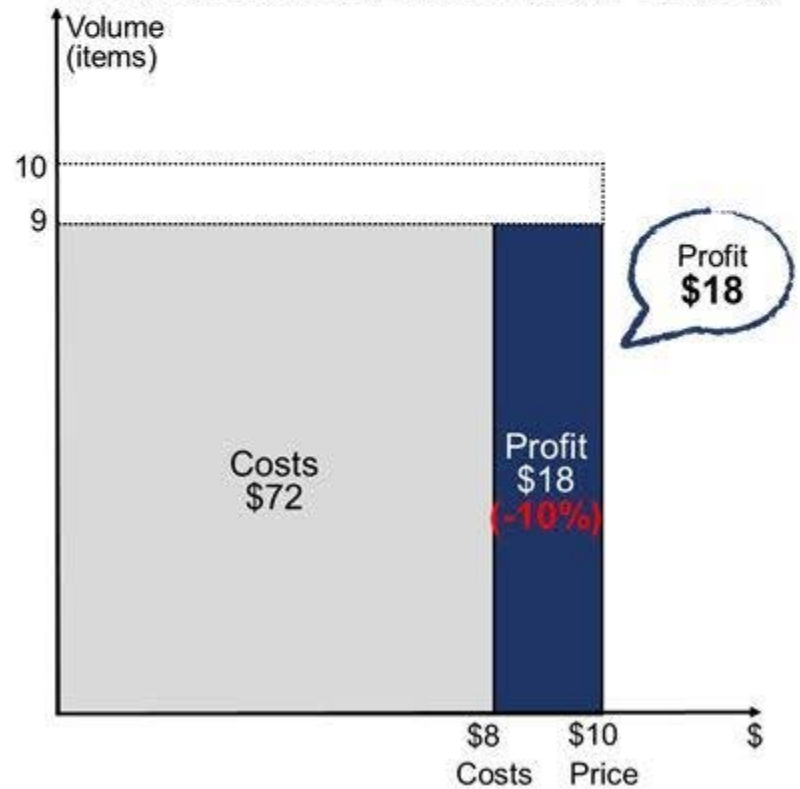
**-10% Price, Revenue stable:**

Price (\$9), Volume (11.1), Revenue (\$100), Profit (\$11.1)



**-10% Revenue, Price stable:**

Price (\$10), Volume (9), Revenue (\$90), Profit (\$18)



# Formula?



How much more (%) we must sell=

$$\frac{|\% \text{ price change}|}{\% \text{ margin } +/- \% \text{ price change}}$$

**| % price change |**

**How much more (%) we must sell=**

---

**% margin +/- % price change**

**15 %**

**15%**

**How much more (%) we must sell=**

---



---

**150%**

**25% - 15 %**

**10%**

**15 %**

**15%**

**How much less (%) we can sell=**

---



---

**37,5%**

**25% + 15 %**

**40%**

So ...

***IF*** customers leave once you  
increase the price



So ...

***IF*** customers leave once you  
increase the price

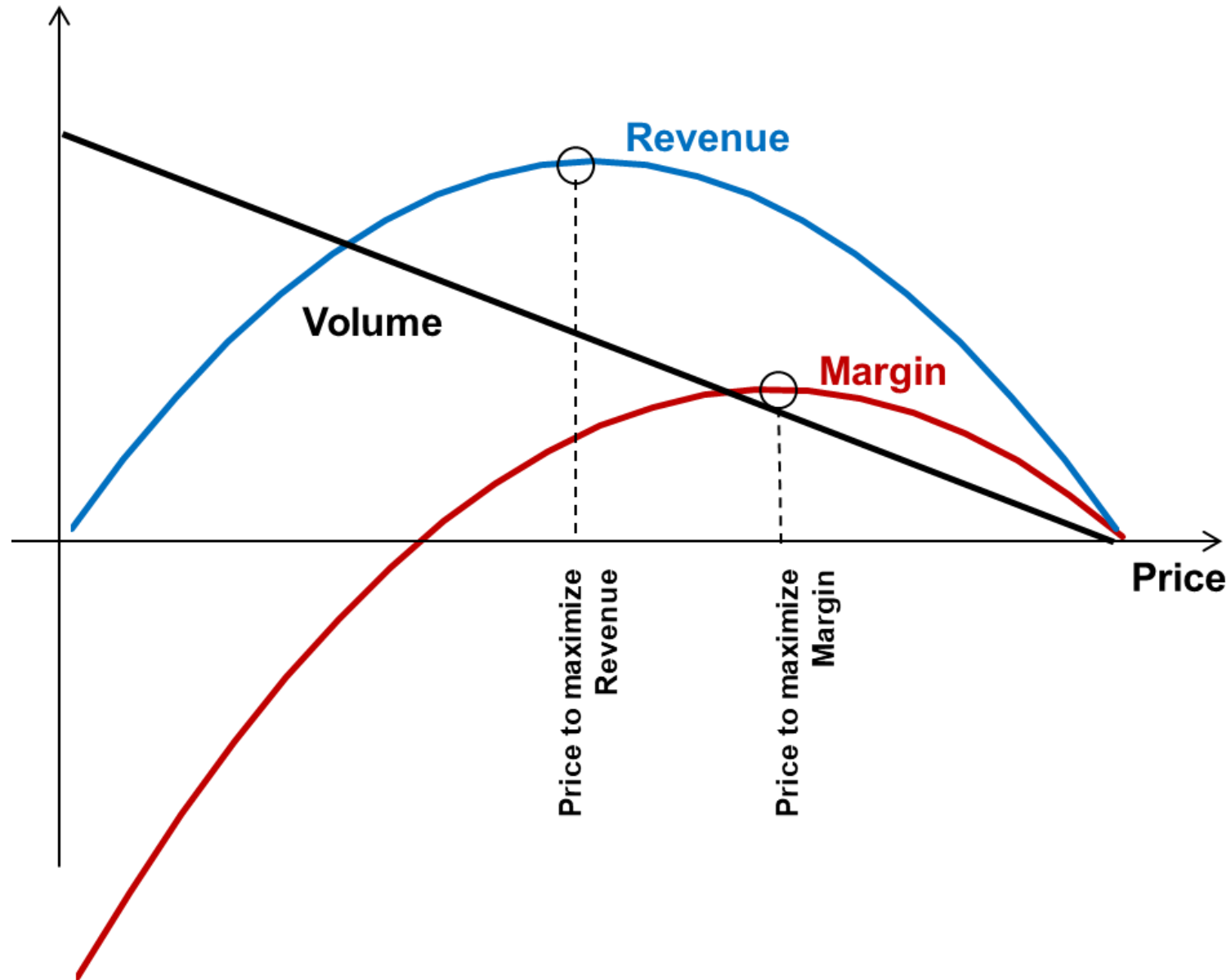


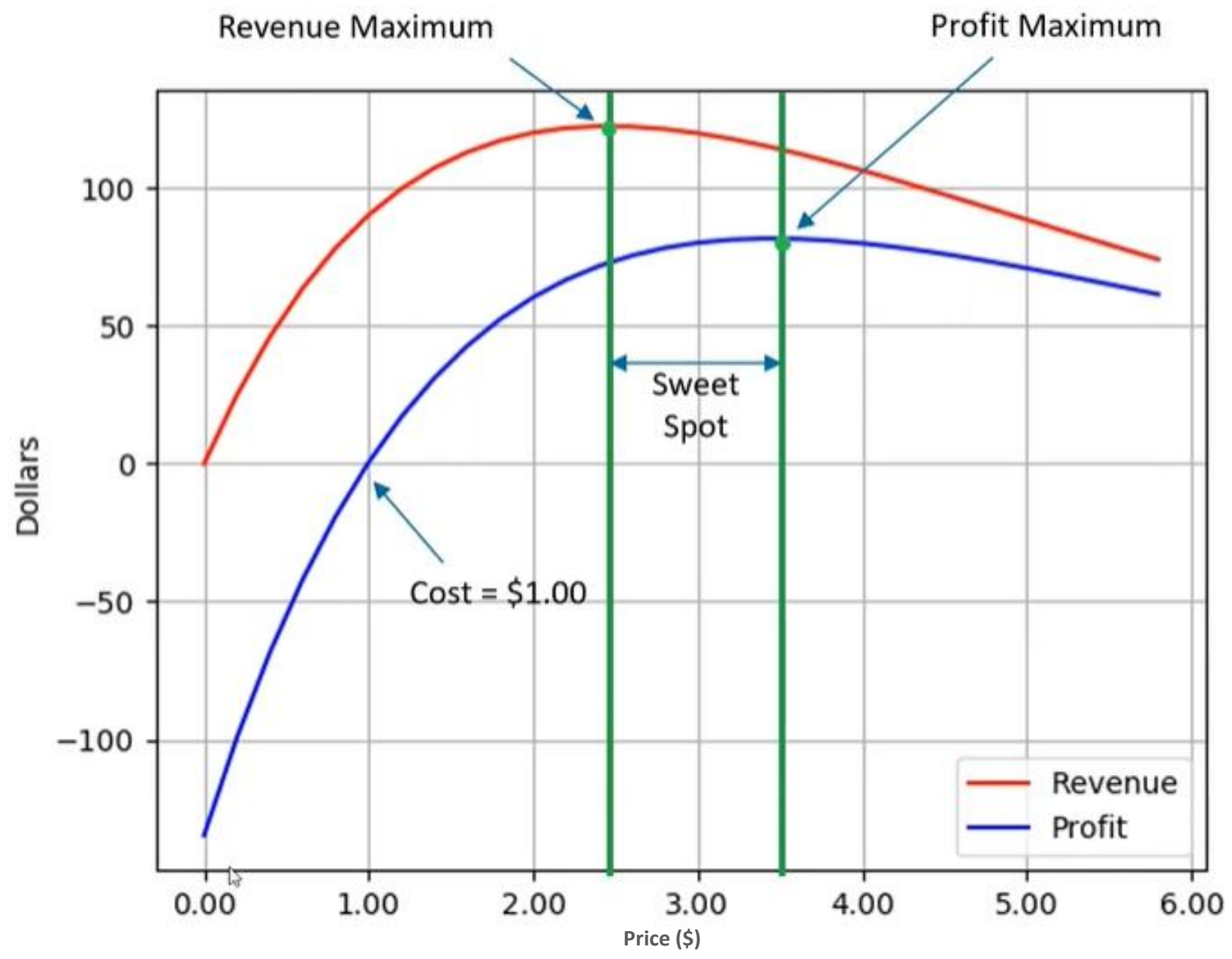
***You don't provide value!!!***

(and it's not a pricing problem but a strategic  
problem...)

It's difficult to grow something that sucks...

# PRICE/ VOLUME TRADE-OFF





**My pricing philosophy- do you agree?**

**These days it's a mistake to chase volume.  
It's so much easier to make 100 people  
happy at a higher price than to make 1,000  
people kind of happy at a lower price.**



## What would you chose?

- **10% volume decrease**  
(keep price unchanged)?
- **10% price decrease**  
(keep volume unchanged)?



What would you chose?

Not so fast!

**June 2007**

4GB

**\$499**

8GB

**\$599**



**June 2007**

4GB

**\$499**

8GB

**\$599**

**...2months later**



**June 2007**

4GB  
**\$499**

8GB  
**\$599**

**...2months later**

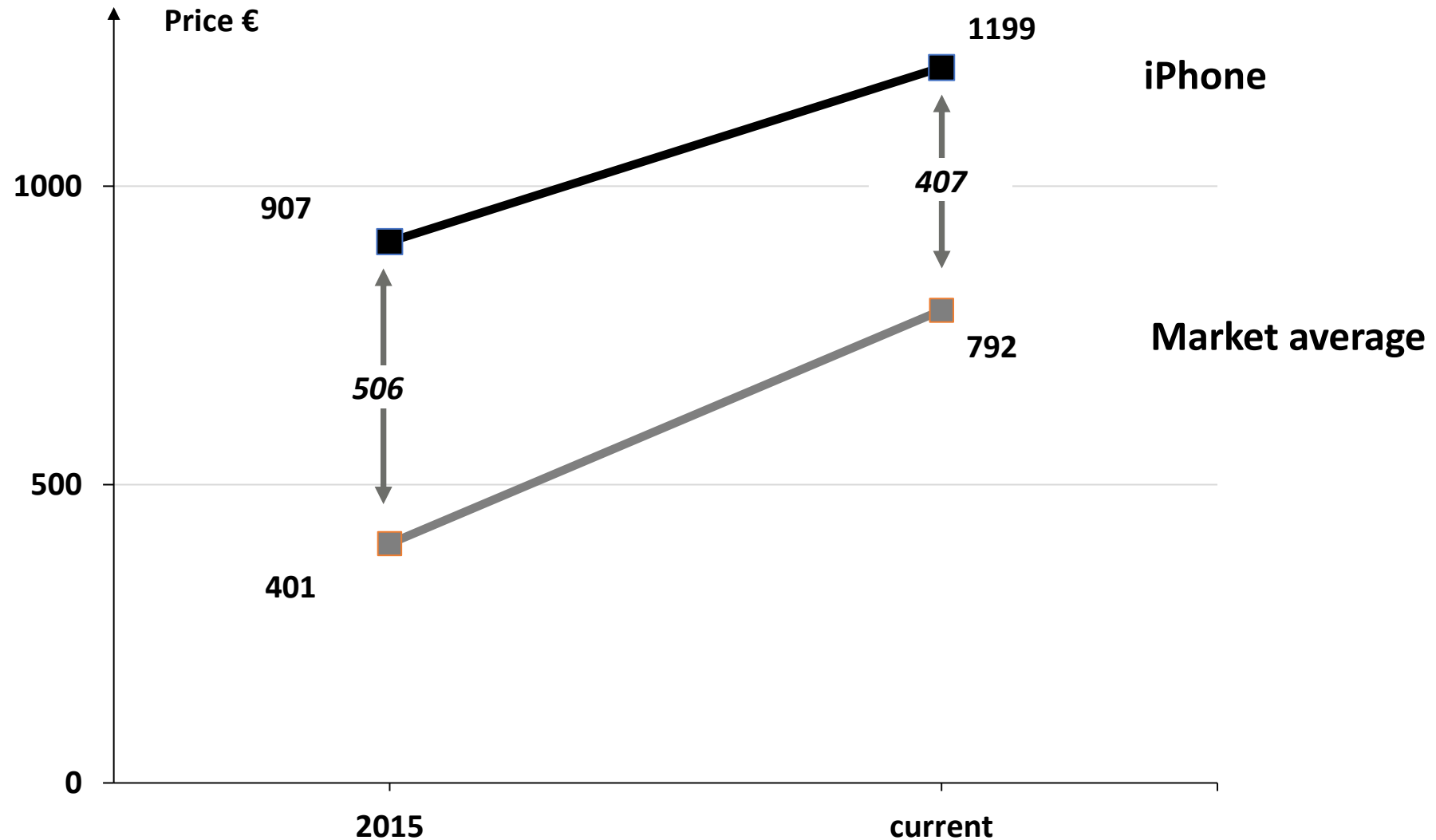
~~4GB  
**\$499**~~

8GB  
~~**\$599**~~

**NOW \$399**

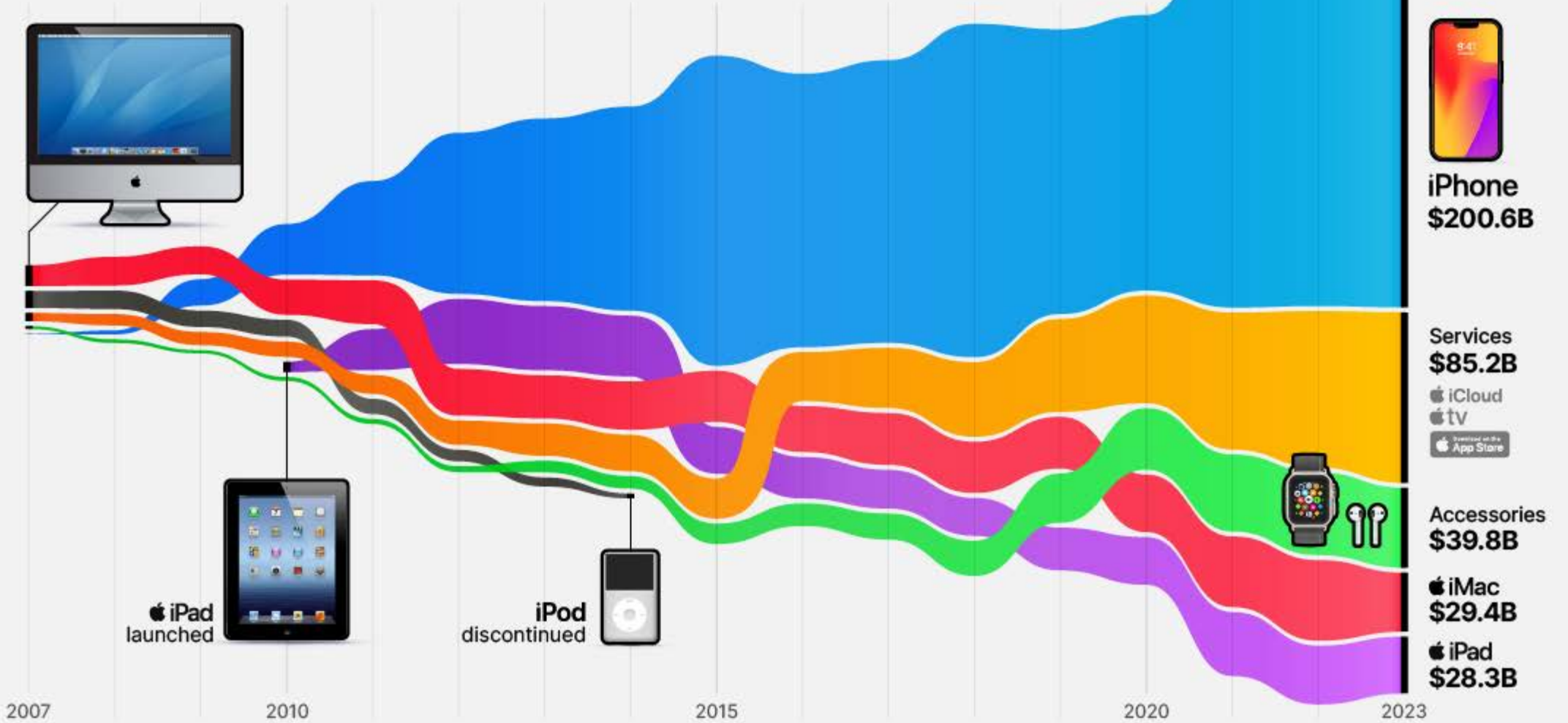


# Smartphone Prices: Apple iPhone vs. Market Average



# Apple's Product Revenue

2007-2023



Okres	Dealer A			Dealer C			Zwycięzca rundy
	Cena (w zł)	Wolumen (w szt)	Zysk (w zł)	Cena (w zł)	Wolumen (w szt)	Zysk (w zł)	
<b>0</b>	<b>80 000 zł</b>	<b>20</b>	<b>50 000 zł</b>	<b>80 000 zł</b>	<b>20</b>	<b>50 000 zł</b>	
1	90 000 zł	11	115 000 zł	80 000 zł	23	65 000 zł	A
2	88 000 zł	12	106 000 zł	82 500 zł	20	100 000 zł	A
3	95 000 zł	9	130 000 zł	88 000 zł	18	184 000 zł	C
4	89 000 zł	12	118 000 zł	88 000 zł	13	119 000 zł	C
5	87 000 zł	13	106 000 zł	87 900 zł	13	117 700 zł	C
6	90 000 zł	10	100 000 zł	87 200 zł	14	120 800 zł	C
<b>Średnia /Suma</b>	<b>89 833 zł</b>	<b>67</b>	<b>675 000 zł</b>	<b>85 600 zł</b>	<b>101</b>	<b>706 500 zł</b>	

Zwycięzca!	<b>C</b>
------------	----------

Okres	Dealer B			Dealer D			Zwycięzca rundy
	Cena (w zł)	Wolumen (w szt)	Zysk (w zł)	Cena (w zł)	Wolumen (w szt)	Zysk (w zł)	
<b>0</b>	<b>80 000 zł</b>	<b>20</b>	<b>50 000 zł</b>	<b>80 000 zł</b>	<b>20</b>	<b>50 000 zł</b>	
1	78 000 zł	22	16 000 zł	82 000 zł	18	76 000 zł	D
2	85 000 zł	17	120 000 zł	84 000 zł	18	112 000 zł	B
3	86 000 zł	17	137 000 zł	89 000 zł	15	160 000 zł	D
4	89 000 zł	16	174 000 zł	89 000 zł	16	174 000 zł	REMIS
5	89 000 zł	17	188 000 zł	92 000 zł	14	188 000 zł	REMIS
6	89 000 zł	17	188 000 zł	90 000 zł	15	175 000 zł	B
<b>Średnia /Suma</b>	<b>86 000 zł</b>	<b>106</b>	<b>823 000 zł</b>	<b>87 667 zł</b>	<b>96</b>	<b>885 000 zł</b>	

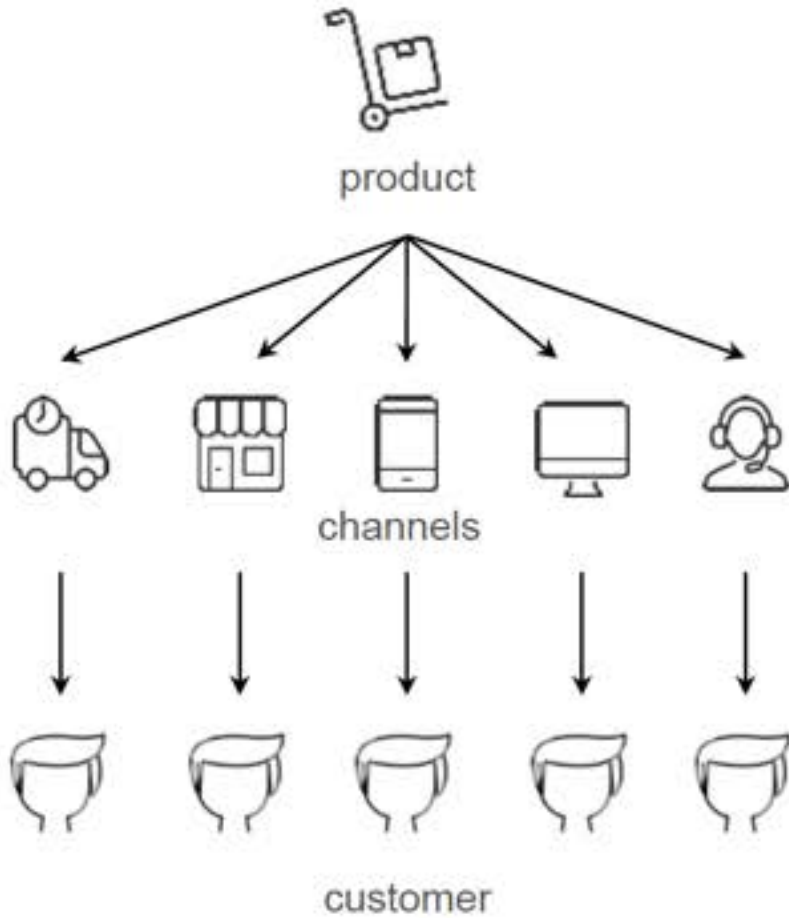
Zwycięzca!	<b>D</b>
------------	----------

## Give lower price in exchange for:

- ✓ First user, first purchase
- ✓ A valuable logo, action
- ✓ If you get lock-in
- ✓ Renew at a higher price

# We are in the midst of a generational SHIFT to the SUBSCRIPTION ECONOMY Products → Services, relationships

## STATIC Business Model



## DYNAMIC Business Model





## What part of your morning routine can we help with?



Shaving



Showering



Brushing Teeth



You qualify for a **15% Handsome Discount!**

CONTINUE



# Subscribe & Save

Be your family's hero:  
save time and money  
with Subscribe & Save

- Automatic deliveries of your favorite items
- Save up to 15%
- Skip or cancel anytime



Double digit numer of competitors in the market....



# Use, don't own- customer-centricity of subscription business model

Subscription is a powerful business model because it creates an environment where the default customer behavior is retention, as opposed to one where the default behavior is churn

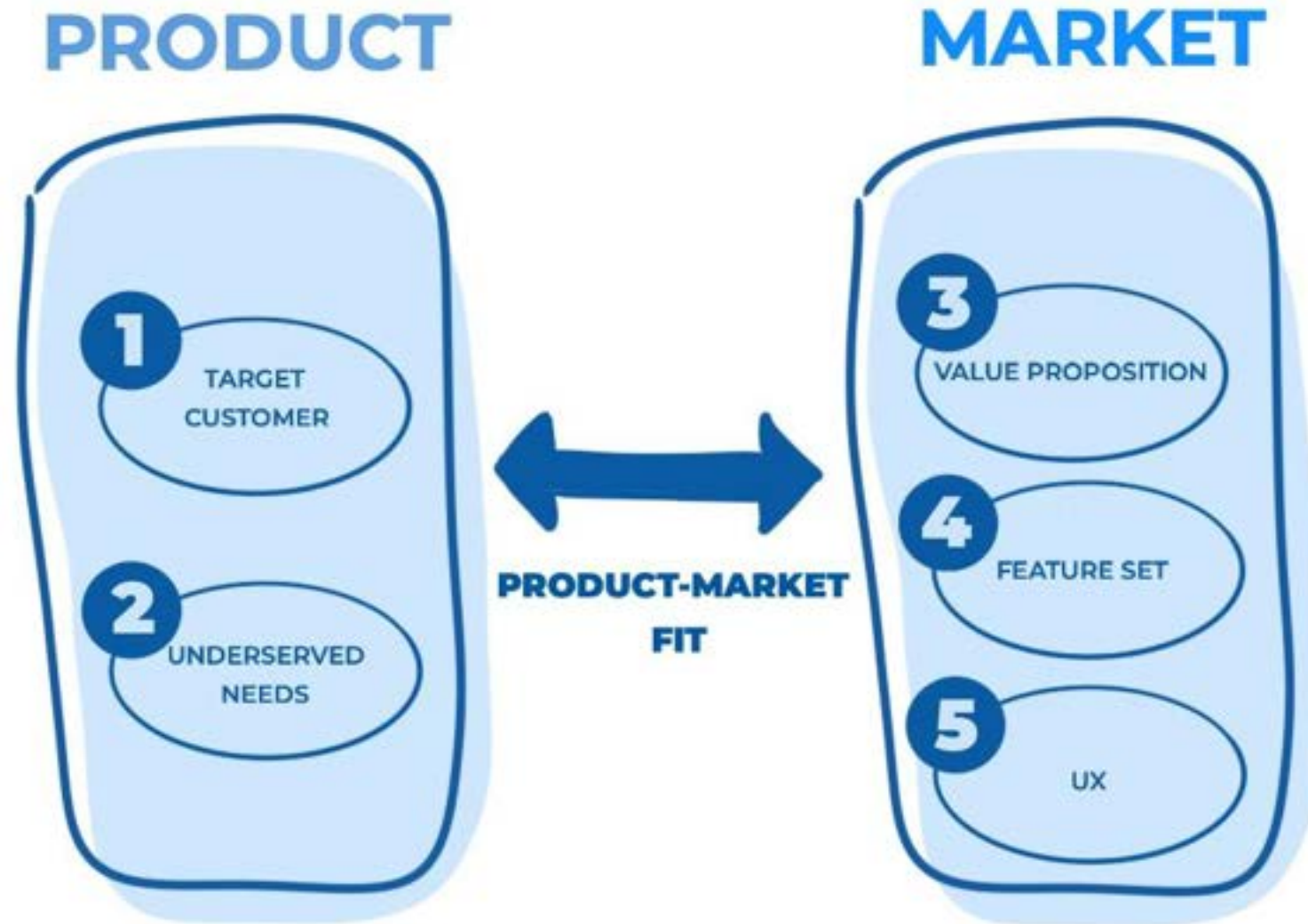
1

**Appeal for businesses:** predictability, recurring revenue, can grow as usage grows, customer insight, upsell/cross sell, risk mitigation for R&D, drives relationships, quicker time to market

2

**Appeal for customers:** better aligned with value, cost, convenience, and customization, continuous innovation, risk reduction,

# Subscription model implementation



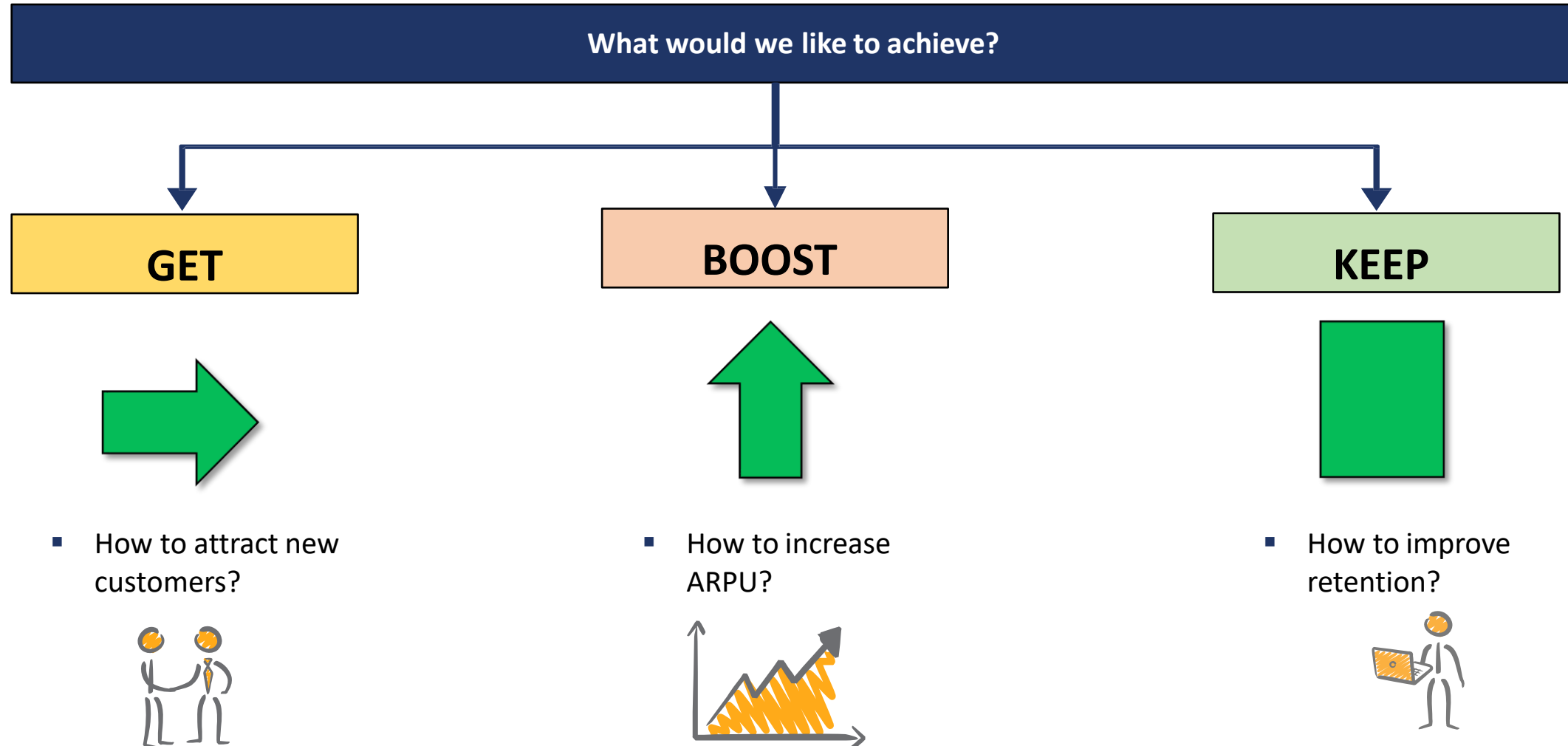
These streaming subscriptions are getting out of hand.

Annual Streaming Price

	\$108
	\$72
	\$120
	\$132
	\$84
	\$50,420

# Fundamental question: What do we want to achieve?

How do we define the top priority: acquisition of new customers, increase of ARPU or customer retention?



# Fundamental question: What do we want to achieve?



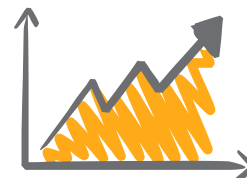
## ➔ Acquire

- How to attract more potential clients? (Volume)
- How to convince them to buy? (Conversion)
- How to attract more clients faster? (Velocity)
- How to increase their willingness to pay? (A-ha moment)



## ⬆ Monetize

- How to increase ARPU? (monetize the current client base)
- How to cross-sell and up-sell?
- How to increase client referrals?



## ■ Retain

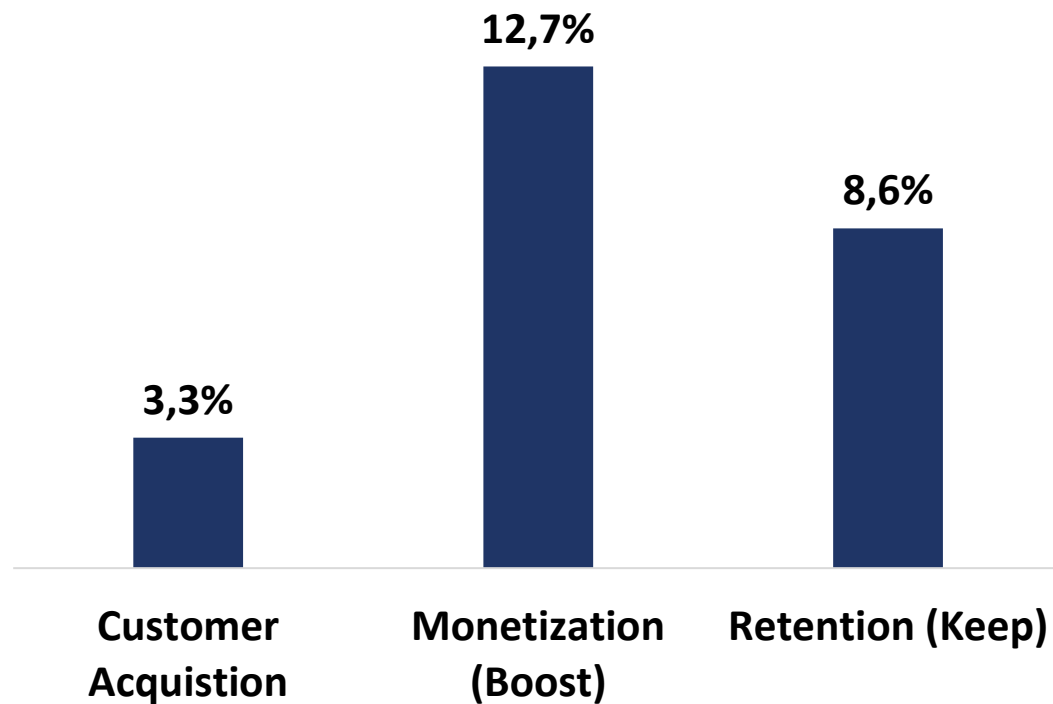
- How to increase client retention (limit the user churn)?
- How to increase revenue retention (limit discounts and downgrades)?
- How to improve product adoption?



**Acquisition is now  
table stakes**

## Pricing can have a real impact on a company's success

Revenue impact of different growth levers



*„This thing called price is really, really important. The only difference between companies that succeed and fall is that the winners figured out how to make money. The winners thought deeply through the revenue, price, and business model”*

*Steve Ballmer, CEO Microsoft 2000-2014*

# Choose the right upsell path

# There are 5 different upselling paths

All-in package	Category packages	Category packages	Good-Better-Best packages	Modular packages
One offer with everything included	Packages with all features in a product category	Packages tailored to segments or use cases	Packages with increasing features and services	Customized, build-your-own packages

**Bloomberg**



**LinkedIn**

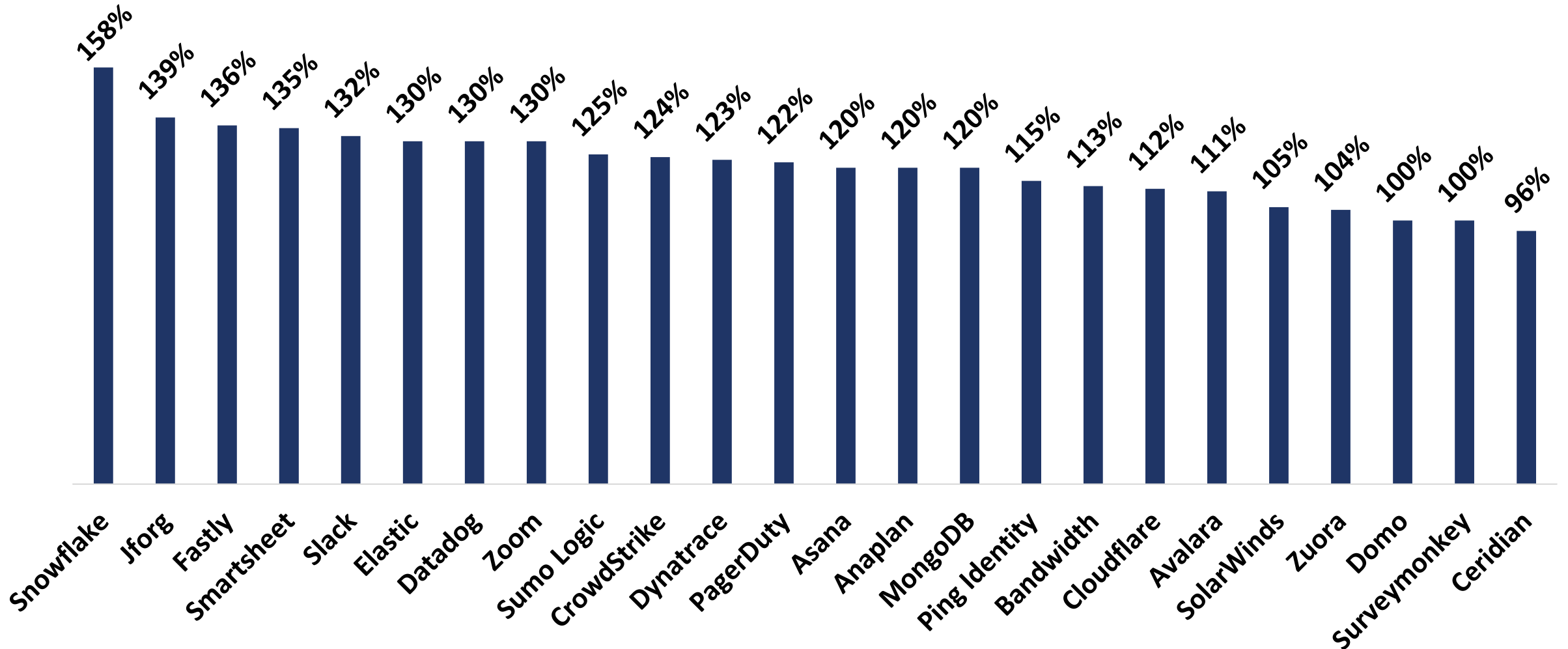
 **slack**

 **twilio**

**Good-Better-Best is the most popular upselling path.**

# 120% net dollar retention is the new standard

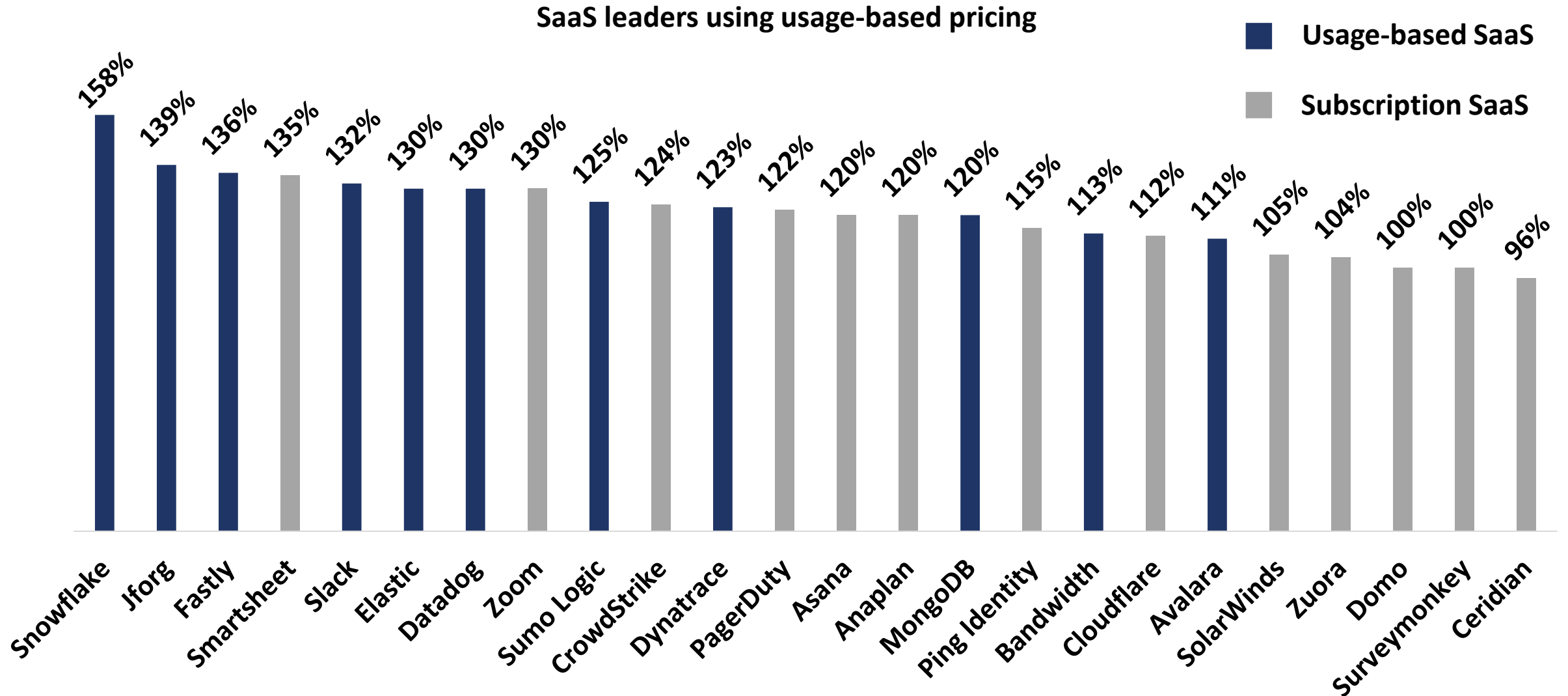
NDR (%) among SaaS IPOs from November 2020-2023



Source: public data,

What is Net Dollar Retention? Net dollar retention (or net revenue retention) is a metric used to measure a company's year-over-year performance. It compares the amount of revenue that a company brings in a given year from the previous year's existing clients.

# Usage-based pricing is popular among SaaS leaders



Source: public data

asana

- Home
- My Tasks
- Inbox
- Portfolios
  - Updated! Workload
- Favorites
  - Favorite projects by clicking the ☆
  - Show more
- Reports
- Teams
  - + Add Team
- Join a Team
- Marketing
  - 6 members [Request to Join](#)
- Team Awesome
  - 6 members [Request to Join](#)
- Design

Mission control for your projects and teams

**Marketing initiatives**

Projects Workload

[Add Project](#)

	Status	Progress	Dates	Priority	
Customer event	On Track	<div style="width: 75%;"></div>	Jan 1 - Jul 31	High	
Brand campaign	At Risk	<div style="width: 50%;"></div>	Apr 1 - Jun 30	Med	
New product launch	On Track	<div style="width: 75%;"></div>	Feb 1 - Apr 26	High	
Website redesign	Off Track	<div style="width: 50%;"></div>	May 1 - Aug 15	Med	
Customer event	On Track	<div style="width: 75%;"></div>	Jul 15 - Sep 1	Med	
Community program	On Track	<div style="width: 75%;"></div>	Aug 1 - Sep 28	Med	

Monitor the status of key initiatives and your team's capacity with Portfolios and Workload. [Learn more](#)

Upgrade to Business

# RETENTION

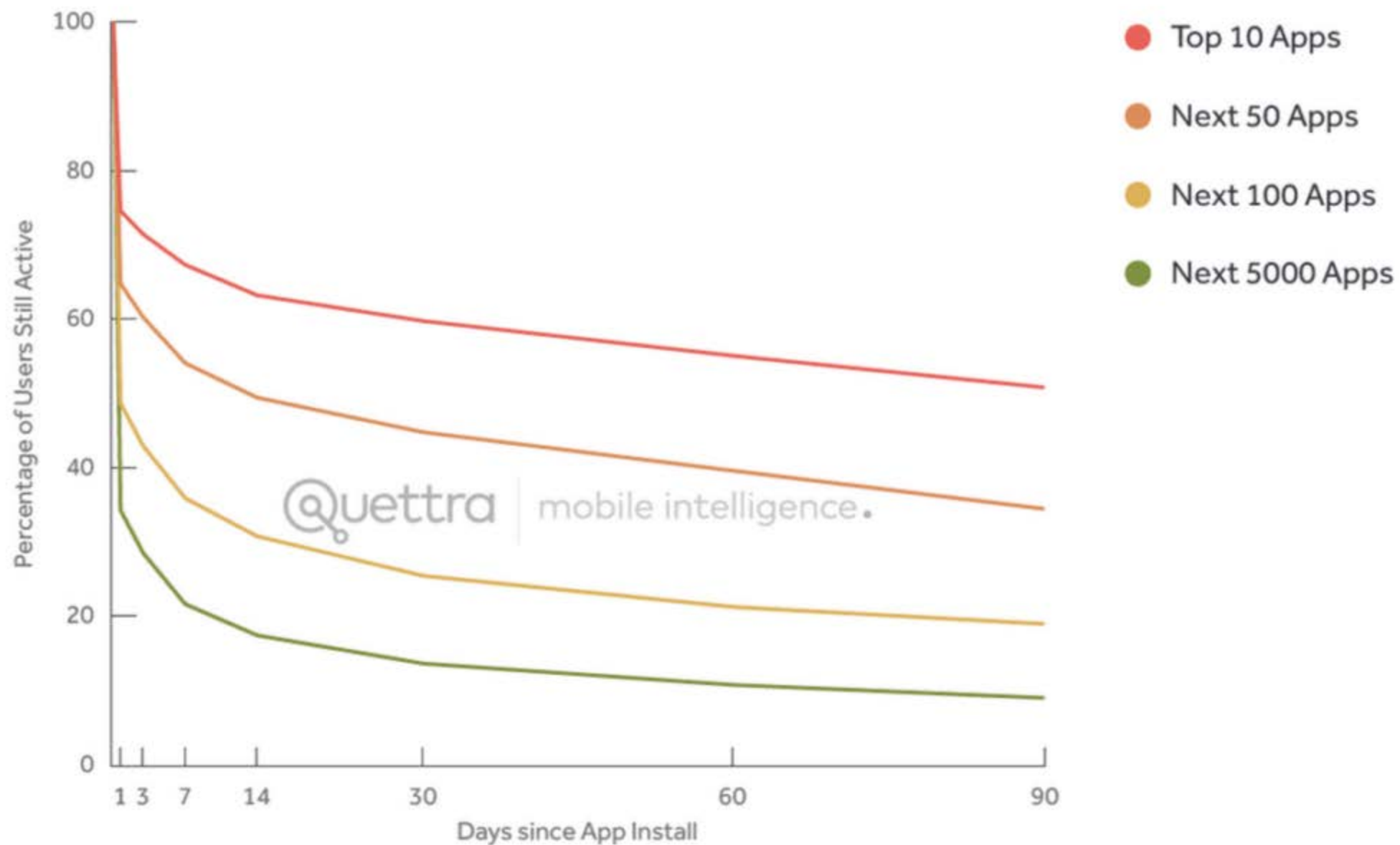


imgflip.com

## WHAT YOU'LL BURN WITH A GYM MEMBERSHIP



## Retention Curves for Android Apps



# Clever ways to boost retention

## Who viewed your profile


621 profile viewers in the past 90 days **-32% since last week**



Hide trends

- Back
- Forward
- Reload
- Save As...
- Print...
- Cast...
- Translate to français
- Block element
- View Page Source**
- Inspect
- Speech

management 9 have job title Project Manager 1 found you via Endorsements



Unlock the rest of the list with Premium

Interested in you from this source plus the full list of people who viewed you in the last 90 days.

Try Free for 1 Month

## Your Social Selling Index

1 of 1

Team SSI rank

Top 1%

Industry SSI rank

Top 1%

Network SSI rank

### Current Social Selling Index



81  
out of 100

#### Four components of your score



### People in your team



People in your team have an average SSI of 81.  
You rank 1 of 1  
No change since last week

### People in your industry



Sales professionals in the Business Consulting and Services industry have an average SSI of 37.  
You rank in the top 1%  
No change since last week

### People in your network



People in your network have an average SSI of 47.  
You rank in the top 1%  
No change since last week

## Marketplace/ e-commerce Growth formula

$A * B * C * D * E * F$

A- Vertical expansion

B- Product Inventory per Vertical

C- Traffic per product page

D- Conversion to Purchase

E- Average Purchase value

F- Repeat purchase Value



***What's your Growth formula?***

CHAPTER ③  
PRICING  
METRICS AND GOALS





## CASE SHARING

PRICING  
METRIC

[hector.montes@tupl.com](mailto:hector.montes@tupl.com)



# Value metric

It's way more important  
**how you charge** than  
how much you charge!

# Best case of value metric success?

#1

**Only \$ 0.80, 14bn pods sold/year**



Lavazza (1kg, 2.2lb)- \$13



Lavazza (1kg, 2.2lb)- \$210



***4gr, 1.34oz = \$0.80 → 1kg, 2.2lb=\$210 !  
(16x more)***

# Best case of value metric success?

#2

$$\text{YOUR CPC} = \frac{\text{THE AD RANK OF THE PERSON BELOW YOU}}{\text{YOUR QUALITY SCORE}} + 0.01$$

	Max Bid	Quality Score	= Ad Rank		Actual CPC
Advertiser 1	\$1.5	10	15	→	\$1.21
Advertiser 2	\$3	4	12	→	\$1.51
Advertiser 3	\$6	1	6	→	Highest CPC

## Notable mentions

- Adobe
- Microsoft office
- Salesforce
- Hubspot (detailed case to follow)
- Autodesk AutoCAD
- Netflix
- Spotify
- ...

Best value metric?

**1st choice:**

money for your Customers

**2nd choice:**

derivative of money for your Customers



**Why user-based pricing  
is crap for (almost) any  
SaaS**

# Pricing should encourage abuse instead of limiting the usage



A common mistake in SaaS business is to adjust the pricing to „industry standard” price metrics without considering whether they are right for the business.

There are 5 broad categories of price metrics that can work for each team



**Usage based**

How much or how frequently is the product used?



**Seat based**

How many people is using the product?



**Hardware based**

How many connected devices or system resources is required?



**Customer size**

What is the scale or performance of the customer (e.g. revenue, # of employees)?



**Success driven**

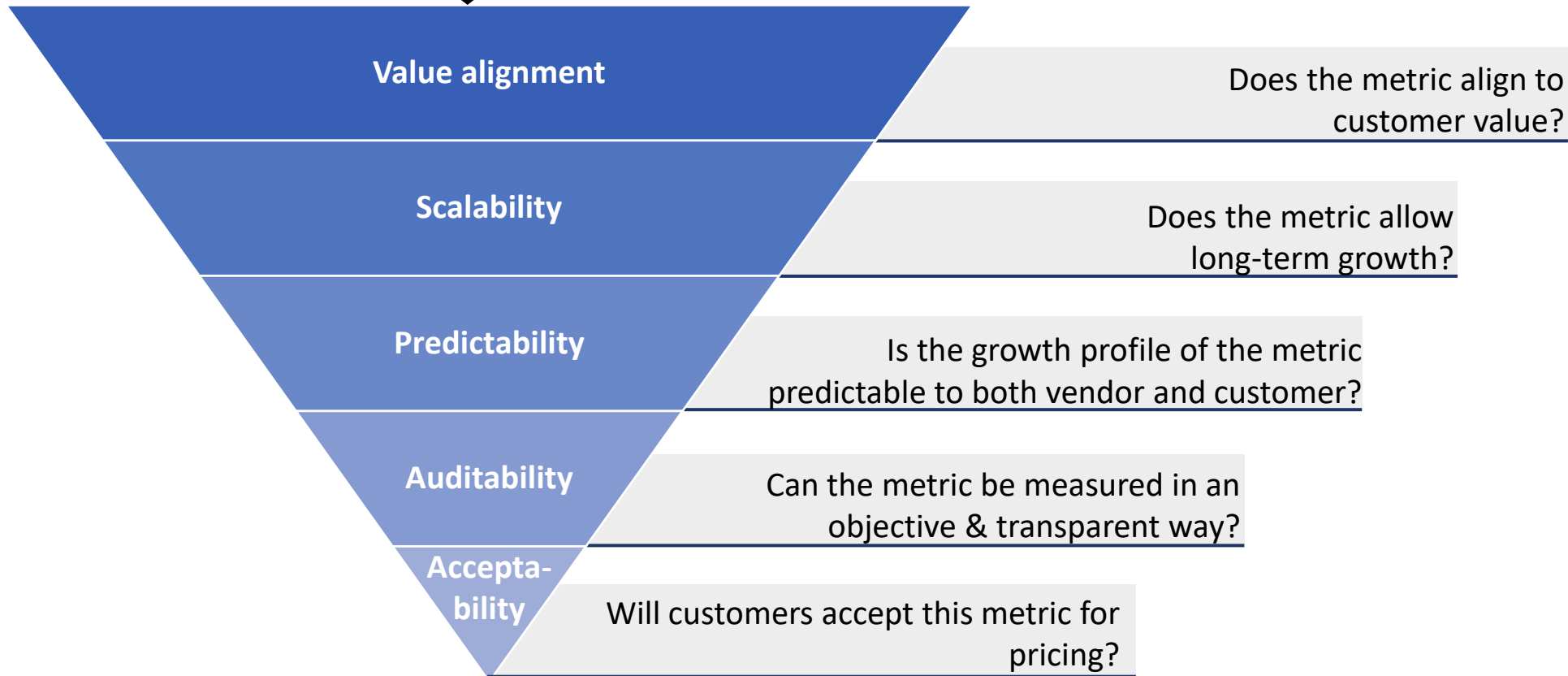
What is the output or impact driven by the product (e.g. reduction in costs)?

## How to find the perfect pricing metric in SaaS?



A good price metric should be qualified by the important criteria for both customer and the company

### Potential Metrics



### Shortlist of viable metrics

# What would be the right pricing metric

## Turn Clicks into Customers

Leadpages helps small businesses connect with an audience, collect leads, and close sales.  
Easily build websites, landing pages, pop-ups, alert bars, and beyond.

[Start a Free Trial](#)

# What Could LeadPages Charge For?

# Of Landing Pages

Traffic

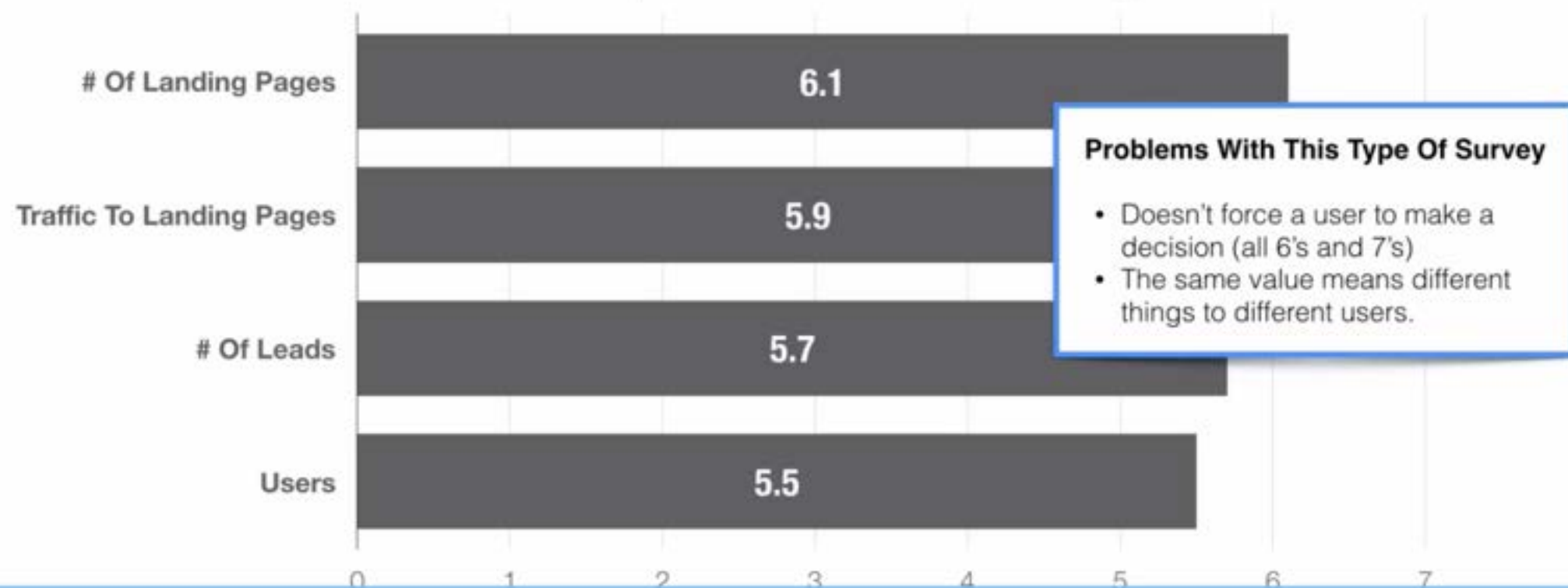
# Of Leads

Users

# Example: Leadpages

Problem with asking basic rating question

How important are the following factors?



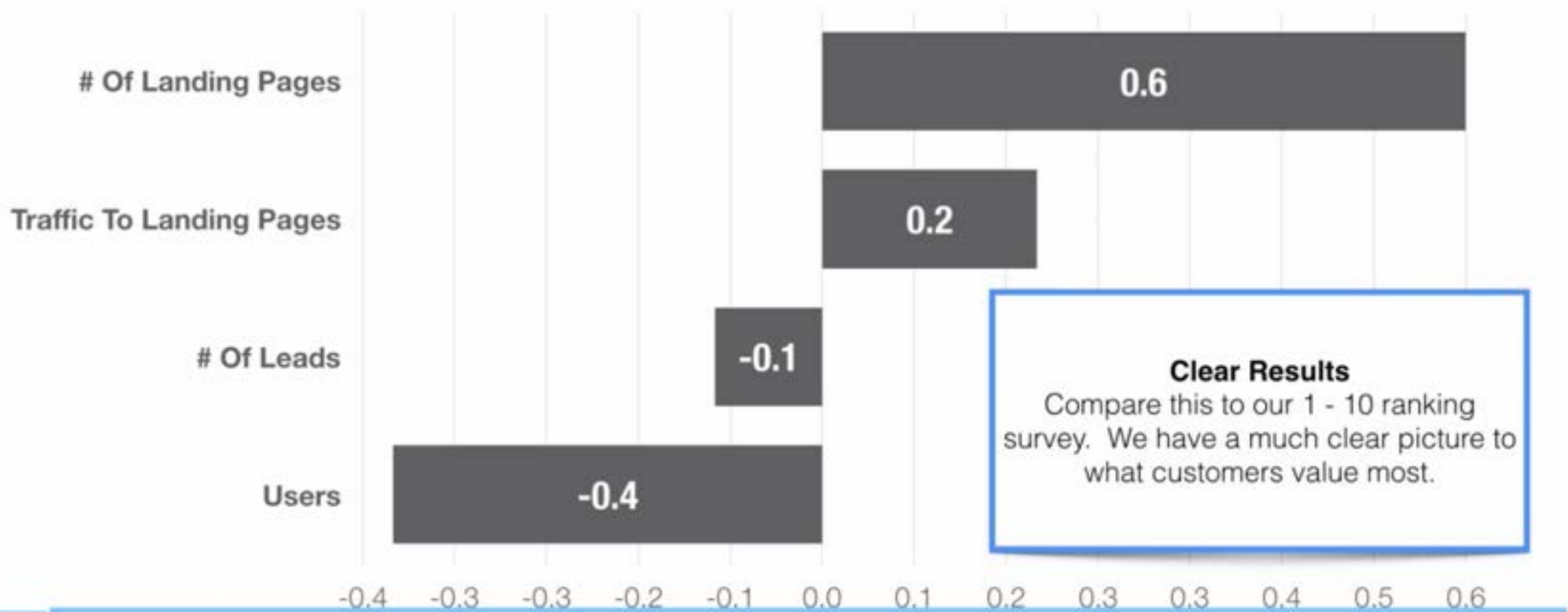
## What do you value the MOST and the LEAST?

MOST		LEAST
<input type="checkbox"/>	# of Landing Pages	<input type="checkbox"/>
<input type="checkbox"/>	Traffic	<input type="checkbox"/>
<input checked="" type="checkbox"/>	# of Leads	<input type="checkbox"/>
<input type="checkbox"/>	Users	<input checked="" type="checkbox"/>

# Example: Leadpages

How To Calculate: <https://help.surveygizmo.com/help/max-diff>

**What do you value the MOST and the LEAST?**

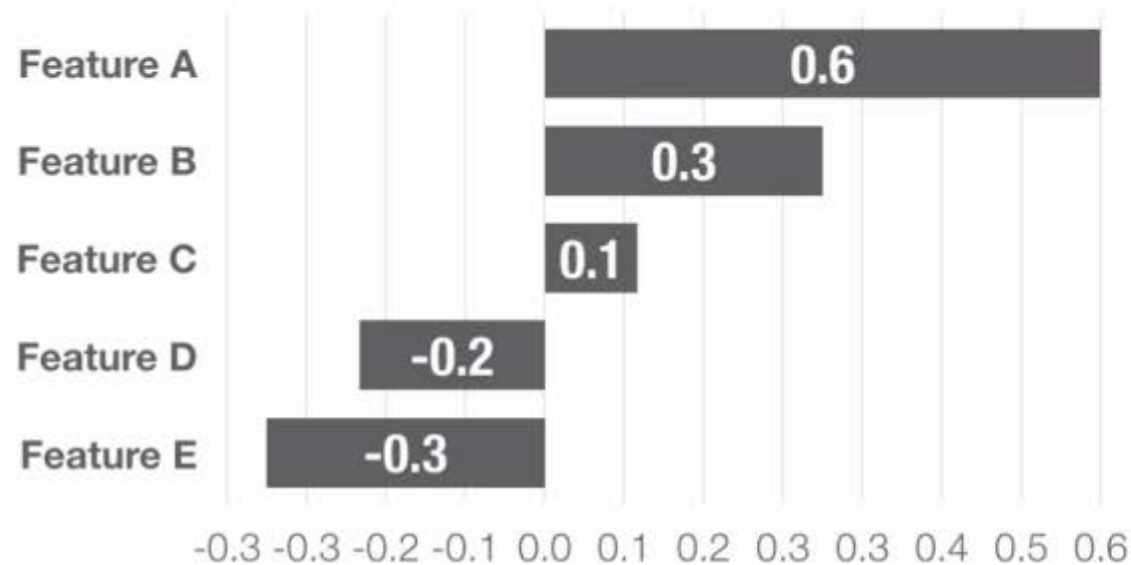


# Segment Responses

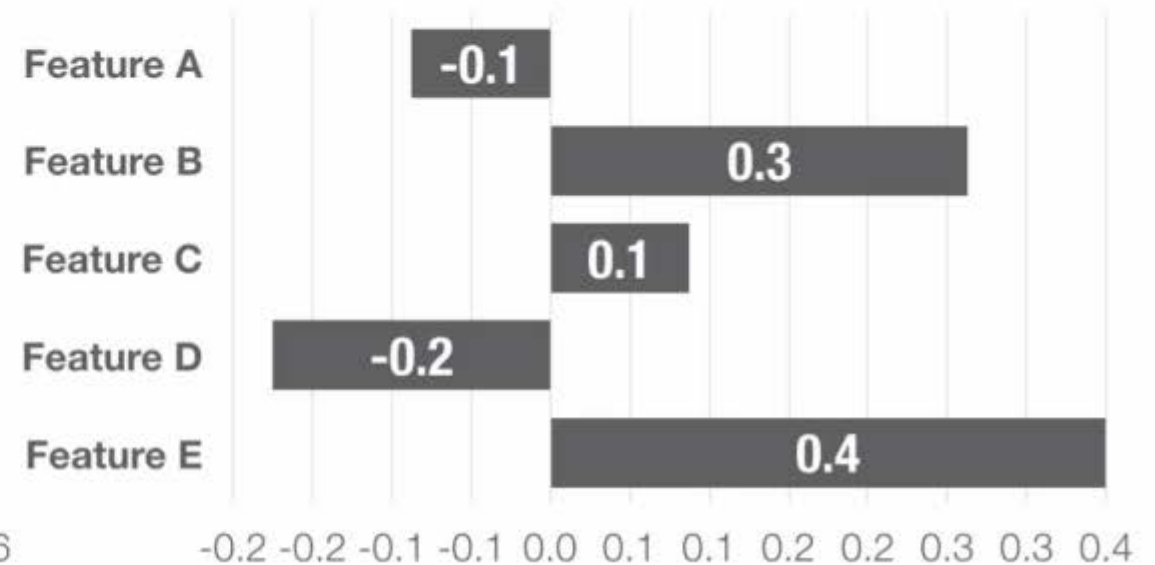
How To Calculate: <https://help.surveygizmo.com/help/max-diff>

**What do you value the MOST and the LEAST?**

**Persona One**



**Persona Two**



<https://www.leadpages.com/pricing>

2022

The screenshot displays the pricing page for Leadpages, featuring two main plans: PRO and STANDARD. At the top right, there are toggle buttons for 'Pay Monthly' and 'Pay Yearly' (which is selected), along with a 'SAVE MORE' button. The PRO plan is highlighted as 'MOST POPULAR' and is priced at \$74 per month, with a 'Start For Free' button. The STANDARD plan is priced at \$37 per month, also with a 'Start For Free' button. Both plans offer a 'save \$300/year' and 'save \$144/year' respectively when billed annually. The PRO plan includes 3 sites, landing pages, pop-ups, alert bars, unlimited traffic and leads, a free custom domain, free hosting, mobile-responsive site templates, lead notifications, priority tech support, 40+ standard integrations, a 1-on-1 quick start call, online sales and payments, and unlimited A/B split testing. The STANDARD plan includes 1 site, landing pages, pop-ups, alert bars, unlimited traffic and leads, a free custom domain, free hosting, mobile-responsive site templates, lead notifications, tech support, 40+ standard integrations, a 1-on-1 quick start call, online sales and payments, and unlimited A/B split testing. Both plans also include advanced integrations and 5 pro sub-accounts.

Pay Monthly  Pay Yearly  SAVE MORE

MOST POPULAR

**PRO**

**\$74** / Month

save \$300/year | billed annually

Start For Free

- 3 Sites
- Landing Pages, Pop-Ups, Alert Bars
- Unlimited Traffic & Leads
- Free Custom Domain\*
- Free Hosting
- Mobile-Responsive Site Templates
- Lead Notifications
- Priority Tech Support (Phone, Chat, Email)
- 40+ Standard Integrations
- 1-on-1 Quick Start Call
- Online Sales & Payments
- Unlimited A/B Split Testing

Advanced Integrations

Includes 5 Pro Sub-Accounts

Start For Free

**STANDARD**

**\$37** / Month

save \$144/year | billed annually

Start For Free

- 1 Site
- Landing Pages, Pop-Ups, Alert Bars
- Unlimited Traffic & Leads
- Free Custom Domain\*
- Free Hosting
- Mobile-Responsive Site Templates
- Lead Notifications
- Tech Support (Chat, Email)
- 40+ Standard Integrations
- 1-on-1 Quick Start Call
- Online Sales & Payments
- Unlimited A/B Split Testing

Advanced Integrations

Includes 5 Pro Sub-Accounts

Start For Free

## STANDARD

**\$37** / Month

save \$144/year | billed annually

[Start Free Trial](#)

- ✓ 5 Landing Pages
- ✓ Unlimited Traffic & Leads
- ✓ 1 custom domain
- ✓ 200+ conversion-optimized templates
- ✓ Best-in-class conversion tools
- ✓ Standard integrations

# 2024

## BEST VALUE

## PRO

**\$74** / Month

save \$300/year | billed annually

[Start Free Trial](#)

- ✓ **Unlimited** Landing Pages
- ✓ Unlimited Traffic & Leads
- ✓ **3** custom domains
- ✓ 200+ conversion-optimized templates
- ✓ Best-in-class conversion tools
- ✓ Standard integrations
- ✓ Sell products and services
- ✓ Blog

## CONVERSION

**\$697** / Month

billed monthly

[Contact Us](#)

- ✓ Full marketing funnel audit
- ✓ 1 conversion-optimized landing page (built for you)
- ✓ 1 paid media campaign (built and launched for you)
- ✓ Dedicated conversion expert
- ✓ Pro account
- ✓ **Unlimited** Landing Pages
- ✓ Unlimited Traffic & Leads
- ✓ Advanced integrations

## New, innovative product pricing

Q: What would you compare this product to?

## Generic price increase letter

**Subject:** An Update on Your [Product/Service] Pricing

**Dear [Customer's Name],**

Over the past [time period], we've been dedicated to delivering exceptional value through [Product/Service Name]. Here's what we've accomplished together:

- Helped you achieve [specific benefit or result, e.g., "X% revenue growth," "Y hours saved per week"].
- Introduced [key feature/improvement] to enhance your experience.
- Provided ongoing support and innovation to ensure [specific customer pain point is addressed].

To continue investing in these improvements and delivering the quality you expect, we're updating our pricing. Starting [effective date], your new rate will be **\$XXX/month (or other relevant pricing structure)**.

However, because you've been a valued customer for [time period], we're giving you a **grace period of [X months]** to continue at your current rate. After that, your price will adjust automatically.

**If this change materially impacts your business, let us know—we're happy to discuss options that work for you.**

We appreciate your trust and partnership. If you have any questions, feel free to reply to this email or reach out to [support contact].

- **Thank you for being a part of [Company Name]—we look forward to growing together!**
- Best,  
[Your Name]



**If the only  
argument is the  
price;  
it is always too  
high**

**Doug Leone Sequioa**

**[https://www.youtube.com/clip/Ugkxm4nWHXpgC4SK7KXA-6a6Z2Xi5lDphi\\_F](https://www.youtube.com/clip/Ugkxm4nWHXpgC4SK7KXA-6a6Z2Xi5lDphi_F)**



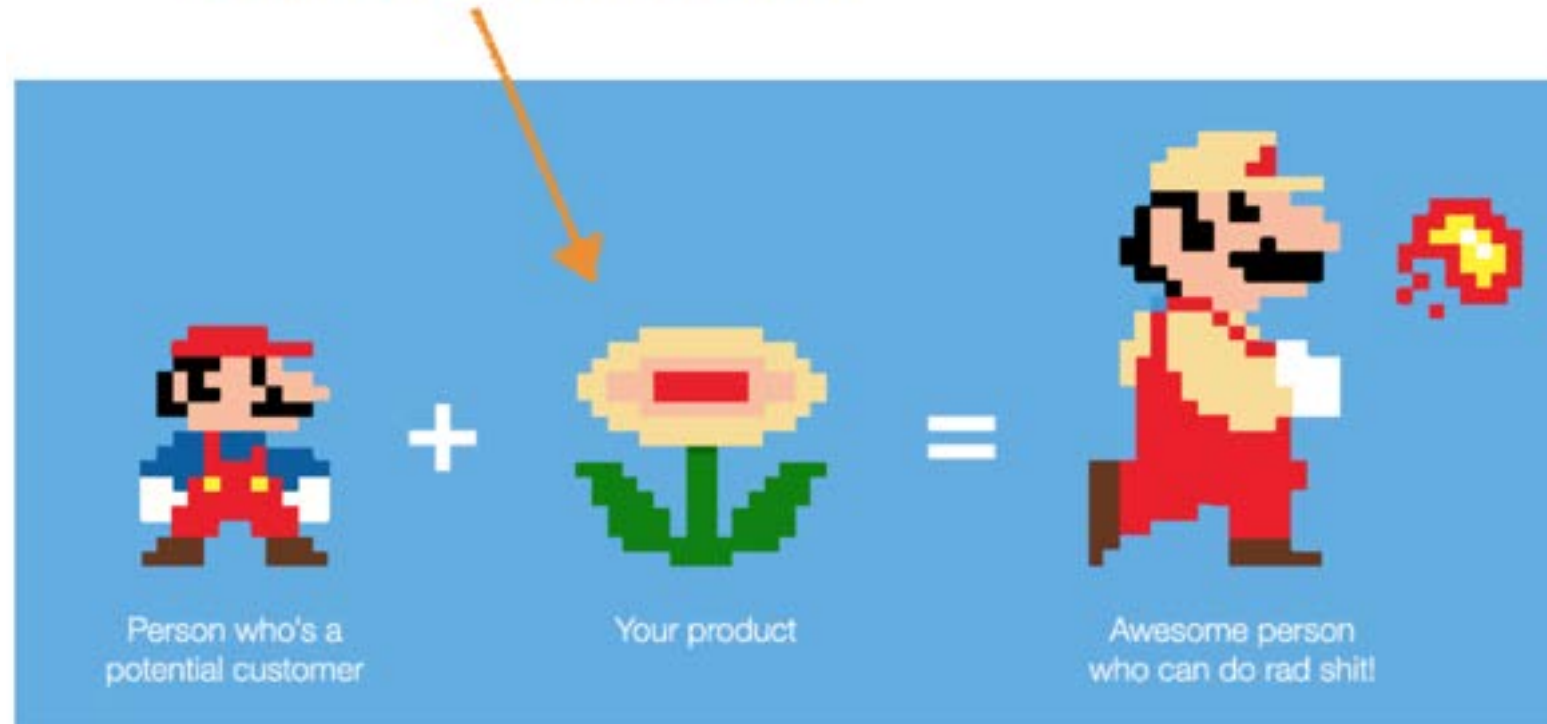
The question should **NOT** be:  
How much does this cost?

The question should be:  
**How much will the ROI of this investment  
be?** 🏆 🏆 🏆

# What is the problem that you are hoping that our product could solve?

- ✓ **Make more money**
- ✓ Reduce costs
- ✓ Move faster
- ✓ Avoid risk

This isn't what your business makes



@UserOnboard

This is



Feature



**low  
calorie**

Benefit



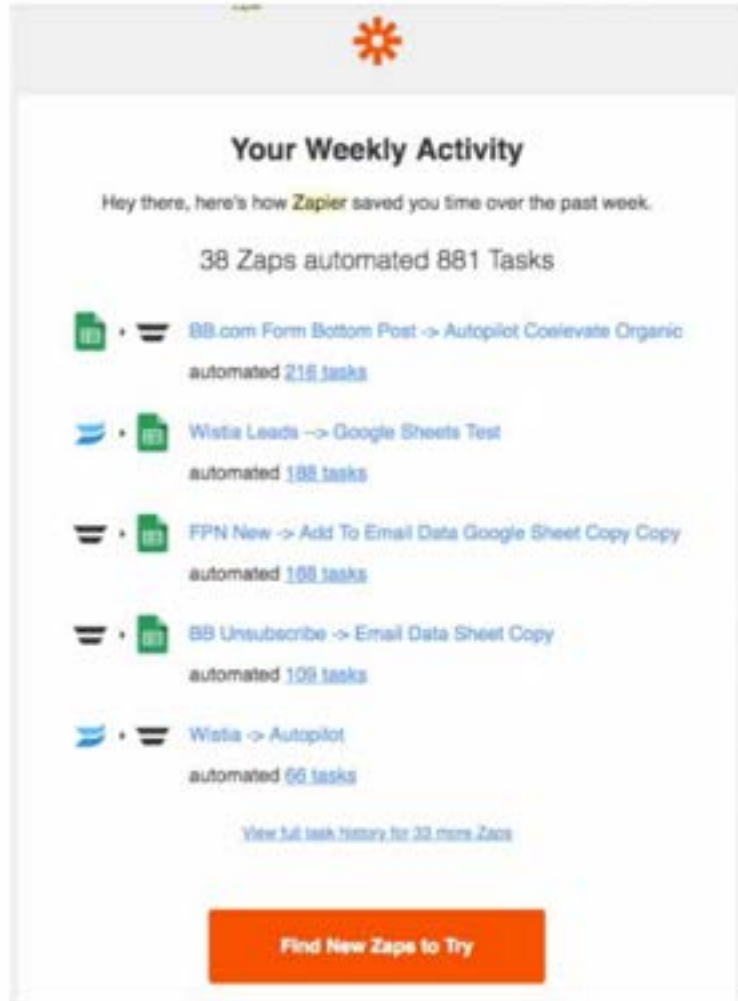
**Look  
better  
than the bitch  
from accounting  
at the end of  
year party**

## Dzięki Allegro Smart!

Twoje oszczędności na dostawie to:

**4243,02 zł**











Masz darmowy zwrot i dostęp do **Smart okazji**.



**Your Weekly Activity**

Hey there, here's how Zapier saved you time over the past week.

38 Zaps automated 881 Tasks

-   BB.com Form Bottom Post -> Autopilot Coslevate Organic automated [215 tasks](#)
-   Wista Leads -> Google Sheets Test automated [188 tasks](#)
-   FPN New -> Add To Email Data Google Sheet Copy Copy automated [188 tasks](#)
-   BB Unsubscribe -> Email Data Sheet Copy automated [109 tasks](#)
-   Wista -> Autopilot automated [66 tasks](#)

[View full task history for 32 more Zaps](#)

[Find New Zaps to Try](#)



### Time Savings

Summary of automated tasks. "Here is how Zapier saved you time this past week."

**Zapier sending emails reminding how much zapier helped you save time**

MAY 06 - MAY 12

## Your Weekly Writing Update

Check out the big vocabulary on you! You used more unique words than 98% of Grammarly users. Keep it up!

### GRAMMARLY WRITING STREAK

**24 weeks**

26

Next Achievement  
[See all achievements >](#)

### PRODUCTIVITY

You were more productive than **93%** of Grammarly users.

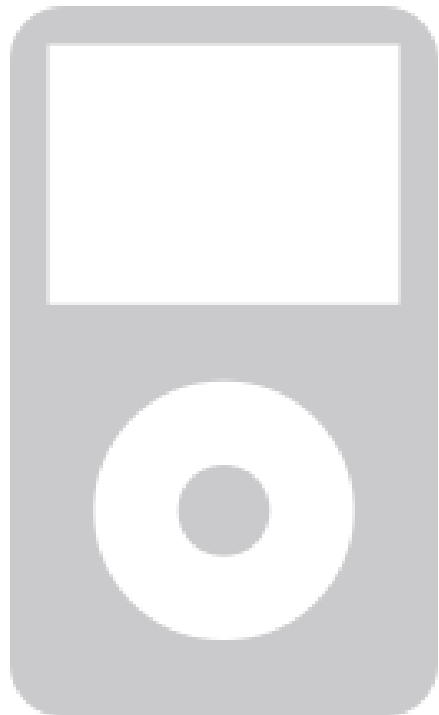
 Share

 Share

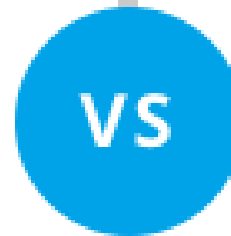
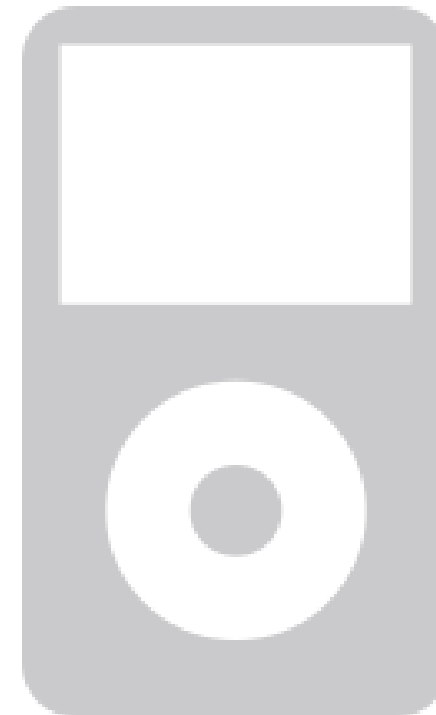
**14,775**  
words checked

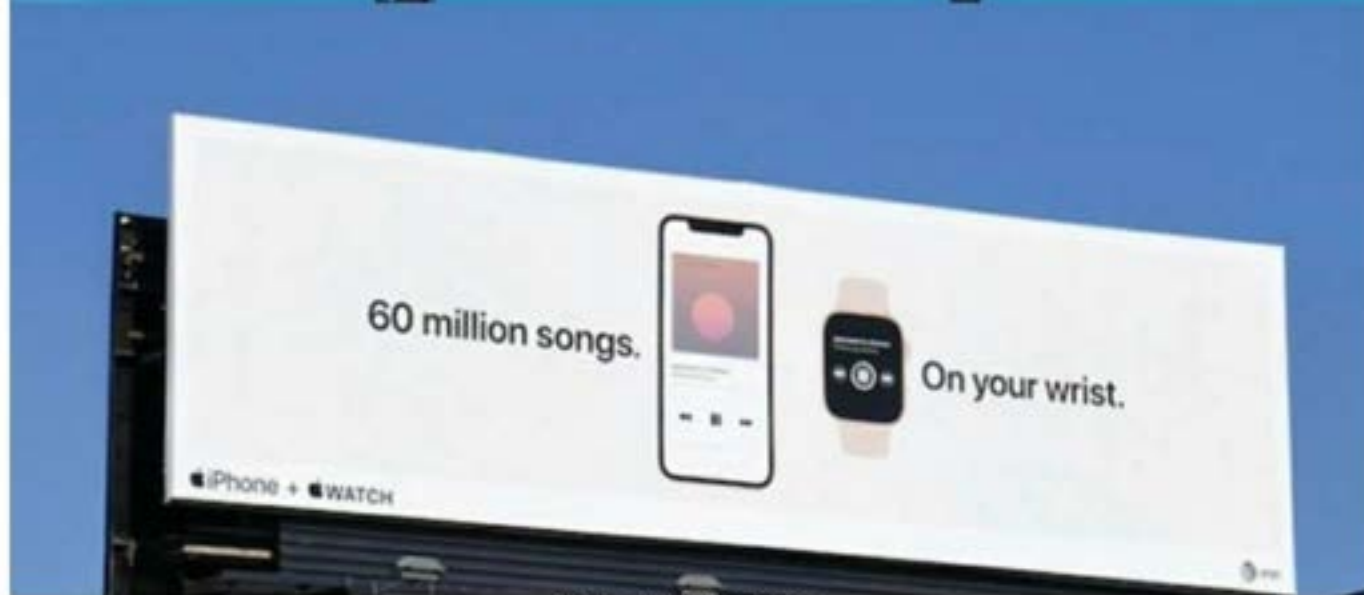


**STORAGE FOR  
1GB OF MP3S**

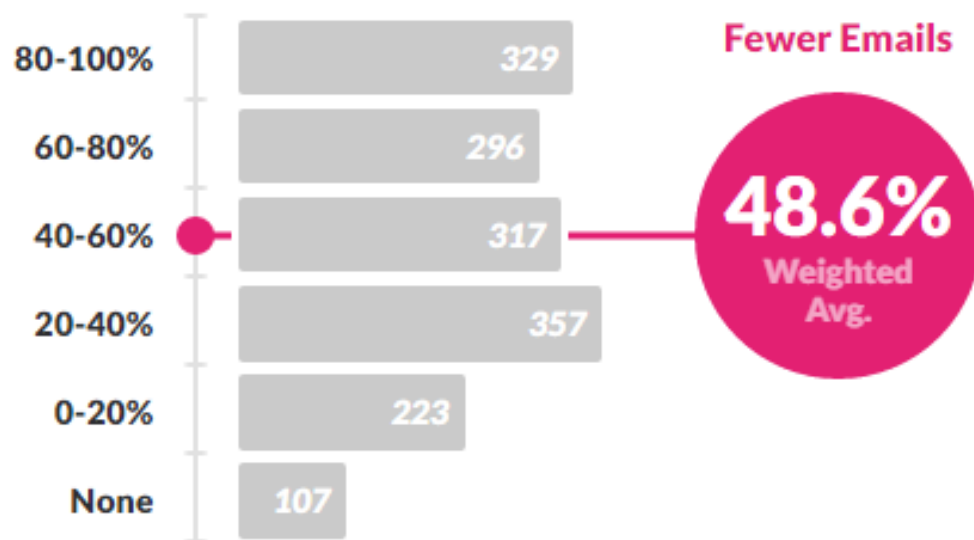


**1,000 SONGS  
IN YOUR POCKET**



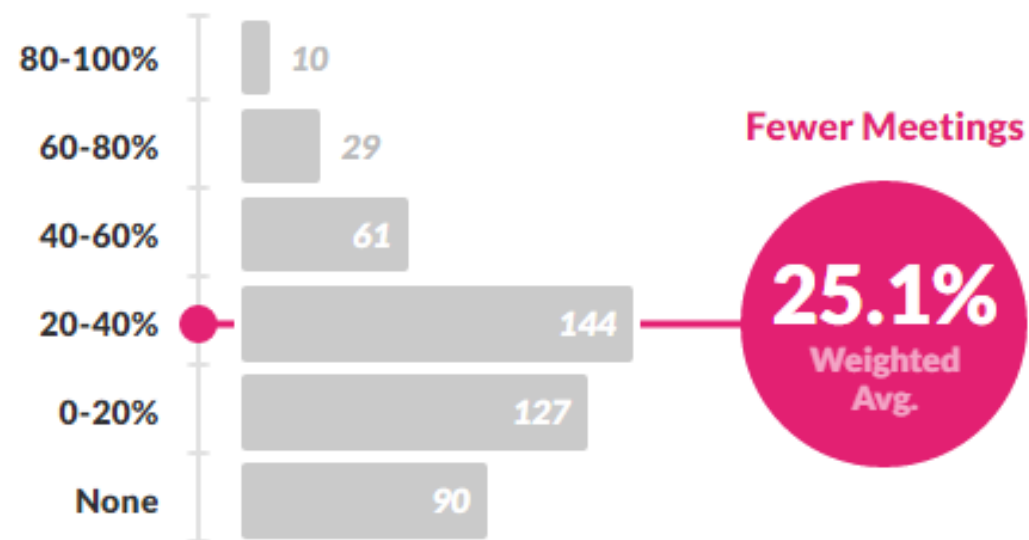


## How much has Slack helped you **reduce internal email**?



Based on 1,629 responses from Slack owners and administrators.

## How much has Slack helped you **reduce meetings**?



Based on 461 responses from Slack owners and administrators.

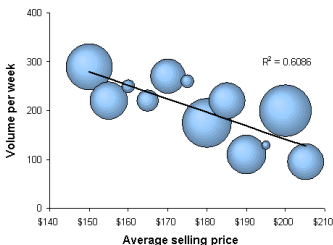



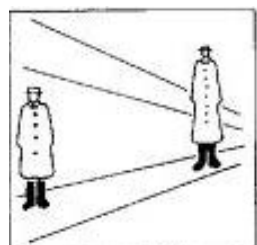


## Exampmples of ROI calculators

<https://www.hubspot.com/roi-calculator/sales>

[https://a.slack-edge.com/eaf4e/marketing/downloads/resources/IDC The Business Value of Slack.pdf](https://a.slack-edge.com/eaf4e/marketing/downloads/resources/IDC%20The%20Business%20Value%20of%20Slack.pdf)

<http://icontact.postclickmarketing.com/dual-cta-calculator-example/marketing-app-calculator-18677K-16647LF.html?rid=37007384&rky=N74GLTY&tky=132478500093661168&iPlanSubLim=>

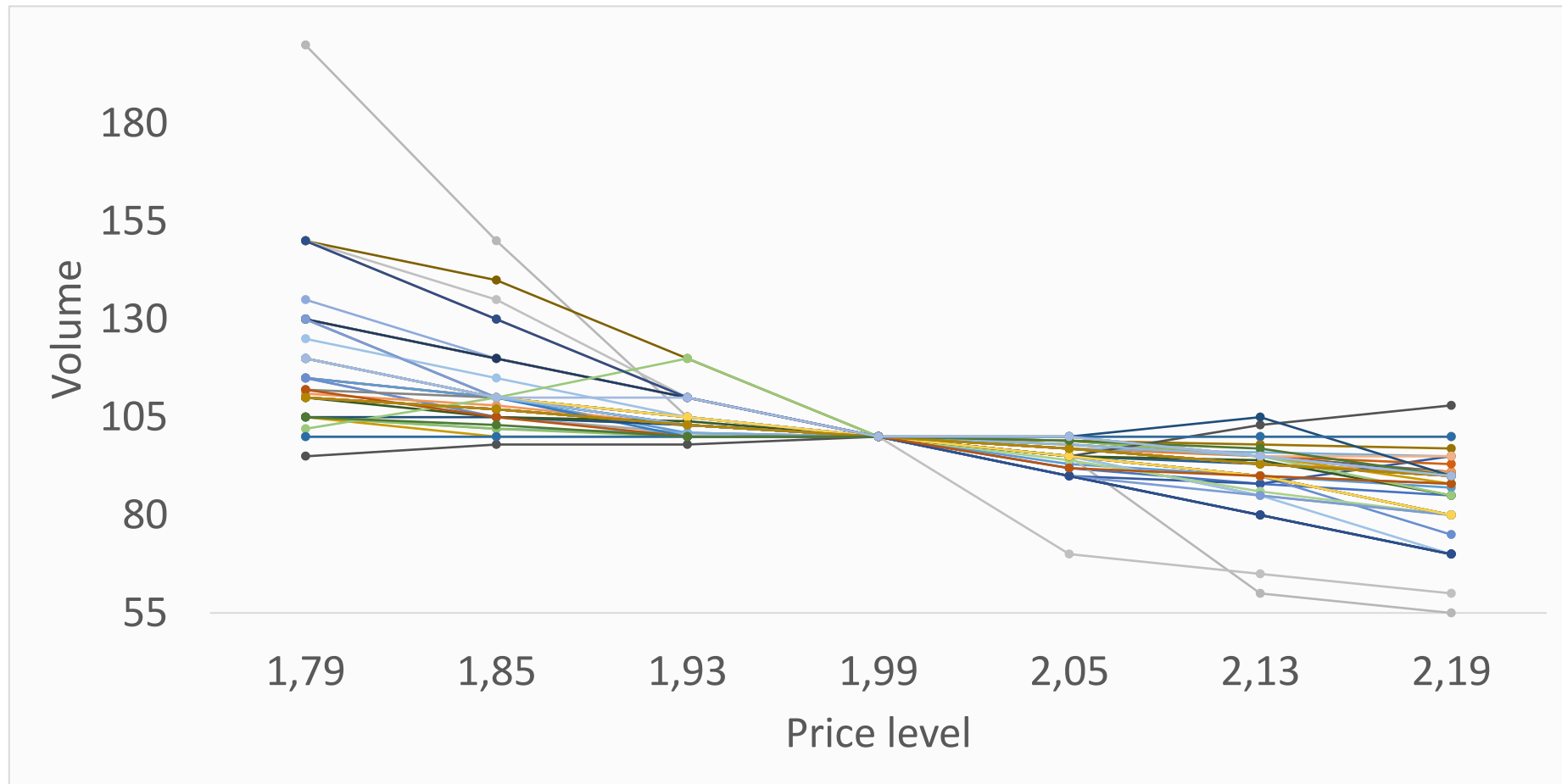
# But where to get data from? 5 approaches

 <p><b>Internal analyses</b></p>	 <p><b>Consumer research</b></p>	 <p><b>Live market tests</b></p>	 <p><b>Expert judgment</b></p>	 <p><b>Benchmarks &amp; analogs</b></p>
 <p>Depict past buying behavior accurately</p>	<p>Allow complex modeling based on consumers reaction to scenarios</p>	<p>Actual market data &amp; consumer responses</p>	<p>Estimations based on best assumptions and risk assessment</p>	<p>Can build confidence that others were successful with same idea</p>
 <p>Past behavior may not always predict current or future outcomes</p>	<p>Depends heavily on the study's design, which could create biases</p>	<p>Misleading if not designed properly</p>	<p>Relies heavily on managers' intuition and experience</p>	<p>Misleading if example does not fit perfectly; risking wrong conclusions</p>



**Don't forget: No single approach is perfect!**  
Use multiple methods to cross check the results.

# Volume per respondent - without competition reaction



N = 23

# Volume aggregated - without competition reaction



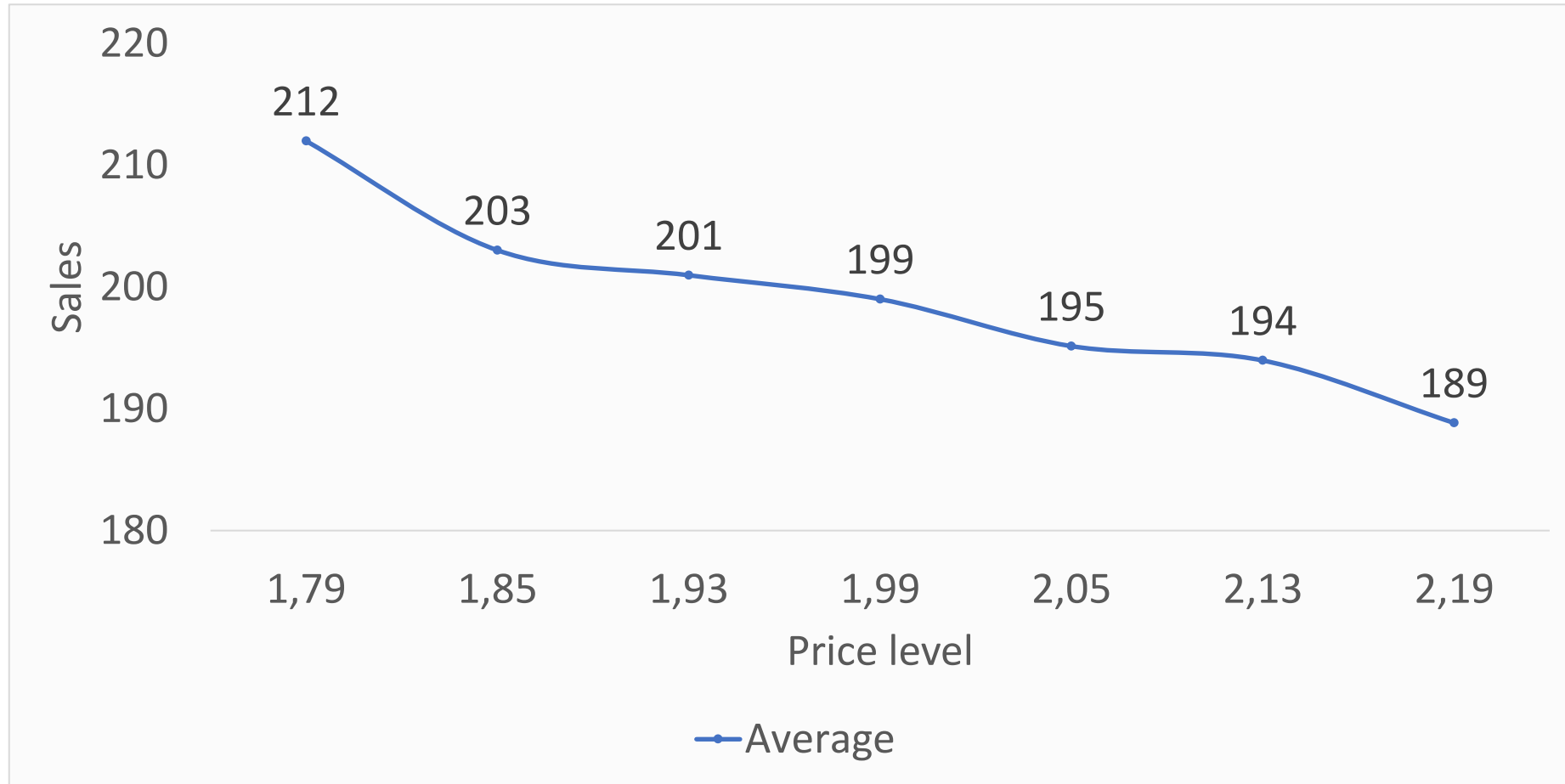
**N = 23**

# Volume aggregated - with competition reaction



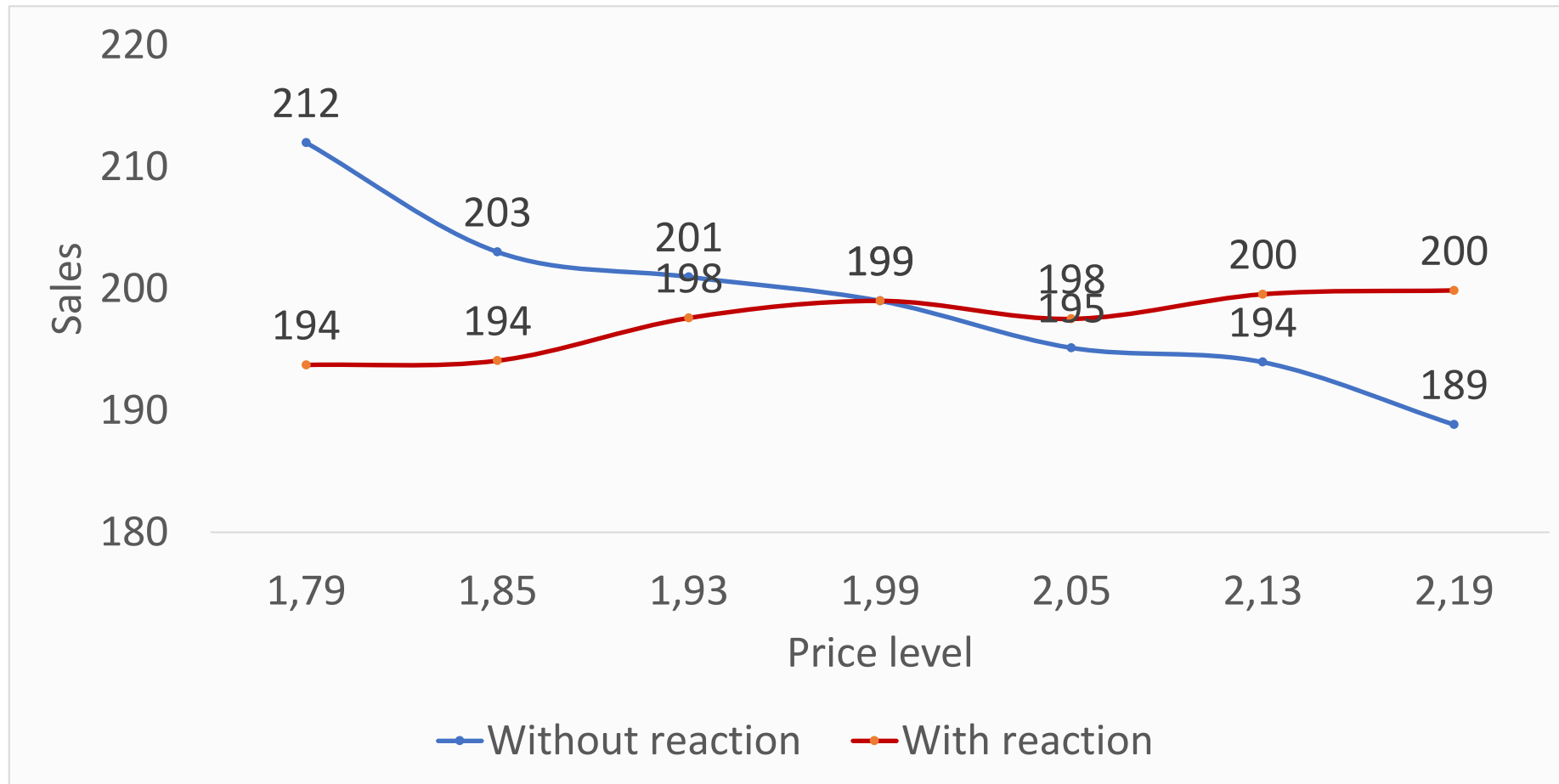
N = 63

# Sales aggregated - without competition reaction



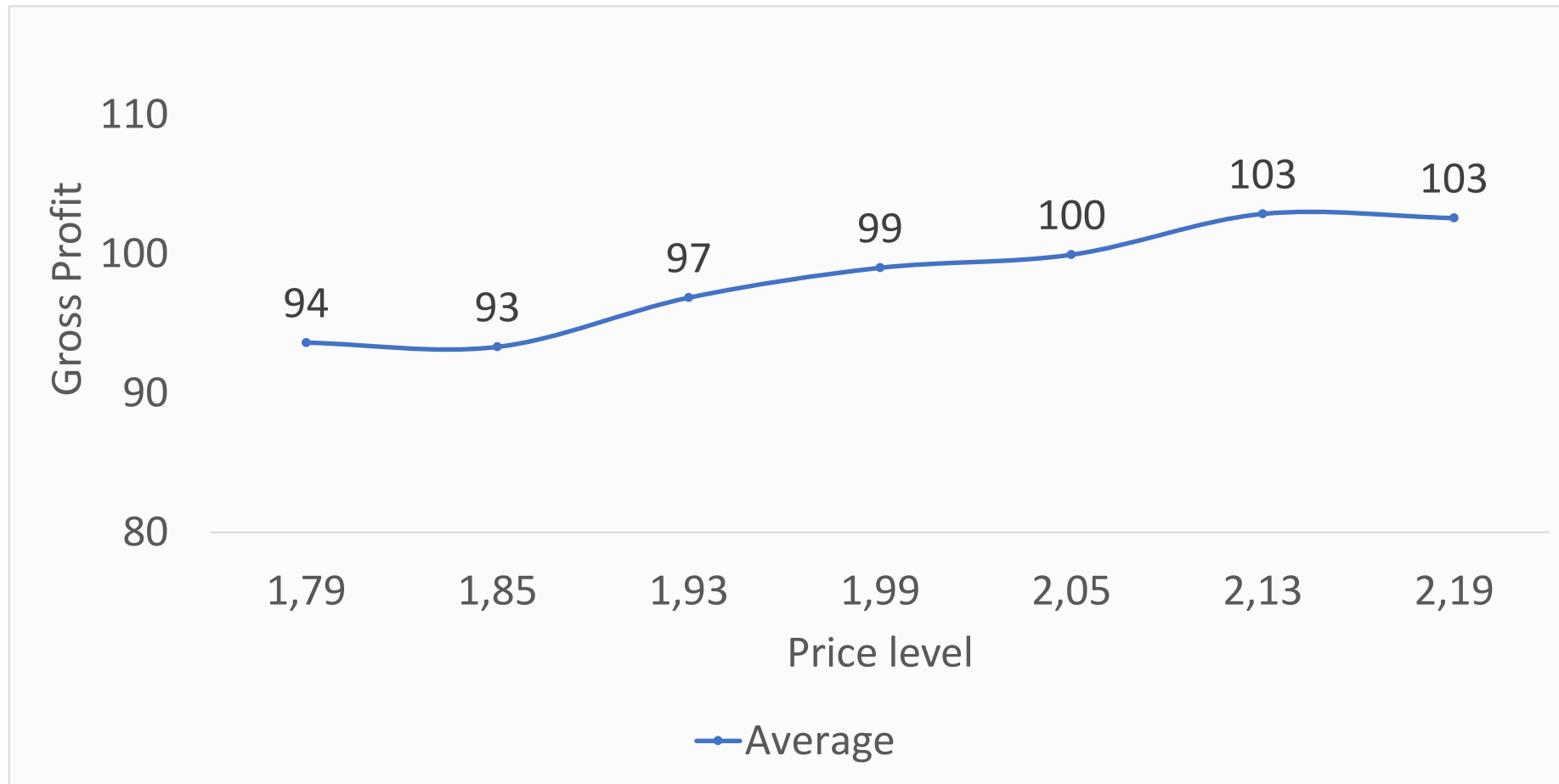
N = 63

# Sales aggregated - with competition reaction



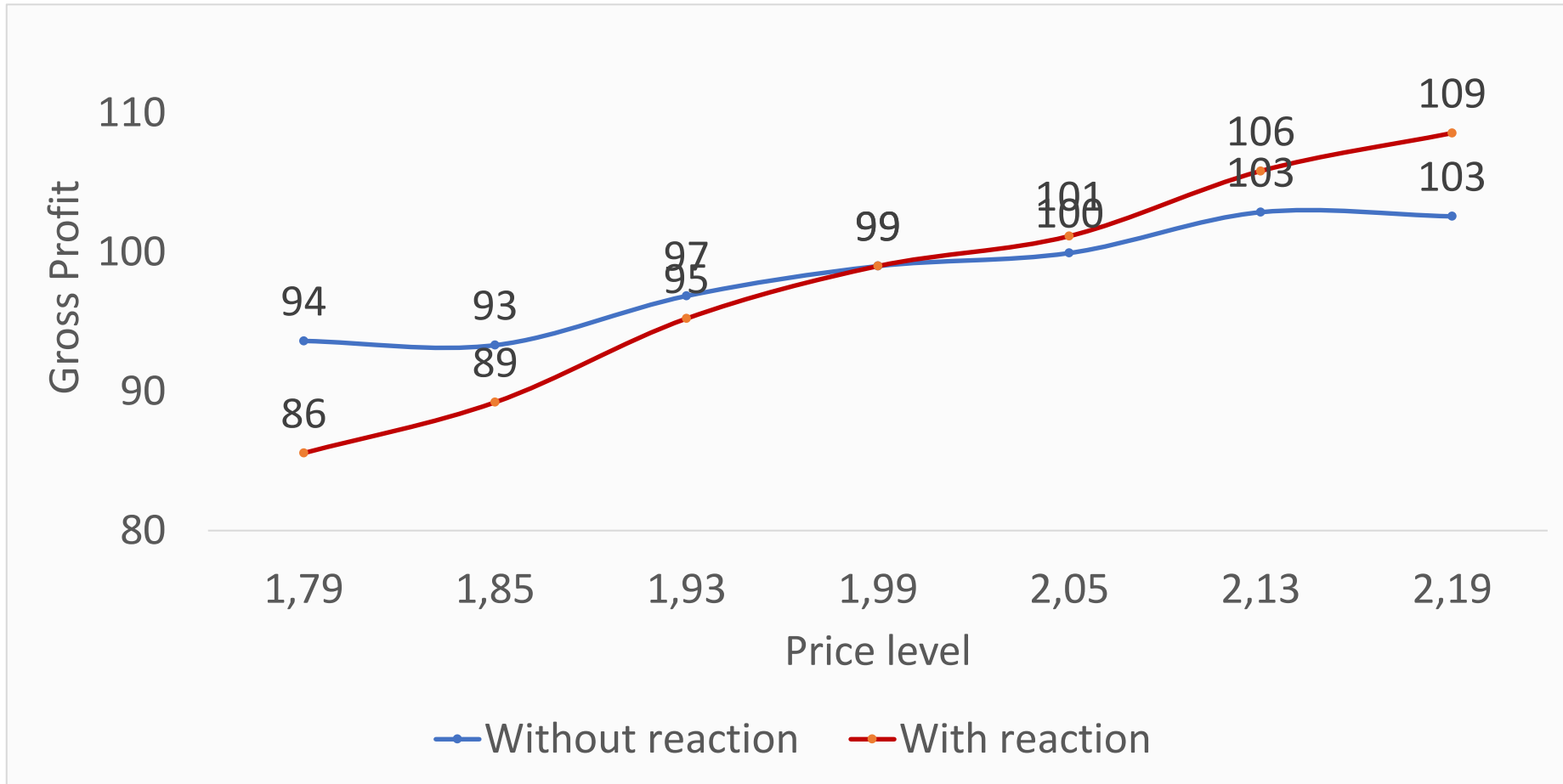
N = 63

# Gross profit aggregated - with competition reaction



N = 63

# Gross profit aggregated - with competition reaction



N = 63



# CHAPTER

6



# WRAP UP





**CASE SHARING**

**WRAP UP**










[ruth@bdeo.io](mailto:ruth@bdeo.io)





**10 5 20**  
**PRINCIPLE**

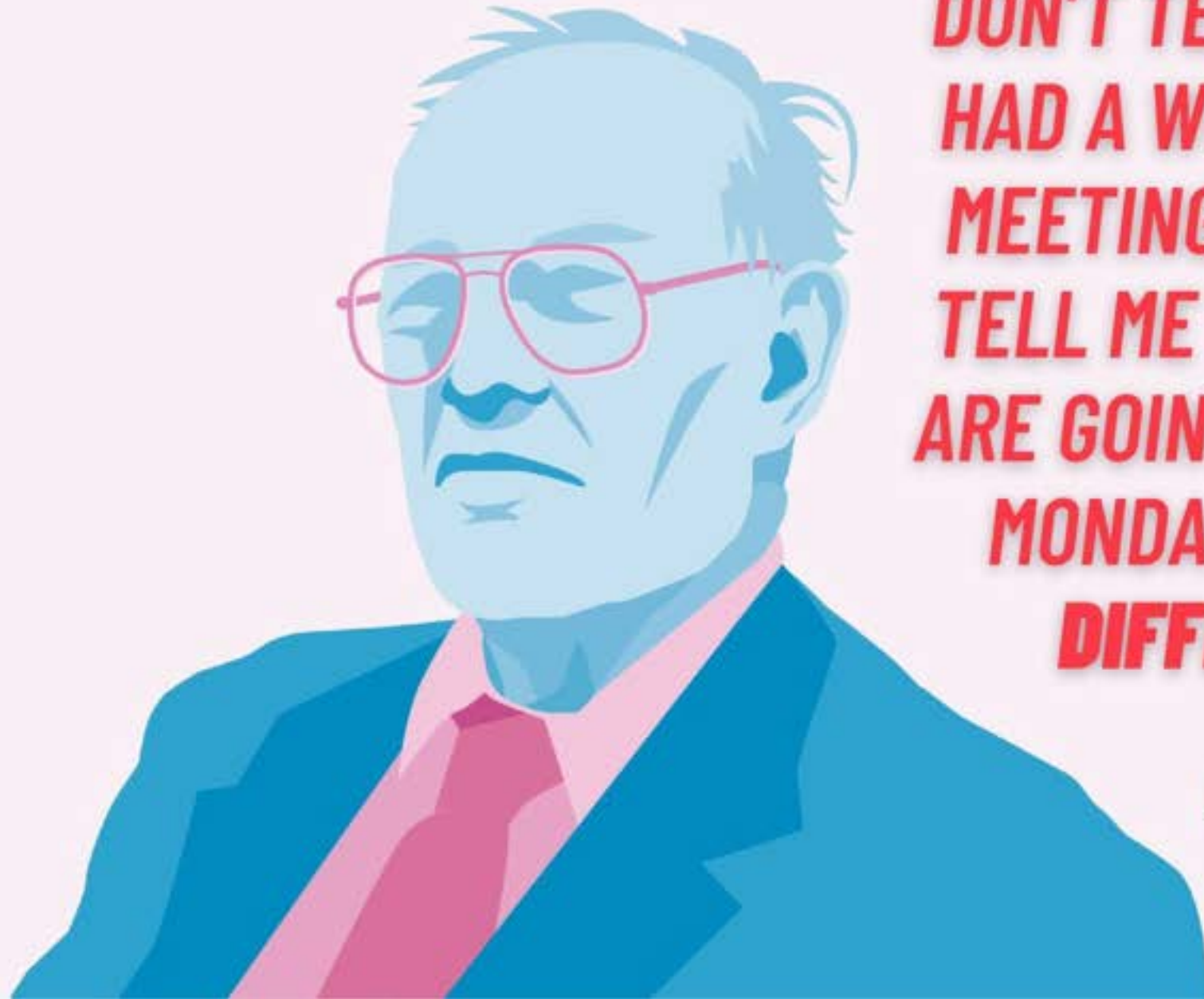
**10x value**  
**5% price raise**  
**20% pushback**

<p><b>Pricing Strategy</b> </p> <p>Do you have a clearly defined strategy with a focus on:</p> <ul style="list-style-type: none"> <li>• (1) profit</li> </ul> <p>vs.</p> <ul style="list-style-type: none"> <li>• (2) growth?</li> </ul> <p>You can't have both!</p> <p>How do you utilize pricing to:</p> <ul style="list-style-type: none"> <li>• attract (Get),</li> <li>• monetize (Boost),</li> <li>• retain (Keep) customers?</li> </ul> <p><i>Pricing serves as a powerful tool to reach your business goals. When you have a clear goal in mind, pricing can help smooth out the journey.</i></p>	<p><b>Pricing BATNA</b> </p> <p>Do you know how to price your products/services against competitors. What's the alternative (BATNA) you Clients have?</p> <p><i>Help your Clients quantify the value of using your product/service and the costs (lost opportunities) of maintaining the status quo.</i></p>	<p><b>BUYING PERSONAS/ CUSTOMER SEGMENTS</b> </p> <p>Who are your customers? What matters most to them (value drivers)?</p> <p>Which customer groups are the most important for your business?</p>	<p><b>Pricing architecture / plans</b> </p> <p>Got the right product architecture to cater to all customer segments?</p> <p>Good, better, best is a good start</p> <p><i>Some companies make pricing so complicated that even their own team can't figure it out. Keep pricing plans as simple as possible</i></p>	<p><b>Value argumentation</b> </p> <p>How much do I pay for your product/service? And why it's so expensive? What's in it for me?</p> <p>...do you know how to answer these questions?</p>
	<p><b>Willingness to pay</b> </p> <p>Do you set prices based on how sensitive our customers and customer segments are to changes in price?</p> <p><i>By considering price elasticity, you can predict the impact on your revenues, profit, and market share when you change your prices.</i></p>	<p>How do you approach pricing with them?</p> <p><i>As a growing company, it's crucial to pinpoint the segments you want to focus on.</i></p>	<p><b>Right pricing metric</b> </p> <p>Does your pricing metric aligns with how our Clients see the value in our product or service?</p> <p><i>It's way more important how you charge, than how much you charge!</i></p>	<p>The question should NOT be: <i>How much does this cost?</i></p> <p>The question should be: <i>What ROI can I expect from this?</i> 🏆🏆🏆</p>
<p><b>Testing, constant improvement</b> </p> <p>Pricing is a skill to be learned. Your first pricing will be crap, and that's alright.</p> <p>Learning about pricing involves more than just listening or reading someone else's thoughts on it. The best way to learn is by actually doing it.</p> <p><i>Pricing is a continuous process that requires regular review and updates.</i></p>		<p><b>Monitoring</b> </p> <p>How do you track you pricing? How do you know if it works or not?</p> <p>...you probably spend way too little time on pricing analytics. Pricing is about numbers. If you don't measure pricing, you can't improve it.</p> <p><i>... some companies think it's enough to track churn and LTV/CAC. It's not.</i></p>		

# Useful resources on pricing and growth

- ✓ <https://www.linkedin.com/in/roblitterst/>
- ✓ <https://www.linkedin.com/in/elenaverna/>
- ✓ <https://www.linkedin.com/in/kyle-poyar/>
- ✓ Reforge.com

- ✓ You should charge!
- ✓ Price on value, not on costs
- ✓ Most are underpricing
- ✓ Pricing isn't permanent
- ✓ Keep it simple



**DON'T TELL ME YOU  
HAD A WONDERFUL  
MEETING WITH ME.  
TELL ME WHAT YOU  
ARE GOING TO DO ON  
MONDAY THAT'S  
DIFFERENT**

**P. DRUCKER**

**There is always someone**

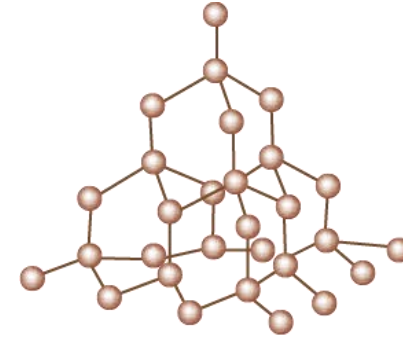


**willing to do it cheaper**

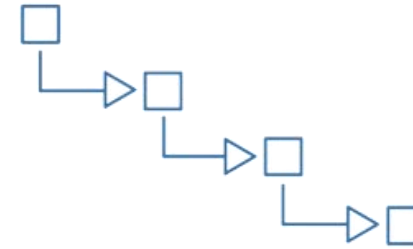
## 3S of successful price setting



**Structure**



**Sequence**



**Simulation**



Is there any magic here?

**3D + 2C + BA**



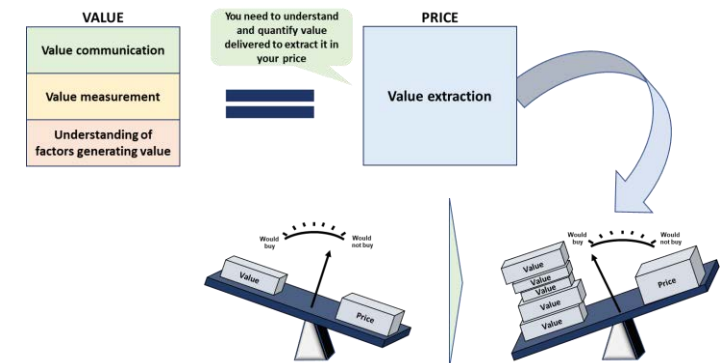
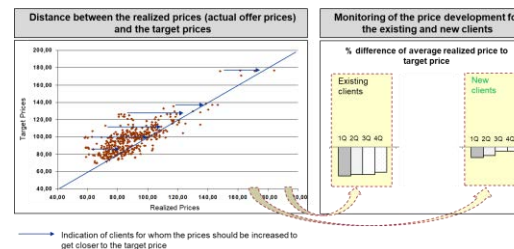
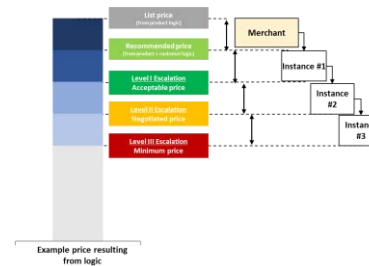
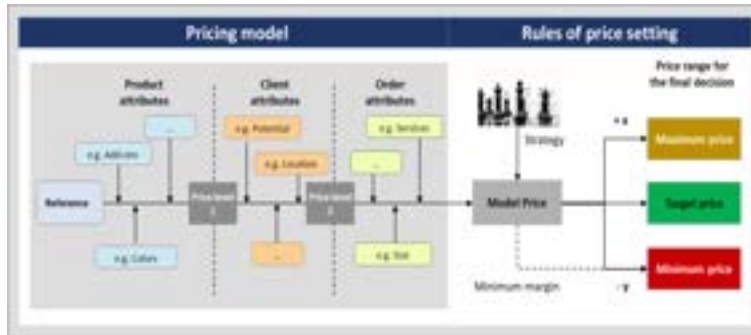
My proven formula for success...

# 3D + 2C + BA

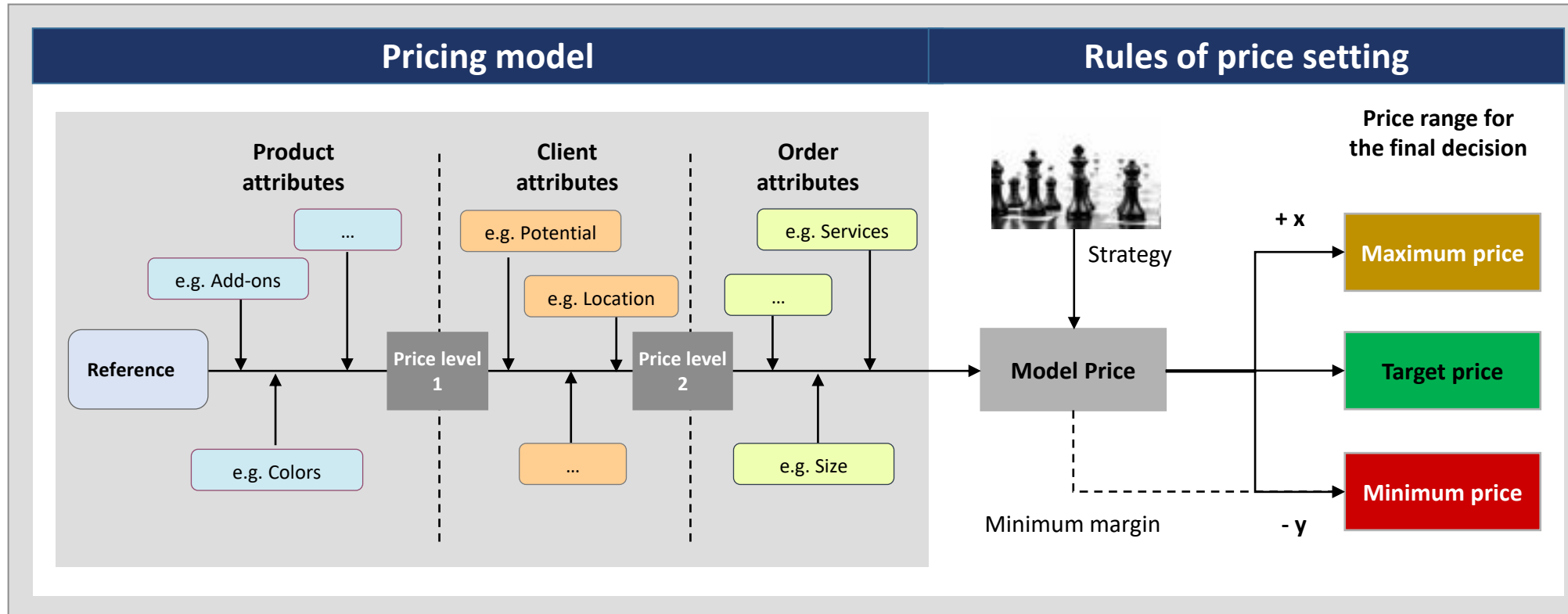
3-dimensional pricing logic

2 key control mechanisms

Benefit argumentation (Value argumentation)



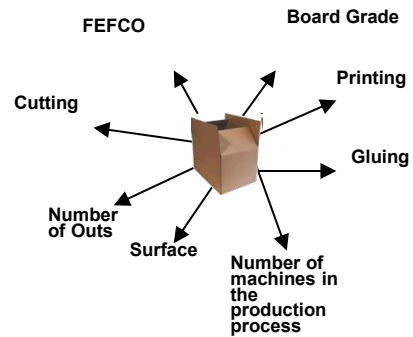
# 3D – three-dimensional pricing logic (incl. price adjustment plan)



# 3D pricing logic example

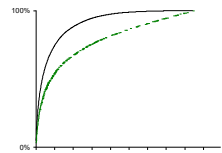
Example from B2B industry

## Product specific



Price logic should reflect the value of the product as it is perceived by clients

## Client specific



Clients →

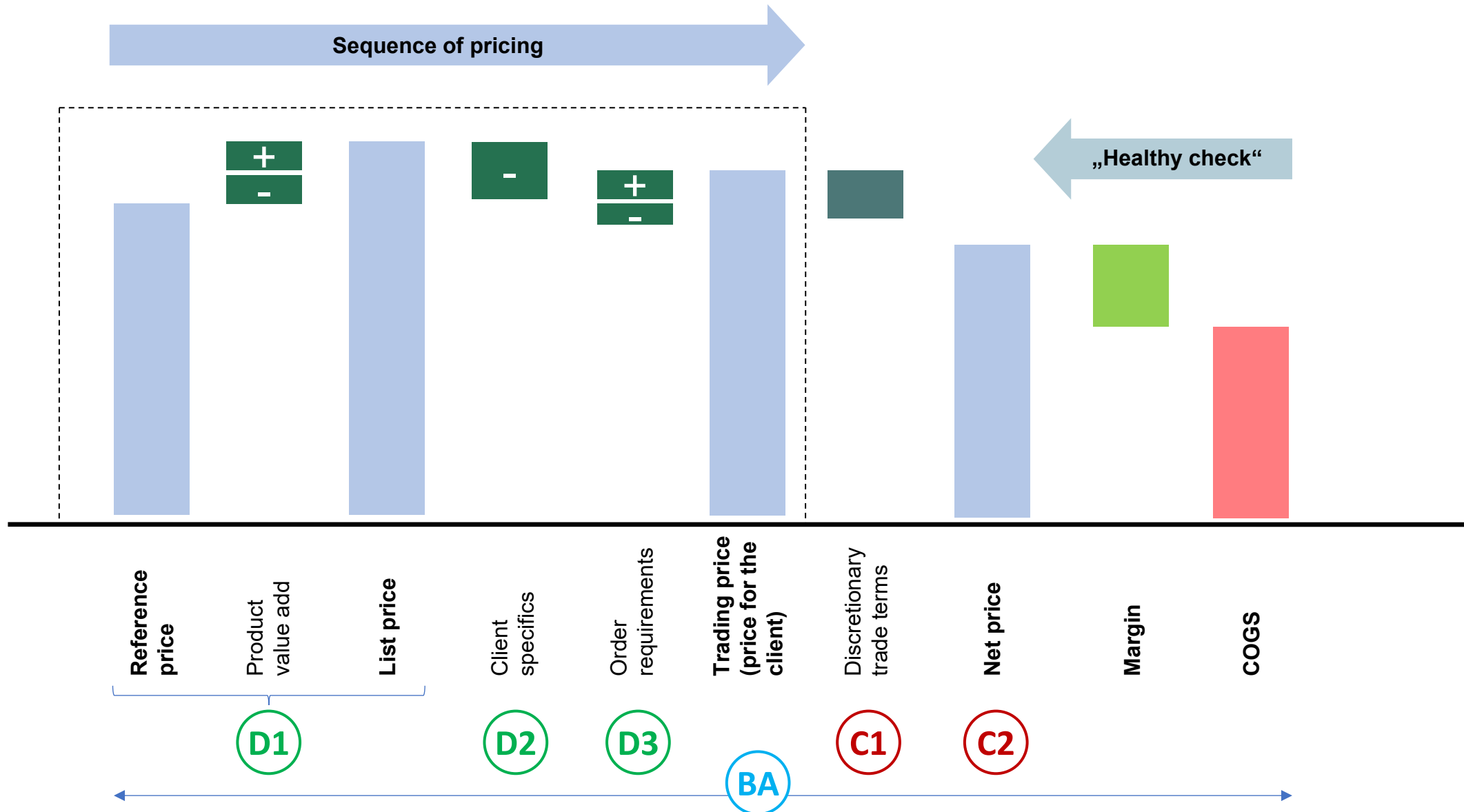
Pricing logic should reflect differences between the clients and their willingness to pay

## Order specific



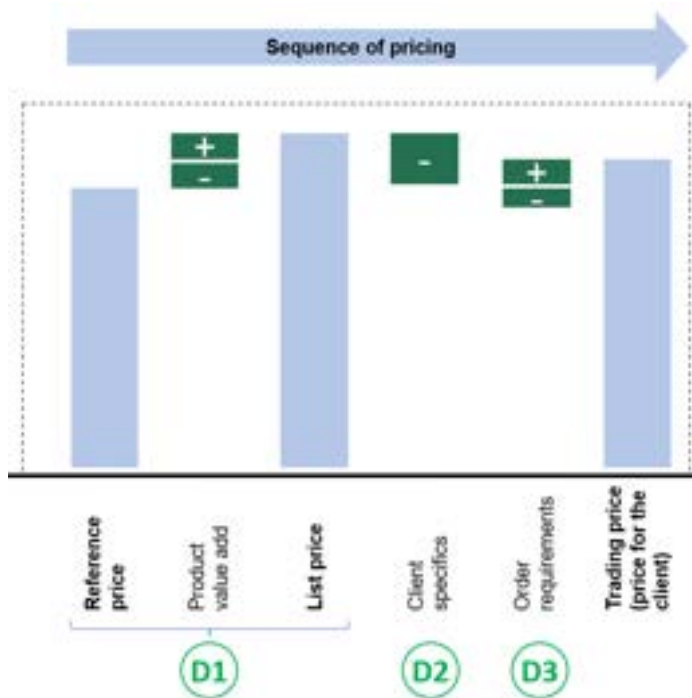
Pricing logic should include and differentiate elements of order and delivery

# Complete formula 3D + 2C + BA -> full control of price waterfall



# Complete formula 3D + 2C + BA -> full control of price waterfall

## 3D part (3-dimensional pricing logic)



**D1** Product logic

**D2** Client logic/  
channel logic

**D3** Order/ VAS  
logic

### Main objectives

- Extracting the value of the product
- Enabling agile price adjustments
- Ensuring process consistency

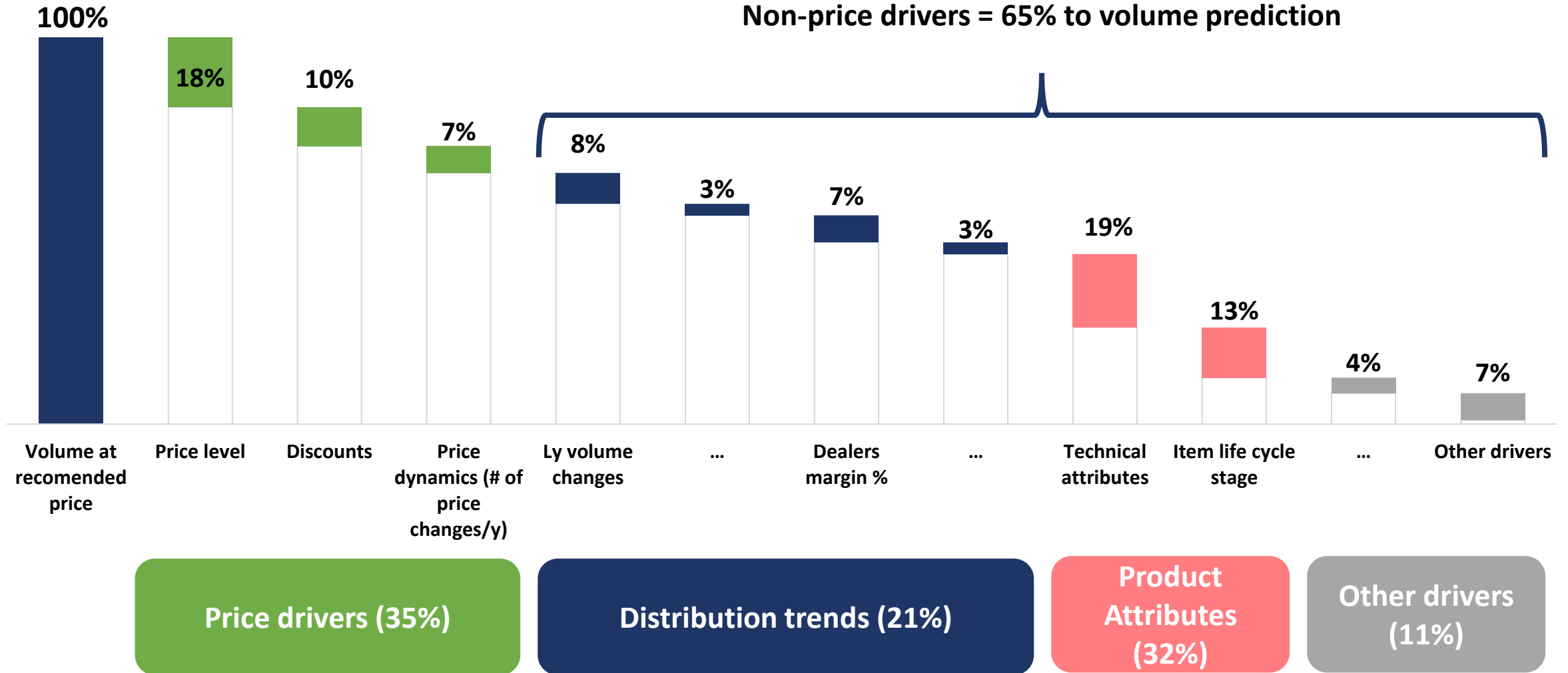
- Avoiding cross-channel conflict
- Incentive for B2B partners to cooperate and develop sales

- Motivating customers to increase purchases
- Rewarding for good behavior
- Protection against "giveaways"

# How important is the price?

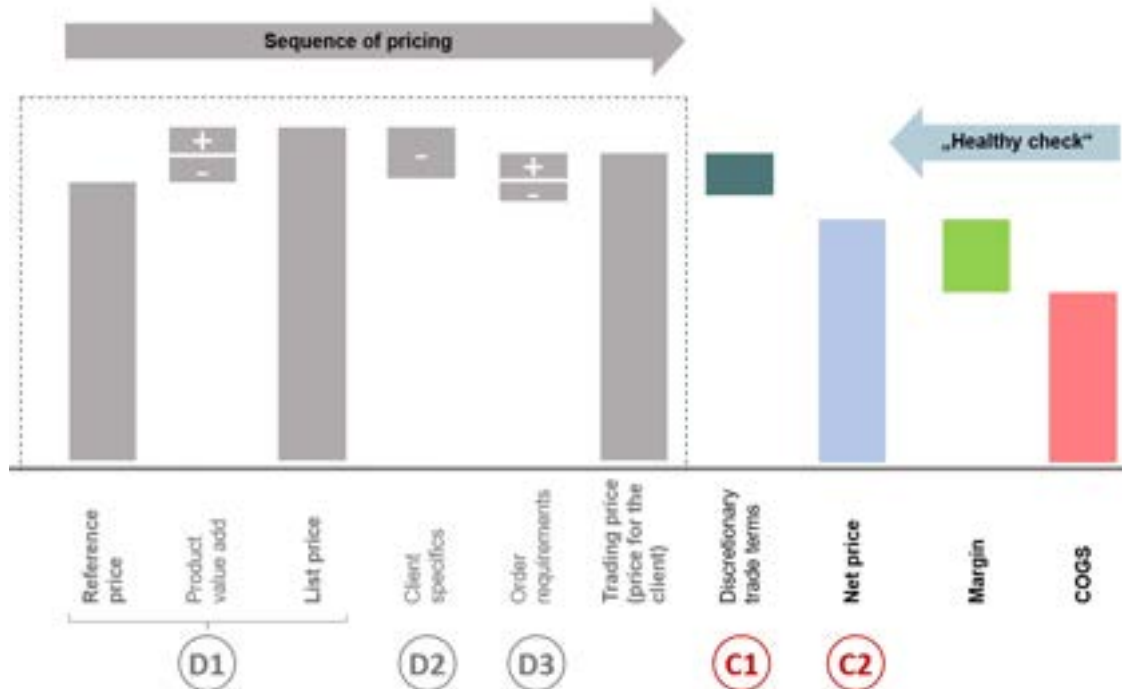
Global industrial manufacturer with >200k items

Non-price drivers = 65% to volume prediction



# Complete formula 3D + 2C + BA -> full control of price waterfall

## 2C part (2 key control mechanisms)

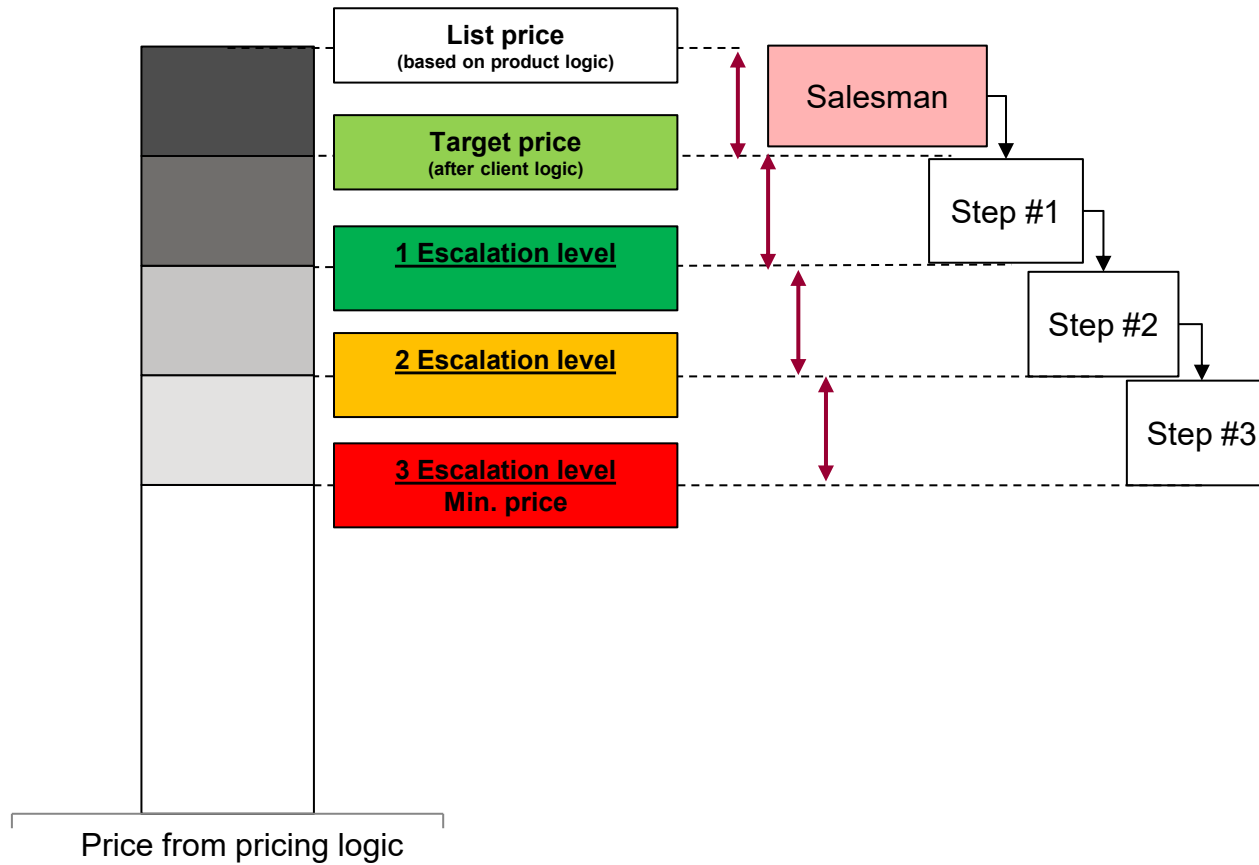


### Main objectives

- D1** Product logic
  - Extracting the value of the product
  - Enabling agile price adjustments
  - Ensuring process consistency
- D2** Client logic/channel logic
  - Avoiding cross-channel conflict
  - Incentive for B2B partners to cooperate and develop sales
- D3** Order/VAS logic
  - Motivating customers to increase purchases
  - Rewarding for good behavior
  - Protection against "giveaways"
- C1** Price exception escalation system
  - Reducing margin leaks
  - Shifting price negotiations within organization to negotiations with customers
- C2** Monitoring price effectiveness
  - Identifying (potential) margin leaks
  - Ability to react quickly and precisely


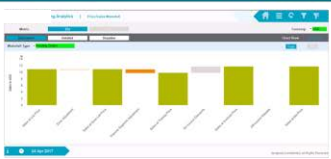










## 2C – control mechanism – price exceptions escalation

B2B example



# Design actionable pricing analytics to derive actionable insights for decision making

Project example

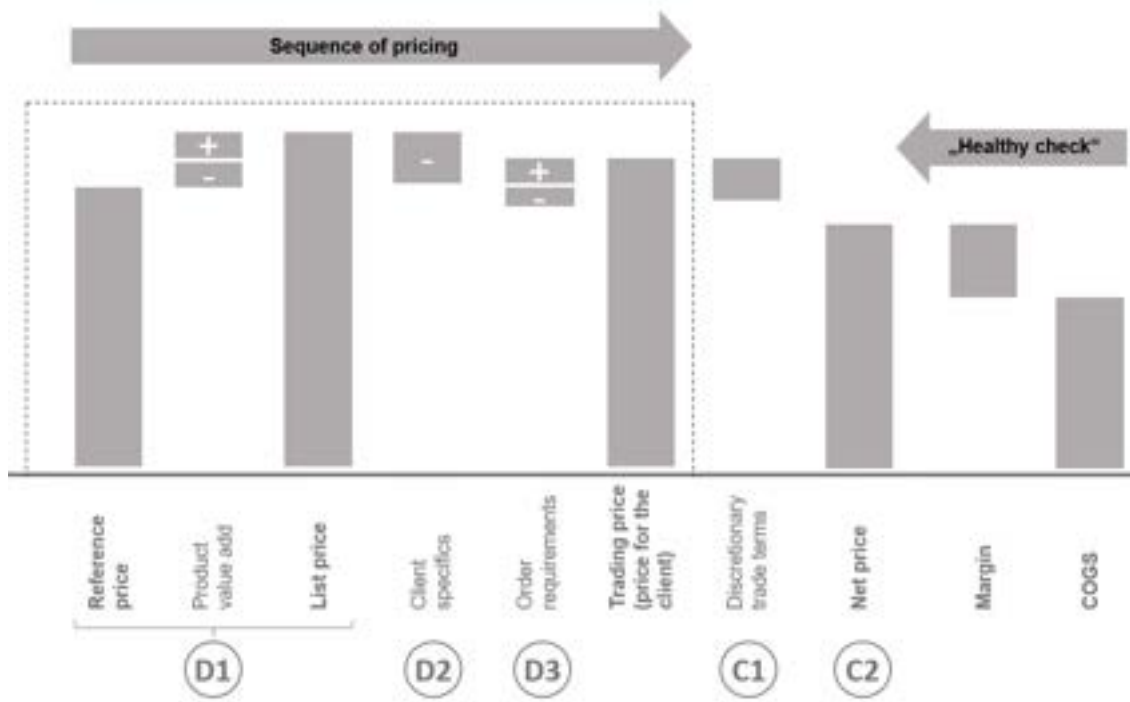
Icon	Type of Analysis	# of views	Example view	Dashboard for example view
	Overall Profitability	...	Price / Sales Waterfall	
	Product Profitability	...	Pareto Analysis	
	Customer Profitability	...	Customer Profitability Analysis	
	Sales Effectiveness for Pricing	...	Margin Variance Analysis	
	Adherence to Policies / Exceptions	...	Portfolio Pricing: Indicative Pricing Gaps	
	Enablers	...	Self Service, Simulation	

As a basic working principle, value lever hypotheses should drive the analyses - each analysis needs to translate into actions & impact

Data changed for confidentiality reasons

# Complete formula 3D + 2C + BA -> full control of price waterfall

## BA part (Benefit/ Value argumentation)



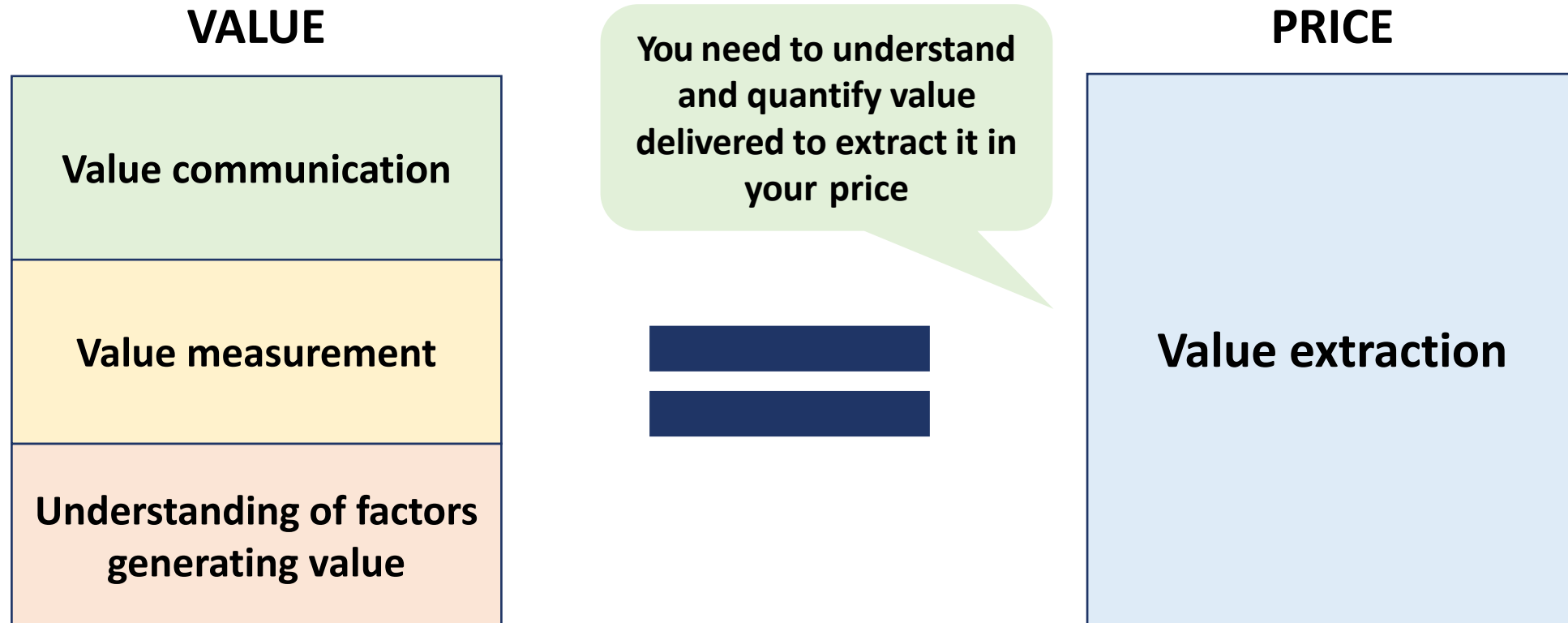
- Effective customer persuasion
- Effective pricing implementation

### Main objectives

- D1** Product logic
  - Extracting the value of the product
  - Enabling agile price adjustments
  - Ensuring process consistency
- D2** Client logic/ channel logic
  - Avoiding cross-channel conflict
  - Incentive for B2B partners to cooperate and develop sales
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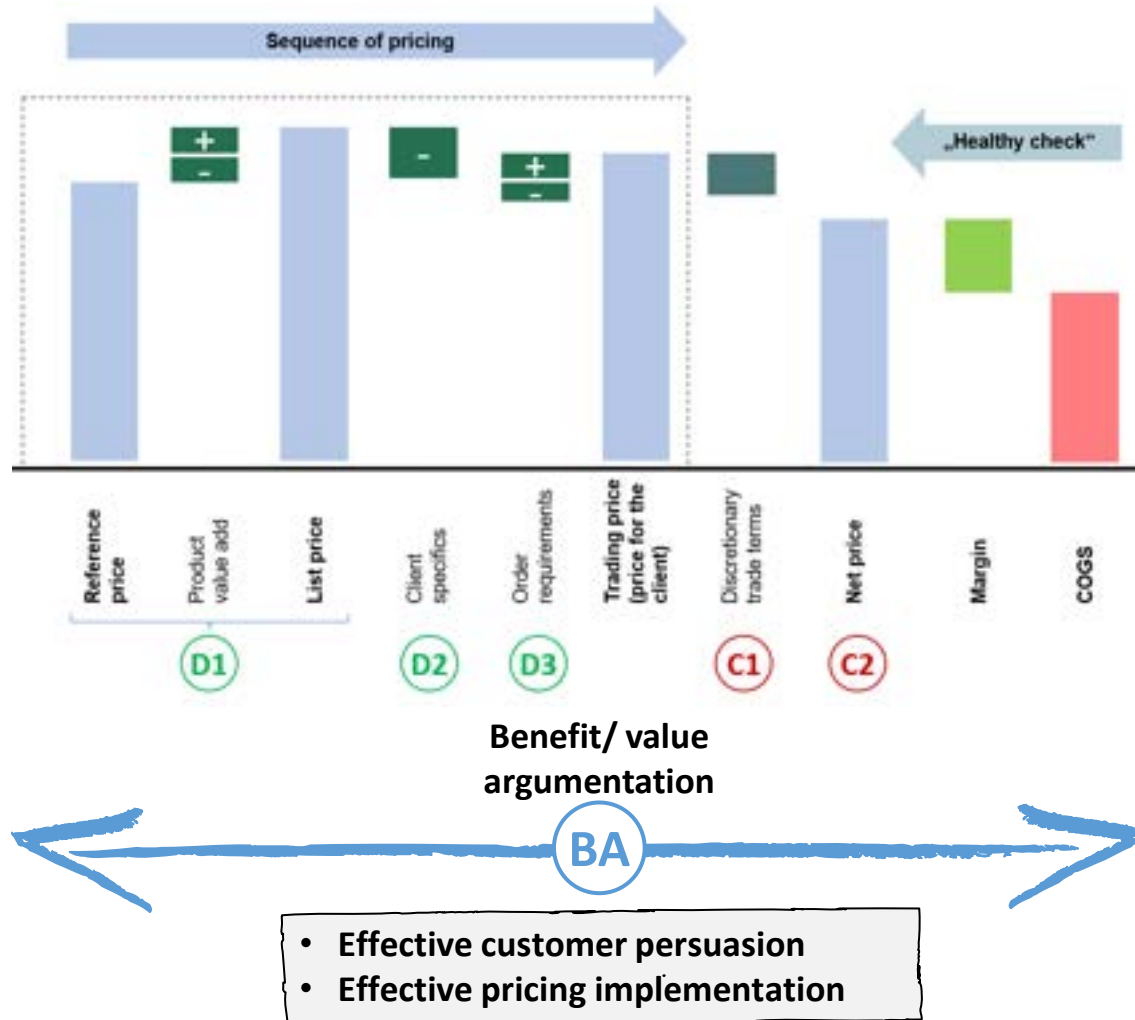
# How to measure and extract the value?

Willingness to pay reflects value delivered by a product/service.



Profit maximization is precise extraction of value delivered through optimal and competitive prices

# Complete formula 3D + 2C + BA -> full control of price waterfall



## Main objectives

**D1** Product logic

- Extracting the value of the product
- Enabling agile price adjustments
- Ensuring process consistency

**D2** Client logic/ channel logic

- Avoiding cross-channel conflict
- Incentive for B2B partners to cooperate and develop sales

**D3** Order/ VAS logic

- Motivating customers to increase purchases
- Rewarding for good behavior
- Protection against "giveaways"

**C1** Price exception escalation system

- Reducing margin leaks
- Shifting price negotiations within organization to negotiations with customers

**C2** Monitoring price effectiveness

- Identifying (potential) margin leaks
- Ability to react quickly and precisely

# What do you do?



Do nothing...

Do "something"...



Do it right...



**Q&A....**

**There is always someone**



**willing to do it cheaper**