

Twitter Thread by Barrett O'Neill



Barrett O'Neill

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11 pricing strategies so effective customers will line up to pay you:

Price Anchoring:

Anchoring is a psychological bias that overemphasizes the first piece of information received.

Here's how its used:

Sellers show prospects a high number and then follow it up with a lower price to increase perceived value.

More value = more sales

The image shows a pricing comparison interface with two main options. The left option is titled 'FULL TRAINING + COMMUNITY SUPPORT' and priced at '\$597 Once-off'. It lists benefits: Lifetime access, 100+ private, HD videos, Private community support, All future course updates, and 30-day money back guarantee. Below it is a blue 'Add to Cart' button. The right option is titled 'FULL TRAINING + ONE ON ONE SUPPORT' and priced at '\$4,597'. It offers 'Get the entire course and updates for life plus 90-days unlimited one on one consulting from Glen and the Detailed.com team. This includes signing an NDA.' Below this is the option 'Pay in installments (\$1,665 x 3)' and 'or'. At the bottom of the right panel is a light blue 'Add to Cart (Once-Off. Save \$400)' button.

Decoy Pricing:

It's common to see pricing options that comes in three's.

One of the options is a "decoy" or a fake designed to increase sales of a cheaper plan.

For example:

The presence of the £1680 plan increases the sales of the £560 because its relatively cheaper.

| | MOST POPULAR OPTION | |
|--|---|--|
| Basic | Pro | Enterprise |
| An entry tool for those new to inbound marketing | An integrated solution for professional marketers | An advanced platform for marketing teams |
| £140 /month billed annually | £560 /month billed annually | £1,680 /month billed annually |
| Required Onboarding £420 | Required Onboarding £2,100 | Required Onboarding £3,500 |
| 100 Contacts + £70/mo per 1k extra | 1,000 Contacts + £35/mo per 1k extra | 10,000 Contacts + £7/mo per 1k extra Have over 500k Contacts? |
| CONTACT SALES | CONTACT SALES | CONTACT SALES |
| Included in Basic: | Included in Pro: Everything in Basic, plus: | Included in Enterprise: Everything in Basic and Pro, plus: |

Freemium Pricing:

Companies allow partial use of their products in exchange for creating an account.

Typically, top features are restricted or the user cannot have their experience ad free.

Free versions are effective at "warming up" prospects to become paid users.

The image shows two subscription options side-by-side. The left option is 'Free' at '\$0.00 /month'. The right option is 'Premium' at '\$9.99 /month' with a 'RECOMMENDED' badge and a 'Try it free for 30 days' offer. Both plans list identical features: Shuffle play, Ad free, Unlimited skips, Listen offline, Play any track, and High quality audio. The 'Free' plan has an orange 'GET FREE' button, while the 'Premium' plan has a green 'GET PREMIUM' button.

Price Reframing:

Divide the monthly or annual prices by the number of days in that period to show the daily price, or smallest number possible.

Also, compare pricing to everyday objects like a cup of coffee to make bigger costs more palatable.

Lower number = less friction.

The advertisement features a white Volkswagen 'up!' car on a red background. Text includes 'Skip two lattes & GET THE up!', 'From \$8 a day\$' (with coffee cup icons), 'BASED ON A 5.94% p.a. COMPARISON RATE', and '\$500 cash back when you insure and finance with Volkswagen Finance®'. A button at the bottom says 'Explore the up! >'.

Charm Pricing:

Prices ending in 9 cause a wire trip in the human brain.

It's been proven that prices ending in 9s lead to ATLEAST an 8% increase in sales.

Consumers will even pay MORE for the same product if the price ends in 9s compared another number.

The image displays six 'SUPER COUPON!' offers arranged in a 2x3 grid. Each coupon is for a different product and includes a price ending in 99, a product image, a barcode, and terms and conditions. The coupons are valid from 4/27 to 5/3/14.

- Coupon 1:** Tide Laundry Detergent, 92-100 fl. oz. btl. Price: \$9⁹⁹. Barcode: 00000187513. Additional Quantities \$11.99 ea. Limit 1 with this coupon & your card. Not to be doubled or tripled. Expires 5/3/14.
- Coupon 2:** Nabisco Oreo Cookies, Selected Varieties, 10-15.35 oz. pkg. Price: \$1⁹⁹. Barcode: 00000187529. Additional Quantities \$2.99 ea. Limit 1 with this coupon & your card. Not to be doubled or tripled. Expires 5/3/14.
- Coupon 3:** Klondike Ice Cream Bars, Sandwiches or Slim-a-Bear, 11-27 fl. oz. pkg. Price: \$1⁹⁹. Barcode: 00000187532. Additional Quantities \$2.50 ea. Limit 1 with this coupon & your card. Not to be doubled or tripled. Expires 5/3/14.
- Coupon 4:** Bakery Fresh Dozen Donuts, Made Several Times a Day, Many Varieties to Choose From. Price: \$4⁹⁹ ea. Barcode: 00000187535. Additional Quantities \$6.99 ea. Limit 1 with this coupon & your card. Not to be doubled or tripled. Expires 5/3/14.
- Coupon 5:** PERDUE 8 Piece Fried Chicken, Award Winning, Fresh Never Frozen. Price: \$6⁹⁹ ea. Barcode: 00000187534. Additional Quantities \$7.99 ea. Limit 1 with this coupon & your card. Not to be doubled or tripled. Expires 5/3/14.
- Coupon 6:** Tops Angus Beef Pub Burgers, Frozen, 2 lb. box, 6-1/3 lb. Burgers! Price: \$8⁹⁹. Barcode: 00000187533. Additional Quantities \$10.99 ea. Limit 1 with this coupon & your card. Not to be doubled or tripled. Expires 5/3/14.

Loss Leaders:

Price certain items below cost to increase traffic/visibility in order to sell higher margin products.

Grocery stores often price milk (a necessity) below profitability.

Shoppers will see/need other items while in the store increasing their total order value.



Dynamic Pricing:

Is a strategy to harmonize supply and demand to maximize profit based on inventory or time availability.

Concert venues, airlines, and hotels employ this approach to ensure they sell all their inventory or get max value for highly coveted tickets/rooms.

Low Fare Calendar: BOS ✈️ FLL Modify

Departs

Boston Logan, MA - BOS to Ft. Lauderdale, FL - FLL

FARE TYPE

Lowest fare ▾

Now accepting reservations through January 5, 2020
All fares are rounded up to the nearest dollar.

\$ Points

| 2019 JUN | 2019 JUL | 2019 AUG | 2019 SEP | 2019 OCT | 2019 NOV | 2019 DEC | 2020 JAN |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|------------|
| Sunday | Monday | Tuesday | Wednesday | Thursday | Friday | Saturday | |
| | | | | | | 1 \$252 | 2 \$177 |
| 3 \$207 | 4 \$119 | 5 \$97 | 6 \$129 | 7 \$252 | 8 \$307 | 9 \$169 | |
| 10 \$252 | 11 \$154 | 12 \$97 | 13 \$119 | 14 \$177 | 15 \$227 | 16 \$146 | |
| 17 \$227 | 18 \$154 | 19 \$177 | 20 \$207 | 21 \$177 | 22 \$287 | 23 \$204 | |
| 24 \$283 | 25 \$248 | 26 \$283 | 27 \$333 | 28 \$283 | 29 \$252 | 30 \$159 | |

High-Low Pricing:

Set an initial high price and then reduce during a sale or discount.

The goal is to create urgency because this GREAT price won't always be available.

The high-price remains visible to keep the perceived value high persuading to take advantage.

VANJAM MEN'S RUNNING SHOES Ultra Light Breathable Walking Shoes Non Slip Athle Fashion Sneakers Mesh Workout Casual S Shoes

★★★★☆ 4,248 ratings | 32 answered questions

Was: ~~\$34.99~~ Details

With Deal: **\$28.89** & **FREE Returns**

You Save: **\$6.10 (17%)**

Fit: True to size. Order usual size. >

Size:

10.5

Appeal to Ethics:

Consumers, especially Millennials and Gen-Z, don't purchase solely on price.

They support companies that share their beliefs and vision for the future.

For example:

Amazon displays certain products as "climate pledge friendly," making price less relevant.

Devices Echo & Alexa Fire Tablets Fire TV Kindle Home Security Smart Home Halo Health



Fire TV Stick 4K streamir Alexa Voice Remote (incl Dolby Vision

Brand: Amazon

★★★★☆ 134,534 ratings | 100

Amazon's Choice for "fire stick"

 Climate Pledge Friendly

-20% **\$39⁹⁹**

List Price: ~~\$49.99~~

& **FREE Returns**

Save 20% with Trade-In

Get \$50 off instantly: Pay \$0.00 upon a Rewards Visa Card.

Product Bundling:

Rather than selling multiple items at different prices it's more effective to combine them into a single offer.

Usually, bundled items complement one another and provide some cost savings.

The convenience and savings of bundled products increases sales.




Buy Now, Pay Later:


Is a short-term financing option that allows customers to purchase a product now, but pay in installments.

It reduces the pain of purchasing by lowering the out-of-pocket cost at the time of checkout.

By 2025 BNPL will be a \$680B industry!


Payments

Pay with card 
Add card details

Pay in 30 days 
Get what you love first

- Pay in 30 days without interest or fees.
- Manage payments in the [Klarna app](#).

[Pay Later Terms and Conditions](#)

3 interest-free instalments 
Auto-pay with your card

Too many businesses don't stress pricing strategy.

The best companies like Apple, Amazon, and Wal-Mart use a well-researched game plan to maximize profit.

Check out..

"10 Ideas on how Pricing Strategies can Improve Growth" by Daman Soni for some great breakdowns.

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[@barrettjoneill](#)

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11 pricing strategies so effective customers will line up to pay you:

— Barrett O'Neill (@barrettjoneill) [August 3, 2022](#)

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<https://t.co/HTTpUtlFHQ>