

PRICING WORDPRESS PRODUCTS



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This isn't about making big \$\$\$

“Business must be run at a profit, else it will die.
But when anyone tries to run a business solely for profit...
then also the business must die, for it no longer has a reason for existence”.

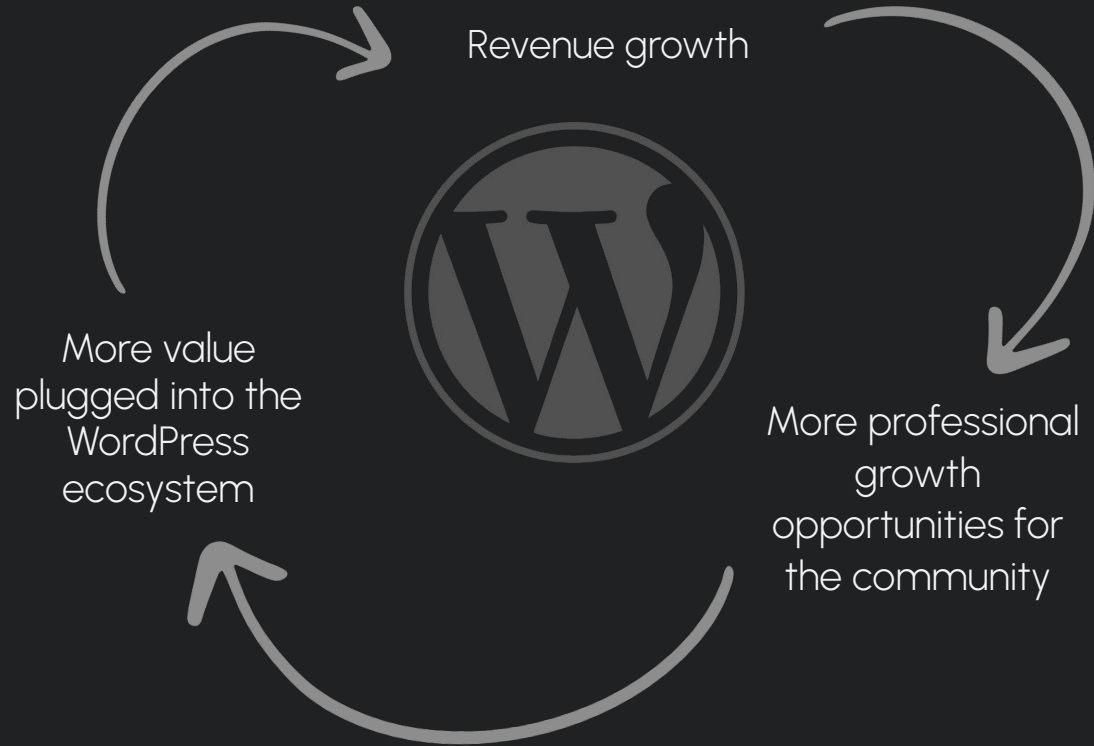


- Henry Ford

This is about finding the right



The whole community benefits from your success.



Not everything will apply to everyone



"The moment you make a mistake in pricing, you're eating into your reputation or your profits."



- Katharine Paine

Your checklist:

- Are you priced for the right value?
- Are your product tiers well-designed?
- Should you do lifetime licenses?
- Should you do special offers and coupons?

Is your price right?



Something as simple as a price tag can change your perception entirely.

Researchers have found that **consumers associate low prices with low quality.**

(Monroe 1971a; Stoetzel, Sauerwein, and de Vulpian 1954).



At higher prices, consumers conclude that products are of better quality so that **purchase likelihood increases.**

(Scitovszky, 1944).



What do you want customers to think
about your product?

"In boldly charging more than our competitors, we advertise to our prospective clients that we have confidence in our ability to deliver high quality outcomes.

As we get better we will charge even more, until we find that equilibrium that captures the appropriate remuneration for the value of our services."



- Blair Enns, Win Without Pitching Manifesto

**You are what you
charge.**





That doesn't mean you should immediately run home and 10x your prices, though.

What is your product's value?



What impact does your product have on customers' sites?

What does it contribute to their businesses?

How much does it change things for them?

What are they willing to pay for it?

How well do you
know your
customers?





Talk to them.

- Create forms for feedback
- Email them, ask for answers
 - Interview them
- Be very specific in your questions

Your current customer will help you understand your future customer.

“We are interested in finding the right customer, at the right price, consistent with our vision and mission, even if that means frequently turning away customers”.



- Ronald J. Baker

Understand your customers, then



Find your profit maximisation point.



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Are your tiers right?

With tiers designed
around number of
websites, you either
need *that* amount, or
you just don't.

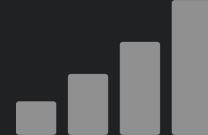
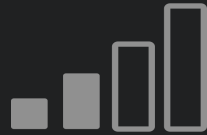
Your tiers should shadow your clients' lifetime journey, not the volume of websites.



Find out:

- How will their needs change as their businesses/sites grow?
- What features are more useful for later in their journey?
- What is most important for the beginning?

Tier meaningfully.



What are your customers willing to pay more for as the value they get out of your product grows?

Customers want a product that just works, for them.

Tier meaningfully.

A product with too many features included in the bottom tier **may actually turn customers away.**



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Should you do lifetime pricing?

The best relationship with a client is a
fair one.



"Price is what you pay. Value is what you get."



- Warren Buffett



In most cases, lifetime pricing isn't a good idea.

- Not great for long-term health of your business
 - Not great for growth opportunities
 - Not great for reselling if you want to



...with a few exceptions.

- If your product is genuinely low in value
- If your target market has a typically short lifetime
 - If you need to get started, fast

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Discounting **rarely** is a good idea.

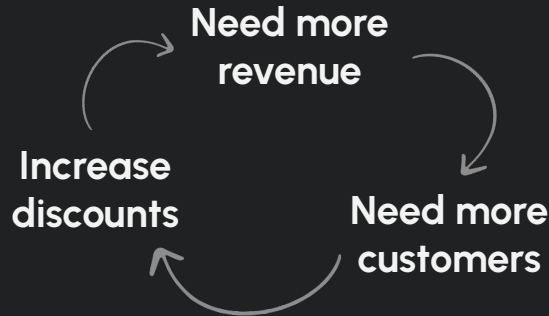
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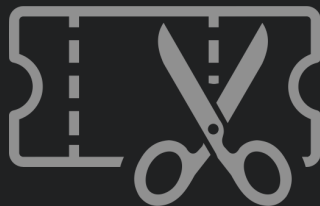
**You are what you
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Discounting too many times:

- Reduces your value perception
- Erodes trust in your product
- Creates a vicious cycle





Tip: remove your coupon field from checkout!

It's probably only creating anxiety!
(how many times have you stopped checkout to see if you find any coupons yourself?)

But discounts are a good idea. Sometimes. 

- Black Friday as your only sale of the year
- Small discounts on remarketing ads / emails
 - Last-ditch scenarios

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Final tips.



When changing prices,
always keep your current
customers in



It's easier to retain a client than to win a new one, so your current clients should always get what they signed up for, no matter what you do.

If you do a great job, you'll still be able to unlock more revenue from them in the long term, with a win/win relationship.

What about your competitors?

For pricing, focus on your **value**, not your competition.

It's rare that you should stop testing pricing.



DON'T

PANIC

"Differentiate with value or die with price."



- Jeffrey Gitomer



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