(00:00):

Offer pricing: the value threshold. Okay. So a lot of people struggle around pricing, and I'm going to just take you through some questions that will help you arrive at a good price. So the first, most important thing is to determine the revenue expectations from this product. Okay. So what is the expectation of revenue that makes it worth it to the customer who's building this funnel, right? Because remember SLO funnels often break even. They don't actually make money. And so if the customer doesn't understand their lifetime value of their customer, doesn't have a value ladder built out and they expect that their SLO is going to make them millions of dollars, you know, you've got a mismanaged expectation. Okay. Sometimes SLO funnels, or Excite level funnels, at the bottom are loss leaders, meaning they lose money, but it is okay because they have a value ladder.

(00:54):

SLO funnels are sometimes profitable as well. And when you look at things like webinars and applications, these are usually the income maximizers, the higher priced things that allow them to make a lot more money more quickly. Now here's an example, a secondary SLO might actually be more profitable than the first, since it only takes one funnel to acquire a customer and then people will continue to buy. An example of this happens in our business. We have two SLO funnels. We have a summit funnel for Ad Gorgeous, and we have Offer Cure. So now that we have both, we, one may not quite make money, but the other one will be profitable because that customer who's now come in is more than likely going to buy our second program. Okay. So you want to know what is the expectation of revenue? Because if they are expecting revenue and then they want to sell something at $27, you might have to adjust the expectations there.

(01:49):

Okay. The second thing you want to ask is what does it cost to make? Now the expenses for selling a digital product are not high. So a lot of people don't think about this, but there are tools to build out customer service and ongoing delivery, right? Coaching, Q&A, what does it cost to manage a Facebook group? Things like that. So if it's a, if it's solely a digital product business, all you have to do is simply track what the monthly expenses are and the business, and then add any new costs associated with the new product being developed to figure out, all right, well, if it's going to cost me $20,000 to make this program, and I have a revenue potential of a hundred, is that worth it to me? You know, that's sort of the question that you're asking. The next question you want to ask is what are competitors selling it for?

(02:39):

So look at the bottom, look at the top. You get no award for being the second cheapest. So that's not a good strategy. So you want to see what is the cheapest and what is the most expensive. There is value in being a premium, as long as your branding and your copy and everything commands that. And there's also a reason to be low ticket as well, and low ticket is really well because it gives people a chance to get tremendous value from you and want to buy again. Now, the next question is what is the value of the product pieces? So all those little pieces and parts, right? What would you sell it for on its own? If you were to break up every single bonus and every single piece, what would you sell it for? What are competitors selling those little pieces for on their own?

(03:24):

How much could that return? How much could that return to the customer in either money earned or money saved in the next 90 to 120 days. This is really trying to figure out value. Your value always wants to be about 10 times higher than the price. So if you answer these questions and you're like, wow, $10,000 of value, then you might sell the program for a thousand dollars. Okay. That's kind of how that works. So here are some common pricing milestones. So first, anything from zero to $50, these are some of the things you want to think about, right? How long can you still be profitable with ads? Are you willing to break even or lose money? Things that work well, here are all DIY, nothing high touch. You can see the most common prices we see are 17 to 47, but here's some other options that we've seen work as well.

(04:15):

From 50 to a hundred these are great prices for OTOs or higher end templates, masterclasses. This, this price point is not going to work for the main offer in an SLO, okay, this will work for a launch or it will work for an OTO. Okay? But this is kind of that weird pricing where, you know, it's too high for an SLO too low for a webinar. You can see here, this is a lot of the common, but you can also see these other options now, right here. This is another area where it's a little bit gray, right? It's a great pricing for a pressure launch for courses, but it's still a little cheap for a webinar and too expensive for sure for a main offer on an SLO. You might have a popup Facebook group here, or some Q&A. This is great for offers that aren't fully comprehensive, but still focused on understanding one specific topic deeply.

(05:05):

So think about Webinar Gorgeous. It fell right in this price range. You can see here. These are the common, most common options. And here are a few others. Now, once you get to 500, this is a classic price point for a pressure launch of some sort of business in a box type program. It can also be the price point for a group coaching. If you are a business to customer, okay - not business to business but business to customer - can be sold in a launch or with a webinar. You can see the most common pricing obviously is 497. Then notice that we jump here in this box. I didn't spend a lot of time at the $697 to $897 price point because it's a hard price point. Don't really encourage it unless you have a really good reason to do so. So you can see here, this is a classic price point for a pressure launch or a business in a box. It can be the price point again for group coaching if you're B2C and sold with a launch or webinar.

(05:58):

Okay, then you look at the $2,000. What is the difference between these two and at 2000, your course program is most likely a revenue generator for the customer. You might be selling some sort of coaching in the premium personal development space. You can sell this in a launch with a webinar, or you might have to do a sales call. And these are the most common prices. And now we are solving level five problems in your customer's life. That means these are, these are programs that are really solving a high level problem. All of them are sold on a webinar to an application or in an application funnel. They can also be sold at an event in inside an Ascension offer. So if you have an event and you want to sell something, you can sell it in person.

(06:44):

And these are usually longer term offers. You can see here at this price point, you can get 2997, 3997, you know, but once you get here all the 997 sort of disappear, and it's now just, you know, flat rates. So let's talk a little bit about pay plans and tiered pricing, and continuity. Pay plans are done for some, for the following reasons: you want to drive up conversions on webinars, you're trying to help the risk averse customer who feels like "ahh I'm not sure", you want to create more affordability and get, you know, more people to be able to afford it, or you need a plot twist at the end of a launch. And this is a classic thing that people do where they reveal a payment plan, a more extended pay plan at the end of the launch to tip people over the edge.

(07:32):

Now, tiered pricing is different. This is when your offer has two different offers kind of inside. So if you're in a launch or you're in a, some sort of presentation offer where there are two or three different levels of service that would require tiered pricing, or if you're selling continuity and you want to offer a better value for a six or 12 month membership paid in full, okay, so that's tiered pricing, continuity pricing is done when you want people to be able to pay month to month, and you want the access dropped if you stop paying. So let's look at some pay plans. I don't recommend pay plans at these price points. Now, you know, if you're selling a $97 product to a customer base, you know, QVC sometimes does pay plans at that low, but you know, typically no pay plans.

(08:21):

Here's where you can start a pay plan, I showed a couple of different options. If, if your price is 147, you could do a four pay of 49. You can see these different sort of options. I'm always careful of what the pay plan price point is. I'm trying to like not go over certain thresholds. You can see this one I'm trying to keep under 50. And these two, I'm trying to keep under a hundred. When you get to a $500 price point of an offer, you can see here, this will keep your payment plan under, under 50 bucks. This one will keep it under a hundred in this one. This'll keep it under 200. Same thing here with a thousand this is keeping it under 500, under 200 and under a hundred, same thing here. You can see the different price points that we recommend. Okay. Once you start to get here you'll notice that a lot of the pay plans would just be, you know basically like this is a classic example for $25,000 program.

(09:20):

It's a $5,000 deposit and 10 payments of 2000. If you have a $12,000 program, that's a year long, it could be a thousand dollars a month, et cetera, et cetera. All right. So let's talk about a couple of ideas for tiers. So if you have two tiers, right, this would be an example of a VIP tier. You have a program it's 497, and you want to offer a VIP experience. In this case, you really just want to focus on selling this. This is where all of your energy goes. And then when they get to check out, they can see that there is an additional experience. You sort of explain it here on the stack, what makes it different, but this is really what you're focused on. Okay. The point of this tiered pricing is this is a price anchor to make this feel really valuable.

(10:04):

Now the best deal, tiered pricing is a different model. This is where you have maybe just a hundred dollars difference. And in this case, you're selling the best deal, which is like, you're going to get so much more in value for just a little bit more money. Okay? And this case, you really focus on selling this one. And this is the down sell option to prevent people who are like, ah, there's a little much. Okay. So that's sort of the, you can see the psychological difference in how you would treat these two that are both tier pricing. Now, what if you have three? So if you have three prices, this one you want to S you want to stay right here in the middle. You want to focus on selling this offer. This is the basic, this is the down sell, and this is the price anchor.

(10:52):

This is the VIP experience. And this really pushes people. And the point is, you're trying to push people into the middle. Okay? Now this is another option where you have this right here which is your regular offer, but then you do something awesome where you give the VIP experience, basically for the same price as the regular, the point really here is to just sell. This is really just a marketing sort of sleight of hand, because this is really just a two tiered pricing, but because of the way you present it, it feels like you're giving, you know, a crazy offer, crazy value here. So that's kind of, like I said, it's like a marketing sleight of hand where you sell this for 497. And so that, that creates more value. And then this is the downsell, okay.

(11:46):

Now continuity pricing best, you know, best practices month to month. It's going to be more expensive, but if you pay in full for the year, you're going to give it a less price, you know, less per month. So that's classic example of continuity pricing, and you can see here, if you want to do a trial, this has always worked well when you do a trial to a little bit more expensive per month, or you can give them a super big discount if they pay for a year in full. Okay? So these are just some different pricing models that you can work off of. The other thing you can do with continuity is you can buy this product, right? Buy this course for 997 and get one year free inside the membership. Okay. I did that with my program, TDG. A couple of things to watch out for on pricing, watch out for lifetime access, better to give unlimited access, not lifetime. And be careful on giving unlimited for any group or live components because that's gonna not go well for you.

(12:47):

So those, these should always have a time limit, whereas content can have an unlimited, be careful there's no continuity allowed on order bumps. Okay. Really important if you're a power launcher this was back, this is actually a slide from Launch Gorgeous, do not try to sell continuity on order bump. And remember price hike remorse is real. When you sell something for a higher price and nobody buys or a few, the worst is when a few people buy and then you want to lower the price and you don't want to hurt the people who bought at the higher price. This is why I like starting at a little bit of a lower price and then raising it. It also gives you the chance to tell people you're going to raise the price. And that is a great urgency play. Okay. And watch out for when you're offering high touch, be careful. These are time-sucks. And if you have not answered the question in terms of like, what is it going to cost me to do this? You may under-price yourself.