

Increasing Your Price

Coaching Questions

Why did you originally set your price where you did?

- It is normal for you to undersell yourself when you first get started in business. Setting your price can be a very difficult thing to do. It happens for the following reasons;
 - Lack of experience. This might have been your first time setting a price. And pricing something is difficult, even for those much more experienced. So you didn't understand your value, customer perceptions, or all of the other hundred things that play into your pricing.
 - Lack of confidence. You had just started your business, so you didn't know if it would get off of the ground. You were in a vulnerable time where you wouldn't have had a lot of confidence as you didn't have a lot of customers. Now that you know that you can secure customers and that you are good at what you are doing, you have the confidence to price correctly.
 - Lots of unexpected costs. Most businesses have a lot of hidden costs that you simply would not have seen until you got started. Now that you are up and running, it is easier to anticipate costs, but just as importantly to anticipate the miscellaneous costs.
- Now that you are re-setting your price, let's make sure that you don't fall into any of these pitfalls again! Keep them top of mind. Know that these are things to avoid. Knowledge is power, so you won't do the same mistake twice.

Are you adding enough value?

- You always need to over deliver for customers. By changing your price, you have negatively affected their expectations and perception of you. You need to wow them all over again. When using this module, make sure that the additional perceived value that you are giving them is less than the price increase. You need to balance this change that you have given to them.

Why do you think that you need to change your price?

- What is the trigger that has caused you to reconsider your price?
 - Is it customer feedback?
 - Is it a competitive analysis?
 - Is it the hidden costs you didn't account for?
 - Is it that you need the margin to scale your business?
- Prior to doing all of the work in changing the value and the price that you are delivering to your customer, make sure that you are doing it with good reasoning. Now also harness where you got this information.
 - If you got it from customer feedback, are you asking them what they think about the new offering?
 - If you got it from a competitive analysis, are you positioning yourself in your marketing this way?
 - If it for the hidden costs or to scale your business, how do you position this to customers so that they benefit from this? For instance, if it is for more locations, will this be more convenient for them? Try to feed your motivation for change into your strategy. If it is hidden costs, can we have tiered pricing for those that don't have the hidden costs applied to them (like customer service costs).

Could you have two prices?

- Maybe you aren't increasing your price at all. Maybe you are actually finding a new target market.
- By keeping the existing price, you will continue to retain the lower budget clients. You might want to figure out how to automate or scale that part of your business, but also making sure that you aren't providing additional value.
- For the higher price, you now can justify that this is clearly different than what you were offering before. This might entice new clients to your business, without losing the existing clients.