

Episode 104: Getting a premium for your product.



So, how do people like Apple get a premium price and get people to buy?

Attending an AMA lunch, I heard 9 ways to give your offering a premium price and get someone to buy it.

See the website <http://theadaptivemarketer.com/> for more.

1. **Sell the experience** – too often we communicate what our solution does and not the experience the user will get. In other words, don't sell a bed, sell a 'good night's sleep'.
2. **Appeal to the emotions** – people make decisions all the time based on emotions and not facts, exploit that. Think about a mother who loves her children - she always gives them a better type of fast food.
3. **Align price with value as seen through customer eyes** – If something could save you \$1000, how much would you pay for it? Probably not \$1000 but probably a lot more than \$100.
4. **Goldilocks product portfolio strategy** - good, better and best. Too many companies have just two products when they really need three. With two they buy the cheapest, with three they go for the middle one.
5. **Packaging** – wrap it in something nice and they will pay more, either because you made it look better or you include something else they want. You can bundle products together for close to the combined price and make money on savings.
6. **Understand the intangibles** – here you can look to exploit branding and message that supports a higher price. Give your product a name or branding of another, more expensive product, and get some of the value of the product to rub off. But you risk the lower value product damaging the better brand.
7. **Free and Fee** – Today many services, even things like Spotify, come in free and fee based versions. Build the chargeable version and then take some of the functions out. Make that the free version. It's better to have something for people to upgrade to than nothing at all.
8. **Produce a niche product** – often the best way to get a premium price is to be first to market with a product. When there is no choice, then you can in theory charge what ever you want or more likely, what people are willing to pay.
9. **Empowered employees** – many people buy Apple because of the service they get in the Apple store. Their Geniuses are often empowered to spend up to \$100 to fix your problem, no questions asked. That's not something you will see in Best Buy.

Bottom line: Getting a premium for your product or service is possible but think through how you might achieve that before you build the offering, not afterwards.