

# POSITIONING AND PRICING FOR THE UK MARKET

## BSCC WORKSHOP



## WHO'S TALKING TO YOU TODAY



### Emma Cook

Emma is a business strategist with deep industry and business insight backed by more than 20 years experience working for large multinationals across Europe and Asia. Throughout her career, Emma has defined and implemented successful profit improvement strategies in pricing, customer experience, sales and product management. Today she owns a boutique Consulting company The Value Venture, and applies this knowledge to guide her clients, from multiple industries and of all sizes, through the exciting journey to sustainable and profitable growth.



# AGENDA

## 1. Introduction: Positioning and Pricing to Enter the UK Market

- The importance of the Value Journey

## 2. Making your Marketing Work

- Understanding the needs of your market
- Getting your Value Proposition right

## 3. Positioning your Price

- Key components of Value Based pricing

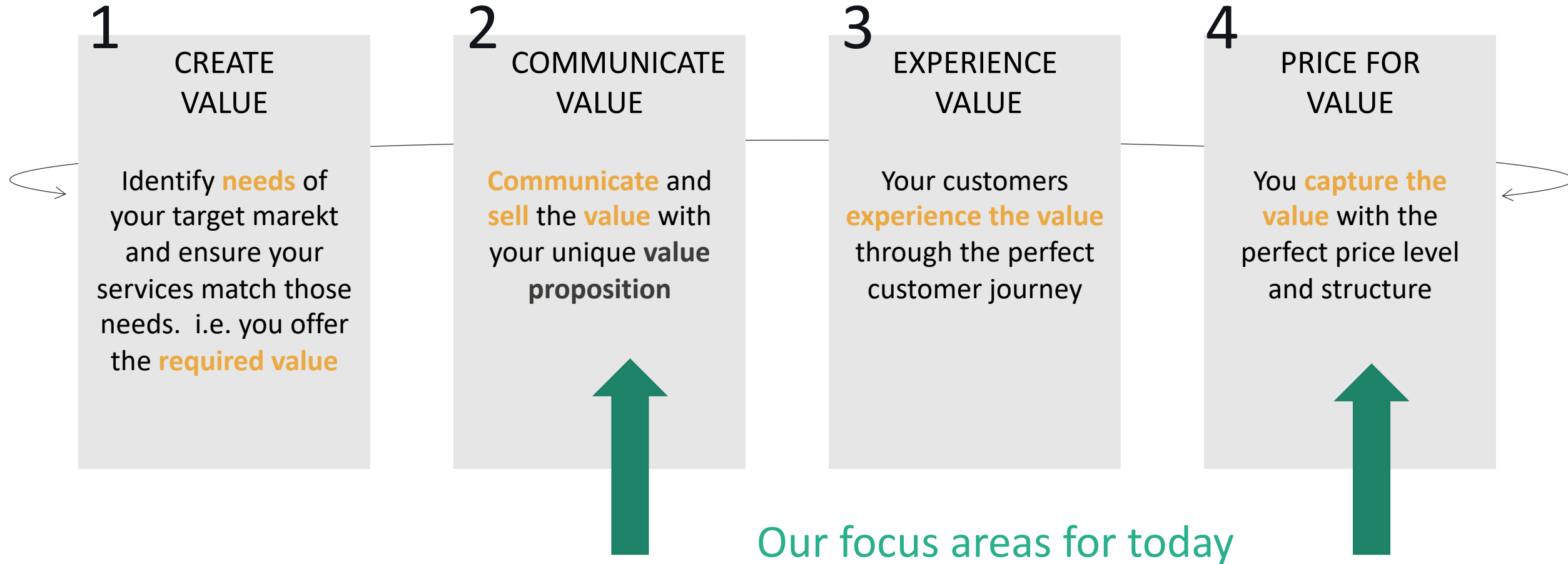
## Workshop

- a) Creating a plan for success!



# HOW TO POSITION YOURSELF SUCCESSFULLY IN A NEW MARKET

## CRITICAL STEPS IN THE VALUE JOURNEY



# VALUE CREATION

THIS IS WHAT YOU LIVE AND BREATHE – YOUR PRODUCT OR SERVICE.  
CHECK THE FOLLOWING QUESTIONS FOR A NEW MARKET:

1

Identify need and  
**ensure** your  
services match this  
needs

- Have you very clearly identified your perfect target audience - those that have a true need and willingness to pay?
- Do you know what the audience truly values, what will help them succeed?
- Are you selling features that your audience really require or are you making assumptions? What market research do you need?
- Do you understand the market conditions and competitor environment in sufficient detail?



# VALUE CREATION

## IT SOUNDS OBVIOUS BUT.....

1

Identify need and  
**ensure** your  
services match this  
needs

Unfortunately, the **Glass failed** because the creators neglected to define and validate the users and what problems it was solving for them. Instead they assumed the product would sell itself even without real solutions or value, that its hype would be enough to appeal to everyone. Aug 2, 2018



# VALUE COMMUNICATION

MESSAGING MUST FOCUS ON CUSTOMER NEEDS, WHAT PROBLEMS YOU SOLVE AND HOW YOU DIFFERENTIATE

2

**Communicate and sell the value with your unique value proposition**

- Are you communicating to the right people, in the right places, at the right time?
- Does your communication clearly and consistently explain:
  - The customer needs that you meet or the problems that you solve?
  - Your specific points-of-difference? Why buy from you?
- Do you have quantifiable data / case studies to showcase your value?



# VALUE EXPERIENCE

CUSTOMER EXPERIENCE IS EXTREMELY IMPORTANT IN THE UK MARKET – EXPECTATIONS ARE HIGH

3

Your customer  
experiences the  
value through the  
perfect customer  
journey

- Are your customers experiencing what they want to experience at every touch point?
- Does your customer experience live up to the price you charge and the image you portray?
- How do you measure success at each step of your customer journey?
- What is the story existing customers will share with potential customers regarding your brand experience?

7 out of 10 U.S. consumers say they've spent more money to do business with a company that delivers great service.

[American Express 2017 Customer Service Barometer](#)



# VALUE BASED PRICING

GETTING THE PRICE RIGHT FOR THE UK MARKET NEEDS A THOROUGH UNDERSTANDING OF CUSTOMER VALUE AND RELEVANT COMPETITION

4

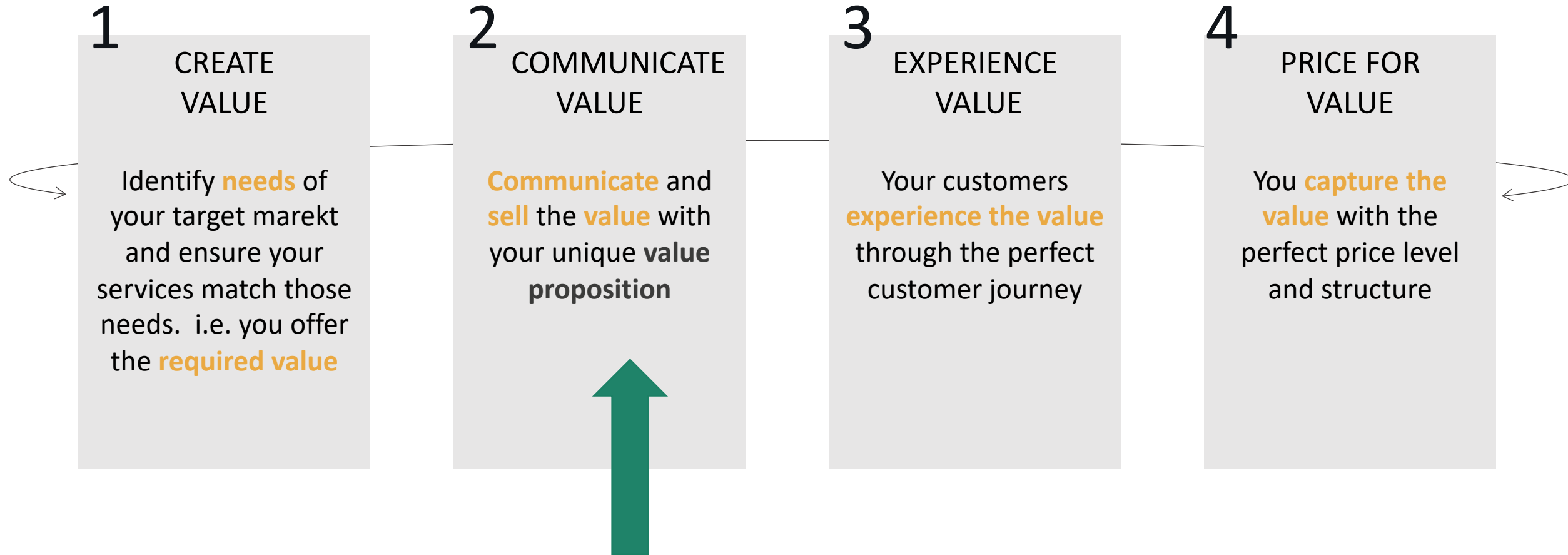
You **capture the value** with the perfect price level and structure

- What is the relevant market price for your products?
- Do your price levels reflect your differentiated value ?
- Does your price structure allow you to optimise price by customer need or customer type?
- Are your prices based on knowledge of customer willingness to pay?
- Do you understand customer and product level profitability?



# HOW TO POSITION YOURSELF SUCCESSFULLY IN A NEW MARKET

## CRITICAL STEPS IN THE VALUE JOURNEY



# VALUE COMMUNICATION

**WHAT IS A STRONG VALUE PROPOSITION  
AND WHY IS IT SO IMPORTANT?**



# LESS THAN 20% OF THE BUYING PROCESS INVOLVES DIRECT INTERACTION WITH SALES TEAMS

And some other interesting facts....

Potential customers may be well over **60 %** of the way through the decision making process before they contact you

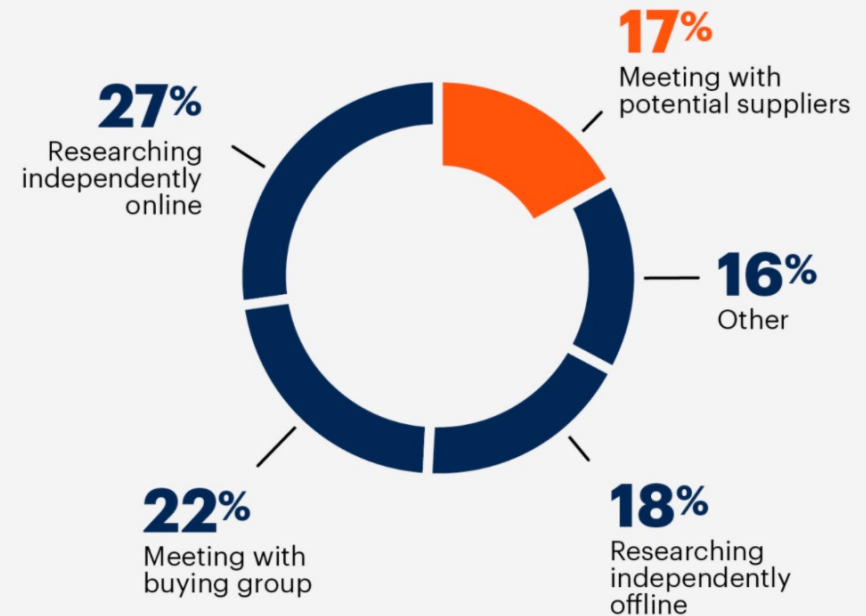
**84%** of execs are use social media & **56%** of buyers use linked in when making purchasing decisions

94% of marketers use social media for content distribution. (SEMrush, 2019)

Video has become the most commonly used format in content marketing, overtaking blogs and infographics. (HubSpot, 2020)

(Source: <https://www.hubspot.com/marketing-statistics>)

## Distribution of buying groups' time by key buying activities



n = 750 B2B buyers  
Source: Gartner  
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**Gartner®**

# WHAT IS A VALUE PROPOSITION?

In its simplest terms, a value proposition is a positioning statement that explains **who you are, what benefit you provide for who and how you do it uniquely well...**

Who are we and what do we do?

Who are our target customers ?

What customer needs do we meet? What problems do we solve?

Why are we unique – why buy from us

# WHAT MAKES A GOOD VALUE PROPOSITION



**CLEAR** – It is easy to understand



It communicates **SPECIFIC** results the customer can expect



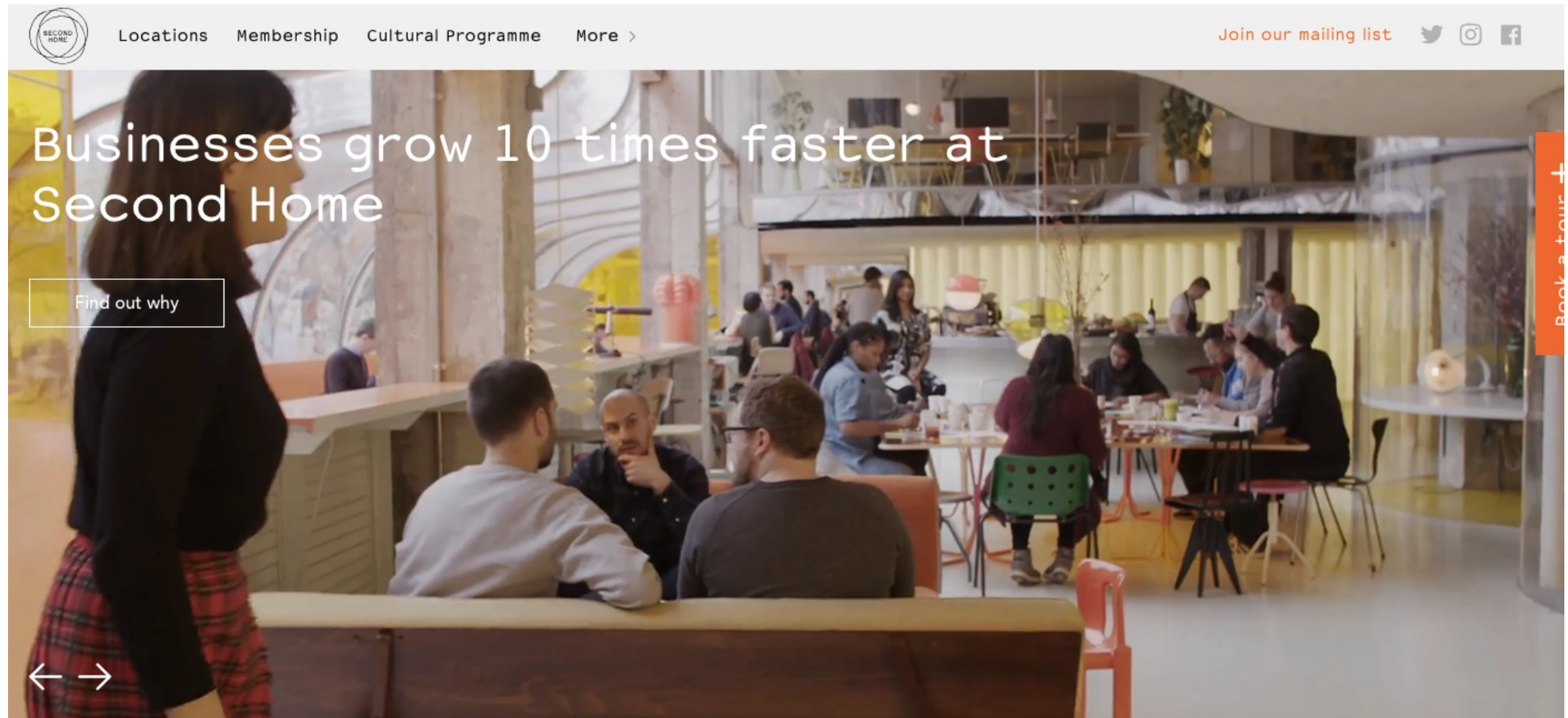
It will explain your **UNIQUENESS**



It can be read and understood **FAST**



# SOME GREAT EXAMPLES OF VALUE COMMUNICATION



Locations

Membership

Cultural Programme

Social Impact



## SOME GREAT EXAMPLES OF VALUE COMMUNICATION



# Want to make your site better?

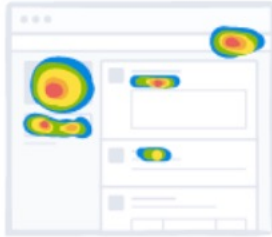
Find out by seeing how users click and scroll through your website

[Show Me My Heatmap](#)[Tell me more](#)



# SOME GREAT EXAMPLES OF VALUE COMMUNICATION

Crazy Egg is like a pair of x-ray glasses that lets you see exactly what people are doing on your website.



Like, showing you where people are clicking... and where they aren't.



Or how many people scroll down your pages (and where most people stop).




Or where those people are coming from to begin with, and who clicks on what the most!

*"CrazyEgg: Like a pair of x-ray glasses"*



# SOME GREAT EXAMPLES OF VALUE COMMUNICATION



With Crazy Egg you can...

- ✓ Get priceless insights for high-ROI changes
- ✓ Use your web budget way more effectively
- ✓ Make a great case for prioritizing your redesign
- ✓ Speed up your user testing & analysis process
- ✓ Show your boss your changes worked
- ✓ Enjoy more conversions and better engagement

## Is it easy to set-up?

Heck yes, it is! In fact, it takes just a couple minutes, and can even be done with zero technical knowhow.

## Is it relatively inexpensive?

It's that, too! When compared to eye tracking or user testing efforts that cost thousands more, it's a complete no-brainer.

*CrazyEgg's value proposition, answering intuitive FAQ's with active diction*

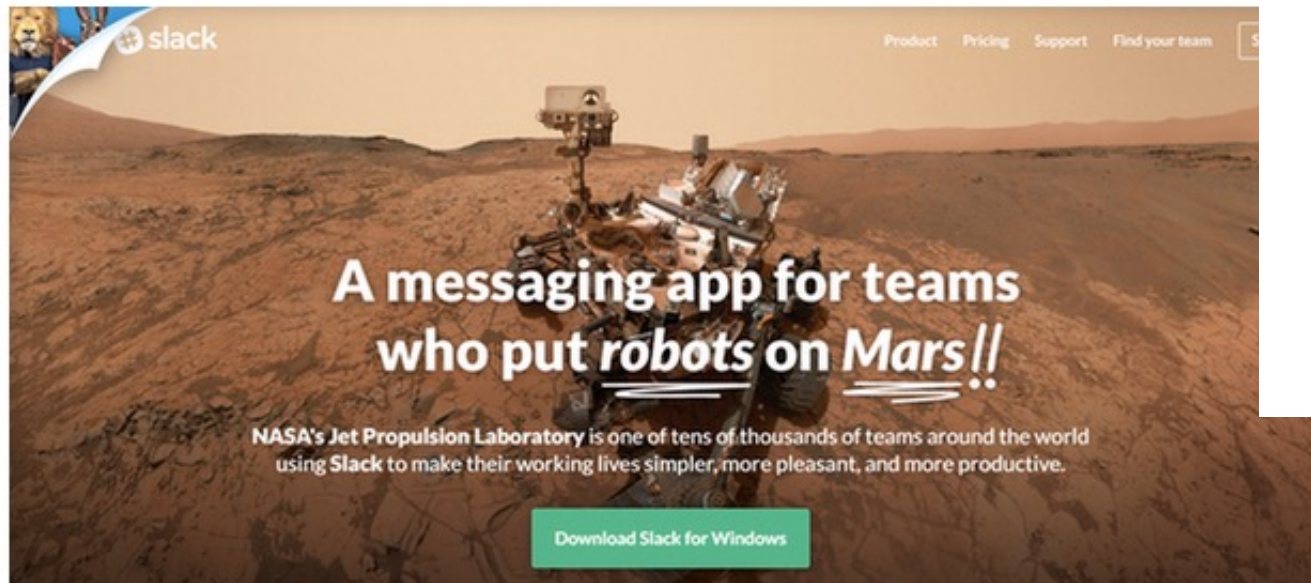
## SOME GREAT EXAMPLES OF VALUE COMMUNICATION

### 4. Slack – Be More Productive at Work with Less Effort

The world seems to be divided into two types of people; those who love Slack, and those who haven't tried it yet. For the uninitiated, Slack is a workplace productivity and messaging app. It's deceptively simple to use, yet robust enough for large teams working on complex projects (as evidenced by Slack's very clever inclusion of the NASA Jet Propulsion Lab example on the homepage), so what sets Slack apart from the thousands of other messaging and [productivity apps](#)?

## Where Work Happens

When your team needs to kick off a project, hire a new employee, deploy some code, review a sales contract, finalize next year's budget, measure an A/B test, plan your next office opening, and more, Slack has you covered.

[GET STARTED](#)

Already using Slack? [Sign in.](#)

## VALUE PROPOSITION CREATION GUIDE

ASK OURSELVES THESE QUESTIONS TO CREATE A STRONG VALUE PROPOSITION:

1. **WHO** are we and what do we do, what do we stand for?

2. **WHO** are our customer? What are their needs / problems / objectives/ How do they define success ?

3. **HOW** do we meet their needs /solve their problems ?

4. **HOW** do we do it better than the competition ?

5. **HOW** do we quantify our value?

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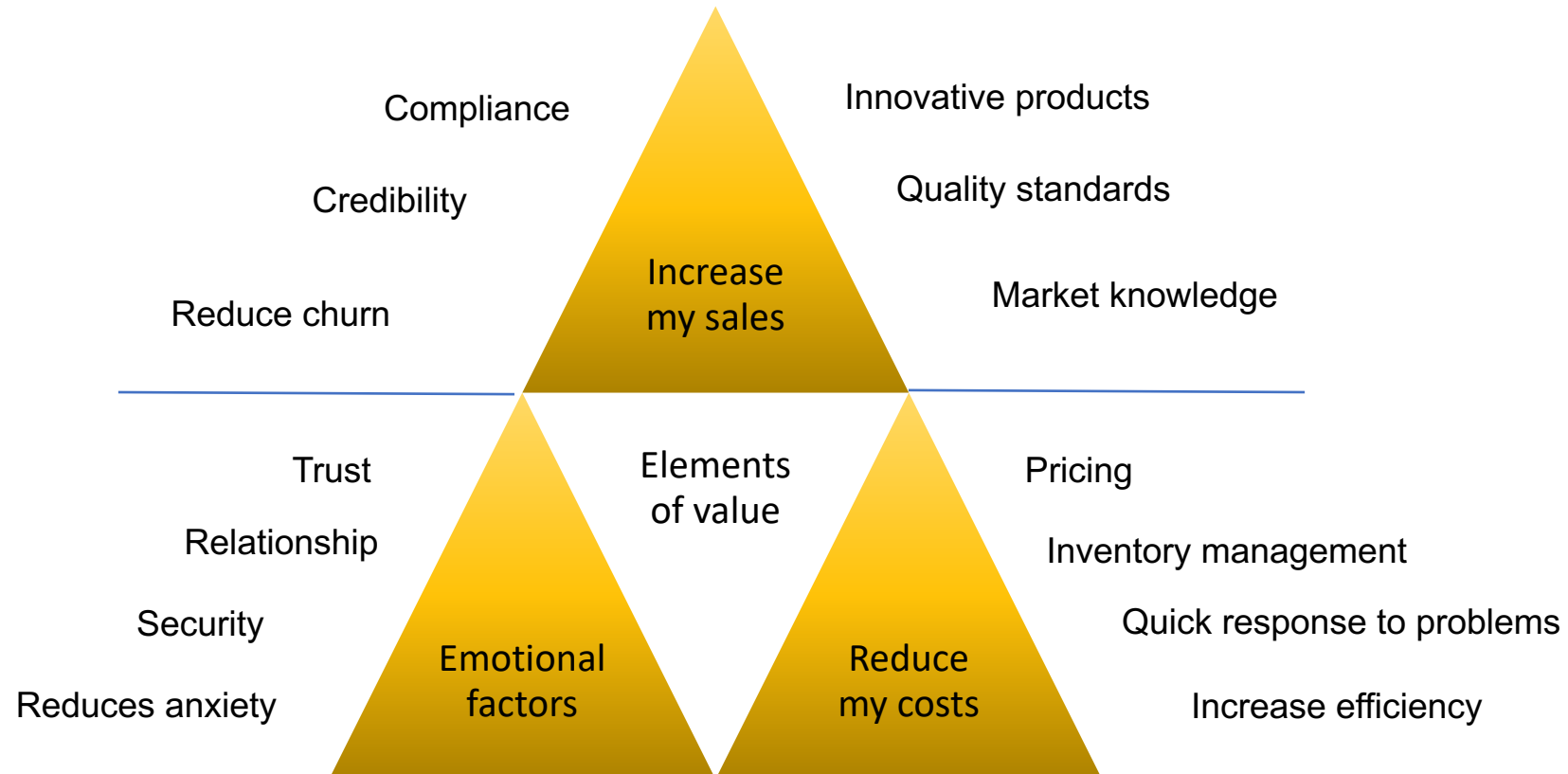
IT NEEDS TO BE VALUE FOCUSED

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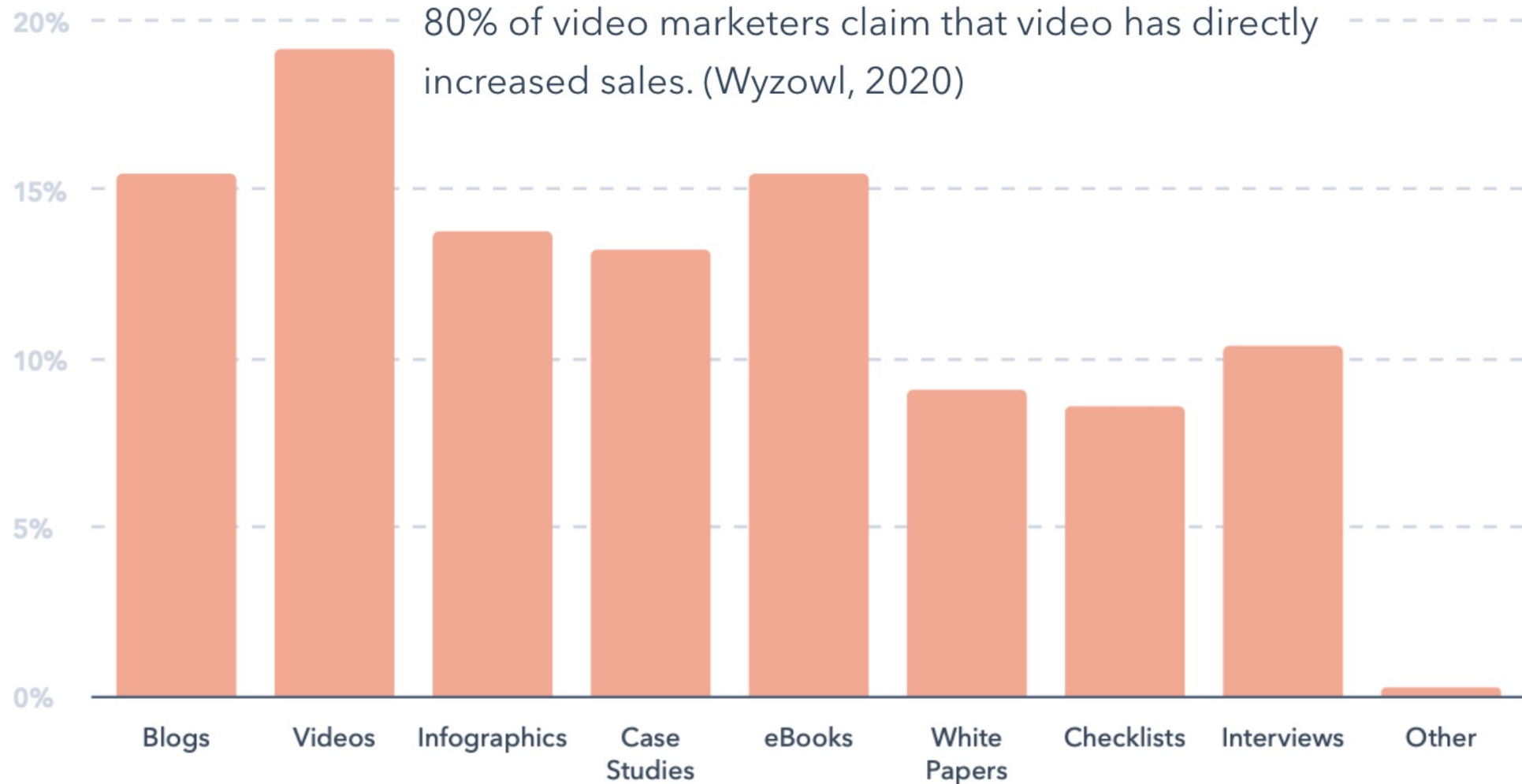
# TO CREATE A STRONG VALUE PROPOSITION YOU NEED TO UNDERSTAND CUSTOMER NEEDS

How do we improve the life of our customers?



# NOT JUST WHAT YOU SAY BUT HOW YOU SAY IT: CONTENT STRATEGY IS KEY

## WHAT MEDIA ARE COMPANIES INVESTING IN NOW ?

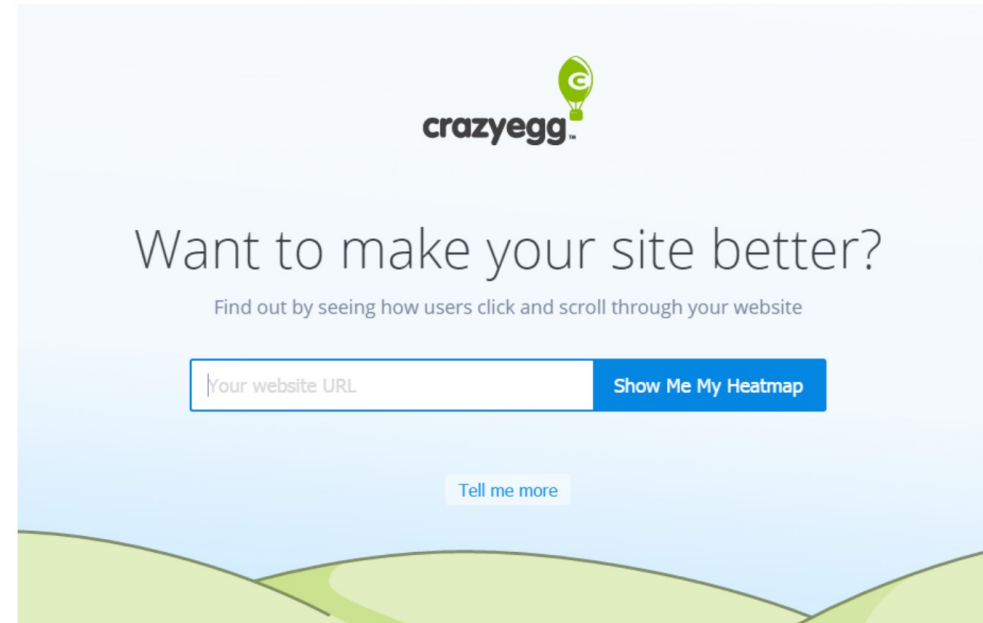


Source: HubSpot Research, Global Survey, Nov - Dec 2019



# WEBSITE FUNDAMENTALS

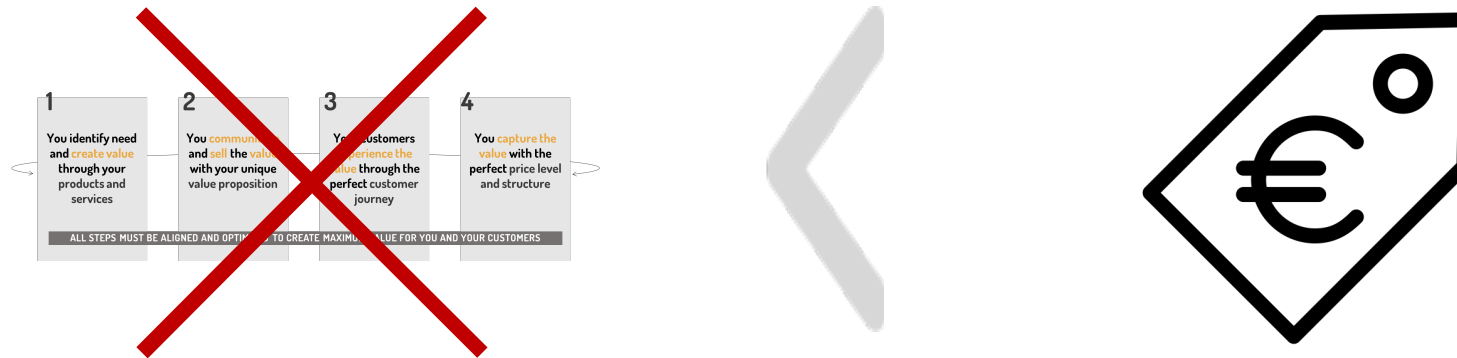
1. Immediately engaging
2. Designed for buyers
3. Mobile enabled
4. Easy to navigate
5. Educational content
6. Language and tone of voice
7. Site speed
8. Regularly updated
9. ....



## WHY COMMUNICATING VALUE IS SO IMPORTANT?

If you can't explain your **value** then your customer won't be able to understand it

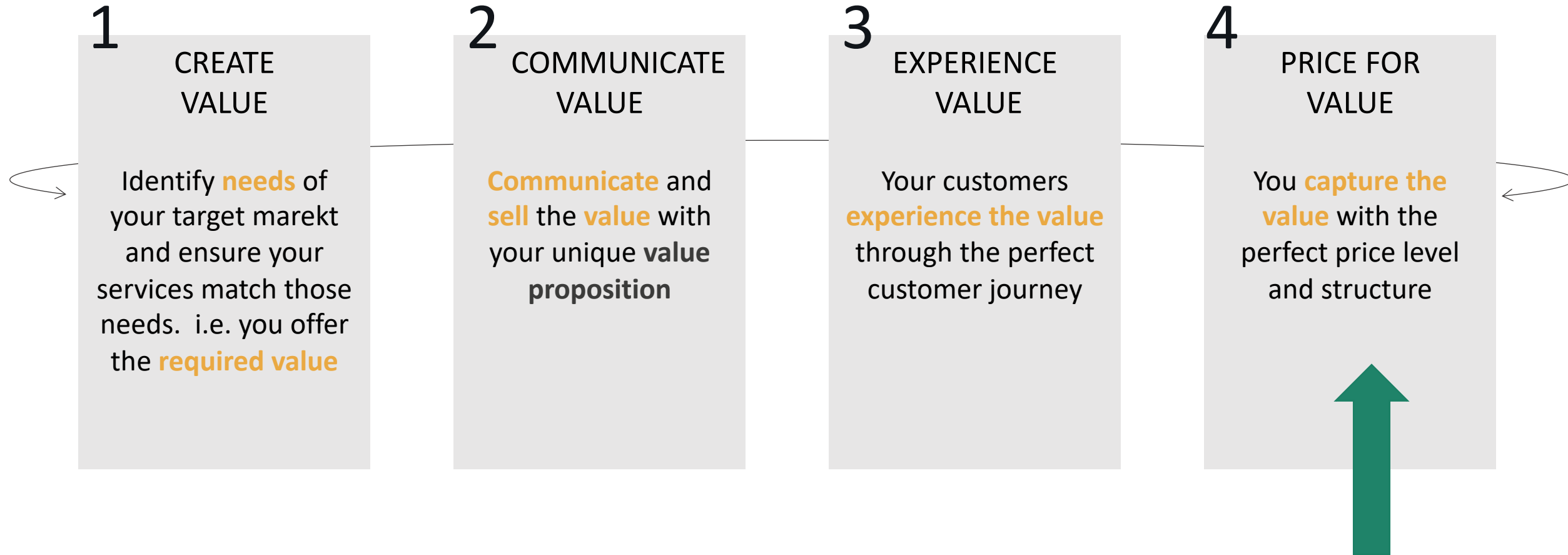
**PRICE = DECISIVE FACTOR**





# HOW TO POSITION YOURSELF SUCCESSFULLY IN A NEW MARKET

## CRITICAL STEPS IN THE VALUE JOURNEY



## THE RIGHT PRICE WILL ENABLE YOU TO:

- Capture the value you have created
- Optimize your profits and revenues
- Define your brand position
- Build brand loyalty



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PRICING CAN DETERMINE YOUR SUCCESS OR FAILURE

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# WHY IS PRICE SO IMPORTANT?

“The single most important decision in evaluating a business is pricing power”

-Warren Buffett 2011



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PRICING POWER IS THE ABILITY OF A COMPANY TO GET THE PRICE IT DESERVES FOR THE VALUE IT DELIVERS

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# COMMON PRICING MISTAKES

## ■ COST PLUS PRICING

- Leave money on the table or loose customers

## ■ STANDARD MARK-UP ON ALL PRODUCTS

- Not all products need to have the same profit margin

## ■ ONE SIZE FITS ALL PRICING (VALUE VS COMMODITY BUYER)

- Different customer and markets have different needs/value – differentiate

## ■ PRICE TOO LOW OR UNNECESSARY DISCOUNTING

- Lose profit or cause a price war

## ■ NEGLECT REGULAR PRICE INCREASES

- Profits will deteriorate

## ■ CANNIBALISE EXISTING PRODUCTS

- With introduction of new products and services

## ■ LACK OF MARKET/CUSTOMER RESEARCH

- It is not possible to set the right price without understanding willingness to pay



# CUSTOMER WILLINGNESS TO PAY DEPENDS ON MULTIPLE FACTORS

## POSSIBLE MARK-UPS

- 300% → . COFFEE
- 300% → WINE
- 400% → BOTTLED WATER
- 200% → GREETING CARDS
- 1200% → . MOVIE THEATHRE POPCORN
- 300% → . EMERGENCY DELIVERY SERVICE

## CUSTOMER WILLINGNESS TO PAY DRIVE THESE PRICES



THIS APPROACH HAS NOTHING TO DO WITH COST



HOW DO WE GET IT **RIGHT?**



## THREE CRITICAL AREAS OF FOCUS



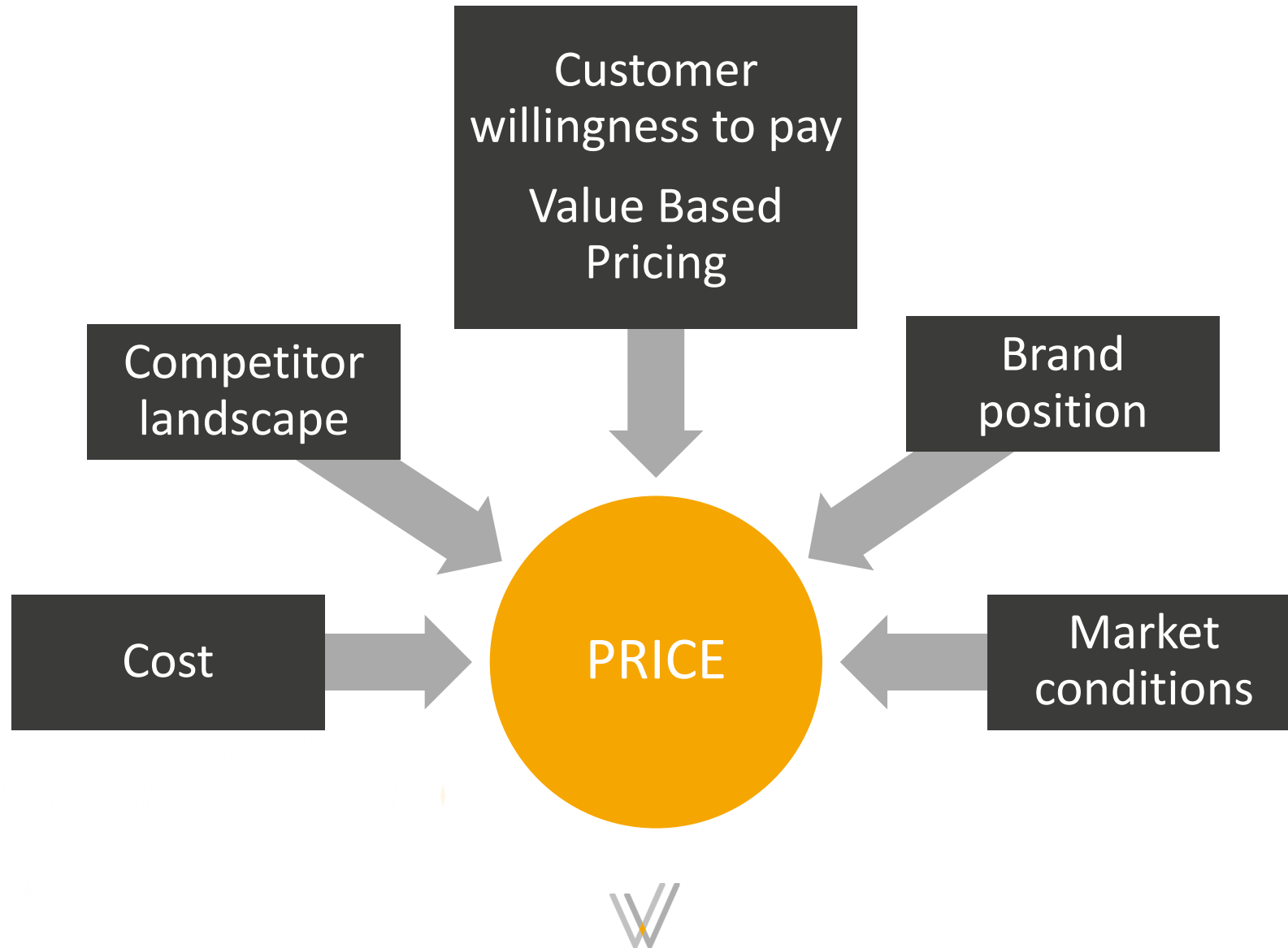
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ALL CRITICAL – SOME HARDER THAN OTHERS

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## FOCUS ON PRICE LEVEL - FUNDAMENTAL COMPONENTS OF PRICE





# WHAT IS **VALUE BASED PRICING**? AN INTRODUCTION



## VALUE-BASED PRICING



How much would you pay for gas  
in situation 1?



How much would you pay for gas  
in situation 2?

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APPROACH BASED ON THE CUSTOMER'S PERCEIVED VALUE OF A PRODUCT OR SERVICE

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## VALUE-BASED PRICING

Value-based pricing is a pricing approach that sets price predominantly, but not exclusively, **based on the perceived or estimated value a consumer places on a product, service or feature** as opposed to simply basing price on cost, competitors or historic prices

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REQUIRES DEEP UNDERSTANDING OF CUSTOMERS AND THEIR NEEDS

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# WHAT IS IMPORTANT TO YOUR CUSTOMERS?

## EXAMPLE OF FEATURE PRICE BASED ON PERCEIVED VALUE

Room type	Sleeps	Today's price	Your choices	Select rooms	
<b>Superior Double or Twin Room</b> <b>Only 1 room left!</b> <div> Choose your bed (if available) <input type="radio"/> 1 large double bed <input type="radio"/> 2 single beds </div> <ul style="list-style-type: none"> <li>Air conditioning</li> <li>Ensuite bathroom</li> <li>Flat-screen TV</li> <li>Free WiFi</li> <li>Tea/Coffee Maker</li> <li>Minibar</li> <li>Shower</li> <li>Safety Deposit Box</li> <li>Telephone</li> <li>Hairdryer</li> <li>Free toiletries</li> <li>Heating</li> <li>Satellite Channels</li> <li>Laptop safe</li> <li>Hardwood or parquet floors</li> <li>Wake-up service</li> <li>Wardrobe or closet</li> <li>Hypoallergenic</li> <li>Cleaning products</li> <li>Coffee machine</li> <li>Towels</li> <li>Linen</li> <li>Toilet paper</li> </ul> <p>Prices are per room  <b>Included:</b> 6 % VAT, € 2.00 City tax per person per night</p>		<b>.genius</b> <del>€ 181.84</del> <b>€ 164.06</b> includes taxes and charges	Very good breakfast € 10 • Non-refundable 10% Genius discount included	<input type="text" value="0"/>	<input type="button" value="I'll reserve"/> Confirmation is immediate
		<b>.genius</b> <del>€ 196.24</del> <b>€ 177.02</b> includes taxes and charges	Very good breakfast included • Non-refundable 10% Genius discount included	<input type="text" value="0"/>	
		<b>.genius</b> <del>€ 201.60</del> <b>€ 181.84</b> includes taxes and charges	Very good breakfast € 10 FREE cancellation before 23:59 on 12 February 2019 NO PREPAYMENT NEEDED - pay at the property 10% Genius discount included	<input type="text" value="0"/>	
		<b>.genius</b> <del>€ 217.60</del> <b>€ 196.24</b> includes taxes and charges	Very good breakfast included FREE cancellation before 23:59 on 12 February 2019 NO PREPAYMENT NEEDED - pay at the property 10% Genius discount included	<input type="text" value="0"/>	



Booking.com







## THREE CRITICAL AREAS OF FOCUS



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ALL CRITICAL – SOME HARDER THAN OTHERS

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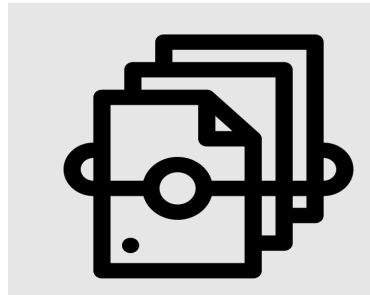


# YOUR PRICE STRUCTURE CAN BE AS IMPORTANT AS YOUR PRICE LEVEL

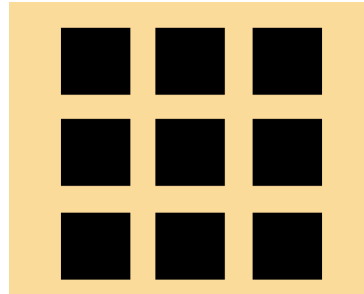
## SOME TYPICAL PRICING STRUCTURES:



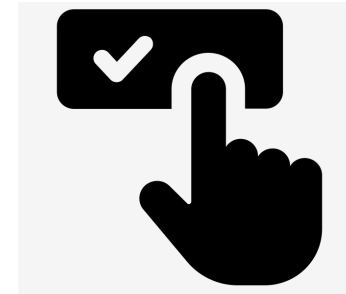
TIER



BUNDLE



UNBUNDLE/  
MENU  
BASED



SUBSCRIPTION



PACKAGED  
SERVICES



LET'S HAVE A LOOK AT SOME WE CAN  
APPLY TO **QUICKLY HAVE AN IMPACT**





## TIERED PRICING

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### GOOD- BETTER- BEST

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#### How does it work?

- Multiple options ( usually 3) providing different levels of solutions to different customer needs

#### Why use it?

- ✓ Increases revenue by appealing to different segments
- ✓ Goldilocks effect: people tend to stay away from extremes and choose middle - opportunity to sell more of the product you want to sell
- ✓ Helps potential buyers focus on and understand features and think about which ones they value—and how much they're willing to pay for them.
- ✓ Divert the attention to the choice rather than price
- ✓ There are always customers with higher willingness to pay for additional services or products

!! BEWARE of revenue dilution



## WE SEE THIS EVERYWHERE....



### 4. Choose Your Theme Park Ticket Type

#### 2-Day Ticket with 1 Park Per Day

- ✓ Access to 4 Theme Parks
- ⊘ No Park Hopping
- ⊘ No Water Parks

1 x Ages 10+ €250.00/Ticket

**€250.00**

#### 2-Day Ticket with Park Hopper

- ✓ Access to 4 Theme Parks
- ✓ Multiple Parks Every Day
- ⊘ No Water Parks

1 x Ages 10+ €322.00/Ticket

**€322.00**

#### 2-Day Ticket with Park Hopper Plus

- ✓ Access to 4 Theme Parks
- ✓ Multiple Parks Every Day
- ✓ Water Parks and More!

1 x Ages 10+ €342.00/Ticket

**€342.00**

£900



ECONOMY  
CLASS<sup>o</sup>

£ 5,500



BUSINESS  
CLASS

£ 8,900



FIRST  
CLASS



SalesforceIQ Starter	Professional	Enterprise	Unlimited
Out-of-the-box CRM for up to 5 users.	Complete CRM for any size team	<b>MOST POPULAR</b> Deeply customizable CRM for your business	Unlimited CRM power and support
<b>\$25</b> /user/month* (billed annually)	<b>\$65</b> /user/month* (billed annually)	<b>\$125</b> /user/month* (billed annually)	<b>\$250</b> /user/month* (billed annually)
<a href="#">TRY FOR FREE</a>	<a href="#">TRY FOR FREE</a>	<a href="#">TRY FOR FREE</a>	<a href="#">TRY FOR FREE</a>
Automatic data capture Customizable sales tracking for one list Intelligent follow-up reminders Contact auto-complete Shared address book Sent-email notifications Seamless collaboration Smart mobile apps Chrome extension Webinars and live trainings	Account and contact management Opportunity tracking Lead management Task and event tracking Customizable reports and dashboards Mobile access and administration Chatter – company social network Outlook Side Panel and sync Role permissions Case management Campaigns** Quotes and orders** Collaborative forecasts** Mass email** Sales Data*** Sales Cloud Engage***	<b>Get all Professional features PLUS</b> Workflow automation Enterprise territory management Profiles and page layouts Custom app development Integration via web service API Salesforce Identity Salesforce Private AppExchange Report history tracking** Approval automation** Sales Data*** Sales Cloud Engage***	<b>Get all Enterprise features PLUS</b> Unlimited customizations Unlimited custom apps Multiple sandboxes Additional data storage 24/7 toll-free support Access to 100+ admin services Unlimited online training Sales Data*** Sales Cloud Engage***

## EXAMPLE CUSTOMER SEGMENTATION / BUNDLES

LinkedIn :

Career Get hired and get ahead	Business Grow and nurture your network	Sales Unlock sales opportunities	Hiring Find and hire talent
<ul style="list-style-type: none"><li>• Stand out and get in touch with hiring managers</li><li>• See how you compare to other applicants</li><li>• Learn new skills to advance your career</li></ul>	<ul style="list-style-type: none"><li>• Find and contact the right people</li><li>• Promote and grow your business</li><li>• Learn new skills to enhance your professional brand</li></ul>	<ul style="list-style-type: none"><li>• Find leads and accounts in your target market</li><li>• Get real-time insights for warm outreach</li><li>• Build trusted relationships with customers and prospects</li></ul>	<ul style="list-style-type: none"><li>• Find great candidates, faster</li><li>• Contact top talent directly</li><li>• Build relationships with prospective hires</li></ul>
Select plan	Select plan	Select plan	Select plan
€29,98/month	€44,99/month	€59,99/month	€89,99/month



## TAKE-AWAY CHECKLIST

### DO'S

1. Know customer needs and understand the true value you deliver
  2. Align your product and pricing to needs
  3. Communicate that value in the best possible way – resonate/differentiate/ substantiate
  4. Keep your pricing simple – easy to understand
- 
1. Defend your value / educate
  1. Constantly review your prices
  2. Enforce discipline and price management

### DONT'S

1. Price based on cost alone
  2. Price on competition alone
- 
1. Assume what is important for customers, ask
  2. Set prices without research
  3. Be afraid to change prices
  4. Take on “bad” customers
  5. Underestimate the power of a well crafted value proposition



# WORKSHOP

HOW CAN YOU APPLY THESE TACTICS FOR SUCCESS IN  
THE UK MARKET



**THANK YOU**





We hope you find the knowledge shared useful. If you would like to have a deeper understanding of your customer's value journey and how to optimize each step, please contact us to chat about workshops, trainings and individual consulting.

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