

Buyer Motivations, Business Models, & Pricing

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Land Acknowledgement



What We'll Learn

By the end of today's session, you should be able to:

- List the most common **reasons people buy**
- Explain the fundamentals of **primary, secondary, and tertiary markets**
- Describe a variety of **business models** and pricing best practices

Agenda

- Buyer Motivations
- Market Fundamentals
- Business Models
- Pricing Tips
- Action Items & Next Steps
- Additional Links & Resources

Buyer Motivations

WHY Do People Pay?





Time

Convenience



Immediacy



Comfort



Self - Esteem



Relationships



Belonging



Access



Scarcity



Health & Wellbeing



Wealth



Success.



Status



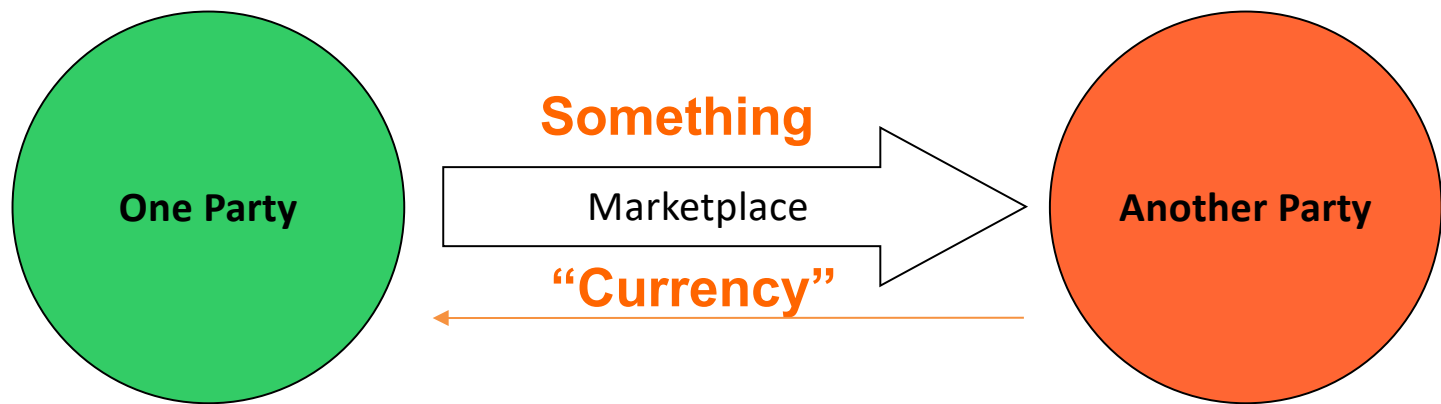
Entertainment



Creativity
Learning
Self-Expression



Business Models & Types of Markets



Primary: Vendor

Secondary: Peer

Tertiary: Customers/Users

Customers/Partners

Peer

Vendors

**What are some examples of possible
“Currencies”?**

Currency



Donations



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Volunteers



Downloadable Content



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Email Addresses



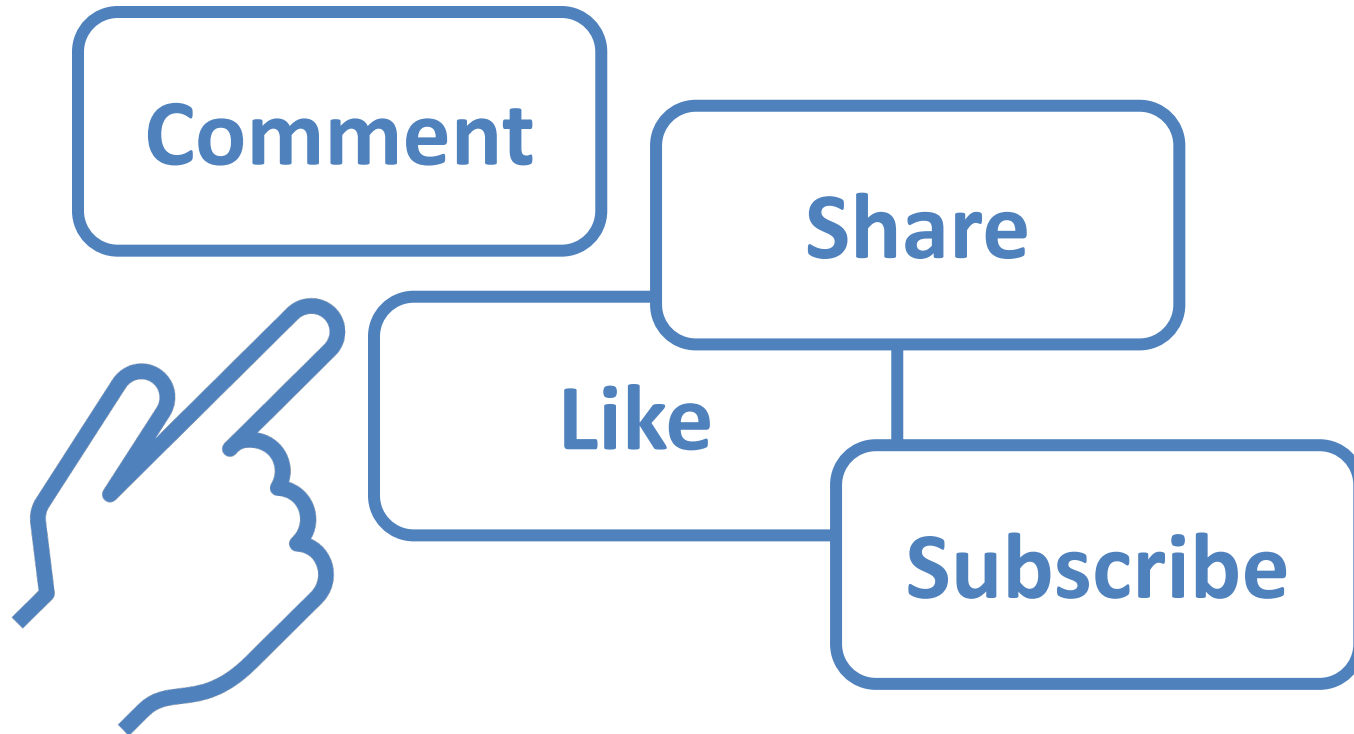
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Website Traffic / Visitors



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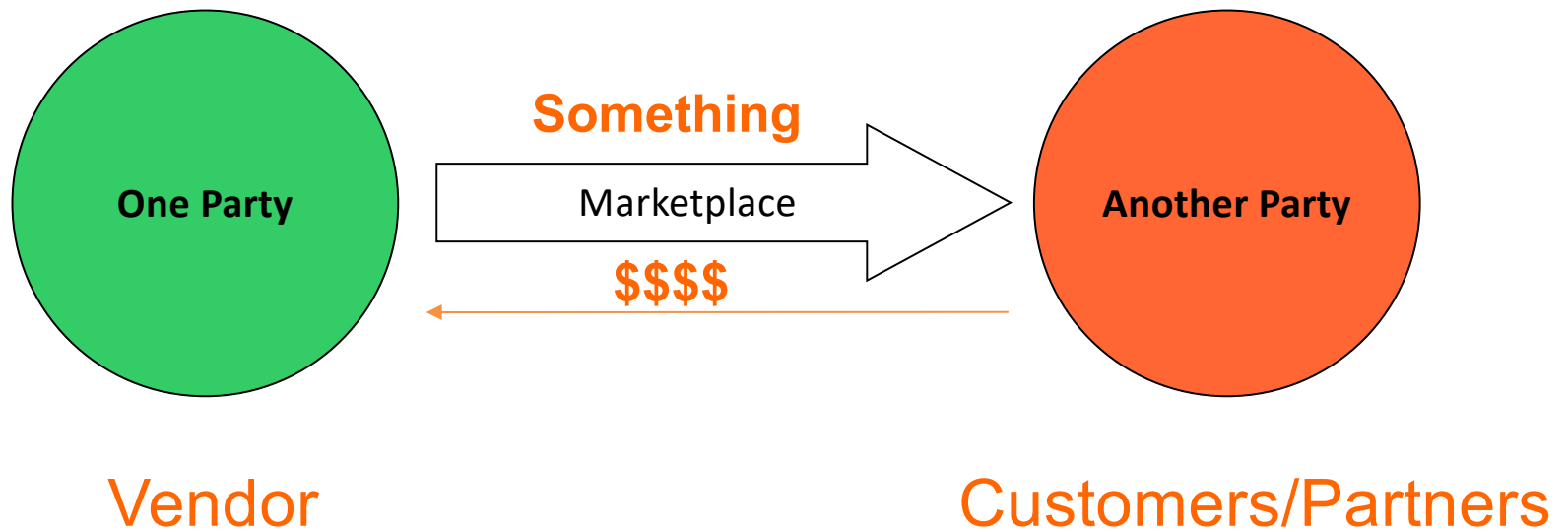
Quality or Quantity of “Engagement”



Sales



Primary Marketplaces



Upfront / Flat Fees



Offline and Online Experiences

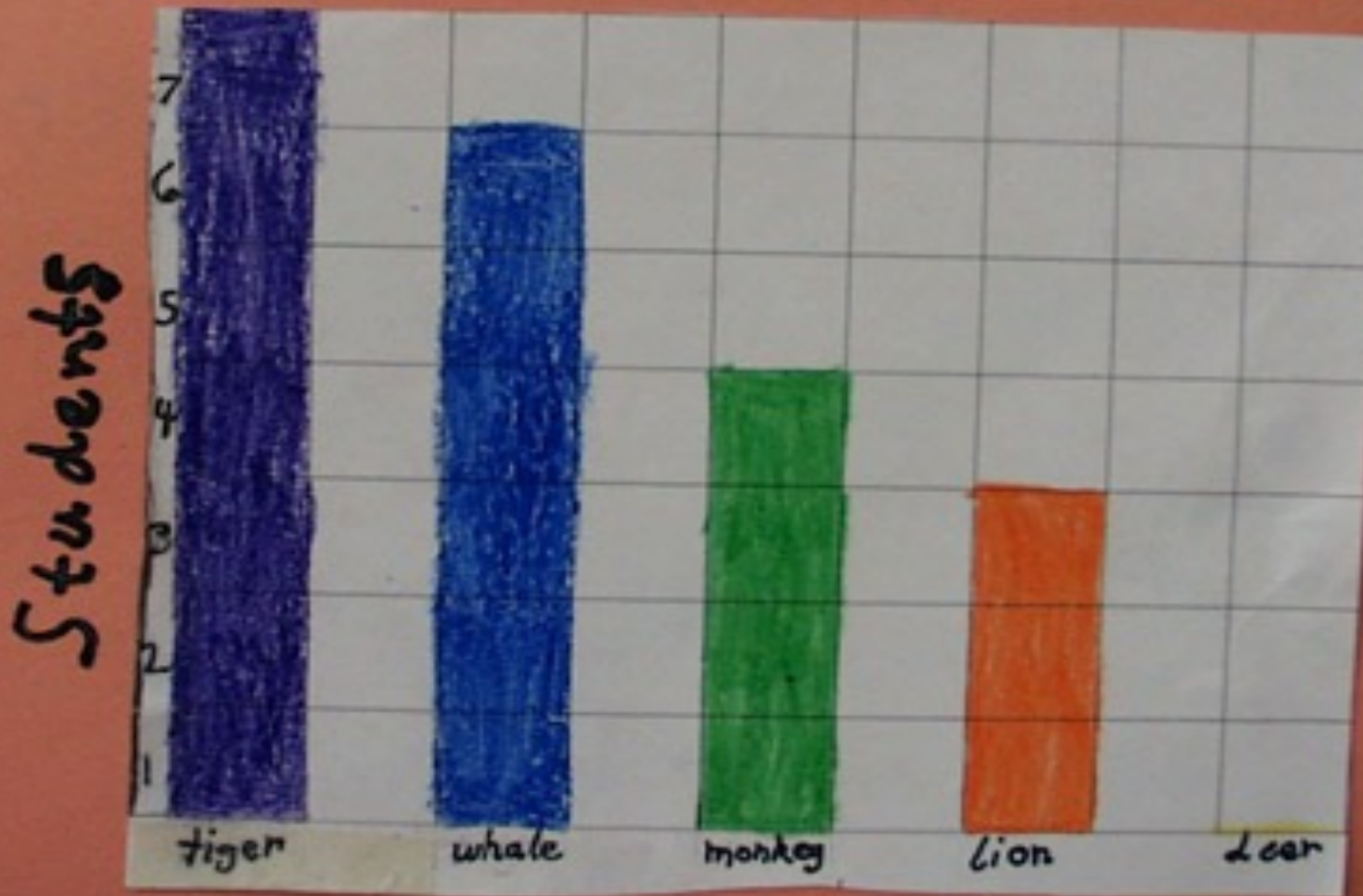


Subscriptions & Freemium



Favorite Mammal

Nicole
#5
9/10/02



the
Mammals

Market Research



Pay-As-You-Go

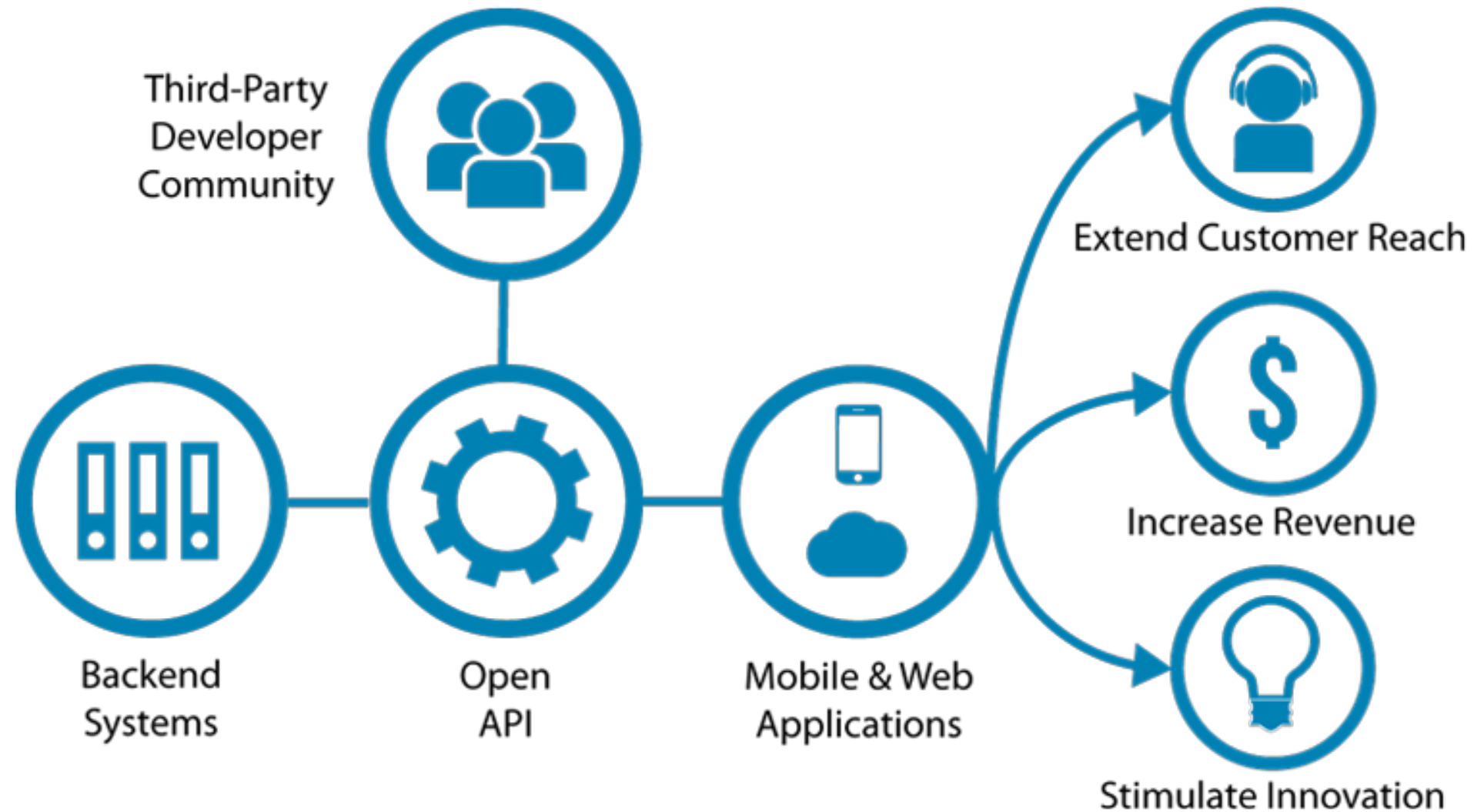
Expansion, Upgrades, Collectibles



Access

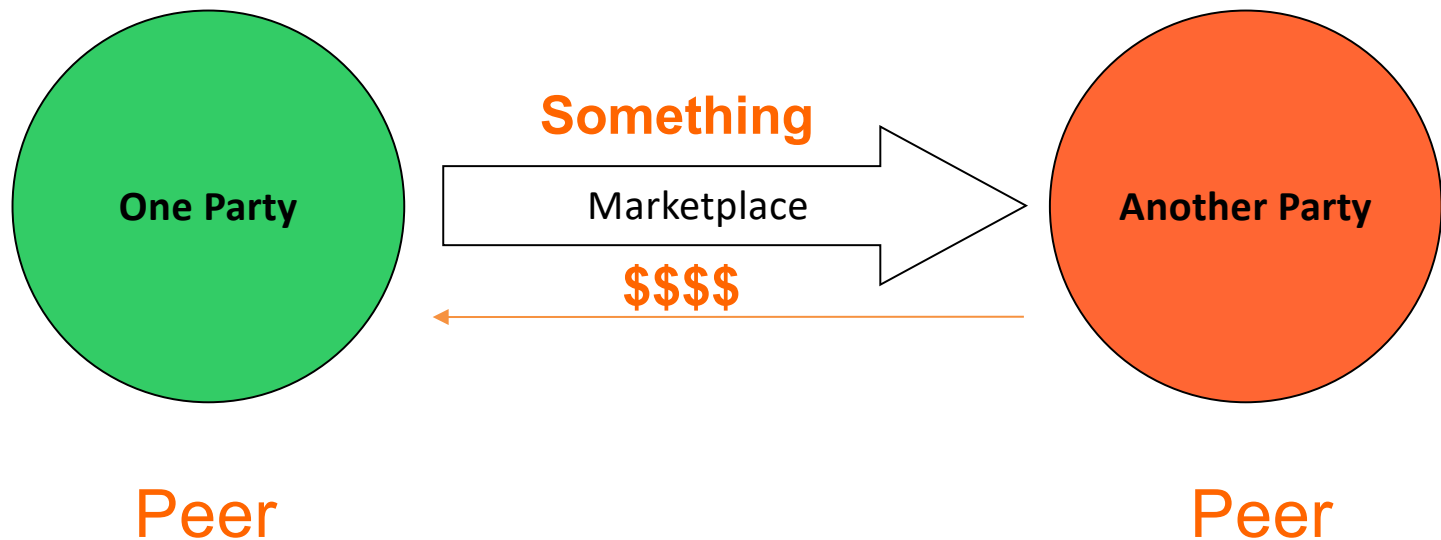


API Access



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Secondary Marketplaces

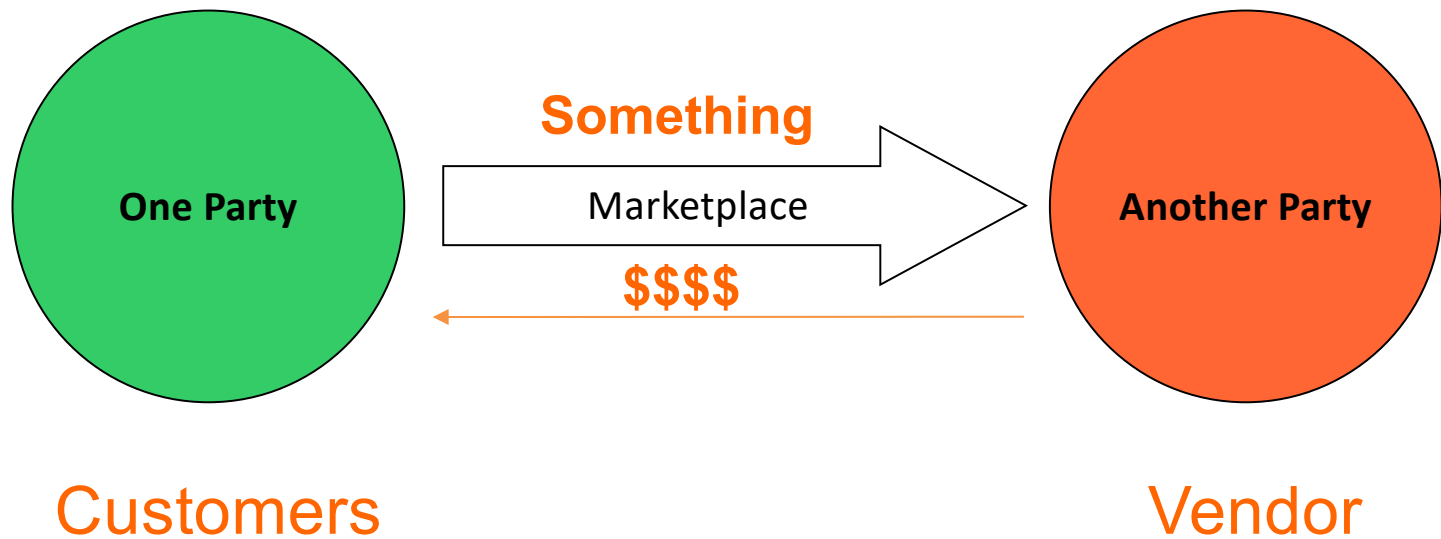


Trading & Auctions



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Tertiary Marketplaces



Original + UGC Marketplaces



UGC Marketplaces



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Influencers



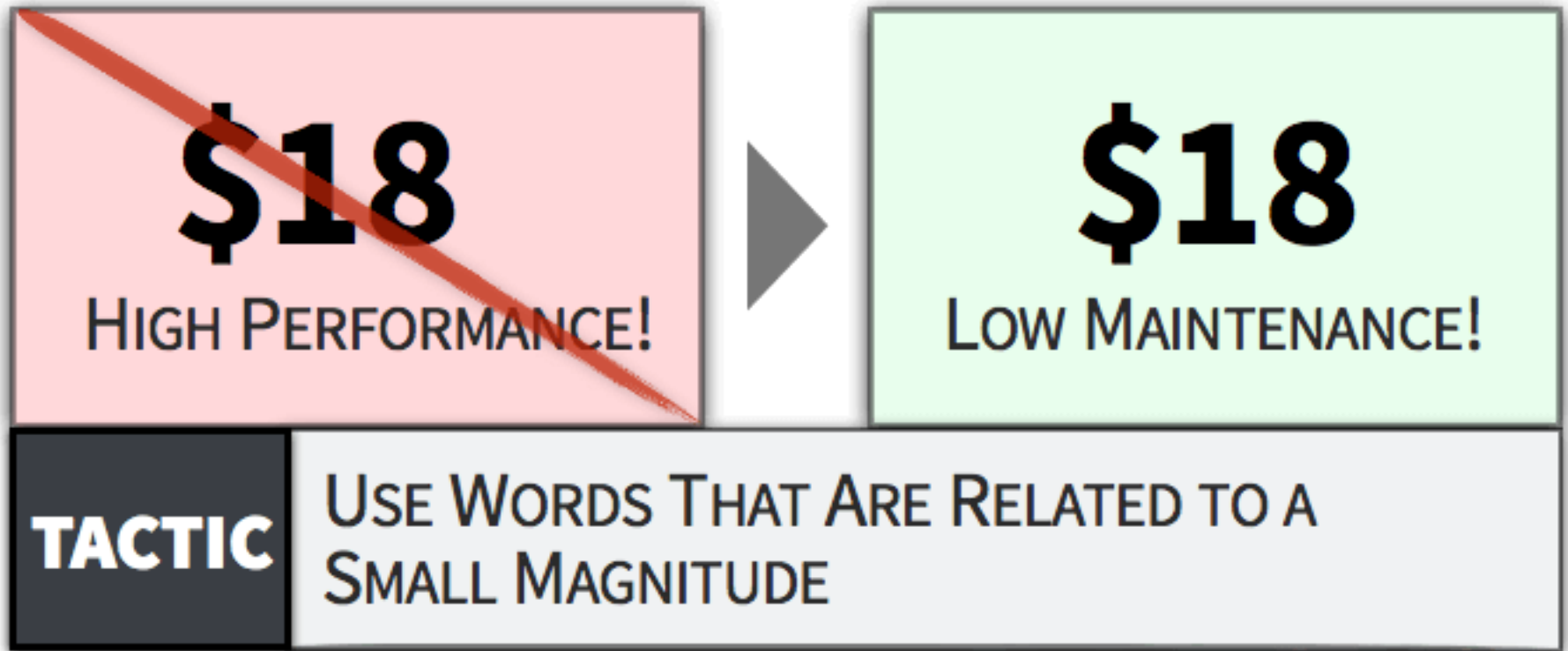
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Pricing Tips

Pricing Tips



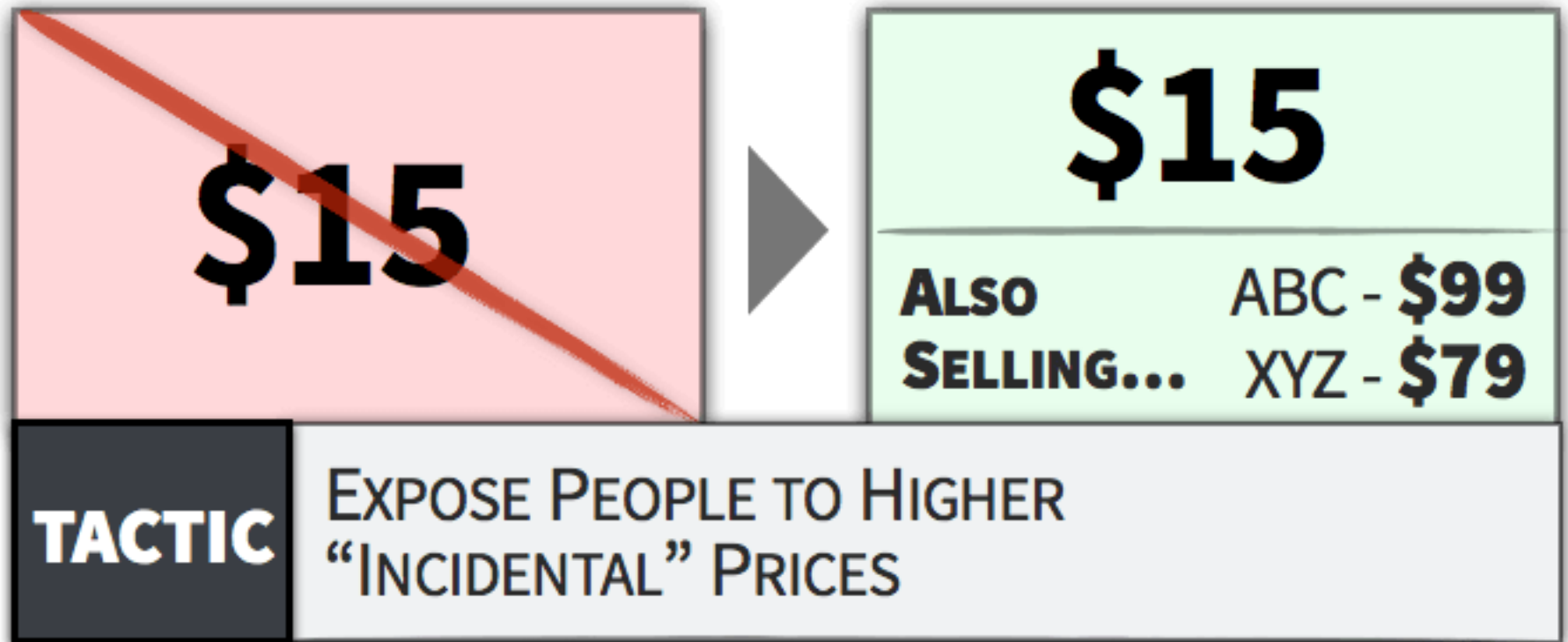
Pricing Tips



Pricing Tips



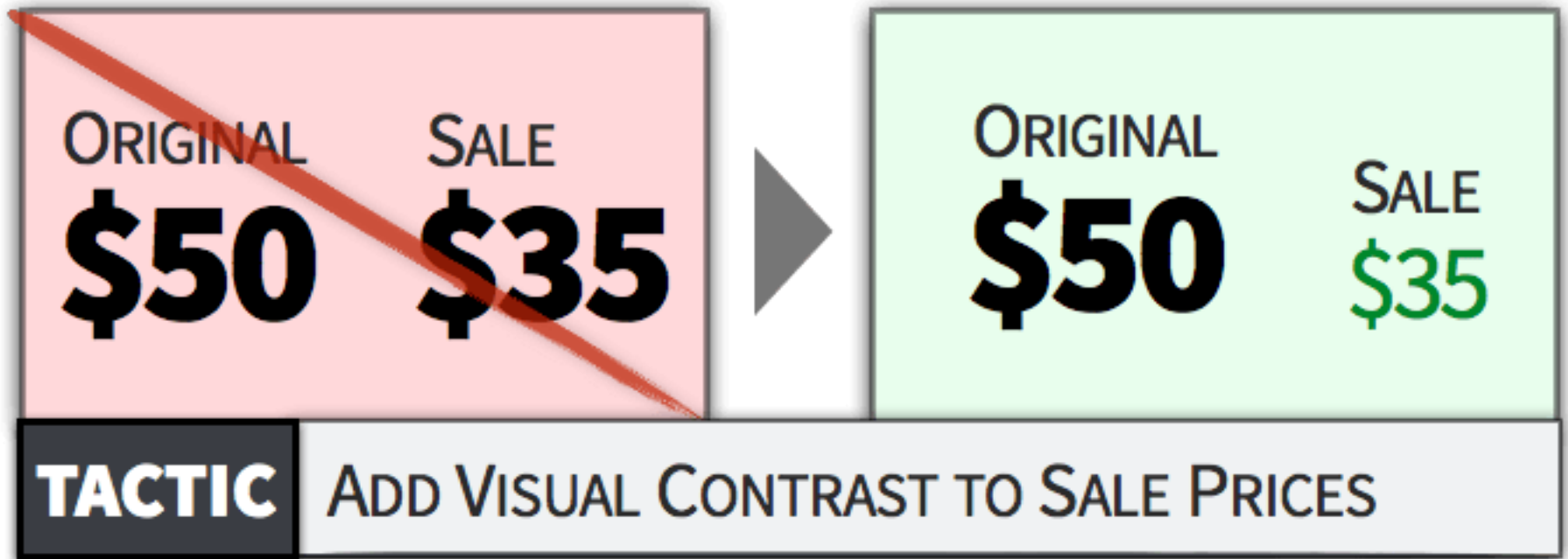
Pricing Tips



Pricing Tips

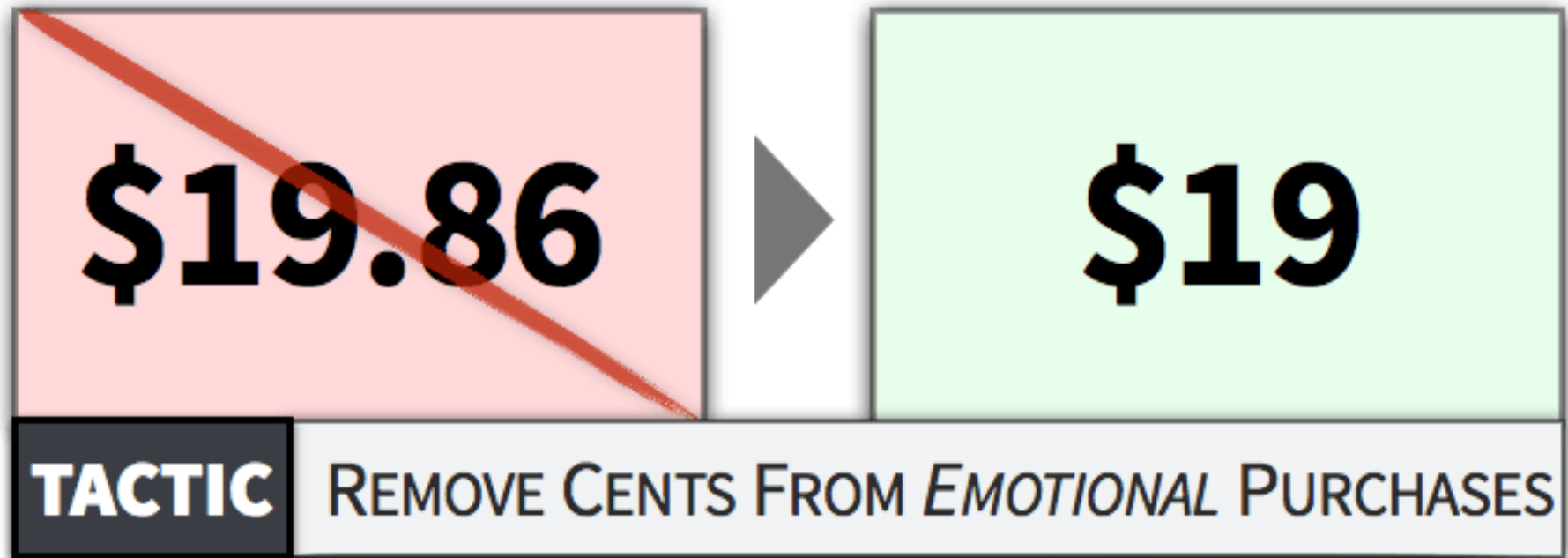


Pricing Tips



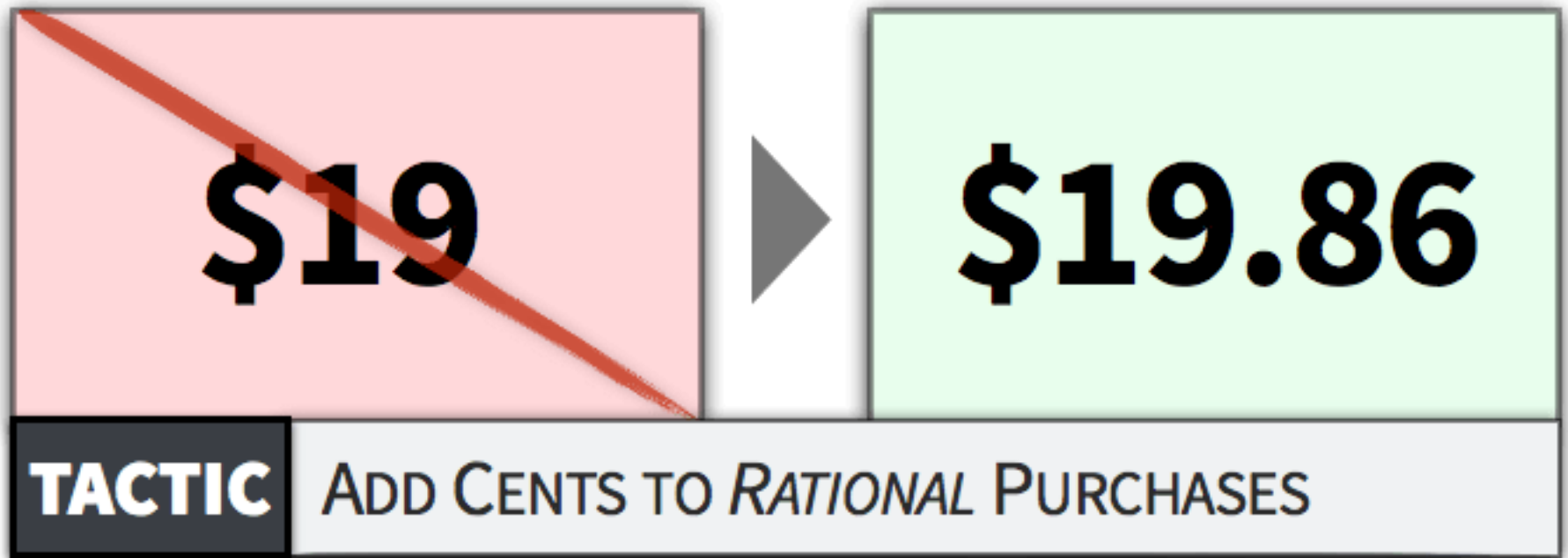
Pricing Tips

If your purchase is based on **EMOTION**, then leave out the cents.

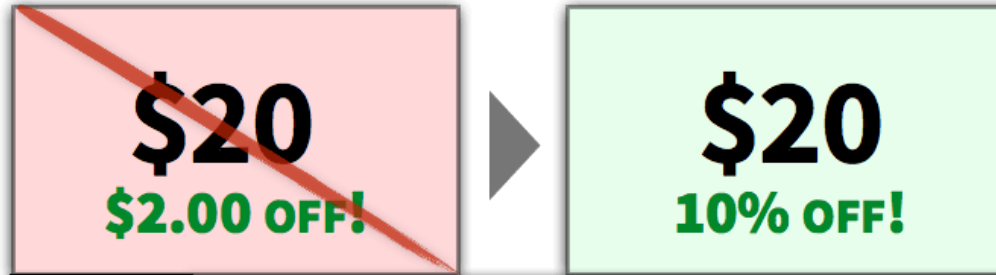


Pricing Tips

If your purchase is based on **RATIONALITY**, then add some cents.

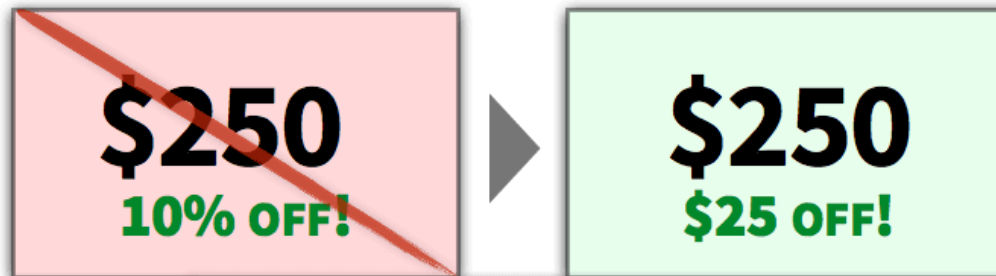


Pricing Tips



The diagram shows a transition from a pink box to a green box. The pink box contains the text **\$20** and **\$2.00 OFF!**, with a red diagonal line crossing through it. A gray arrow points to the green box, which contains the text **\$20** and **10% OFF!**.

TACTIC	GIVE <i>PERCENTAGE</i> DISCOUNTS ON PRICES UNDER \$100
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The diagram shows a transition from a pink box to a green box. The pink box contains the text **\$250** and **10% OFF!**, with a red diagonal line crossing through it. A gray arrow points to the green box, which contains the text **\$250** and **\$25 OFF!**.

TACTIC	GIVE <i>ABSOLUTE</i> DISCOUNTS ON PRICES OVER \$100
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Pricing Tips



Pricing Tips

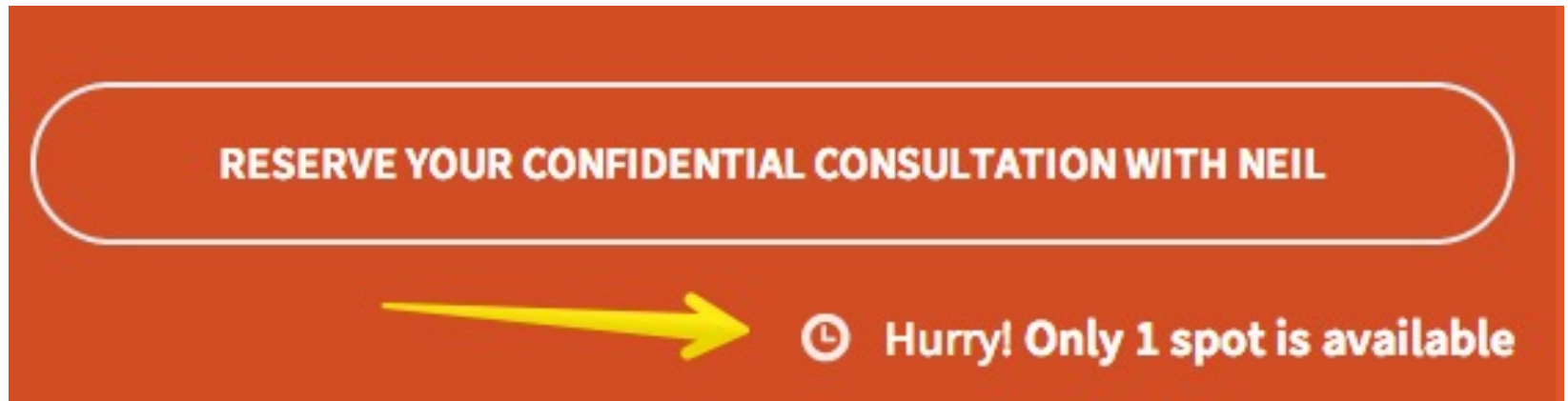
- Web Only: \$59
- Print Only: \$125 (*Decoy*)
- Web and Print: \$125

SUBSCRIPTION	% WHO CHOSE IT	REVENUE
Web Only	68%	\$4,012
Web and Print	32%	\$4,000
TOTAL REVENUE		\$8,012

SUBSCRIPTION	% WHO CHOSE IT	REVENUE
Web Only	16%	\$944
Print Only	0%	\$0
Web and Print	84%	\$10,500
TOTAL REVENUE		\$11,444

Pricing Tips

- Instill a Sense of Urgency By Being Scarce



Action Items & Next Steps

- Revisit your unique selling propositions (USP) / customer benefits (see **Questions to Ask** slides)
 - Are you **clearly** communicating these to customers?
- Possibly consider ***additional*** business model options (*complementary*)
- Review your pricing strategies!
- Review the articles and videos, on the **Additional Resources** slide for details

Questions to Ask

- Can customers:
 - Do something more quickly
 - Get something more quickly
 - Access something scarce
- Do we provide something sought-after to a select number of people? (Exclusivity)
- Would customers still use us if we purposefully added occasional annoyances?
- Do we offer a superior customer experience?

Questions to Ask

- Do we make customers feel better about themselves or their image?
- Can customers form or retain meaningful relationships with others?
- Do we improve the health or physical safety of customers?
- Do we give customers the opportunity to make or save money?
- Do we improve customers' career prospects?

Questions to Ask

- Do we provide a service that customers need to perform their job? Or, perform their job better?
- Do we improve the perceived status of customers?
- Do we provide valuable entertainment for customers?
- Do we allow customers to experience something emotional?
- Do we allow customers to express their creativity?
- Do we provide customers with relevant knowledge or information?

Additional Resources

- User Needs and What People Pay For
- Business Model Options
- Best Practices for Online Business Models
- 8 Digital Business Models Decoded
- Pricing Psychology (42 Tactics!)
- 11 SaaS Pricing Hacks backed by Psychology

Thank You!



Any questions or further ideas? 😊

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