

The **My Online Biz** **Tool Kit**



**The 50-piece toolkit to start, scale and
sustain your online business!**

Tool #9 - The Pricing Worksheet: Setting The Perfect Price Point

You've got a product that you're getting ready to sell. But before you can do that, you need to set the perfect price point. This is a price point that your audience is willing to pay, one that you're happy to accept (*e.g., good profits for you*), and one that produces high conversions and low refunds.

What price point is that for your specific product? Use this worksheet to help you figure it out...

Step 1: Begin Your Pricing Research

Your first step is to see what business owners in your niche are charging for similar products. You'll want to focus on exact-match products first (*e.g., products on the exact same topic in the same format*), but then you can expand and look at other products as well.

For example, if you're selling a video course, you'll want to first focus on other video courses on the same topic. After that, you can look at other infoproducts on the same topic, such as text courses.

What is the price range for similar products in your niche?

NOTE: Here you write down the broad range of prices that various marketers are charging. For example, reports that are similar to yours might range from \$5 to \$50. That's the range you'd write down in the blank above.

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NOTE: Check sites like Udemy, ClickBank, Amazon and JVZoo for pricing research. You'll also want to go directly to your competitors' sites to see what they're charging. What is the most common price range for similar products?

NOTE: Here you're looking for the median price. While there may be quite a large range in prices, many products will be right around the same price. For instance, if the range is \$5 to \$50, you might find that most products are right around \$20. Or if you can't pinpoint an exact median price, you might find most price points fall into a narrower range, such as \$20-\$30.

Consider this median price your starting point. You'll refine this price point in the next step...

Step 2: Determine What Makes Your Product Worth More or Less

Now what you need to do is examine your product a little more closely so that you can determine if its perceived value is more or less than the other products you've been researching.

Fill in the blanks:

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What format is your product in?

NOTE: Coaching and consulting have the highest perceived value, followed by video, audio and text.

Are you an expert on the topic?

NOTE: People tend to pay more for the exact same information when it's coming from an expert versus someone who hasn't established their expertise yet (*or someone who isn't as skilled*). For example, people are going to pay more for a book on getting rid of back pain from a doctor versus from someone who doesn't work in a healthcare field.

Are you well-known in the niche?

NOTE: People will tend to pay more for products from "celebrities" or other well-known people. This doesn't mean you need to be well known all over the world. Rather, you just need to have name recognition within your niche. That's why brand-building is important. (*Plus, people like to do business with those they know, like and trust.*)

Is your product for beginners, intermediate or advanced users?

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NOTE: Beginner-level information tends to have a lower perceived value than information that's designed for intermediate and advanced users in the niche.

How have you positioned the product/what is your branding?

NOTE: Don't brand your business or position your products based on price (e.g., "low priced leader"). Instead, compete on value.

NOTE: How does your product brand and positioning affect price? For example, is your branding based on "luxury" or "premium quality"? If so, you may be able to charge more than similar products.

What makes your product unique?

NOTE: If your product has something that no other products have, then you can charge more for it.

How much information is available in your niche on this topic?

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NOTE: If this is an in-demand topic, yet there is not much available in the niche on this topic, people will pay more for it. (At least until other options become available, so this pricing may be temporary.)

What all is included in your offer?

NOTE: *What bonuses are included, and how do these bonuses affect pricing? For example, do you offer tools like checklists, worksheets, mind maps and similar? Do you offer high-priced bonuses like coaching or apps? You'll want to determine how much your materials and bonuses raise the perceived value of your offer, and price accordingly.*

What other factors may affect the price of your product?

NOTE: Here you can brainstorm any other factors that may affect the price.

Step 3: Pick Your Price Point

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Now go through each of the factors you just listed and compare them to similar products in your market. Start with the median price and move your price up and down based on those factors.

For example, maybe the median is \$67, but your offer is worth more based on what's included, your positioning, and your level of expertise. You may decide to set the price at \$99.

Pick your price point:

And finally...

Step 4: Test Your Price

No pricing strategy would be complete without actually testing the price. Here you're going to do two types of testing:

- ⇒ Big increments. You can split-test big increments, such as \$47, \$67 and \$97.
- ⇒ Small increments. Once you know your overall price (*such as \$97*), you can refine it by testing smaller increments. In this example, you might test pricing such as \$97, \$99, and \$99.99. (*If there is no significant difference, then choose the highest price.*)

TIP: You'll need a split testing tool such as SplitTestMonkey.com to run these tests.

What big increments will you test?

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What smaller pricing increments will you test?

Congratulations! If you run through all of these steps, then you'll find the "*pricing sweet spot*" that delivers high conversions and happy customers. Be sure to keep an eye on refund rates when you do your testing and tracking.