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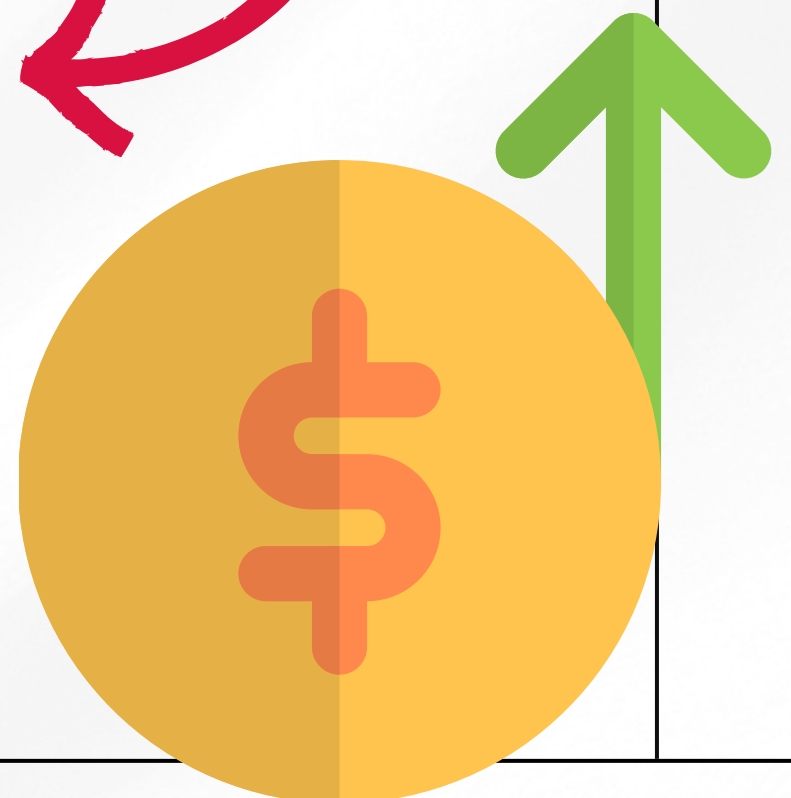
DO CONSUMERS PREFER PREMIUM PRICES?



WHY IT MAY BE **BETTER TO** **CHARGE MORE**

Recent research shows that a certain segment of consumers, “modern affluent buyers,” are more likely to buy something the more expensive it is.

Entrepreneurs interested in selling on value and not price can focus on building personal brands and differentiated productized businesses that convey a sense of uniqueness.



**HIGHER PRICES =
AN INVESTMENT**

**COMPETITIVE
PRICES = A
PURCHASE**



At a certain price-to-value threshold, a transaction goes from being a “purchase” to an “investment.” Brands who sell investments are playing a different game than those competing on price selling one-off purchases.

PRICE IS INTRINSICALLY TIED TO **STATUS.**



If someone's buying a Lamborghini, they don't want to pay \$25k for it. They enjoy paying the \$500k it costs because it makes them feel rich and special by being able to do it. The high price is intrinsically tied to their motivation for the purchase - their status.



HIGHER PRICES GENERALLY IMPLY LONGER- LASTING VALUE.

The more expensive something is, the higher its value feels and should be.

You should be able to rationalize premiums if customers ask. until you're Rolex where it's self-evident, be ready to rattle off 3-5 distinct reasons you charge what you do.



SWIPE TO LEARN



HIGHER PRICES INCREASE

ENGAGEMENT, USE & DESIRE TO TRANSFORM.

The fact is, if something is too cheap, it won't inspire or incentivize consumers to take advantage of its benefits, complete the steps required to succeed, or appreciate it.

Therein lies another key: investments are transformational while purchases are transactional.

SO WHEN & HOW SHOULD YOU USE HIGHER PRICES?

You **shouldn't** use premium pricing if you:

- Are a new entrant in a commoditized market
- Don't yet have PMF, market share, or much demand
- Don't have a product that can justify high price points

You **should** use premium pricing if you:

- Want to distinguish your brand as luxury
- Are strong on marketing and have a growing reputation
- Can rationalize high prices to your audience & have an affluent market with "purchase power"