

# BEYONK

## Pricing Strategy Tips



## Introduction

All businesses adopt a pricing strategy, whether you know it or not! This could be something as simple as what you think customers will pay for it, or indeed what your competitors are pricing a similar service/experience at. You'll probably be familiar with the concept of 'penetration pricing' (whereby a business will start off with low prices to break into a new market), and premium pricing too, setting prices higher to give the perception of a premium product or experience. But one thing's for sure - getting pricing right is essential to running a successful business. However you decide to approach your own pricing as a whole, there's also a few good tips for how to present these to the customer in order to maximise sales:

## Charm pricing

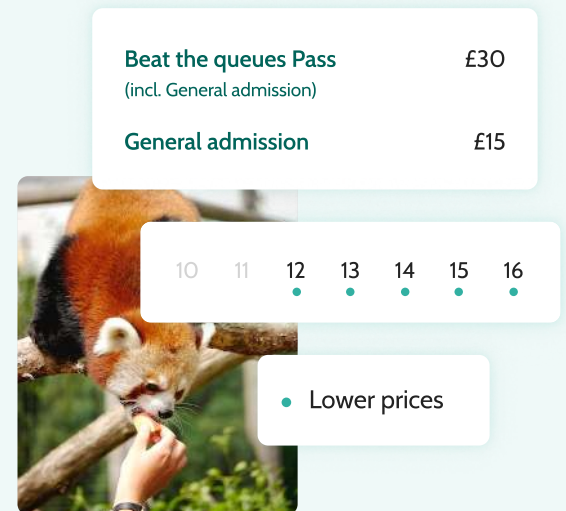
This is one you'll all be familiar with - pricing something at £9.99 or £9.95 instead of £10. We all know it's done, we know why, and we know it hardly makes a difference. And yet it still really works! We as consumers are hardwired to look for bargains, and whether it's because we see the first number and subconsciously base it on that, or simply acknowledge that even a few pennies discount is better than nothing, we buy into this again and again, so don't neglect such a simple and proven tactic.



## Anchor pricing

This is the practice of establishing a certain price - the anchor - and then presenting something much more appealing to the customer. This perceived better value could be in terms of a cheaper price, or feeling like you're getting a lot more for your money. For example, let's take a fictitious wildlife park, with the following pricing:

'Beat the queues' Pass (including general admission) - £30  
General Admission only - £15. The first price anchors in the consumer's mind a certain value, next to which the second price seems like a really good deal. And of course if you still sell some of the more expensive tickets then great!



The other key way anchor pricing works is the reverse:

General Admission - £15  
Beat the Queues Pass (including General Admission and animal feed) - £20  
Here, we've tweaked the price of the more expensive ticket, but made it appear much more appealing by offering a lot more for a seemingly small additional cost. Both methods rely on the customer perceiving much better value in the ticket you want to sell when set against the anchor price.

## Decoy pricing

Similar to how anchor pricing works, this is about 'forcing' the customer to purchase the ticket/product you want them to, by making it seem the best value.

Let's say you run a tour company, and offer two tours of your city, a 1 hour version at £10pp and a 2 hour version at £20pp. With the timescales involved in set-up and getting there and back and meeting everyone, the 2 hour one gives you a better margin, but more people opt for the 1 hour tour as it's cheaper. By introducing a 'half day' tour at £40, you now make people think the 2 hour tour is good value, and perhaps the 1 hour tour may not offer as much as you'd want. So now you're getting more people on the tour you want, knowing that not many will book the half day tour, but using it to help sell the one you want.



**1 hour tour**  
£10pp



**2 hour tour**  
£20pp



**Half day tour**  
£40pp

## Seasonal pricing

This one speaks for itself - altering your pricing depending on the time of year in order to boost your numbers in the off-season, or of course to make hay whilst the sun shines! Use this alongside the anchor pricing above to really drive home the value in coming at off-peak times.

## Booking fees

A very pertinent one for us now! Customers are now increasingly used to paying a booking fee, and there's no measurable impact unless the fee is excessive - with a fair rate of 4% (and capped), this isn't the case with Beyonk. There is also a case for transparency - by separating the booking fee from the experience cost, you are making it clear what people are getting for their money.

For example, an experience costing £20. If it includes the fee, and the fee is large, a customer may be paying £20 but getting an experience worth just £17 perhaps. By passing the fee on they might pay £21-22 in total, but be getting an experience worth £20. An important distinction from a customer perspective. For any help with your pricing and how to present this to your customers via your online booking system, please don't hesitate to contact us at [support@beyonk.com](mailto:support@beyonk.com).

### Pick your own pumpkin

21st October  
10:00 - 11:00



|                |     |               |
|----------------|-----|---------------|
| Adult entrance | x 1 | £10.00        |
| Booking fee    |     | £0.48         |
| <b>Total</b>   |     | <b>£10.48</b> |

# BEYONK

Finally, truly simple and powerful booking software

[beyonk.com](http://beyonk.com) | [hello@beyonk.com](mailto:hello@beyonk.com)

