



Episode 2: A Better Pricing Strategy

Pete Savage: Hi, everyone. It's Pete Savage from International Freelancers Academy. And I want to welcome you to this training episode, which is all about pricing—more specifically, a better pricing strategy for you to use.

If I had to guess, I would say about 90% of freelancers do not use the pricing strategy that we're going to talk about today. And it's too bad because it works very well. In fact, you may be familiar with it already, but the real question is, are you actually using it? And to teach this strategy, I want to play for you a very short excerpt from an interview I did with Bob Bly [ph 00:42].

Bob is a veteran freelancer of almost thirty years now, and he gives tremendous advice on a wide range of subjects and this one is no exception. In about sixty seconds, he sums up how to price your services to increase the odds that you're going to get the deal.

Now, to put this in context, during this part of the interview I conducted, we were talking about specifically a down economy. But in fact, this strategy works regardless of the economy. And so,





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you should really use it all the time. So let's listen to Bob's advice. There will be some summary notes up here on the slide as Bob speaks so you can watch and follow along.

At the end of this training episode, of course, there's an assignment for you, so stay tuned for that. And so now, let's let Bob Bly tell you about the pricing strategy he uses. I think you're going to really like it.

[Start of Interview]

Pete Savage: What have you done over the years in down economies, let's say, that might be different from what you're doing when things are up?

Bob Bly: In a down economy, I give my clients more affordable options for buying my services. For example, I do a lot of direct mail. So typically, a client might come to me. And this is a client that normally mail twenty-page magalogs and they're expensive to have me write and to design and print and mail.



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So if the economy is slow, I might suggest to them, “You know maybe we should try an eight-page newsletter format, or maybe we should try a four-page letter in a number 10 envelope.” I give them pricing options. In fact, I’ll often give in a slow economy three pricing options for hiring me.

One might be—let’s say it was web stuff. One might be just critiquing their current website and giving them some comments. Two might be rewriting their homepage and a couple of other important pages. Three might be rewriting the whole site, so that’s more expensive. Now I’ll give them a quote that actually says good, better, and best. And when you do that, people normally would choose the middle option.

[End of Interview]

Pete Savage: So there you have it, simple and easy advice to follow from Bob Bly. And like I mentioned earlier, you may already be familiar with this technique. But the real question is, are you currently



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doing it? Now there are all kinds of reasons why this type of pricing strategy works well.

Here's one of them. One reason why it works is because of the psychology at play when you give clients a choice. When you just provide one quote, one price option, essentially you're saying, "Here's my estimate." It's a single price. It becomes a yes or no choice for the client. Whereas if you do what Bob is telling you, if you present three options, it no longer becomes a yes or no scenario. What you're essentially saying is, which one of these three options is the best one for you? So you're giving them more opportunities to say yes. And, of course, giving them more things to say yes to increases the likelihood that they'll pick one and say yes to one of them.

But let's digress on that for a moment so that we can move into the assignment that will help you take this strategy and put it into practice for yourself. Take a look at your last three to five proposals. And looking at those proposals, ask yourself how many





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pricing options did you give. Look at the proposal pricing section and update that section to include three pricing options.

So if you typically just give one pricing option, go back and add two more to each of those most recent proposals and essentially build out a new pricing section for your proposals that you can start using going forward. And then do use it. Start using this pricing strategy. You don't have to use the good, better, best language that Bob uses if you don't want to. But just make sure you provide three options and then watch this strategy really start to work for you.

I want to thank Bob Bly for that tip and I want to thank you for watching this video training from internationalfreelancersacademy.com. We'll see you back here soon. Have a great day.

[END OF TRANSCRIPT 00:04:53]

