



Ep 108 - Value Pyramid

[00:00:00] Thanks for tuning in to this episode of pimp your brilliance. I'm so glad you're here. This is episode number 108, and you can find show notes at pimpyourbrilliance.com/108.

[00:00:11] If you have ever wondered, how do I service the various segments of my audience at different price points? Then this episode is definitely the episode for you.

[00:00:22] Over the past couple of weeks, I have been talking about money and pricing. When we started out talking about money mindset shifts that you need to make and how those can help you level up your business and feel more confident about the way that you charge. In the previous episode, we talked about pricing mistakes. So what are things that creative entrepreneurs are doing that is keeping them from making the type of money that they would like to make? But today, I want to talk about a visual tool that you can use to help you map out the pricing or the offers that you have at various price points.

[00:00:58] And I think that [00:01:00] this is going to really bridge the gap for you if you are someone who struggles with pricing higher, because you feel like you're going to price out certain parts of your audience.

[00:01:10] So for example, I know that there is a very large segment of my audience that is beginner. And because I know that I know that a lot of times they are more price conscious, more budget conscious. They don't have the money to invest in one-to-one coaching or a large program.

[00:01:27] And so that is something that I'm always trying to consider. How do I make sure that I'm meeting the needs of the various people in my audience? While also meeting them where they're at right now.

[00:01:40] I think what I'm going to share with you today is really going to help you understand how you can do that and still make enough money to hit your revenue goals while also not pricing people out, because I understand that's a huge concern.

[00:01:55] I get it. I have been there. And I want to offer you a solution that you can [00:02:00] do that may help with that.

[00:02:01] So today we're going to be talking about a value pyramid. Now I'm going to be upfront. If you Google the word value pyramid, you're not going to find a lot of information about what I'm talking about today.

[00:02:14] However, after you listened to this episode, if you want to do more research, you can Google value ladder. I don't like the term value ladder. I don't like how it's discussed. I want to approach this conversation more as a pricing solution.

[00:02:30] So a way that you can price and make sure that you are meeting the needs of people who have money to invest while also not leaving out people who don't have the finances to make large investments at this moment. If that all resonates with you, let's get into it and start at the top by talking about what is a value pyramid.

[00:02:53] A value pyramid is a visual tool used to map out ways you can deliver increasing levels of value to your clients at a variety of different price points. So as you move up the pyramid, the value and price increases while the number of clients that you'd be servicing decreases. In very simple terms, you start off by offering something of value for free, and then you increase the price and value with your subsequent offers.

[00:03:21] And so when you think about a pyramid, a pyramid is basically a triangle. If you think about the very bottom of the triangle, the base level, that is the widest part of the pyramid. This is also going to be like free things, low cost things. That's going to service the needs of the majority of your audience, specifically people who are just getting to become aware of you.

[00:03:45] And they're still building that like know and trust factor. Also people who have not, are not ready to invest yet, you're going to be servicing them on that base level. And then as you go up the tiers, I have four tiers. Each tier is going to [00:04:00] have different offers and a slightly higher price points. And then you get all the way to the top, which is the highest price point.

[00:04:09] And also you're going to be working with the least amount of customers at the top. And this will make more sense once we get to the four tiers, but I want to talk a little bit about the benefits of a value pyramid. So there are lots of benefits that are associated with having a value pyramid and using that as a pricing structure in your business.

[00:04:30] The first one is having a value pyramid helps you build trust with your audience over time. So a person who is just discovering your business or your brand for the first time, they're not likely to spend money with you right out the gate. At that point, they're still getting to know you. We're still trying to build up that like and trust factor.

[00:04:48] And so your value pyramid can allow them to dip their toe in without a lot of commitment. So, as I mentioned, that first level, that base level is going to be free resources and low. Lower costs, offers. And so they can consume your free content as much as they like. And if they want to test it out a little bit, see what your offers are like your paid offers.

[00:05:13] They can try out one of your lower price offers first and get a feel for if you're the right teacher for them, if they like your style. And so it's just a great way for your audience to build trust over time. My second benefit is your value. Pyramid allows you to work with clients at varying price points.

[00:05:33] And I mentioned this in my introduction, and for me, I think this is the biggest benefit of using a value pyramid for your pricing structure. Because as I mentioned, you're going to have people coming to you at various price points. So you're going to have people who may have a little bit of money to invest.

[00:05:51] You may have people who have lots of resources to invest. So you're going to be able to work with and satisfy the needs of [00:06:00] different groups of people in your

audience. And I think this is great because you're going to basically be able to meet them where they're at right now. And this is really important for price and budget conscious clients.

[00:06:12] So if you have an audience that has a large beginner focus. They may not have a lot of financial resources to invest, but they may want to take the next step with you. By having those lower priced offers it gives them the ability to start working with you now, and then save up for a large investment later on.

[00:06:34] So I see this as a win-win because you're not pricing anybody out. Nobody is getting left behind. And I personally just think that feels really good.

[00:06:44] I also think having price points that are accessible to different members of your audience is just good business practice, because it can increase your business revenue. If somebody doesn't have a \$5,000 investment [00:07:00] to get started with you on website design services, you could offer some type of course, a workshop to teach people how to customize a Squarespace template in a weekend, or how to pick a template that's going to satisfy their needs until they have the finances to invest in professional design that costs more.

[00:07:24] That makes me feel really good as a business owner, knowing that I'm offering value to people, even if they can't afford my rates.

[00:07:32] I don't want to just say, Nope, you can't afford it. Oh, well for you, because that doesn't stop, people's need for needing that information. And even though I believe that you should make investments in your business. Sometimes you just don't have it. And because you don't have, it doesn't mean that you don't have the need for that information or that you don't want it bad enough. You just don't have what you don't have.

[00:07:55] I think that this value pyramid really helps close that gap. And so that's why I love this as a benefit that you can start working with people, even if they don't have the funds to buy your premium offer.

[00:08:12] The third benefit is that you're able to maximize the lifetime value of each customer.

[00:08:17] The thing about businesses is we need clients and we tend to think that we need to get a constant stream of new clients into our business, but it's actually smarter for you to retain existing clients. It's cheaper and it uses less resources to keep the clients that you have and find a, another level of value that you can provide them.

[00:08:39] So with your value pyramid, that can help you identify some new ways that you can provide value to your existing clients, because you'd be upselling them into the next level of your offer. And then that would just increase the lifetime value of working with those clients. So maybe instead of just selling someone.

[00:08:59] A workshop that costs \$197 after they've done the workshop, if they really liked it, but they feel like they still need more. You could upsell them into some type of coaching program or online course with group coaching components. There's a lot of different ways that you can do this, but that just means more money for your business while working with a client that's already in your marketing ecosystem.

[00:09:25] So you don't have to find a bunch of new clients. You just find different ways or, or higher value ways to work with your current clients. Now, all that glitters angled, there are a few downsides to using a value pyramid, not a lot, but there are a few, the main two are one. Having multiple offers can make your marketing field comp complicated.

[00:09:49] So if you're someone that's already kind of struggling to be consistent and tell people about your offer, having multiple offers is [00:10:00] just going to make that a bit more complicated, a bit more muddy because your clients are not going to automatically know all the products and services you have available.

[00:10:09] And even if you put them on your website, that doesn't guarantee that they're going to navigate and poke around to figure out all the ways that they can work with you. So you have to educate them. That's your job. And so this could mean that there's more work for you when you're planning marketing campaigns, because you're going to need to make sure you are giving each of your offers some shine time on your platforms or in your emails so that people know what is available to them.

[00:10:38] The other downside is you can feel like your attention is being pulled in many different directions. So you could be running a group, a group coaching program. You could be selling a low cost workshop and working with one-to-one clients at the same time. So you're going to need to consider your expected workload and [00:11:00] your bandwidth for delivering an awesome client experience when you're planning out your offers.

[00:11:05] So if you're someone who feels very overwhelmed, you're going to want to keep that in mind. As you're planning offers, you may not want to be taking on. New one-to-one client, while you're running a group coaching program, you may find it easier to have a cohort of people in your group coaching program.

[00:11:23] And then once that's over, you take a break and you may transition to one-to-one clients or focus on selling a course or something else. You may not want to do them at the same time. So that's just something to keep in mind. Okay. So let's talk about the value pyramid tiers. Now I'm going to give you some price ranges.

[00:11:43] You can feel free to use them. Feel free to ignore them. Pricing is really going to come down to your business goals and needs and what you feel you need to live. So feel free to ignore any pricing I offer, but I want to give you a few ranges to think [00:12:00] about and play around with, as you are, mapping this out for your business.

[00:12:04] So in the value pyramid, I have four tiers and each tier is associated with a different level of value. So here's how that breaks down to your number one. I consider this to be the, tell you what to do. This is if you're telling your client what to do. So these are going to be in the range of free. So \$0 to \$50, and this tier may include anything from blog posts to affordable resources like workbooks, worksheets, checklists, or toolkit.

[00:12:38] Now, as I mentioned earlier, this is the base level. So this is the very bottom of your pyramid, the widest level. So you're going to be able to service the most people in your audience because these resources are going to be free, or they're going to be low cost resources that are delivered automated. So these are your digital products, things like that, stuff that does not require a lot of direct interaction with you.

[00:13:06] So the stuff at level one is not going to involve any client-facing work. Then we have tier number two to number two is teach you how to do it. So if you're teaching your client how to do something, the price range here could be \$50 to \$500. And this tier is going to include workshops, memberships, self-paced courses, or even training videos.

[00:13:32] And you may have direct interaction with your clients. But it's usually going to be limited to special events or calls. So if you think about a workshop, it could be a three-day workshop. People are going to have access to the live instruction during that three-day period, and you may offer some type of Q and a calls.

[00:13:52] And then after that it's over, you're not going to be having any more direct interaction with those people from that workshop. Tier number three done with you. This is if you're doing work with your clients and a good range for this is \$500 to \$2,500, and this tier may include coaching. So that could be group or one-to-one consulting calls, training programs, and teaching.

[00:14:21] You're going to be more hands-on with the client and you're going to be providing a greater level of direction or instruction. So obviously if you're going to be doing group coaching or one-to-one coaching, people are going to have access to you during those coaching periods. And however you set up your, your parameters and guidelines around that same thing with consulting calls or training programs.

[00:14:42] And then finally we have tier number four. This is the very tippity top peak of your pyramid, and that is done for you. If you're doing the work for your client, a good starting price range is about \$2,500 plus, and it can vary. And at this tier you're providing an actual service. So you have a high level of involvement with the project.

[00:15:05] And so the number of clients that you can service at this level is limited. For example, if you are a website designer, you probably don't have 15. Clients at one time, unless you have a design agency. If you are a solo website designer, you may only be able to take two or three clients at the time. And so you're going to price appropriately for that, because if you have to give that level of instruction, like that level of hands-on service, then you need to make sure that you're charging properly.

[00:15:37] And again, thinking about our pyramid, starting from the base, which is the widest level of. People who you can service working all the way to the top as you go up, there's just less people that can have access to your time and access to you. And so, as you are moving up the pyramid, the cost increases, but the number of people that you're working with decreases.

[00:16:02] So does that all make sense? Hopefully it does. And I wanted to give you a real life example of this because I talked about these four tiers. But I want to give an example of how this could look in your business, because if you you're listening, you're like, man, this sounds like a cool idea, but how does that work?

[00:16:21] So let's just take an example from my own business. Some of this is made up because I don't have all of these things, but here we go. So to help potential clients discover my business, I offer free resources in the form of a podcast and social media updates. This leads people to my website. Where they may find my brilliant idea guide or my digital product quiz, which they can opt into and then be subscribed to my email list.

[00:16:49] And now they're getting my newsletter. So I actually have three forms of free resources, podcast, newsletter, and social media updates. Now, from there, they consume that content and they may think they want my next level offer. So as a next level offer, I could host a, create a tiny product in a weekend workshop.

[00:17:09] This could include three days of live video instruction, a workbook and Q and a, and then after I teach it live, I could repurpose that content into an evergreen workshop for people who missed the live version. Again, this is going to be my lower cost offer, but that's going to be my tier two. From their clients may think, you know what?

[00:17:32] I want something more of a bus. The workshop was cool, but I think I want more access. I want more time to get my questions answered so I could invite them to join me in the brilliant product roadmap course that has group coaching. And these clients would have access to a full curriculum along with coaching calls, opportunities for direct feedback from me and other bonuses that are included.

[00:17:58] So that would be tier three. And then finally my tier four offer. This is going to be for the client who understands the benefit of having a digital product. They want to add it to their lineup, but they don't have time, or they don't want to spend the time to create one. So I could offer them my done for you.

[00:18:15] Digital product creation service. This client would receive strategy calls to discuss their product idea, a product delivery timeline. And complete product creation from top to bottom. So I'm saying creating, I'm creating the entire product. I may be have writing the sales page. I may be setting it up, so can be delivered digitally at this level.

[00:18:37] The client's job would be to provide me the content because I'm not an expert on every single topic. Right. But they wouldn't actually be doing anything of the product creation. I would be doing that as a done for you service. So basically giving them a finished package once it's all done. So at every tier I'm able to offer value to meet my clients where they are right now.

[00:19:00] So whether they have a budget to make a large investment or they are more budget conscious, I'm still able to help them and provide some type of value as you can see, it's just an amazing way to make sure you're covering your basis when it comes to being able to service your audience. And just as a reminder, it's okay.

[00:19:19] If you don't have an offer for each tier right now, you can build out your offers over time to fit your value pyramid. This is something to aspire to, but I wanted you to see how powerful this could really be for your business. If you were to utilize a pricing structure like this. So to quickly recap a value pyramid is just a visual tool to help you map out your offers.

[00:19:43] And make sure that you are delivering increasing levels of value to your clients at a variety of different price points. Basically being able to meet them where they are right now. I hope this episode was helpful in that it provided you some ideas and some different ways to think about how you construct your pricing so that you can make more money.

[00:20:04] You can increase your income, but also still provide a lot of value. To your audience and your clients. If this episode provided you any value, I would love for you to

share it. Please screenshot it and tag me on Instagram stories. I am @pimpyourbrilliance over there. I would also love to have your feedback.

[00:20:25] If you want to send me a DM or you want to email me, you can send your emails to hello@pimpyourbrilliance.com. And as always, I am so thankful that you are here listening with me. And hopefully you're taking a lot of action. That is the one thing that I really want for you most is that you take the information that I share with you in each episode and apply it to your business and figure out how to level up and build that thriving business that you desire.

[00:20:56] So that is all I have for this week, but until next time, go out there and pimp your brilliance.