

The Dating Game

Understanding Price Anchoring



nathanalloy.com/wclax

Get the slides from the talk I just gave at WordCamp LAX

WordCamp LAX has been an awesome time of connecting with others, learning about building businesses and helping creatives price their projects effectively and win more proposals.

Enter you email to receive the slides of the presentation and other information about pricing your services.



References In This Talk



A man with a beard and short hair, wearing a dark vest over a white shirt, is sitting at a table in a cafe. He is looking directly at the camera. In front of him is a silver laptop with the Apple logo visible. To his left is a cup of coffee on a saucer. The background shows a stone wall and a coffee counter with various items.

HI. I'M NATHAN

(digital marketing strategist)



WHO AM I?



HostGator.com
Website Hosting



INPHOCUS
MEDIA

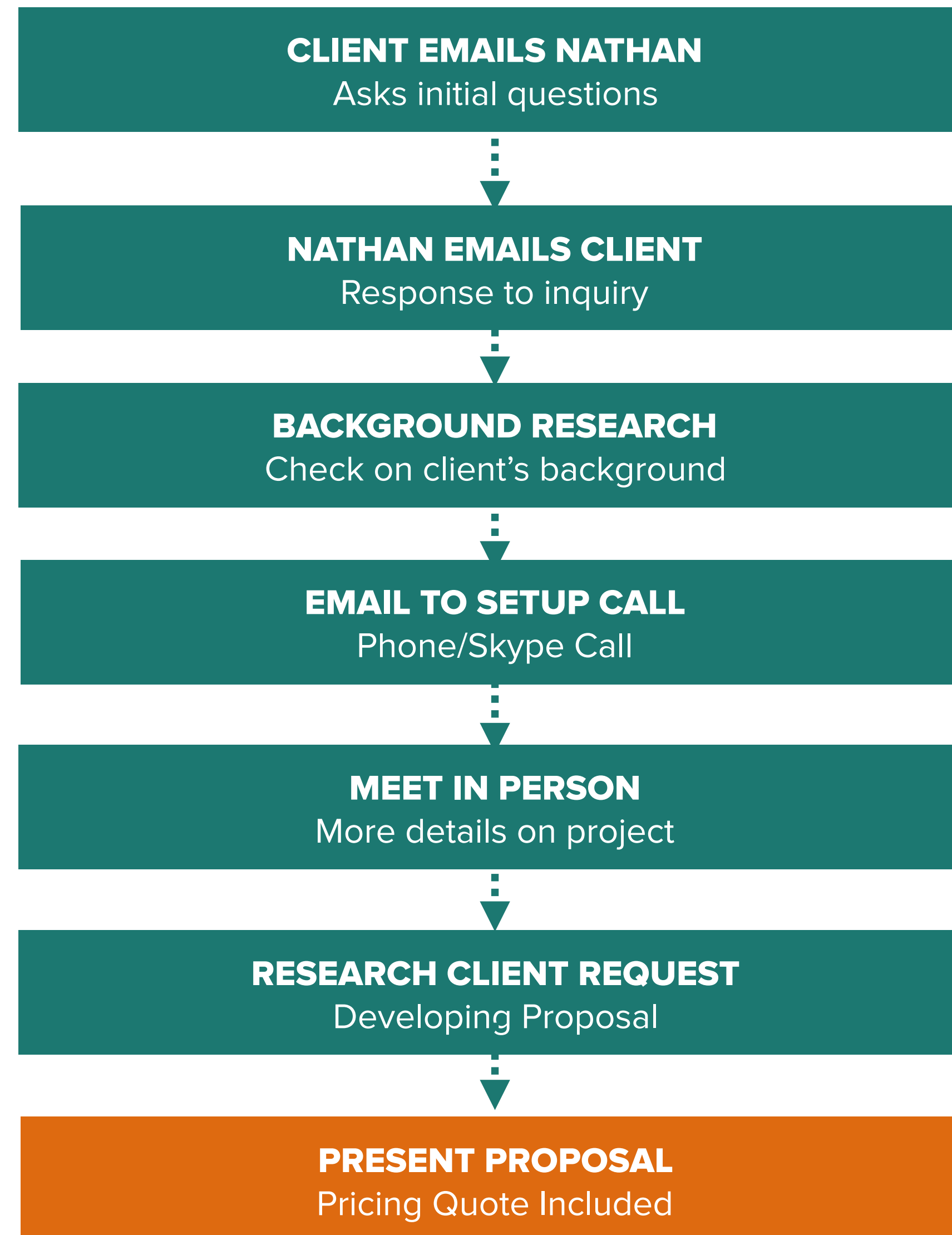




A group of people are gathered in a room decorated with colorful cutouts of Mickey Mouse ears and the word 'MINE'. The cutouts are in various colors including blue, yellow, red, and purple. The people are dressed in formal attire, including suits and a dress. One man on the left is standing and smiling, while others are seated on director's chairs. The overall atmosphere is festive and celebratory.

**What is this
show about?**

Previous Client Onboarding Process

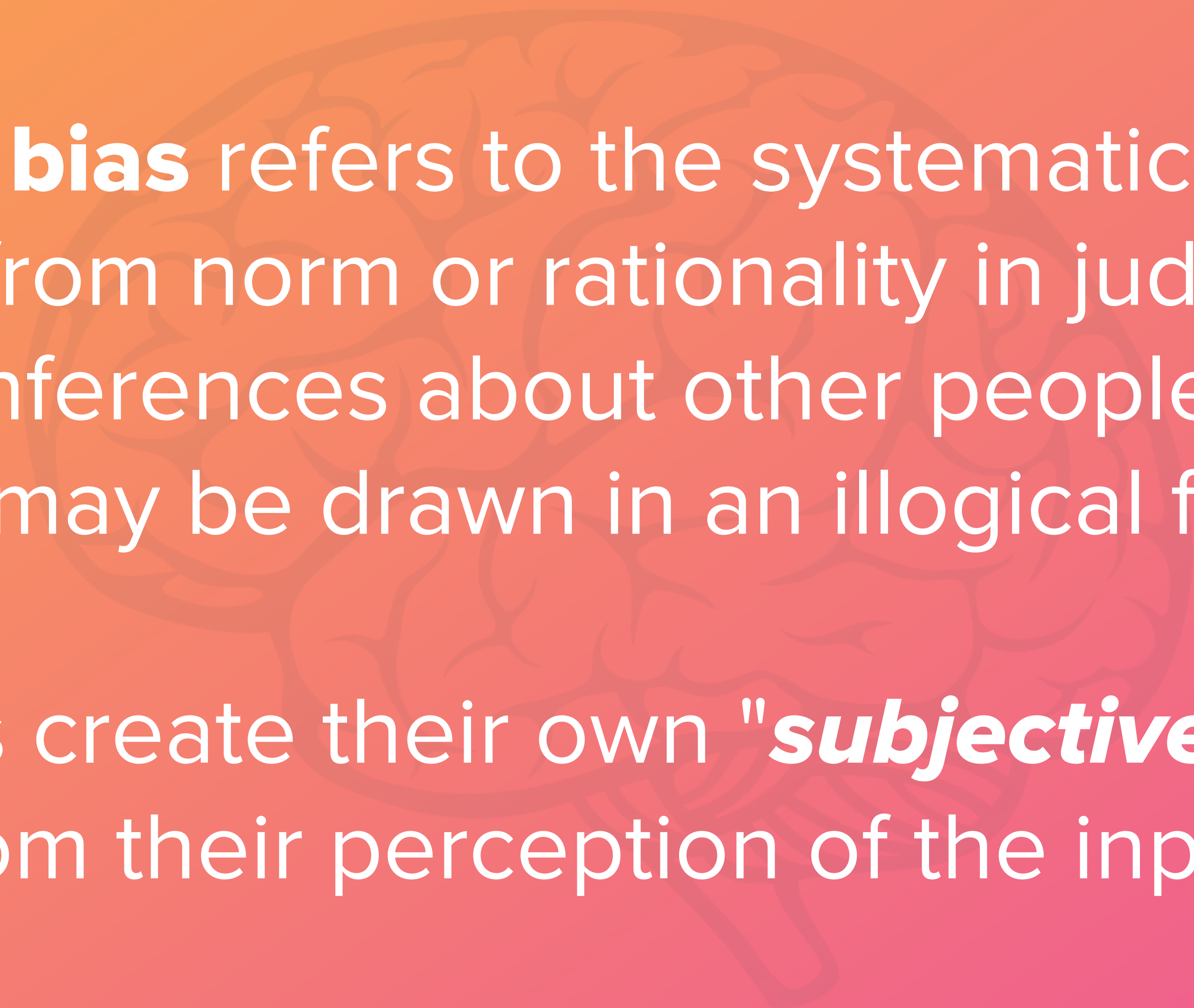


PRESENT PROPOSAL

Pricing Quote Included

- 1. Client would negotiate**
- 2. Client would accept, then scope creep**
- 3. Client would decline**

I was spending too much time with the client and not closing.



Cognitive bias refers to the systematic pattern of deviation from norm or rationality in judgment, whereby inferences about other people and situations may be drawn in an illogical fashion

Individuals create their own "***subjective social reality***" from their perception of the input



**Your brain takes shortcuts
to process complex
decisions quickly**



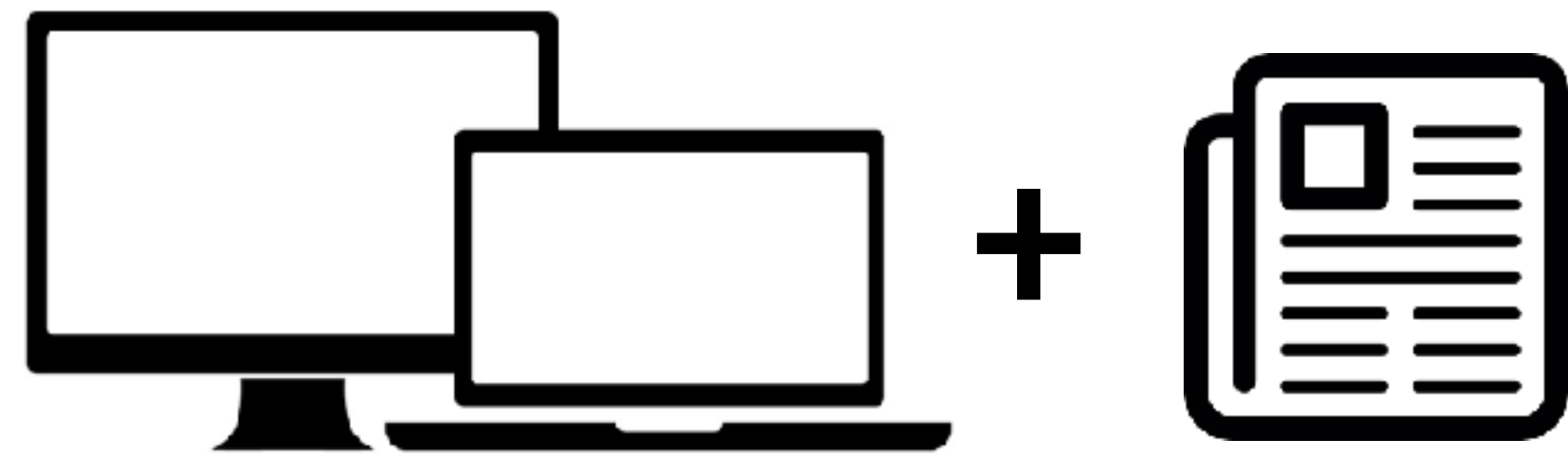
Web Only

\$59



Web & Print

\$125



inc.com/the-build-network/the-anchoring-effect.html

Web Only

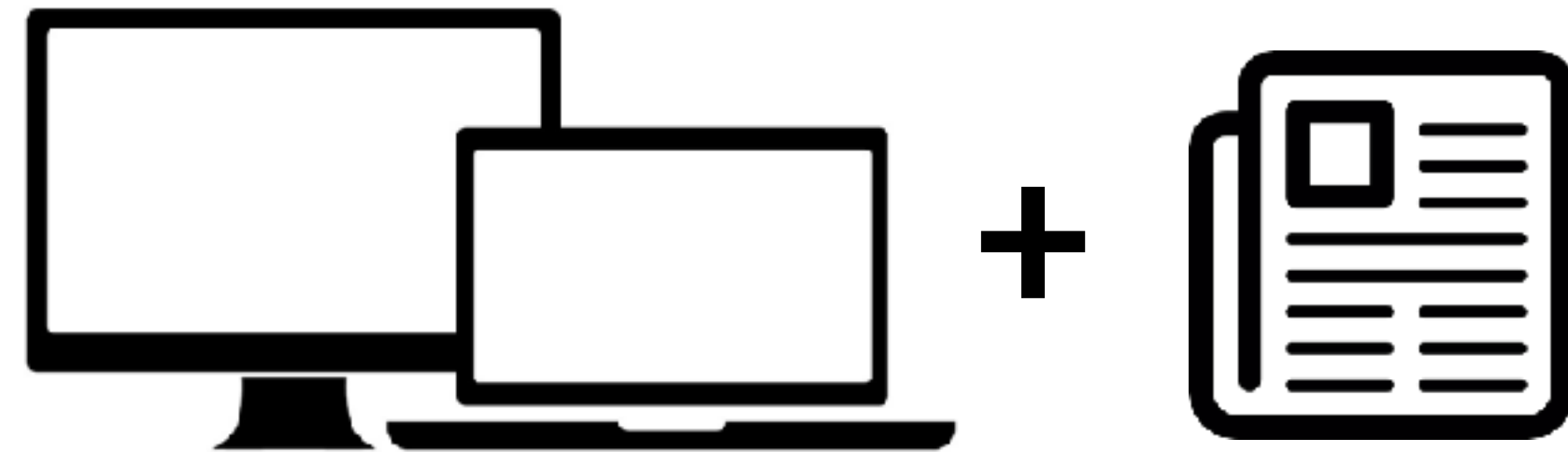
\$59



68%

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\$125



32%

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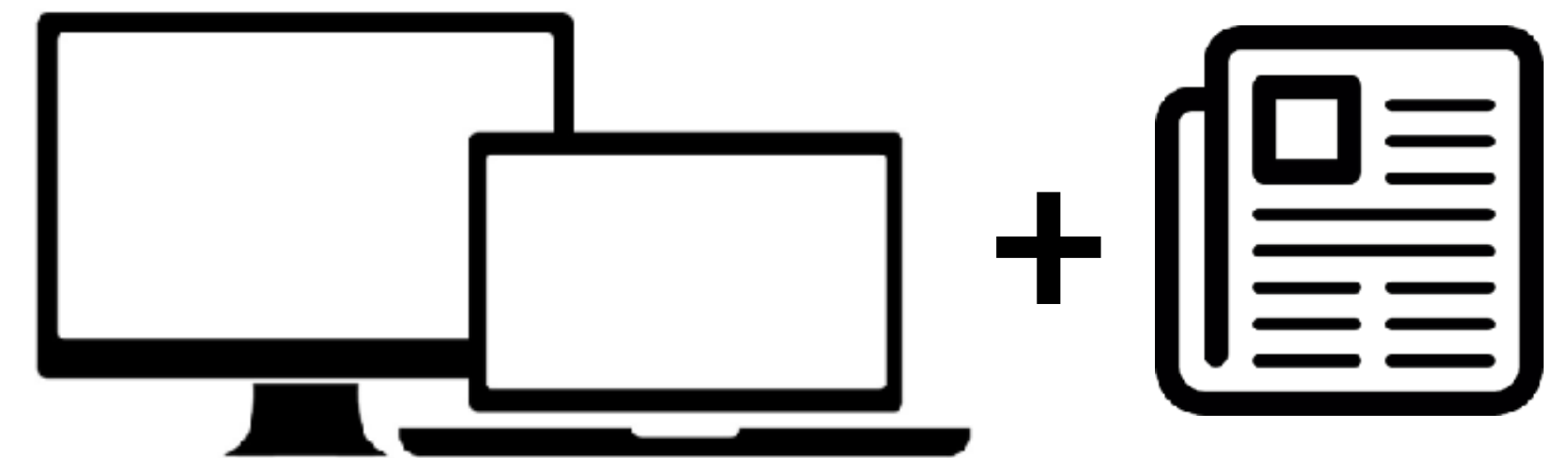
Print Only

\$125



Web & Print

\$125



Web Only

\$59



16%

Print Only

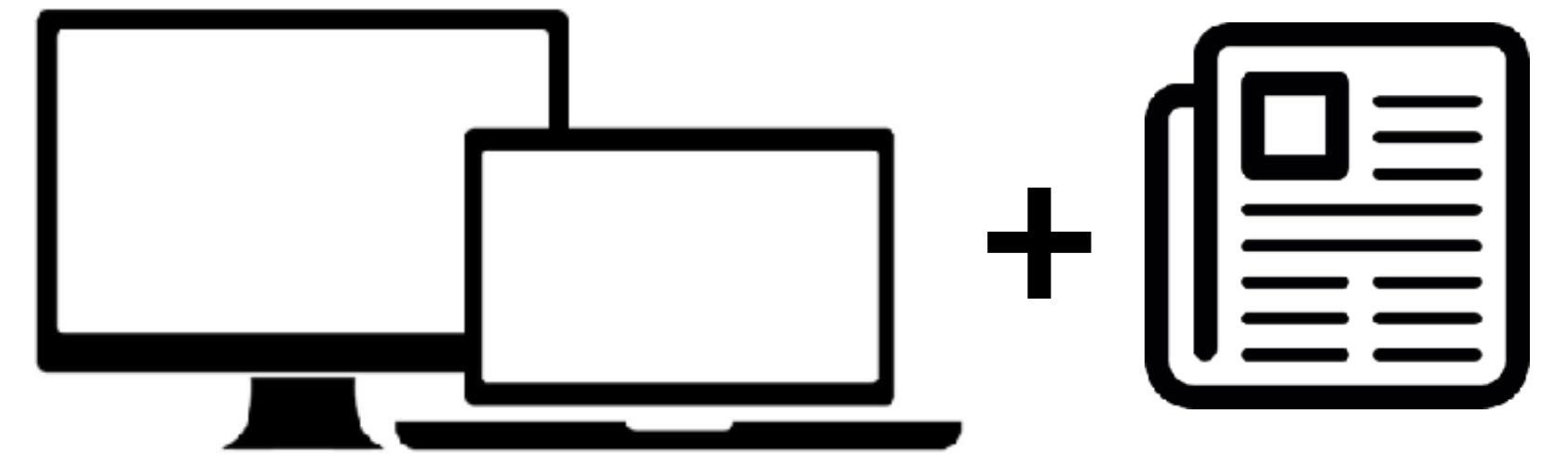
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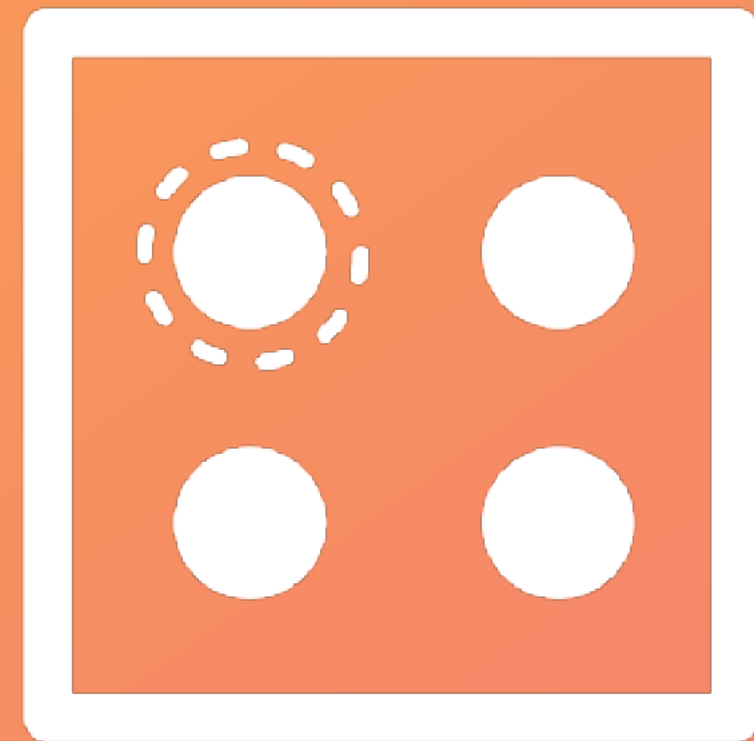
0%

Web & Print

\$125



84%



Price Anchoring

Price anchoring is a common **cognitive bias** that refers to the tendency to heavily rely on the first piece of information offered when making decisions.



The only gauge people
have for pricing is what
they have paid in the past.

@nathanallotey

#WCLAX



I see price anchoring



750

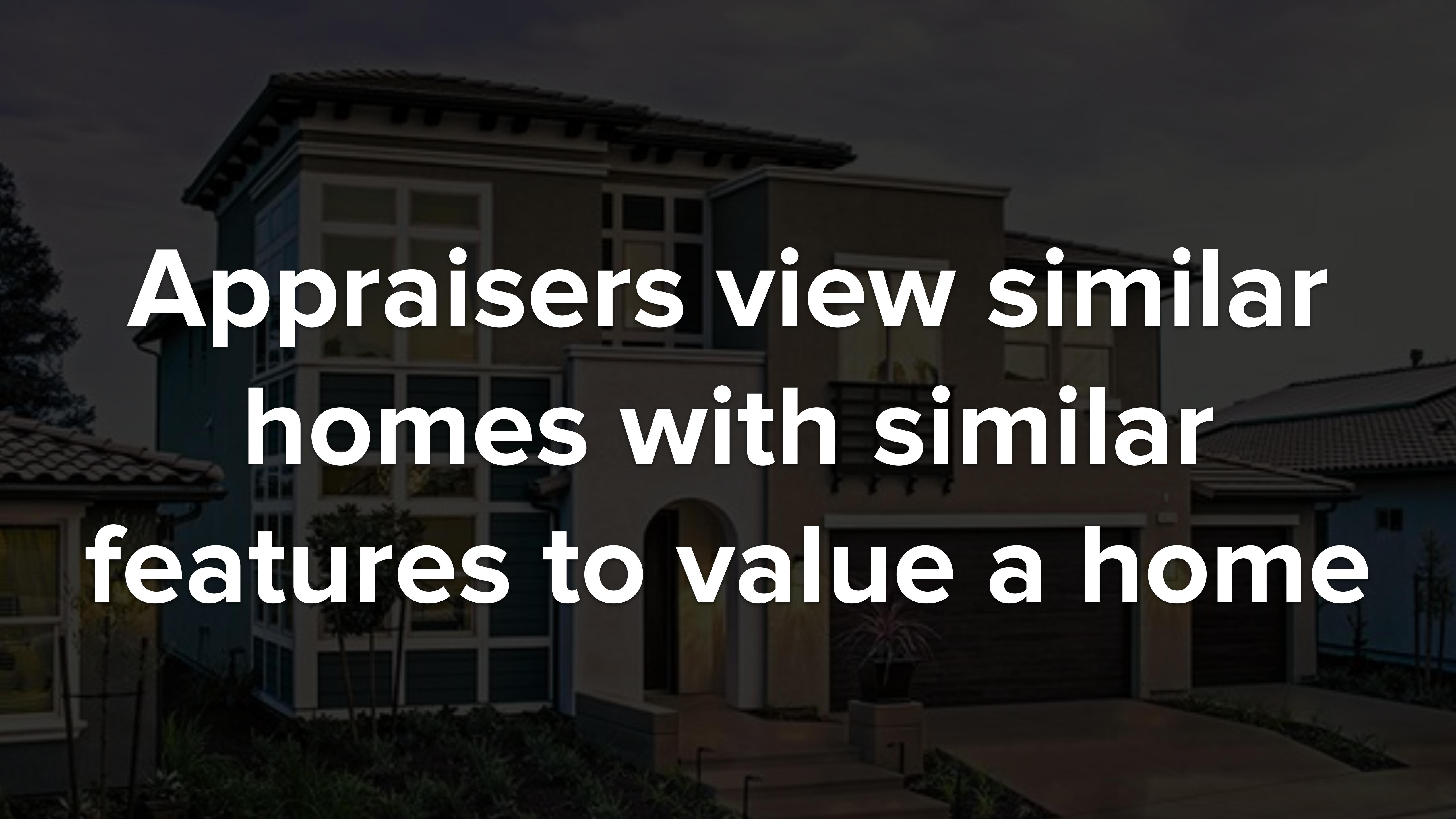
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923

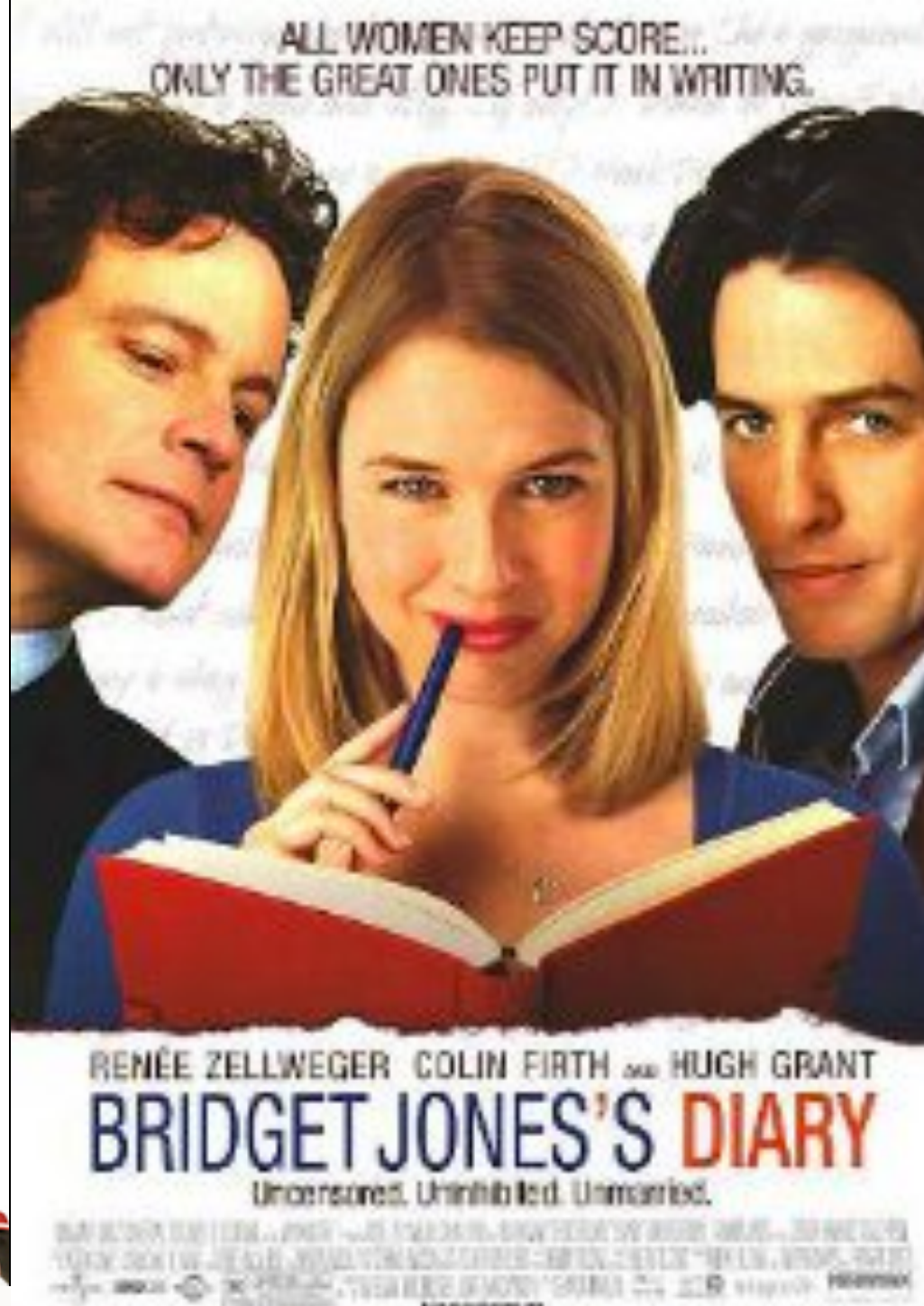
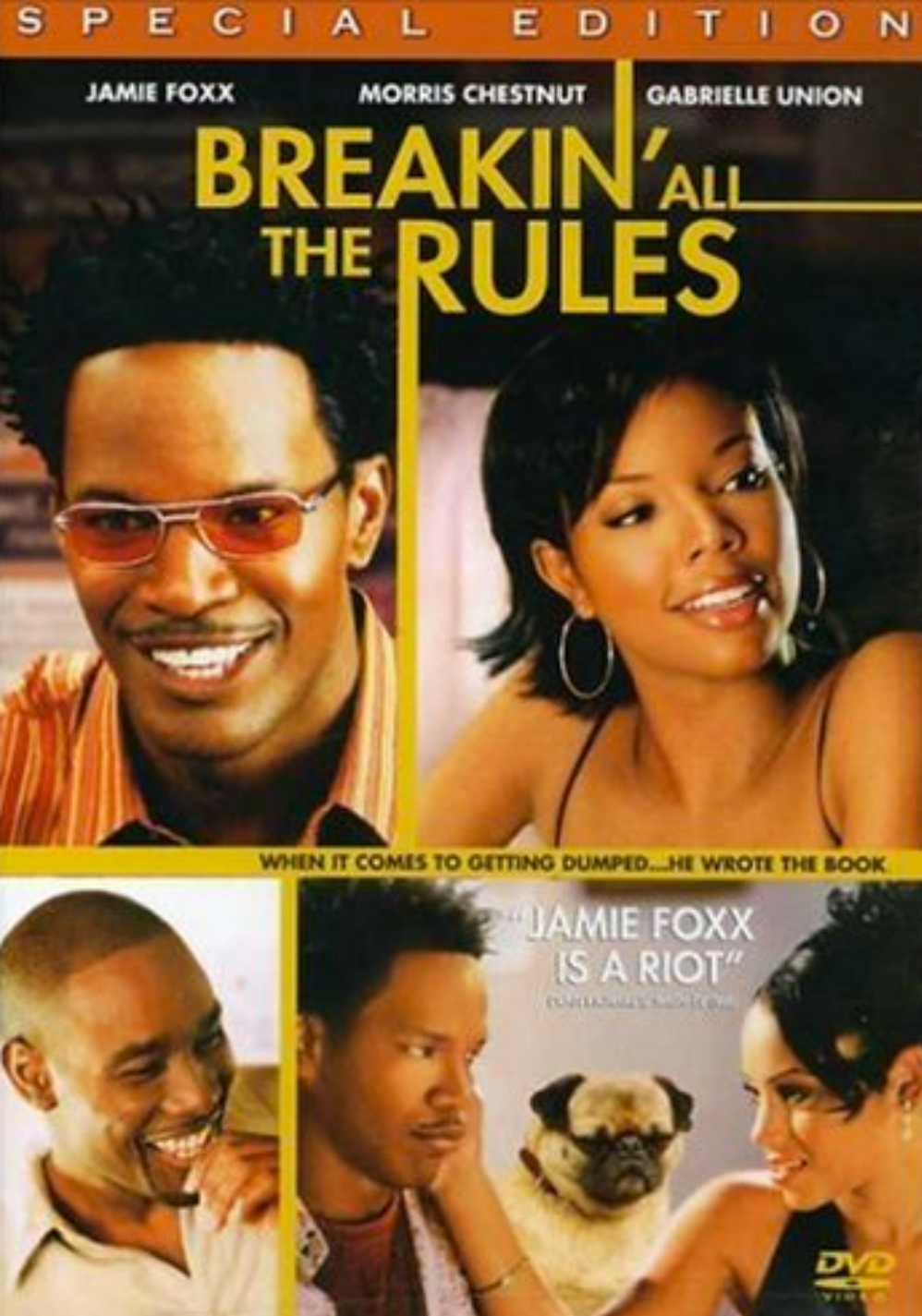
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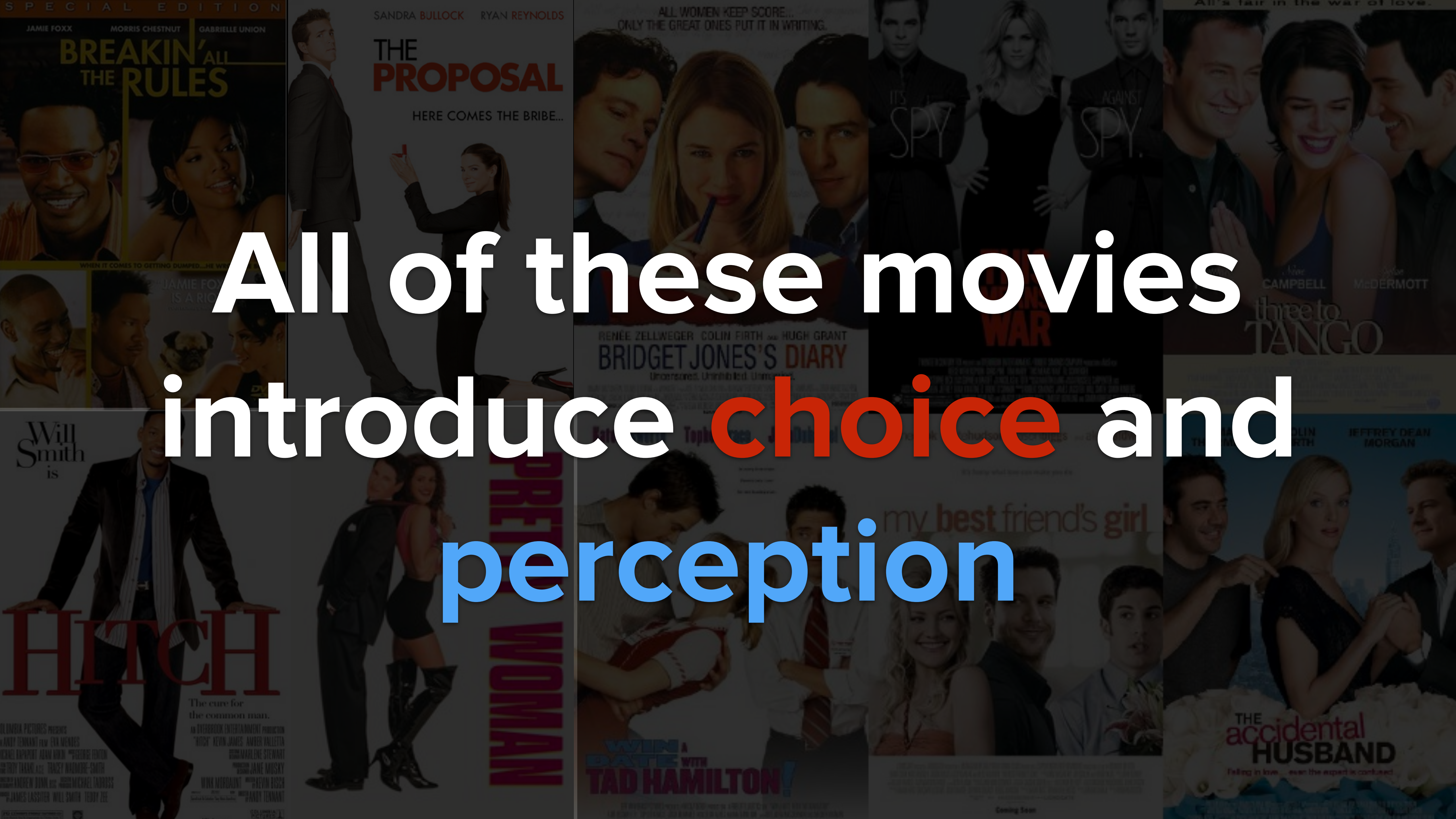




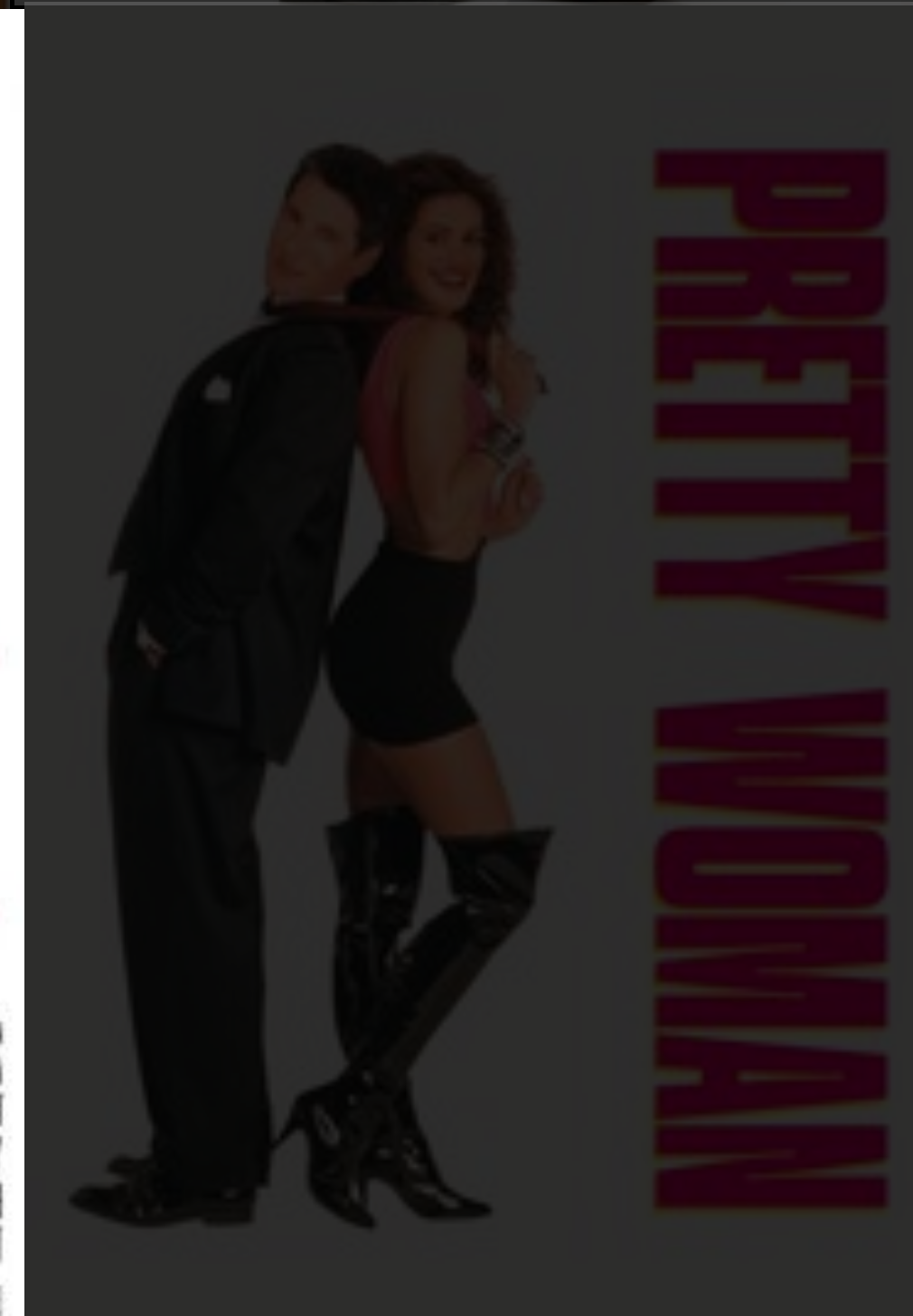
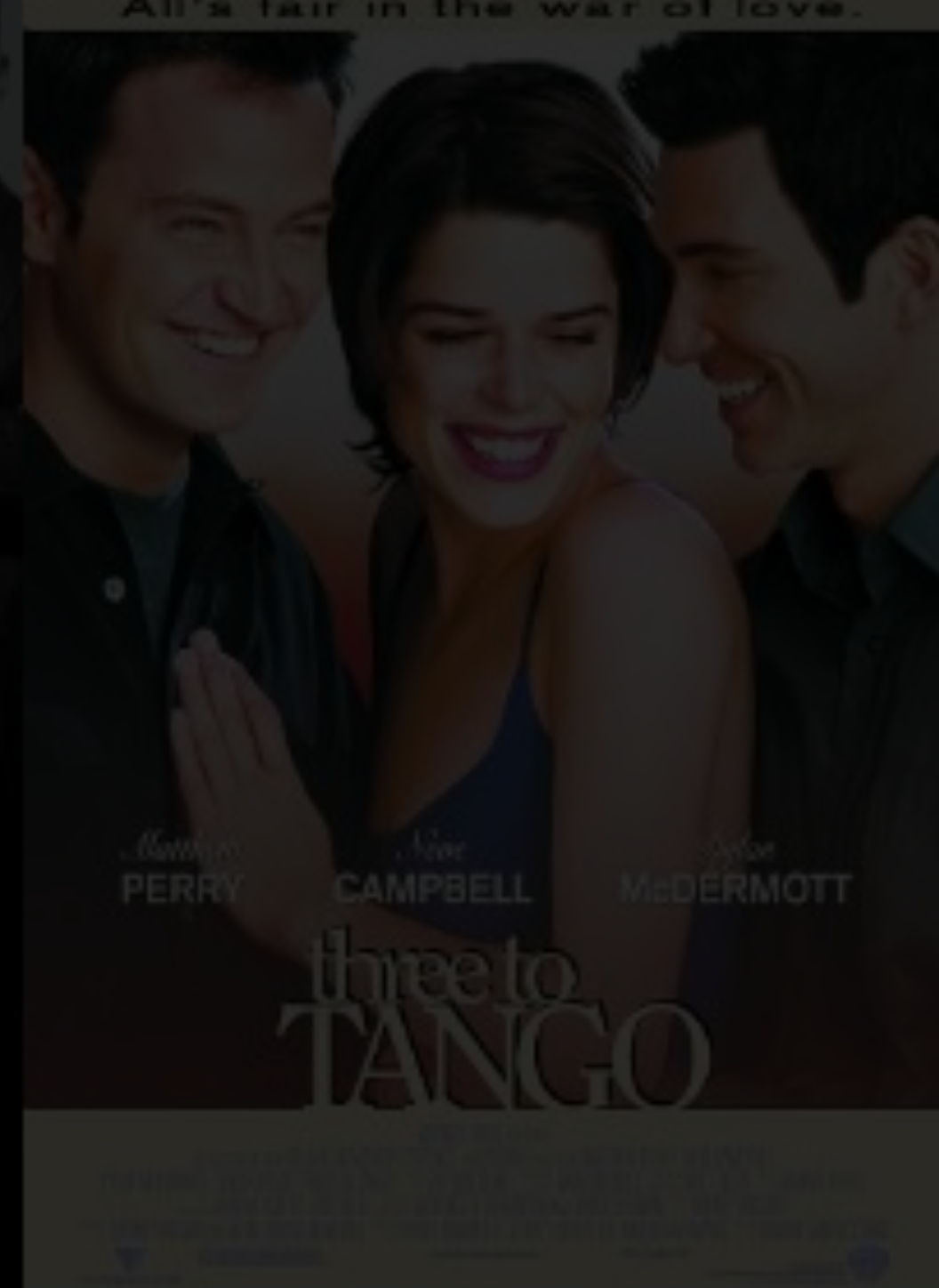
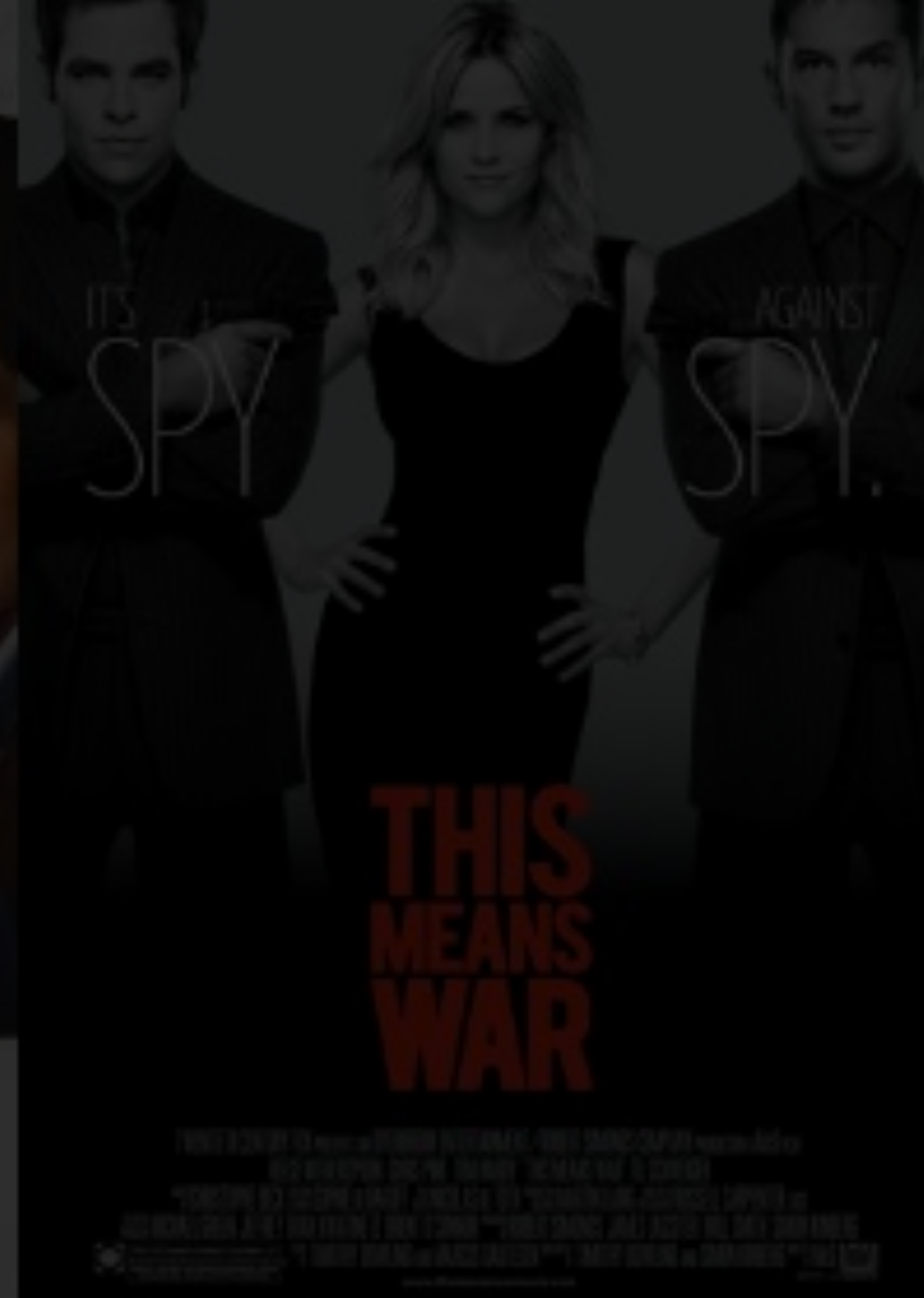
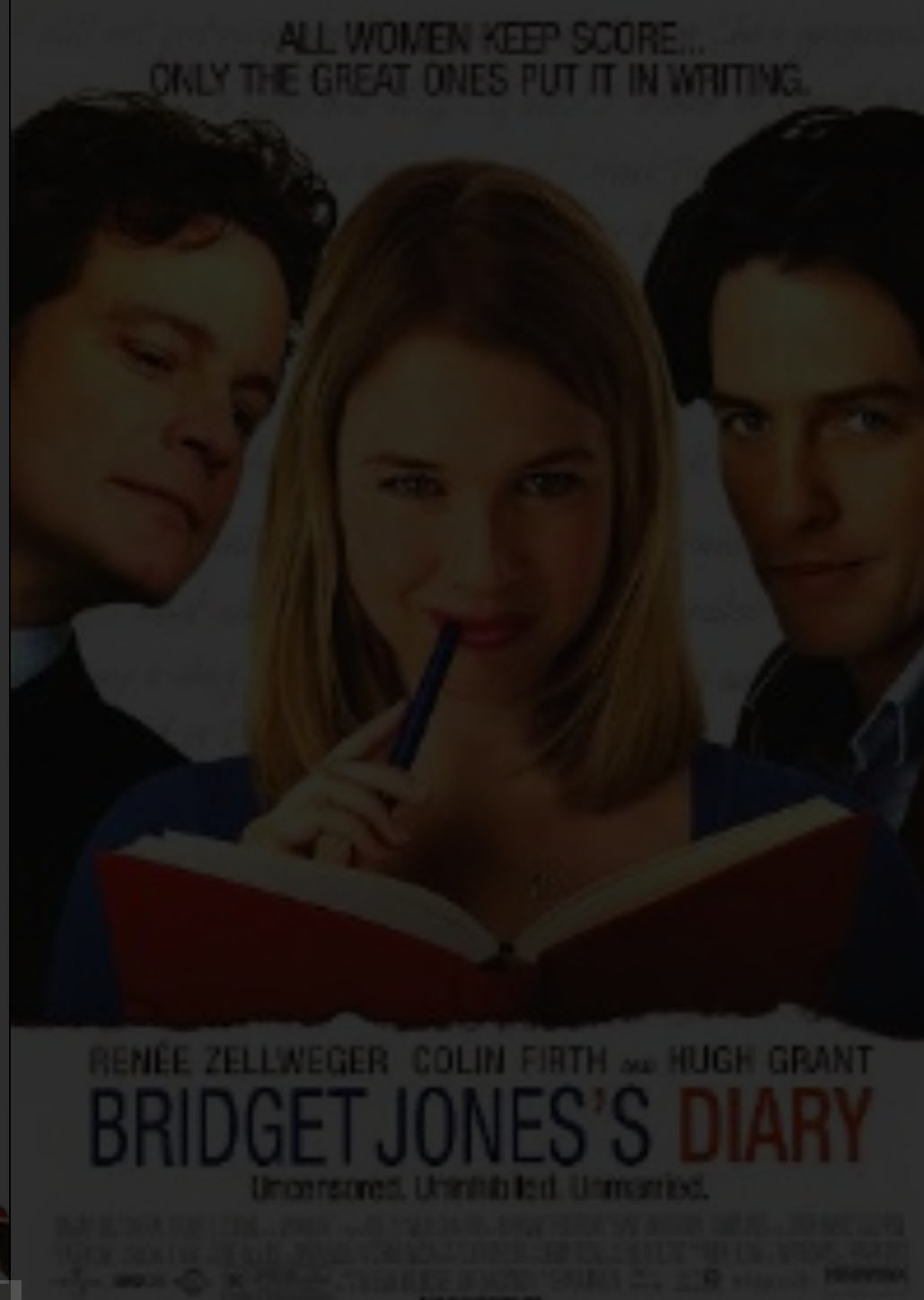
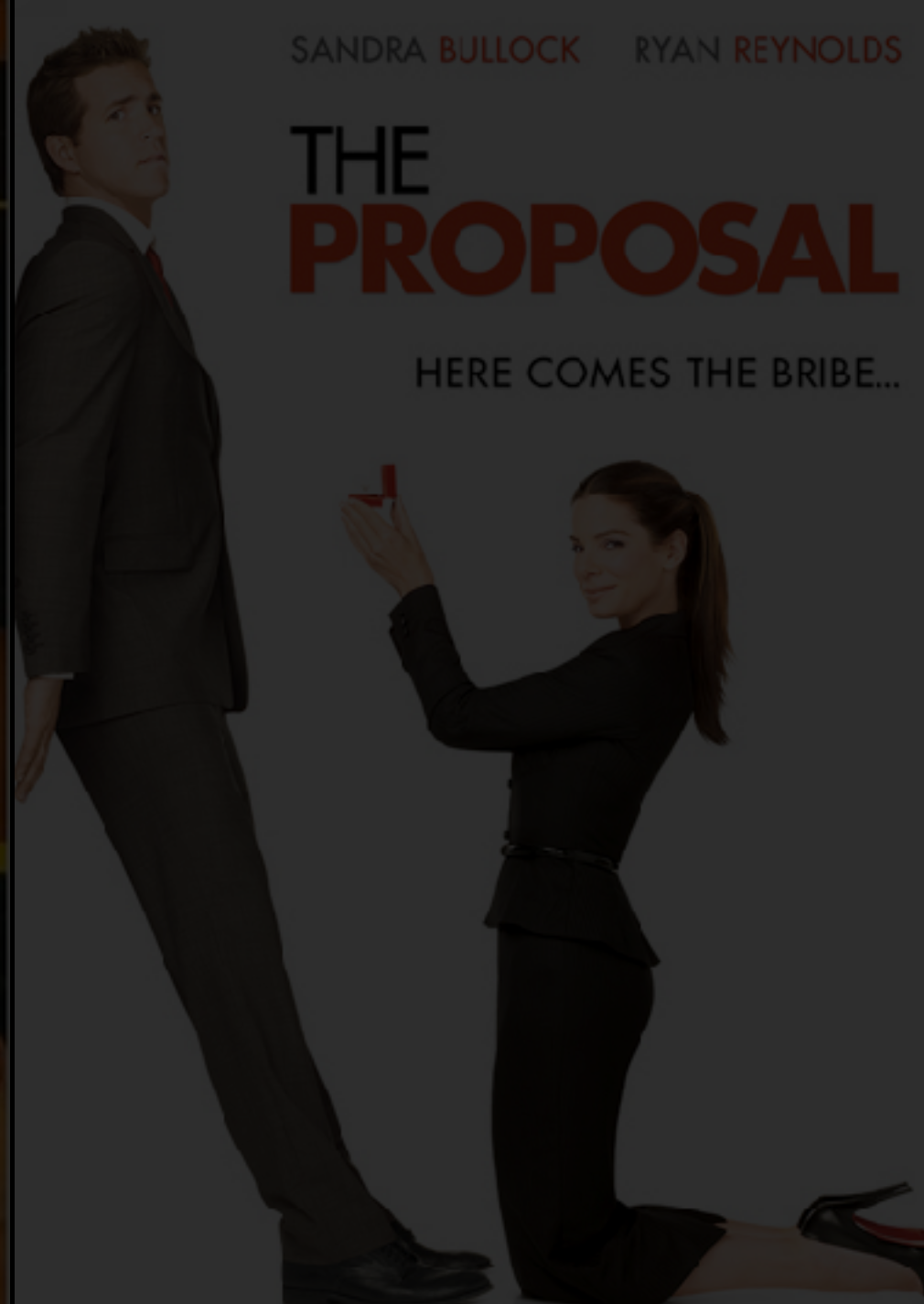


**Appraisers view similar
homes with similar
features to value a home**





All of these movies
introduce **choice** and
perception








The whole movie was
about positioning.





**When choice was
introduced Will Smith's
character was forced to act.**

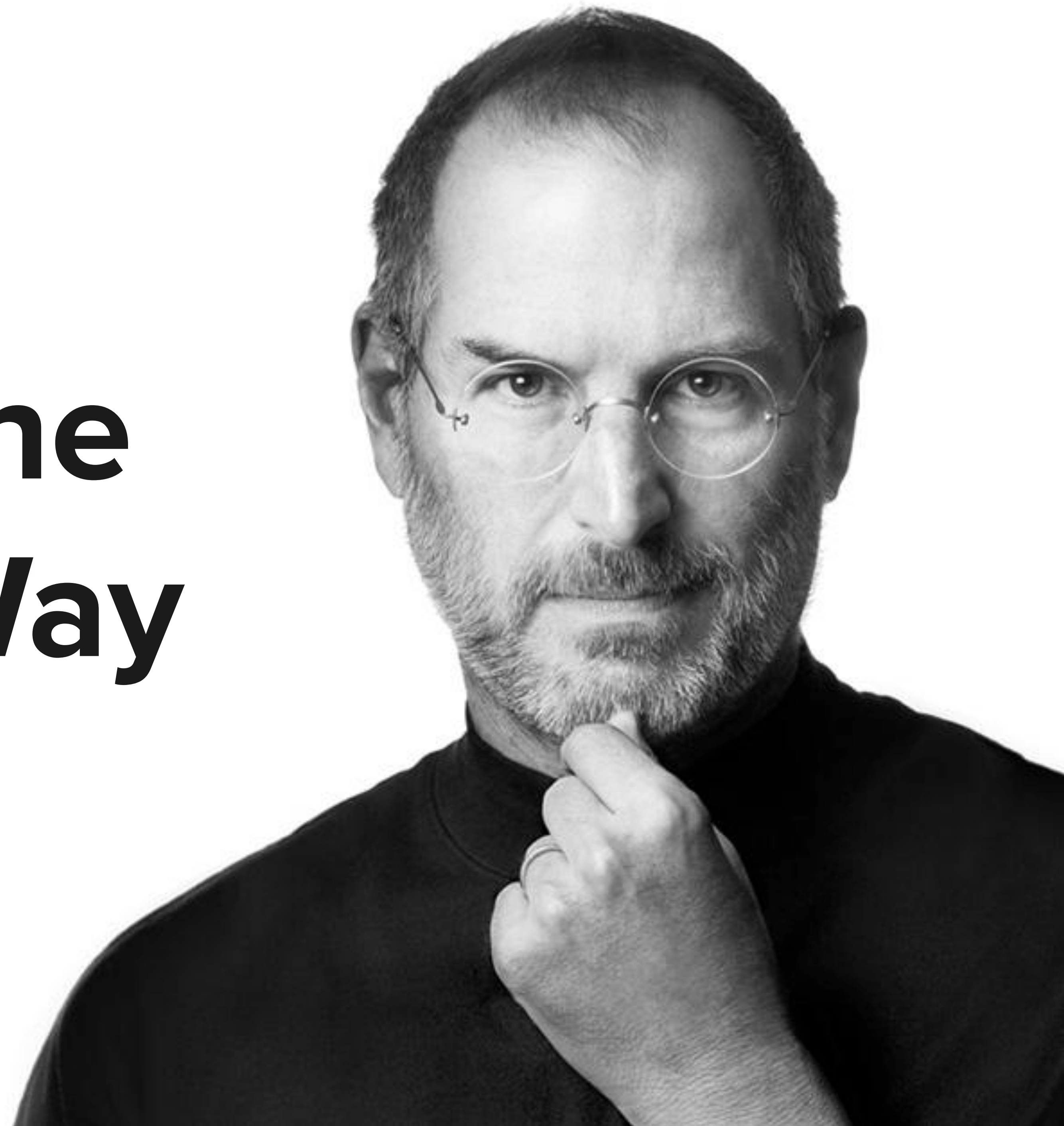
A large, light blue Twitter bird logo is positioned in the upper left background of the slide.

**Introducing choices to your
pricing helps the client make
a decision in your favor.**

@nathanallotey

#WCLAX

Price Anchoring the Steve Jobs Way












\$999

A photograph of Steve Jobs standing on a stage during a presentation. He is wearing his signature black turtleneck and blue jeans. Behind him is a large projection screen displaying a large white price tag with the text "\$499". The stage is dimly lit with purple spotlights. To the left of Steve Jobs, there is a black leather armchair and a small white side table with a bottle on it.

\$499





A dark, cinematic scene from the movie Inception. Leonardo DiCaprio is in the center, looking forward. To his left, a man in a light suit holds a rifle. To his right, a man in a dark suit stands with his hands in his pockets. Other characters are visible in the background on a city street at night.

**A DREAM
IN A DREAM
IN A DREAM**



Price Inception?



Toyota Corolla



Toyota Camry



Lexus

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Gartner names Dropbox as a Leader in the July 2018 Magic Quadrant for Content Collaboration Platforms. [Get the report](#)

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BEST VALUE		
Standard	Advanced	Enterprise



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☐ Billed yearly ☒ Billed monthly

Standard

\$15

/ user / month, starting at 3 users

-  3 TB of space for secure storage
-  Easy-to-use sharing and collaboration tools

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- ✓ 3 TB (3,072 GB) of space
- ✓ 120 days of file recovery
- ✓ 256-bit AES and SSL/TLS encryption
- ✓ Smart Sync
- ✓ Dropbox Paper admin tools
- ✓ Office 365 integration
- ✓ Admin console and audit log
- ✓ Granular sharing permissions

BEST VALUE

Advanced

\$25

/ user / month, starting at 3 users

-  As much space as your team needs
-  Sophisticated control and security features



[Try free for 30 days](#)

or [upgrade now](#)

- ✓ **Everything in Standard**
- ✓ As much space as needed
- ✓ Advanced admin controls
- ✓ Dropbox Showcase
- ✓ Tiered admin roles
- ✓ File event tracking
- ✓ Advanced user management tools
- ✓ Invite enforcement

Enterprise

Contact us

-  Customizable solutions
-  Individualized support to help admins manage at scale

[Contact us](#)

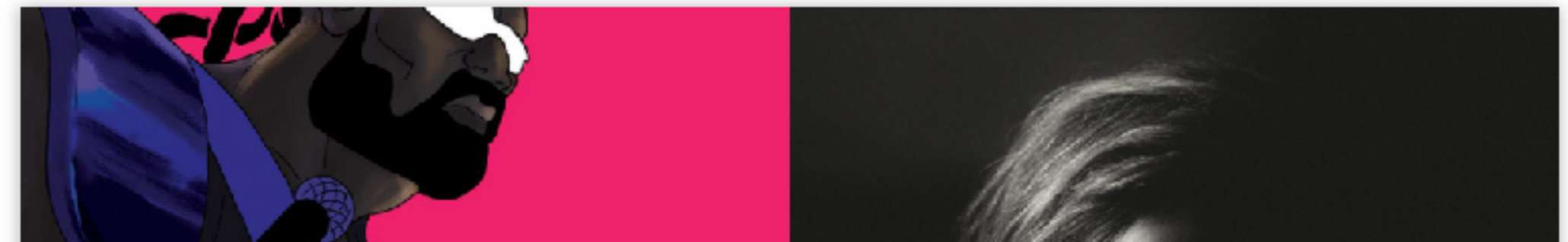
- ✓ **Everything in Advanced**
- ✓ Account Capture
- ✓ Network control
- ✓ Domain Insights
- ✓ 24/7 phone support
- ✓ Advanced training for end users and admins
- ✓ Enterprise mobility management



Music for everyone.

[GET SPOTIFY FREE](#)[GET SPOTIFY PREMIUM](#)

What's on Spotify?



Why go Premium?



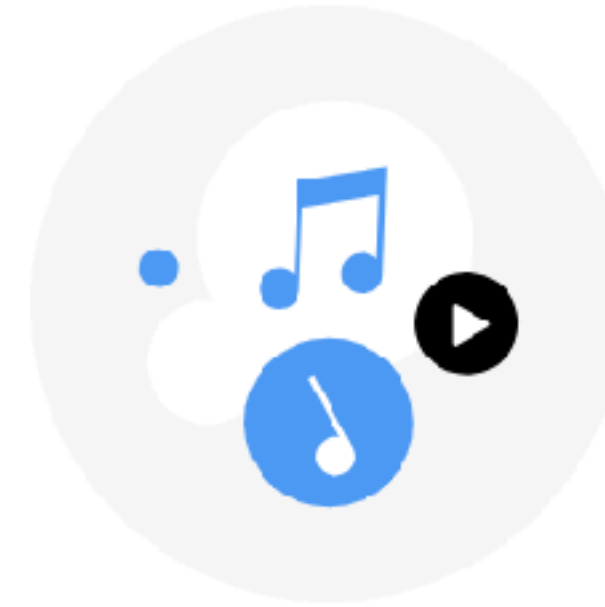
Download music.

Listen anywhere.



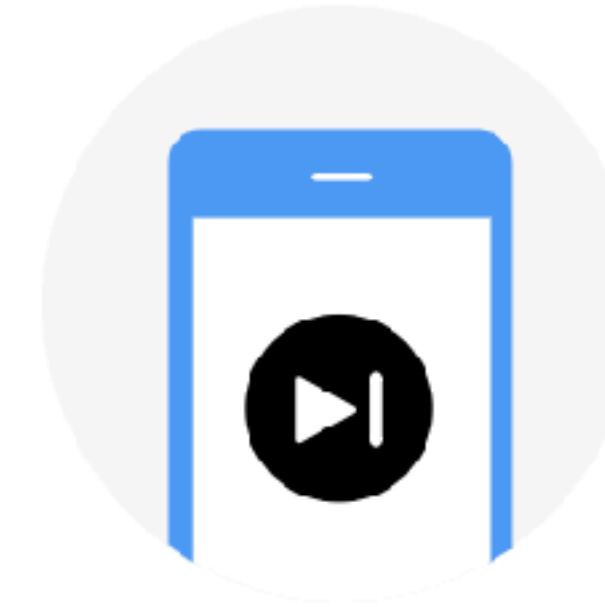
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Even on mobile.



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Just hit next.

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- ✓ Unlimited skips
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- ✓ Play any track
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- ✓ High quality audio

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Internet access

The option below reflects service availability.



Internet access on this flight is only available within the continental U.S.

Basic

Best for activities like:

Email and Web browsing

Internet video streaming is not supported.

1h

\$5.99

or use 930 miles

Select

2h

\$9.99

or use 1,540 miles

Select

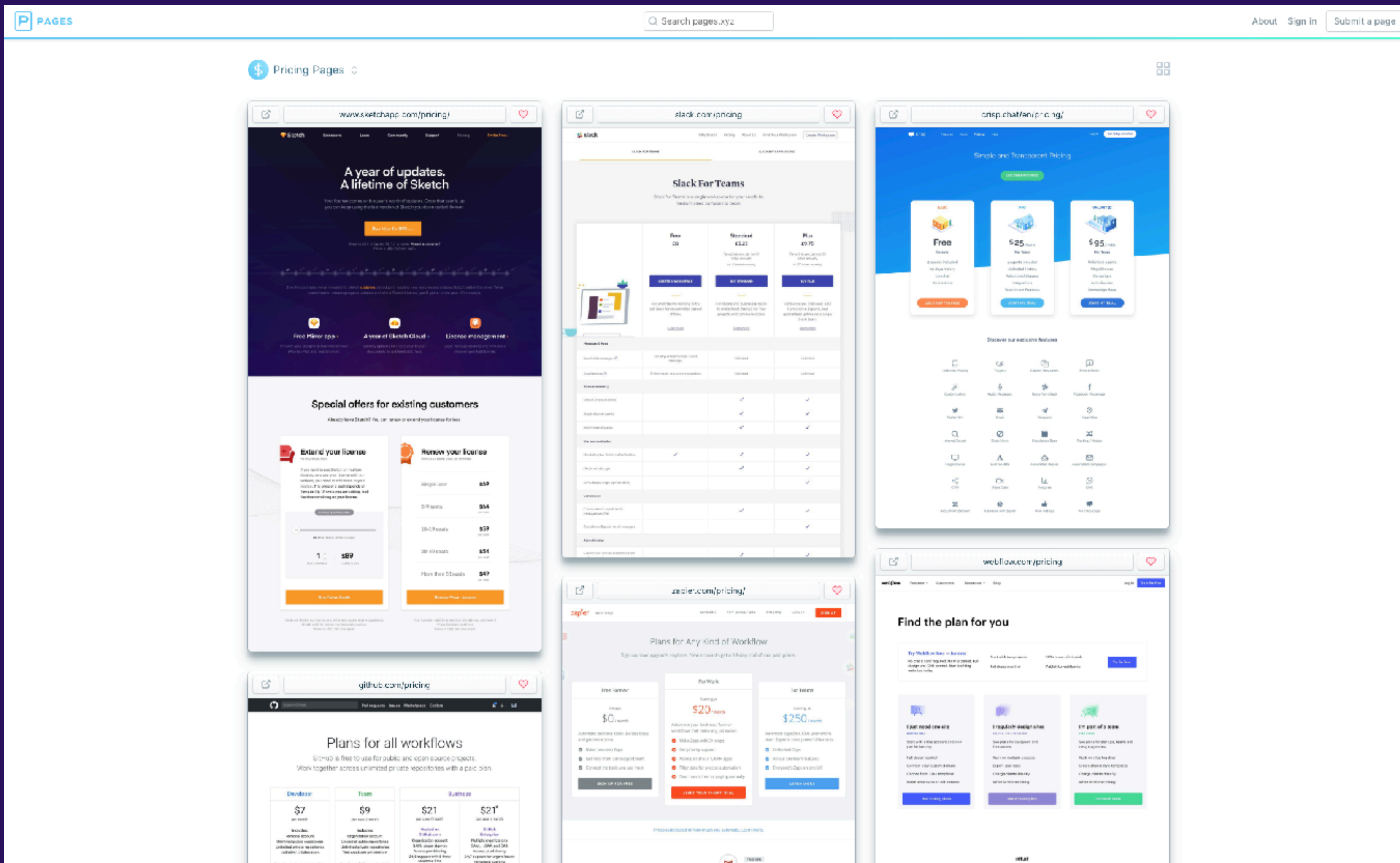
Full flight

\$10.99

or use 1,700 miles

Select

pages.xyz/type/pricing



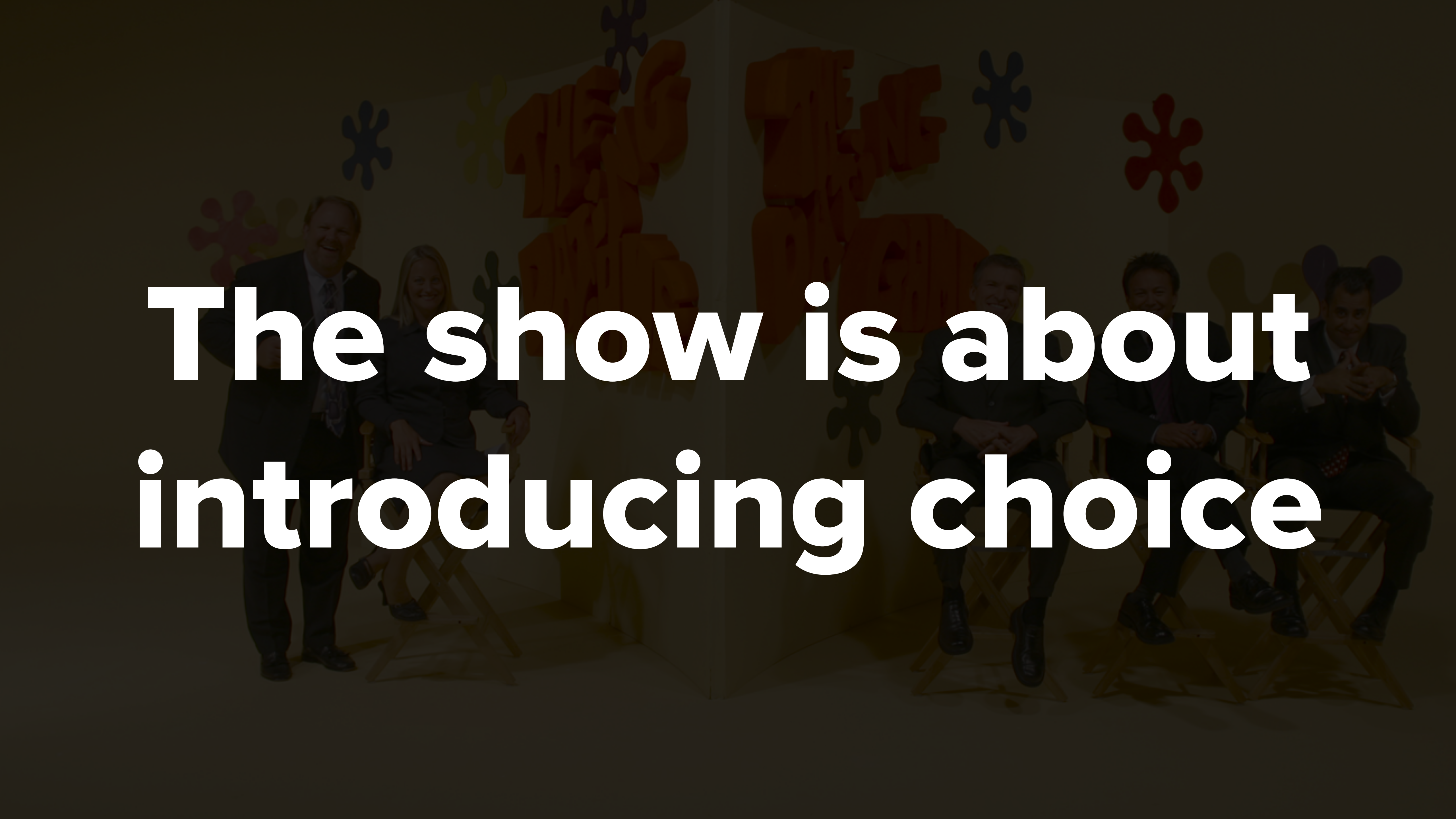
**DOES THIS
REALLY WORK?**



Nathan Logic: if this principle works then it should work if I try it on something obscure





A group of people, including men and women in business attire, are posed in a festive setting. Some are standing and some are sitting on director's chairs. The background features large, colorful cutouts of people and star-shaped decorations. The overall scene is dimly lit, with the text overlaid in white.

**The show is about
introducing choice**



LA TRIP

**I'm headed to Los Angeles for a friend's wedding
and I thought to myself, this would be a great
opportunity to see and hang out with
[Rihanna](#)**

Hey I am going to be in Los Angeles, LA on the weekend of Friday, October 24, 2011 and I am trying to spend some time and hang out with some friends. I thought it would be a great opportunity to hang out with you on Friday or Saturday, maybe even Sunday if you are up for it.

There are 3 chances of opportunity



Friday

On the evening of October 24, 2011 Ryan Gosling is having his wedding. Ryan and I are good friends so I will definitely be in attendance for the wedding. He mentioned that I get a +1 and I thought it would be a good chance to chill. I'll be in LA around 4pm.



Saturday

I will have the whole Saturday open. I figured this is a good opportunity to catch up and actually have a conversation over lunch or something similar. Even if it is not lunch whatever is cool, I just want to see how Rihanna does it in LA.



Sunday

I know that you go to church and I'm down to visit your church and kick it afterwards before I head back to Houston in the evening.

Questions You May Have

Why did you make this website?

Well to be honest I know that we play phone tag quite often, so I figured I would make this website and let you view it whenever you have the time. Also I like web design so I had fun doing it.

Can I choose more than one option?

Of course, if you want to choose 1, or even all 3 options I'm down for that too, just let me know which ones and we can make it happen.

When do you need an answer?

I will be in LA about a month from now, so there is no rush. Of course I would like to say as soon as possible so we can coordinate our schedules but let's just say 1 week?

So What Do You Think?

You can answer by phone call, sending me an email at nathan@nathanallotey.com or [facebook message](#).

Questions You May Have

OMG, IT WORKED!

#landingpageandchill

So What Do You Think?

You can answer by phone call, sending me an email at nathan@nathanallotey.com or [facebook message](#).



Price anchoring shifts the
client's mind from “*yes or no*”
to “*which option will I choose.*”

@nathanallotey

#WCLAX



**How can you apply this to
pricing principle to your
business?**

BASIC

Solve the customers core problem.

Ensure the scope of the project is understood.

Price should at the least equal your base hourly rate.

PLUS

Everything in the basic category.

Introduce recurring revenue or a retainer.

Add items that will make managing the deliverable easier.

ADVANCED

Everything in the plus category.

Introduce premium recurring revenue or a retainer.

Introduce items that will protect the client's investment.

BASIC

Solve the customers core problem.

Ensure the scope of the project is understood.

Price should at the least equal your base hourly rate.

1x

PLUS

Everything in the basic category.

Introduce recurring revenue or a retainer.

Add items that will make managing the deliverable easier.

1.5x - 2.2x

ADVANCED

Everything in the plus category.

Introduce premium recurring revenue or a retainer.

Introduce items that will protect the client's investment.

3x - 5x



**Get credit for
everything you do.**

@nathanallotey

#TheDatingGame

**Think about what your clients
request you don't offer but
end up doing anyway.**

Anchoring Services Examples

- **Tutorial videos**
- **Copywriting**
- **Editing**
- **Automated Backups**
- **Restore website**
- **Original Design Files**
- **Typography**
- **User Testing**
- **Coaching**
- **SEO Services**
- **Marketing Strategy**
- **Social media**
- **Photography**
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- **Podcasting**
- **Livestreaming**
- **Analytics & Reporting**
- **Other Bonuses (iPad)**

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WordPress 101 Course

WordPress Quick Tips

WooCommerce Quick Start

WooCommerce Complete Guide

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✓ Renews Every 12 Months Until Canceled

✓ Members-Only Help Forum

✓ Includes 161 Videos in 9 Courses:

WordPress 101 Course

WordPress Quick Tips

WooCommerce Quick Start

WooCommerce Complete Guide

Jetpack Plugin Course

Yoast SEO Course

MailPoet Course

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Because time is better spent not
wrestling WordPress



A bug free site

Because broken sites mean lost
customers



24/7/365

Because problems happen at
the worst possible time

WP Premium Support

**Need help maintaining
WordPress? We've got
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Our WordPress experts have you covered.



Fix problems fast

Header image not in the right place?
WordPress plugin causing you grief? Let us fix
it quick.



Manage administrative tasks

We can do the admin database work or set up
redirects so you're free to focus on your
business.



Optimize performance

Is your WordPress site running slow? Our
experts can bring it up to top speed.

Which plan is right for you?

Pick your plan based on how much you will need done per month. Credits go towards tasks completed by our experts. Every task in the WordPress Premium Support catalog costs one credit, regardless of the amount of time taken. All plans include Site Recovery. [?](#)

Starter

1

monthly credit

\$49.99/mo

Add To Cart

Basic

3

monthly credits

\$79.99/mo

Annual plan discounts
available [?](#)

Add To Cart

Most Popular

Deluxe

5

monthly credits

\$99.99/mo

Annual plan discounts
available [?](#)

Add To Cart

Ultimate

10

monthly credits

\$149.99/mo

Annual plan discounts
available [?](#)

Add To Cart

[Not sure which plan to choose?](#) Call +1 (480) 463-8271 for a free consultation today.

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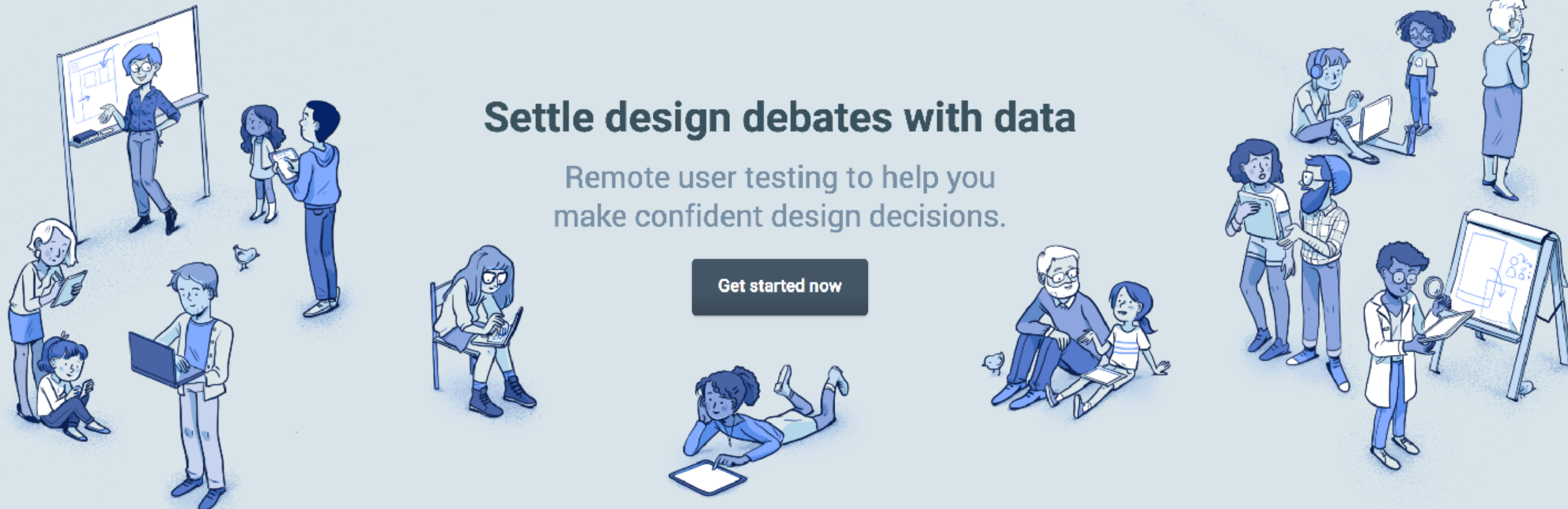
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[Get started now](#)

The UsabilityHub suite of tests.



**We have to learn the difference
between customer service and
customer assumption.**

@nathanallotey

#WCLAX

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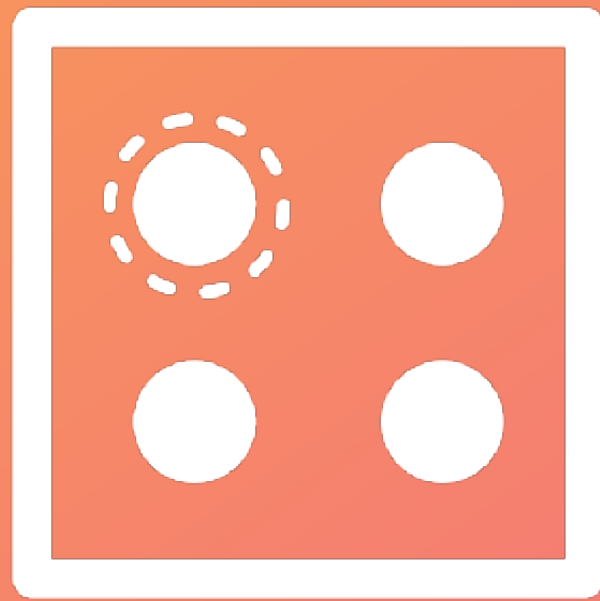
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Price Anchoring

1. **Always** use price anchoring when presenting a proposal or giving a quote.
2. Use services which focus on **increased value** when create pricing tiers.
3. Make sure each option presented is **profitable** to your business.
4. Define the **project cope** in your **contract** based on the selected.

The background is a light gray field filled with various business-related icons. These include organizational charts, briefcases, lightbulbs, documents, calculators, mobile phones, speech bubbles, credit cards, stacks of books, laptops, and dollar signs. The icons are scattered across the entire background, creating a professional and business-oriented atmosphere.

THANK YOU

@nathanallotey

#WCLAX



QUESTIONS?

@nathanallotey

#WCLAX



The Dating Game

Understanding Price Anchoring

