



**FIVE ELMS**  
**INCREASE ACV INTELLIGENTLY**

Mark Stiving, Ph.D.  
Chief Pricing Educator, Impact Pricing




# Program Agenda

Pricing Fundamentals

Short-term Opportunities

Long-term Strategies



A photograph of wooden blocks spelling out the word 'VALUE'. The blocks are arranged in a row on a green surface. A hand is visible in the upper right corner, holding a block with the letter 'E' above the other blocks. The background is blurred, showing a person's arm and a blue object.

V A L U E

# PRICING FUNDAMENTALS





MOST PROFITABLE  
PRICING STRATEGY:

**VALUE-BASED** PRICING

Charge what a client  
is willing to pay (WTP)





Customers trade  
money for value

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# IMPACTFUL INSIGHT

COMPANIES EXIST TO CREATE  
VALUE FOR CUSTOMERS  
PRICING CAPTURES VALUE





# THE SECOND MOST PROFITABLE PRICING STRATEGY:

## **PRICE SEGMENTATION**

Charge different prices to different customers based on their WTP













# IMPACTFUL INSIGHT

**BUYERS ARE UNIQUE  
YOU DON'T HAVE TO TREAT THEM ALL  
THE SAME**



# VALUE TABLES



**SOLUTION**



**PROBLEM**



**RESULT**



**VALUE**



# VALUE TABLES

## SOLUTION

## PROBLEM

## RESULT

## VALUE



We have a lot of electronics failures on top of light poles due to condensation from large temperature swings.

The vent allows the escape of condensation, lengthening the life of the electronics resulting in 20% fewer failures. For 100,000 light poles, the normal failure rate would be 1000 per year. That would decrease by about 200 per year.

Saving 200 failures \* \$1,000 per repair = \$200,000 or \$2/pole/year



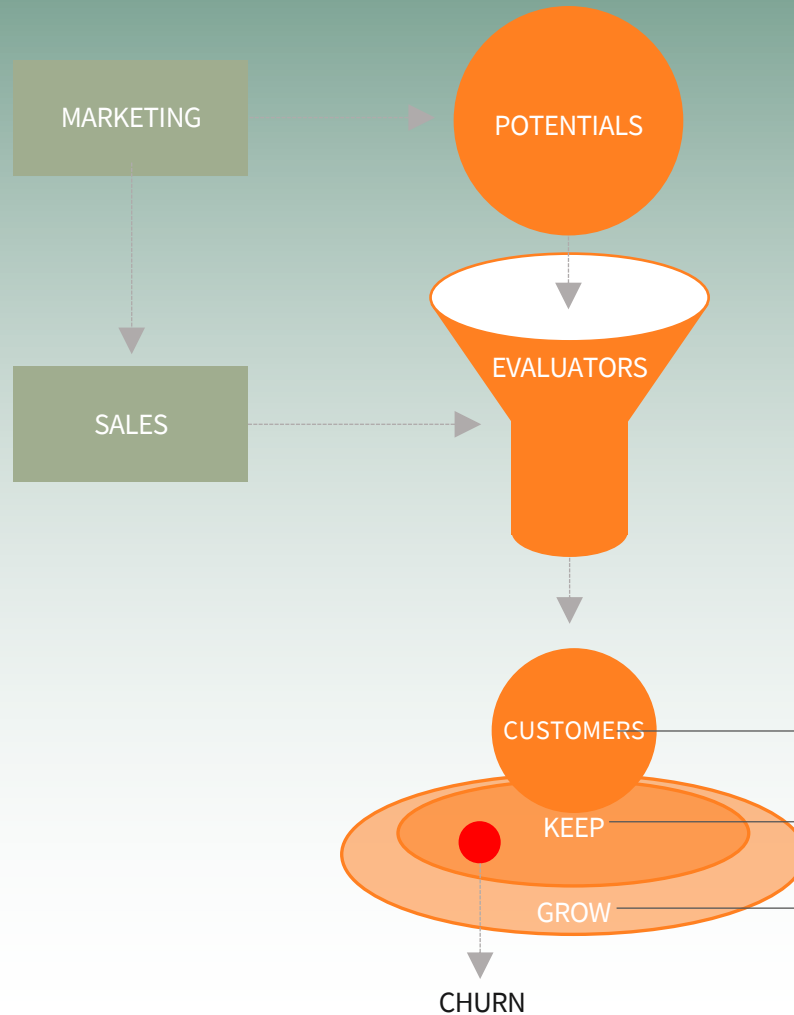
# IMPACTFUL INSIGHT

**NOBODY CARES ABOUT  
YOUR PRODUCT**





# SUBSCRIPTION BUSINESS



## 3 REVENUE BUCKETS

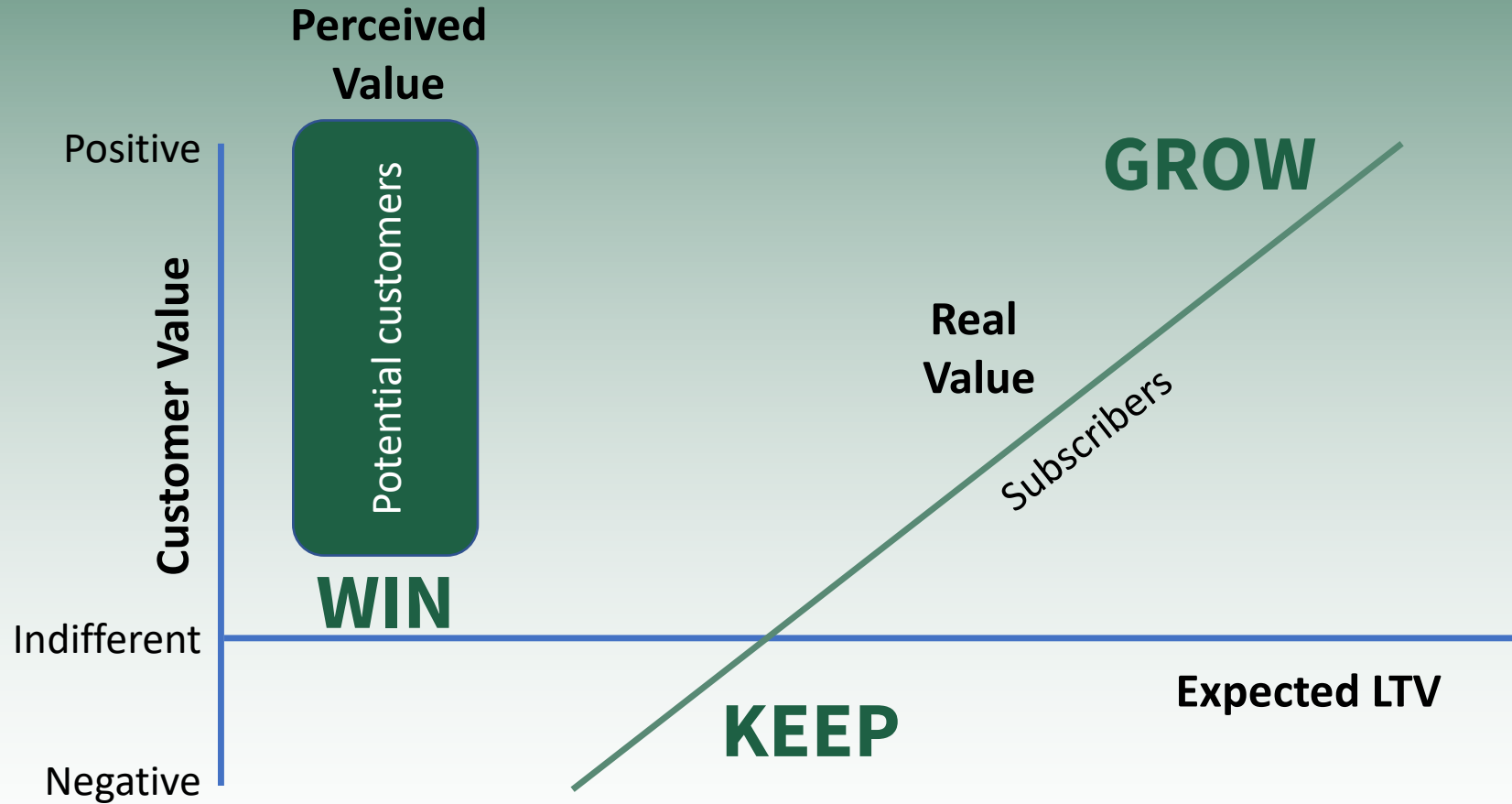
**WIN** - ACQUISITION

**KEEP** - RETENTION

**GROW** - EXPANSION



# SUBSCRIPTION CUSTOMER VALUE



# TWO WAYS TO INCREASE REVENUE

**WIN** NEW  
CUSTOMERS



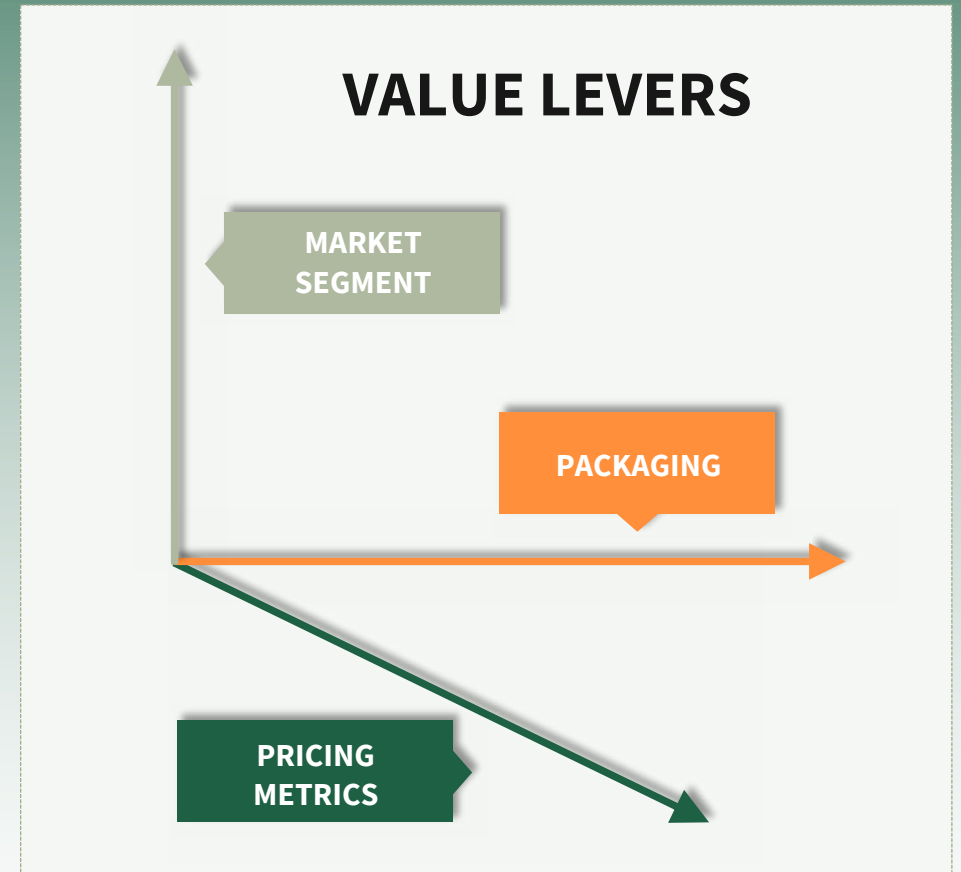
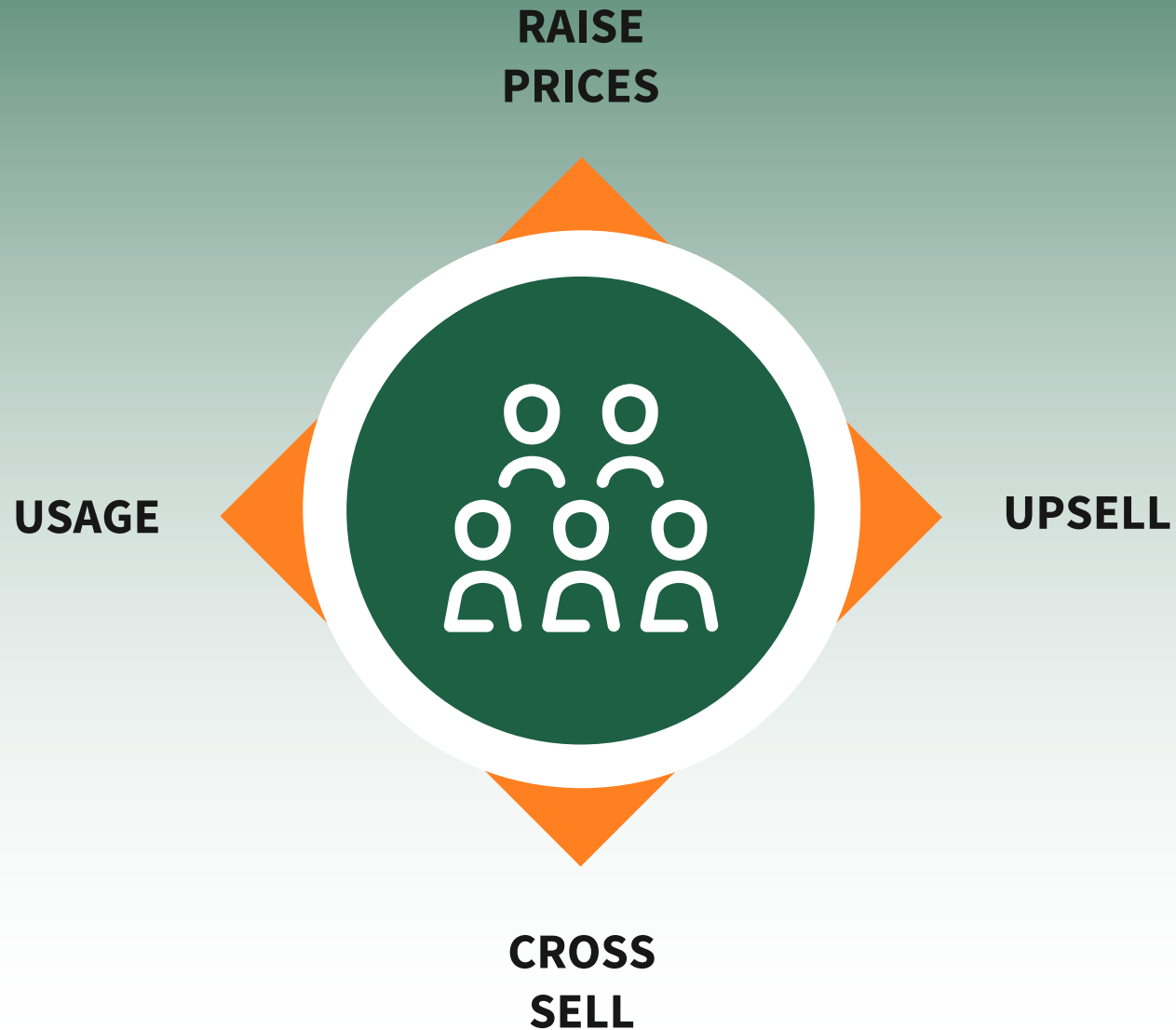
**GROW**  
EXISTING  
CUSTOMERS

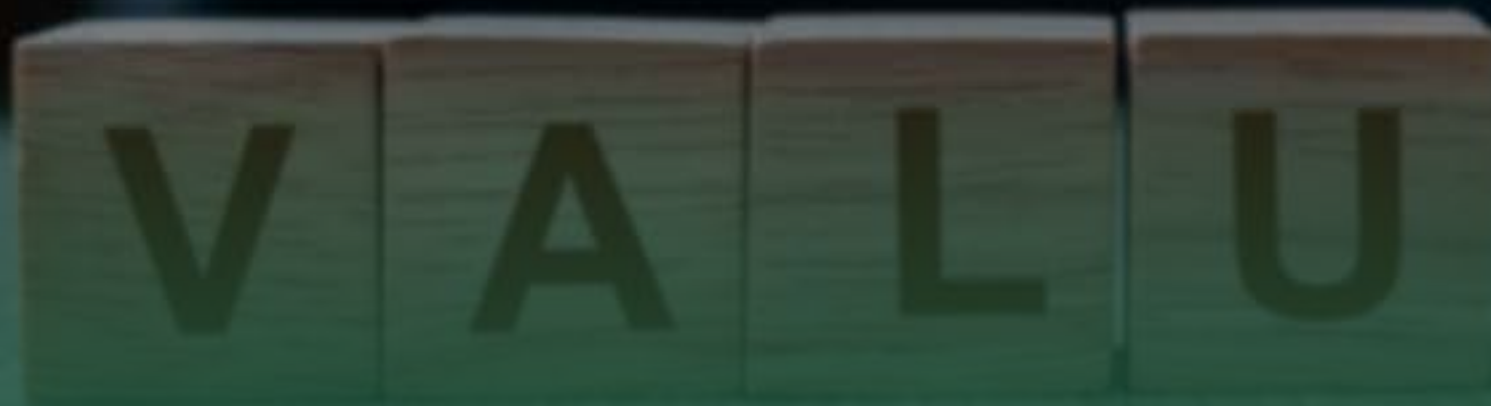
**LAND ... AND ... EXPAND**

EASIEST WHEN YOU **KEEP** YOUR CURRENT CUSTOMERS



# 4 WAYS TO GROW A CUSTOMER





# SHORT-TERM OPPORTUNITIES

Raise Prices Intelligently



# Willingness to Pay

Will I?  
Which One?



# WHEN BUYERS ONLY MAKE WILL I DECISIONS

## WILL I?

A competitive alternative was not considered



## PURCHASE



Buyers are much less price sensitive





# WILL I DECISIONS

## WILL I PRODUCTS

- New iPhone
- Utility
- Add on or Option

## WILL I SITUATIONS

- Popcorn at the theater
- Last gas
- Relationships
- Referrals





# MONEY IDEA

DISCOVER YOUR 'WILL I' PRODUCTS  
AND RAISE PRICES



# TWO WAYS TO INCREASE REVENUE

**WIN** NEW  
CUSTOMERS



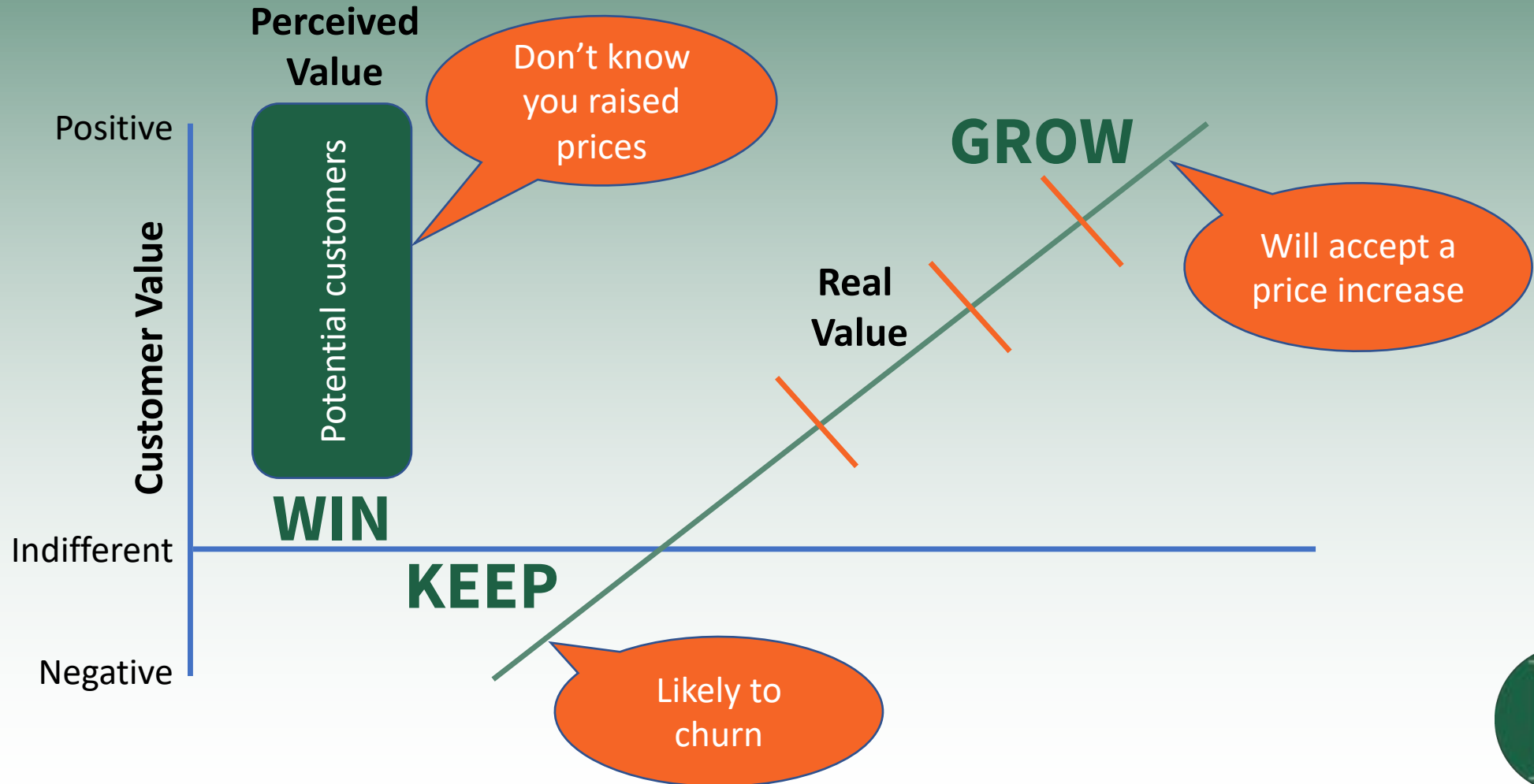
**GROW**  
EXISTING  
CUSTOMERS

LAND ... AND ... **EXPAND**

EASIEST WHEN YOU **KEEP** YOUR CURRENT CUSTOMERS



# WHO GETS PRICE INCREASES



A close-up photograph of a hand holding a glowing arrow. The arrow is bright yellow and white, with a soft glow around it, and points upwards and to the right. The hand is in the foreground, and the background is blurred.

# COMMUNICATING PRICE INCREASES

1

“Costs went up”

2

“We added more value”

3

“We haven’t raised prices ...”

4

Do something nice




# MONEY IDEA

RAISE PRICES ON A SUBSET OF  
CUSTOMERS.

WATCH THEIR RESPONSE.



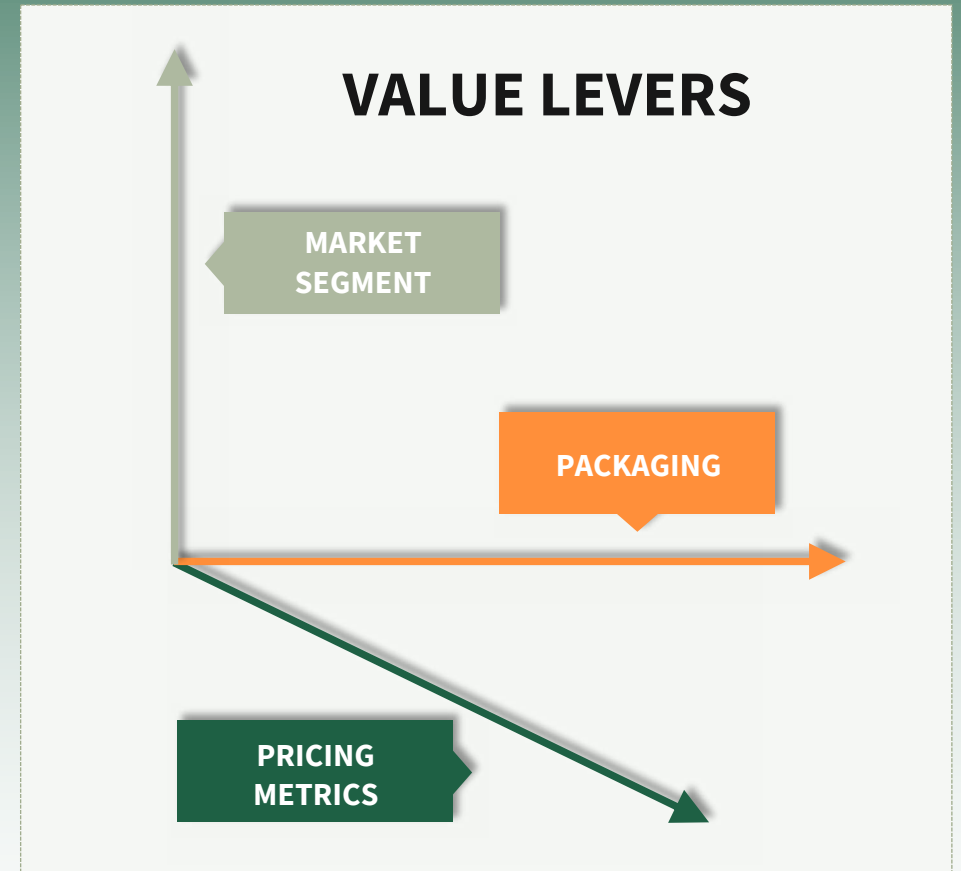
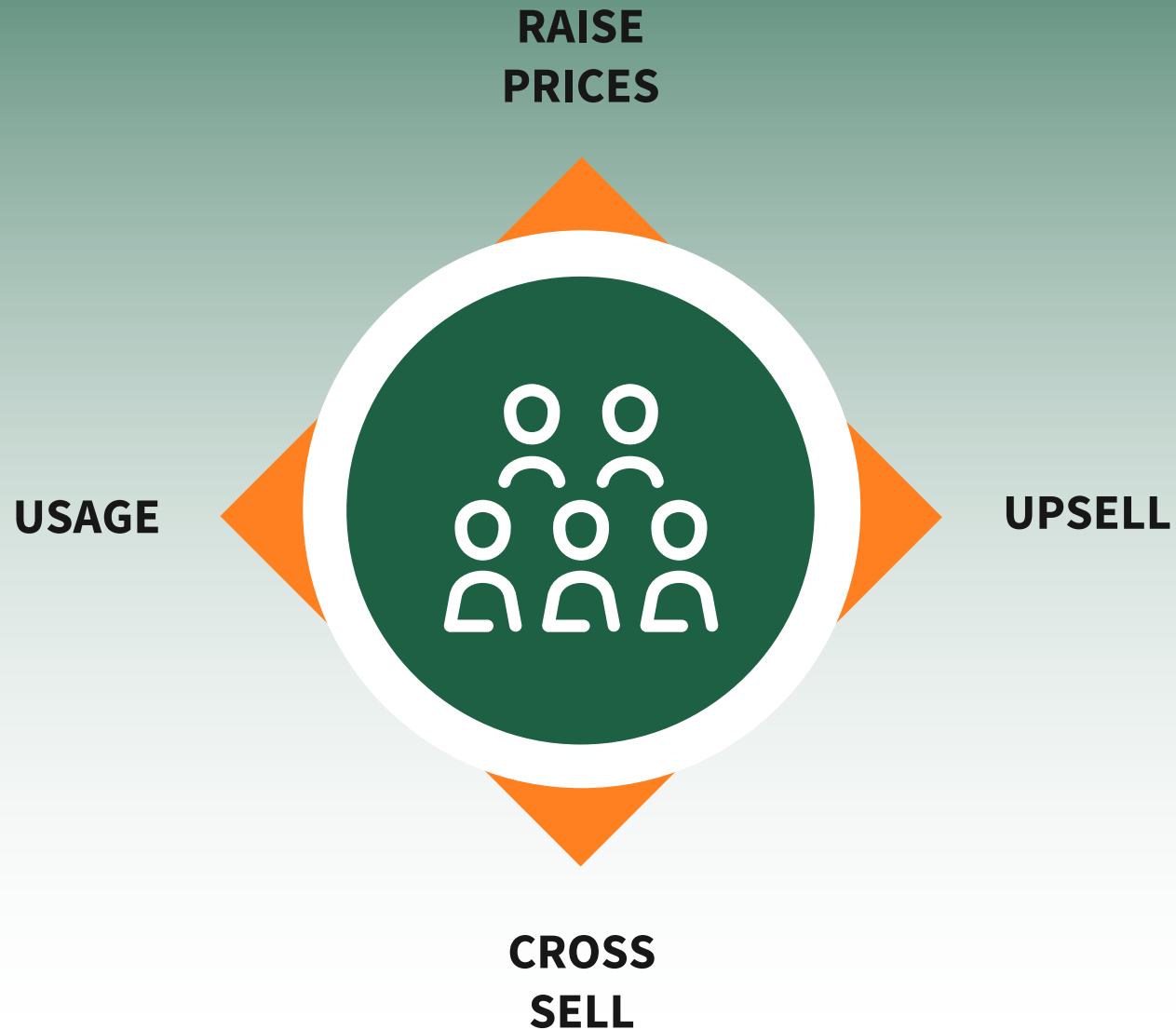
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V A L U E

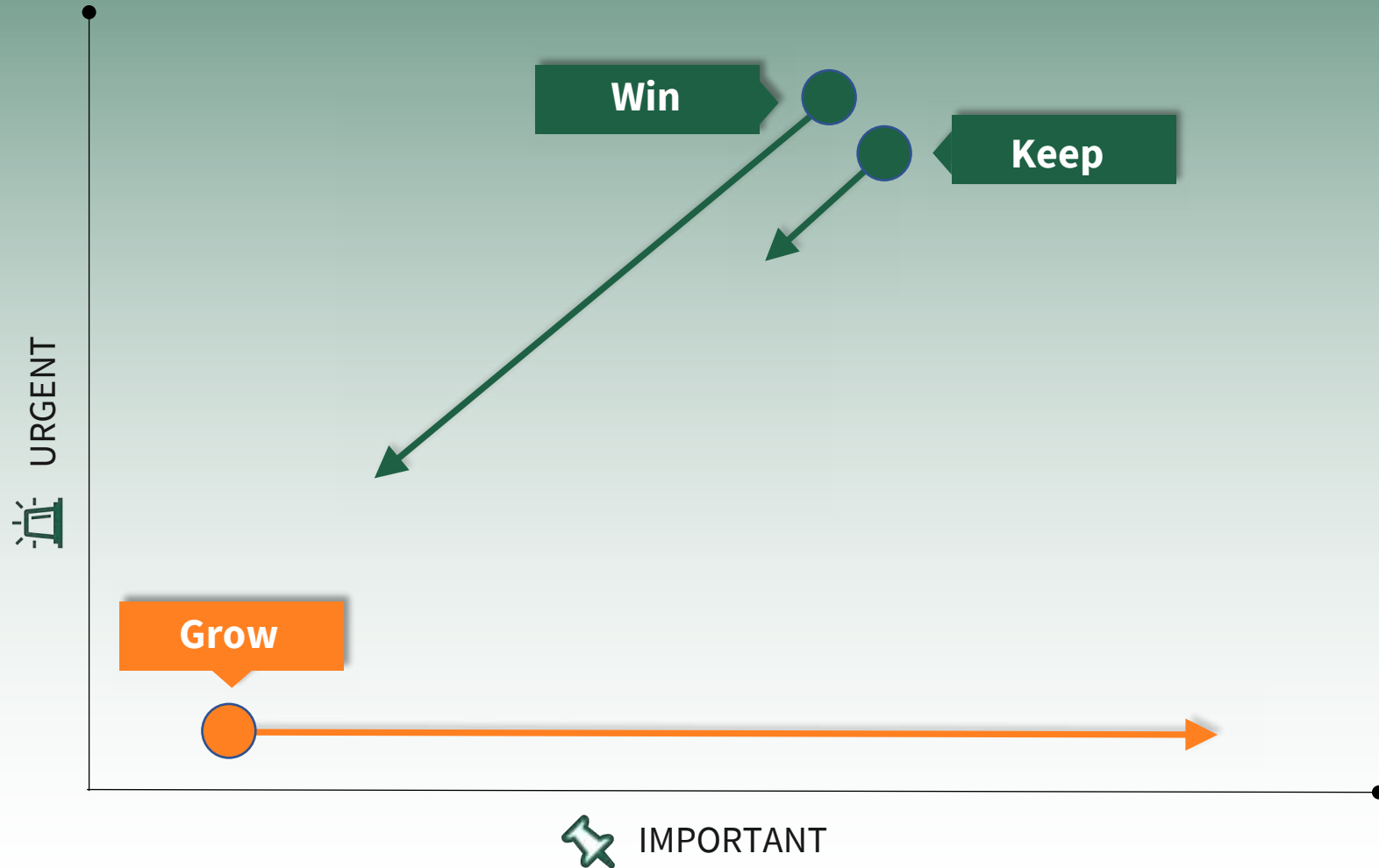
# LONG-TERM STRATEGIES



# 4 WAYS TO GROW A CUSTOMER



# WHY EXPANSION IS IGNORED





# “PRAGMATIC” DEFINITION OF A MARKET SEGMENT:

A group of companies or individuals with a common set of problems.



- ▶ Sales professionals
- ▶ Recruiters
- ▶ Job Seekers
- ▶ Premium

# PACKAGING



# HOW BUYERS DECIDE

iPhone 11 Pro



Choose your capacity.

64GB<sup>2</sup>

From \$41.62/mo.  
or \$999\*

256GB<sup>2</sup>

From \$47.87/mo.  
or \$1149\*

512GB<sup>2</sup>

From \$56.20/mo.  
or \$1349\*



All you can eat

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Users

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Interactions

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Messages

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Data

---

Downloads

---

Page views

---

Web sessions

---

API calls

Impressions

---

Clicks

---

Events

---

Assessments

---

Storage

---

Revenue Growth

---

Miles driven

---

Hours used

---

**MORE?**

A hand holding a computer mouse is shown in the background, slightly out of focus. The text 'POSSIBLE PRICING METRICS' is overlaid in large, white, sans-serif capital letters. An orange arrow points from the left towards the text.

POSSIBLE  
PRICING  
METRICS

# MONEY IDEA

MASTERING VALUE DRIVES KEY  
BUSINESS DECISIONS





MOST PROFITABLE  
PRICING STRATEGY:

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is willing to pay (WTP)





# THE SECOND MOST PROFITABLE PRICING STRATEGY:

## **PRICE SEGMENTATION**

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# VALUE TABLES



**SOLUTION**



**PROBLEM**



**RESULT**



**VALUE**





# WHEN BUYERS ONLY MAKE WILL I DECISIONS

## WILL I?

A competitive alternative was not considered



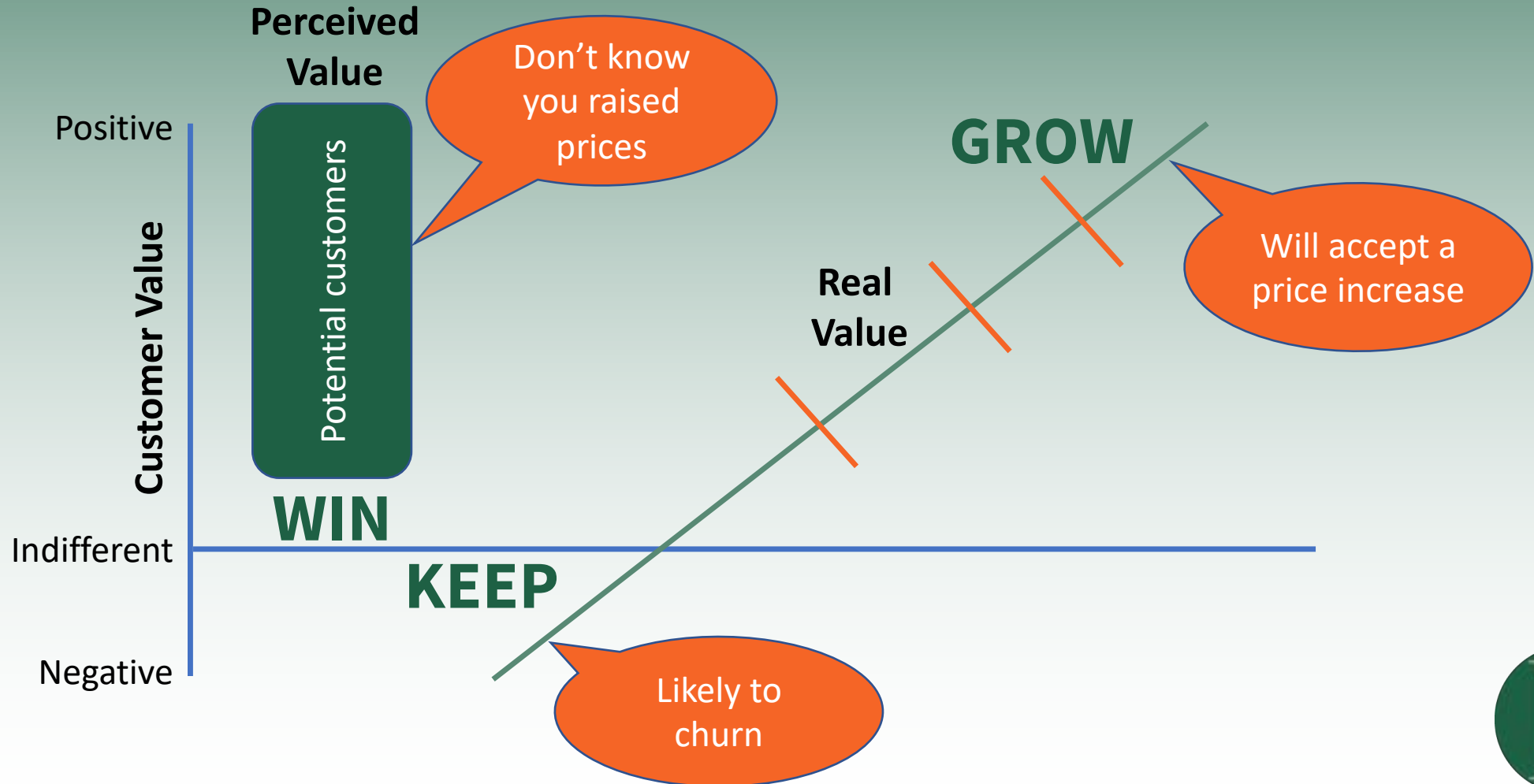
## PURCHASE



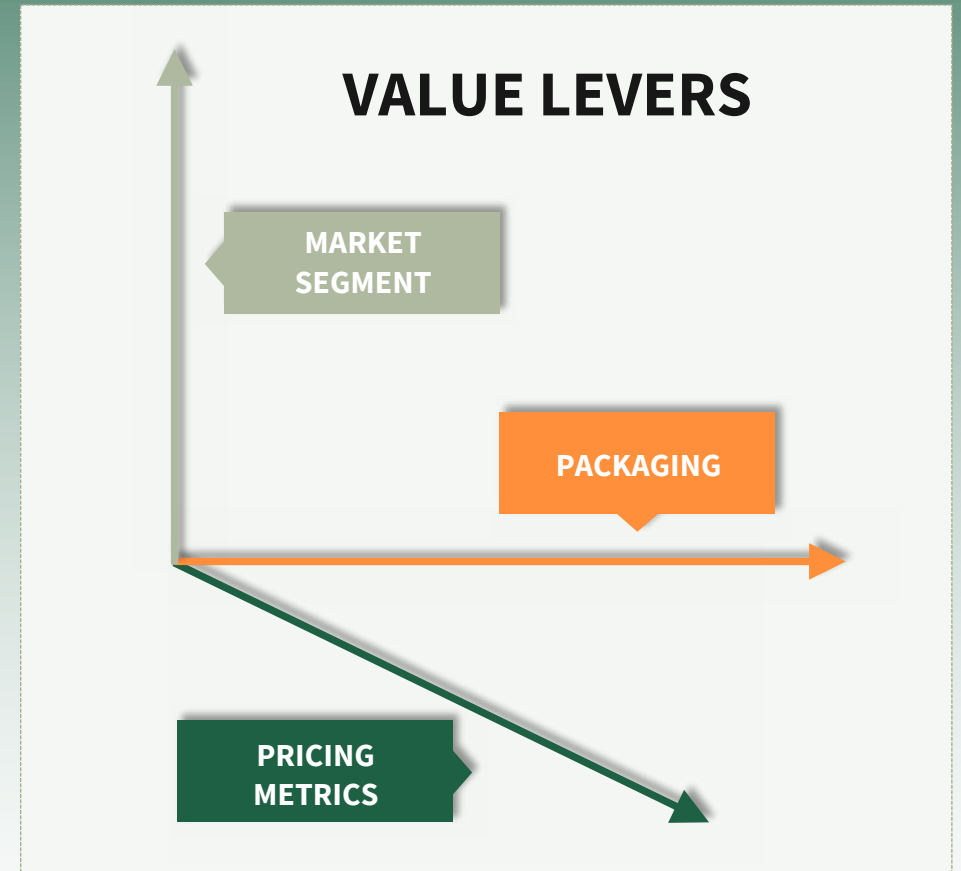
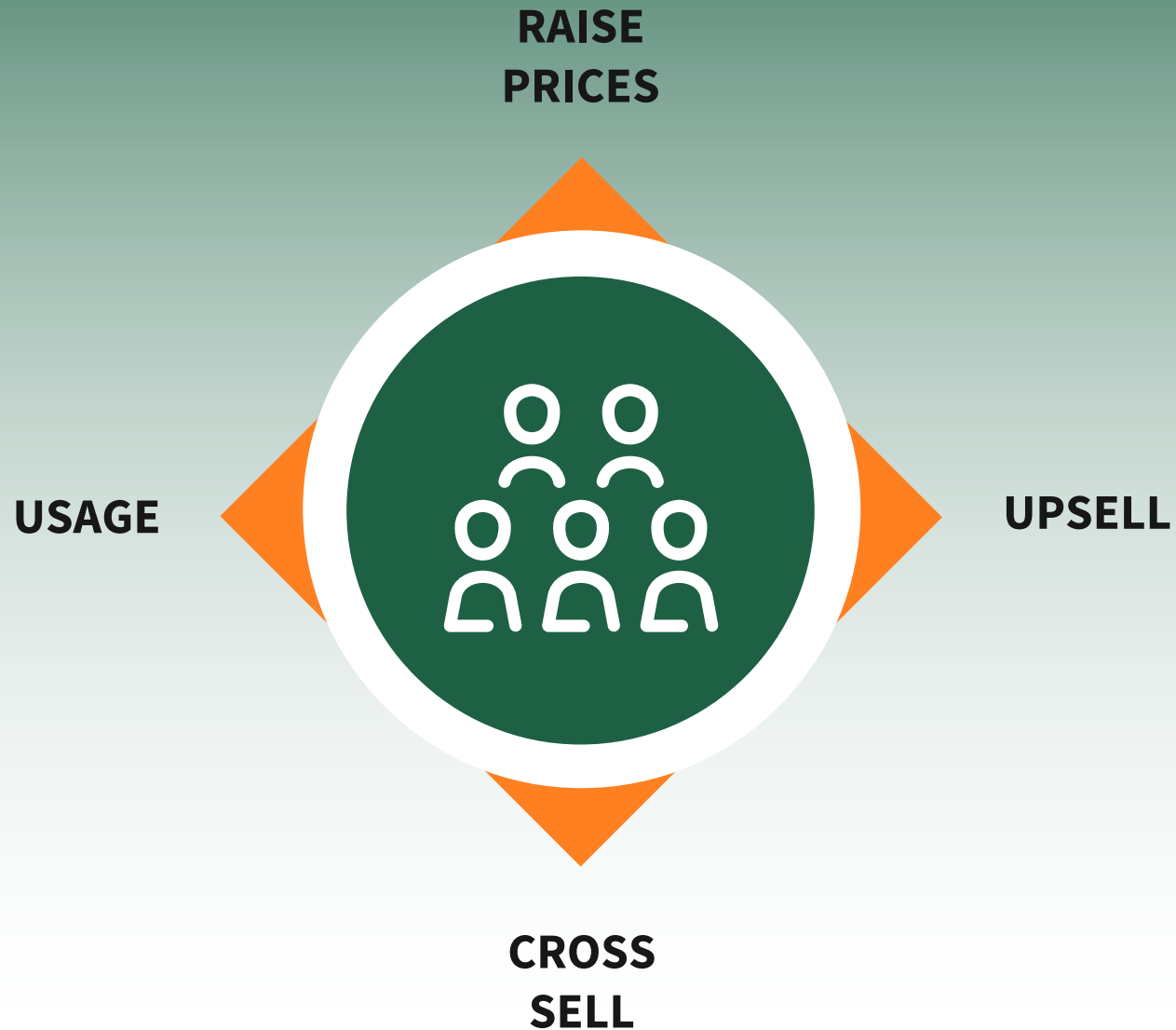
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# WHO GETS PRICE INCREASES



# 4 WAYS TO GROW A CUSTOMER



Strategy ◀  
Value ◀  
Segmentation ◀  
Portfolio ◀  
Dynamics ◀  
Costs ◀

# IMPACT PRICING

Your Blueprint for Driving Profits



Mark Stiving, Ph.D.

# WIN KEEP GROW

How to Price and Package  
to **ACCELERATE** Your  
Subscription Business

Mark Stiving **Ph.D.**

