

Pricing and Branding

Janene Liston as a guest

on

Branding the Experience with Ken Bator

Interview Transcript

00:12 Kenneth Bator: Welcome to the latest episode of Branding the Experience. We discuss ways where we can create environments where employees actually want to come to work and customers want to keep coming back. I'm Ken Bator, your host, for Branding the Experience and also the Organizational Culture and World-Class Service Standards expert with your episode this week of Pricing in Your Brand.

00:38 KB: Now, we've covered a number of different aspects of branding, not only in this show, but other pieces of content I had the distinct pleasure to produce. But one of the aspects we really haven't hit on is pricing and it is such an important element to your overall image, whether it's a high-end brand, obviously you don't wanna tack on low-end prices, and if you're gonna be the low cost leader, then of course you need to price accordingly with the market, so you could be one of the most economical options out there.

01:21 KB: But enough about me talking about pricing and branding. I had the distinct pleasure to have a conversation with the Pricing Lady, Janene Liston. Let's check in and see what she has to say about pricing and branding.

01:35 KB: Today, I have another awesome guest. I know I always say I have an awesome guest but, hey, you know, I'm not gonna have bad guests on my show. Our awesome guest today is Janene Liston and she's the Pricing Lady. And clients hire her to help them navigate the pain and discomfort and everybody knows there's a lot of pain and discomfort out there that they encounter when it comes to charging their customers. Janene works with entrepreneurs and small businesses to help them build a profit mindset, master the skills of pricing, be confident in communication, and on the path to having a profitable business they love. Janene, welcome to the show.

02:17 Janene Liston: Hi, Kenneth, thanks for having me here.

02:19 KB: Oh, it's my pleasure. So pricing, you know, on Branding the Experience, we talk about so many different things that affect your brand, and one of the most important aspects that I've never talked about is pricing, that it does affect your image and your brand. Your being a pricing expert, let's dive in and talk about that right away. How does pricing affect your image and your brand as a small business?

02:47 JL: Yeah, I think it does, it does in a couple of ways, but one of the main ways in which it does is, it gives people an indicator in what area you're playing in a marketplace. So, just to give a really simple example, if you just think about retail and when you're looking at... If you go into a shop and you see price tags with great big numbers on them, and 99 cents at the end, those types of things indicate that these are people who are operating and want to operate in the bottom end of the market in terms of price. So they're competing on price, and that's why they're there.

03:28 JL: You go into other kinds of shops and you see little teeny prices on the price tag, there's no cents on there, there's nice big round zeros at the end of the numbers, and that generally indicates that you're going for a higher end and a higher position in the market. Now, these are generalizations, but if you go out into the world and just walk into shops and just pay attention to the price tags on things and how they're written, what's written on them, you'll start to see how it does reflect the brand and the image that they're trying to send or communicate to people.

04:05 KB: Right, right. So if you're trying to put out a, let's say, high-end product or in this case 'cause a lot of service-based businesses, our listeners for Branding the Experience, if you're providing a service, whether that's consulting or banking or even a restaurant and so forth because the product isn't just the food, it's the entire experience. Yeah, if you're putting an average or low price on that, it's basically saying that the quality is average or low price.

04:42 JL: Well, here's the thing, it may be, and it may be that that's not what the person who set that

price intended. So, quite often, we set prices without really thinking about what it's communicating to the customer and I'm a huge believer that we spend too much time worrying about, "Is this the right number? Is this specific number right or wrong?" And not enough time worrying about what it's communicating to our customers. And so, by taking the time to think about that, yeah, you make that connection to your brand. Is this reflecting what I want? Is this aligned with what a customer would expect?

05:26 JL: And recently in the past few weeks, I've had quite a few customers who were focused on the cost part of it and the cost reflection, but not focused on the reflection of the actual price itself and I kept repeating to them over and over, "Think about the value that you're bringing." It doesn't matter if you're positioned above or below your competitor, but if you're delivering more value, then you certainly don't want to necessarily be below or if you're delivering less value you're going to struggle if you're above. So, for me, your prices really communicate things like this with your customer. It also drives customer behavior.

06:08 KB: Yeah.

06:08 JL: In many different ways.

06:10 KB: Great, great point. Including a number of other service-based businesses, I tend to work with a lot of banking institutions and credit unions, and it's just surprising that they have a problem sometimes with equating price and value. For instance, we do a lot of things in terms of providing value checking where there's ID theft protection and possibly cellphone recovery or some other things that are tacked on to that, and that adds value and so that becomes a premium checking where they charge nine bucks a month or 19 bucks a month or whatever it is.

06:54 KB: And there are some credit unions and banks out there who's like, "Oh no, no, we can't charge our customers for checking." Well, if you're not giving them anything with it then, yeah, you're probably right, but if you're adding all these services, you need to be able to have that message and say, "Here's the value that you get with premium checking." If you want crappy checking, yes, you can have crappy checking right here, but if this is premium checking it comes with all these things so you're coming on value is spot on.

07:23 JL: It's just, it's a matter of, it's also a matter of, is that a value to the client or to the customer? So I have an engineering background and I worked in engineering companies and heavy duty manufacturing companies for many years. And as an engineer, I say this with a lot of love but we have a tendency to sit in the back and design really cool things that we get really excited about, but I've seen too many times engineers and technical people do that and then produce something that is cool and neat and exciting but not necessarily of use to the customer.

[laughter]

08:02 JL: Right?

08:02 KB: This is so cool and I can't even use it.

[laughter]

08:06 JL: Well, yeah, exactly. I've seen that happen in many different situations. And so it's not just about creating the value but it's creating the value that directly is linked to the pain points of the customer, and there's something that they're actually willing to pay for in the end.

08:22 KB: Yeah, yeah, exactly. It's all about solving a problem, right? Even from a restaurant standpoint, you're solving a problem. People are either going out to grab food quickly because

they've got 18 and a half kids and they're going to softball and volleyball and all these other things, or they're trying to have an experience or trying to have a night out. The food is just part of that. And so when you're just putting something out there whether it's a product or service without the understanding of solving a problem, yeah, then you're already going from the... You're already coming from a space that you're probably not supposed to come from. But getting back to branding, you've branded yourself as the Pricing Lady. How did you become the Pricing Lady? That's an interesting story in and of itself. Well, tell us about that.

[chuckle]

09:24 JL: Yeah. So I mean, like I said before, I started my career as an engineer, designing buildings, studied architectural engineering and was the structural engineer at the beginning of my career, and it wasn't... There was enough connection with people for me, so I decided to, I didn't know what to do but I got into technical marketing in a high voltage engineering company. And then years later after I moved 'cause I lived in Switzerland, for the listeners, after I moved over here, a company hired me as their pricing, global pricing manager. And after I got there, we realized that neither one of us actually really knew exactly what that was. And so I went and got a certification. Yeah, I know, it's kind of fun, it sounds funny.

[chuckle]

10:10 JL: But I say that because we were focused on the wrong thing, in a sense. And not really focused on the prices in the marketplace. And that's why I say it was kind of the wrong thing because your sales people, your marketing people, even your finance people to an extent should be focused on the prices in the market, not the internal prices, and that's what we were focused on. But as I started traveling around to help the different parts of the organization across the globe, I would meet new people, go to new offices, and introduce myself, "Hi, I am Janene, I'm here for the pricing project." And they'd almost always go, "Oh yeah, I know you, you're the Pricing Lady."

[laughter]

10:52 KB: So, they've branded you. [chuckle]

10:54 JL: Basically they did. So then last year, when I started the business, I struggled with, "Do I call myself a coach or a consultant?" And none of those seemed unique enough for my taste, and then I decided one day, "Okay, let's just own being the Pricing Lady," and then end at that. [chuckle]

11:12 KB: Yeah, own it, yeah. As a branding expert, I'll tell you, that is a great moniker, especially because it was kind of handed to you rather than just you grabbing it yourself. And I don't know of any pricing ladies in the United States. So I had to go all the way to Switzerland to get one for the show. It's funny how things turn out because many, many years ago, I earned a job as Vice President of Marketing and Business Development, and I didn't have a marketing degree. Part of the requisite of me getting and keeping the job was going back to school to get yet another degree in Marketing. So sometimes you get into the role and you've gotta actually live up to it later on. [chuckle]

12:03 JL: Yeah, yeah. No, it's true. I've never could have imagined where I've ended up but I find... For me, I find pricing... I enjoyed the work I did in marketing, and I did mostly technical product management type things. I'm not the communication side as much, but for me, the pricing, there weren't so many people who specialized it. There's more now, but they're still not. It's not like your marketers and your finance people, it's still fairly specialized, but I could bring so much value to a company because if you look at the levers for profit, pricing in almost any company, almost any company, is the biggest lever a company has for profit.

12:45 JL: And when you think about how many people they have dedicated to managing costs in a company today versus how many they have dedicated to working on pricing, you start to see that there's a bit of a mismatch when you know that the price has such a huge impact on the profitability.

13:01 KB: Right, right. So...

13:03 JL: I love that.

13:05 KB: I'm loving it too and I've never even delved this much in the pricing before. So what does, in terms of value or process for that matter, when somebody hires you as the Pricing Lady, what are some of the first things that you do with a client or for a client?

13:26 JL: Right, so the first thing to do is to really understand what they're trying to achieve, right? So for some clients, it is more profitability. Some clients, it's about, especially when you come to solo entrepreneurs, sometimes it's about getting better quality clients, so they can charge a price that doesn't mean that they have to work themselves into an early grave kind of thing. And sometimes it's a combination.

13:56 JL: Now with small businesses or medium-sized business, sometimes it can be about growth. So really, first of all, it's just trying to understand what they're doing, what they think the problem is and what we wanna get out of it and then we start figuring out where in the process of doing pricing we need to focus. And I look at pricing as having four key components. One is knowing how to set your prices, so setting prices. How to communicate around prices? Having the right mindset and that is as important in a large organization as it is in a one-person company. It may be slightly different what it is but it's important in both.

14:44 JL: And then being able, especially for small business owners and solo entrepreneurs, being able to speak about your business in a way that's aligned with the pricing you wanna have, and the results from that you wanna get. So, too often, I'm sure you've also run into this, you meet somebody at a networking event, you ask what do they do, and they say, "Oh, I'm just a coach."

[chuckle]

15:06 JL: And that is not going to instill in you as a potential client or someone who could recommend that person to a potential client, you know that this is someone who is going to deliver a huge amount of value. Now that may not be true, they may actually do that, but the way you talk about your business also impacts people's perceptions and their willingness to pay.

15:29 KB: Right, right, now that's a great point from the networking events. Usually when people ask me what I do, I say as little as possible, and it usually gets that reaction. Maybe that's not the best branding line for me, but you know what, but you know what, I will tell you, it does get people's attention, it gives them a laugh right away. [chuckle]

15:53 JL: And that to me is what you want. So earlier, I said I used to work for a high voltage test and measurement company and when people would ask me and I'd say, that's what I do, they kind of fall asleep halfway through the explanation.

16:06 KB: Yeah.

16:07 JL: So I changed it to saying, "Oh, I work for a company, we make lightning," which is infinitely more interesting. And we did, we made lightning impulse generators. So for me, sometimes when you try to explain something to someone, it's not about them understanding, it's about them connecting to it. And if your response being a little bit flip about it, it makes people curious and

that's what you want from that first response. You want them to ask, "Oh, that's interesting, what do you really mean by that?" [chuckle]

16:41 KB: Yeah, I usually get, "I've been trying to do that for years. How did you accomplish that?" [laughter] But as I ask on practically every show and I know that there's a lot that you offer, but if you were to give one tip to our audience in relation to pricing and maybe even branding, but especially pricing, which is your expertise, what would that tip be?

17:09 JL: Yeah, I think that, people... My opinion is that most people think that once you've set a price that you're done with pricing. And to me, that's just the beginning because how you communicate around the price is oftentimes more important than the number itself.

17:30 KB: Right.

17:31 JL: So don't think that once you have a number that you're done. Think about, how you're gonna communicate, what's around that. So if it's a written communication, what comes before it, what comes after, what's around it on the page. If it's a verbal communication, again, what are you saying before and after? What is it in reference to? Or what is... Yeah, what is around it? Because it makes all the difference.

17:56 JL: And I use a very cheeky kind of set of slides when I do this, but it's two lemonade stands. And there's two lemonades, one's a little fancier than the other, and they're the same price, which one would you buy? And then the next slide, one of them is more expensive than the other, which one would you buy? And then, the third slide, the prices are the same, one is more expensive than the other, but the one that's more expensive says clean water included.

18:30 KB: Yeah. [chuckle]

18:32 JL: And maybe they both have clean water, you don't know, but if you do a better job of communicating around your price, it puts you in an advantageous position.

18:42 KB: Sure, sure. No, I couldn't have put together a better tip regarding pricing and branding, because you're right, it's about the communication, it's about how are you creating the image of value. Because even if you're charging \$2000 for something that actually costs 200, but the value is perceived because of your communication at 2500, people are thinking that they're getting a deal. And same thing with, it's a \$1900 service or product is being charged to 2000, but people perceive it as 1500, now you've gotta look at your branding and your communication. Great, great point, Janene. You've been an awesome guest. How can our audience find you and your services that you offer?

19:36 JL: Yeah, so I have a nice little freebie that I can offer. It's a guide, a video series and a checklist, What to Do When Your Customer Says, "That's Too Expensive," 'cause we've all heard it before. And if you have it, then your prices are too low.

[laughter]

19:52 KB: Exactly.

[laughter]

19:54 JL: And you can pick that up at www.jananeliston.com/bte, for Branding the Experience.

20:07 KB: Awesome. Well, we'll make sure to put that in the show notes. Everybody in the audience should be going out and grabbing that. I'm gonna go grab it after I finish my conversation with

Janene. But, Janene, thank you for being not only an awesome guest, but giving some really sharp implementable tips to our audience today.

20:28 JL: Good, I'm very happy to be here. Thank you so much for having me on.

20:32 KB: And thanks to all of you.

20:35 KB: Now, a word from our sponsor, Bator Training & Consulting. BTC is the creator of the B+C+S Formula. Our clients that implement that formula increased their net income by 124% and grow their business by 17% on average. The best place to start working with Bator Training & Consulting is with our B+C+S audit. The service pinpoints issues as well as attributes of your business' unique brand, culture, and strategy. Learn more or sign up for a B+C+S audit at www.btcinc.net/bcs-audit.