

myweeklymarketing.

I'm Janice Hostager. After three decades in the marketing business and many years of being an entrepreneur, I've learned a thing or two about marketing. Join me as we talk about marketing, small business, and life in between. Welcome to My Weekly Marketing.

When I started my first business after leaving corporate life, I priced it accordingly. I took my plumber's salary and divided it by 20-80 which is the number of 14 hours in a 40 hour work week in a year. And that was my hourly rate that I charged. Boy was that the wrong approach. But let's be honest here, I know I'm not the only one to do that, and pricing for a product based business is even trickier. You know what your materials cost you but what about your time and your overhead? Then what about all the competition out there? How do you decide on what to charge?

My guest in this week's episode is Natalie Freeman. Natalie is a business coach and a pricing strategist to deliver transformational coaching to new and existing business owners to become clear on their target audience, master their messaging and price their products and services for profit.

Natalie works with creative people who have a desire to monetize their knowledge, skills and experience by guiding, coaching and mentoring the business owners and nurturing their business into a profitable reality. And she is driven by a mission to end the curse of the expensive hobby, which I LOVE! I think you'll enjoy my conversation with Natalie as much as I did. And I can pretty much guarantee you're gonna learn some things too.

Here's my conversation with Natalie.

Janice Hostager: 0:32

Well, hey, Natalie, it's so nice to have you.

Natalie Freeman: 0:36

Thank you so much, Janice, nice to see you.

Janice Hostager: 0:41

So tell us a little bit about your story and your career and how you got to this point.

Natalie Freeman: 0:48

Sure!

I guess it's what they call a portfolio career, so a range of different um jobs, different roles. But I think my particular sort of interest in terms of the business and the business support came around through volunteering actually. So volunteering with a business support organization that I was working with in the UK where I am based. They used to use a term, neet, which meant not in education, employment or training, and one of the options from the government's perspective was okay, we can offer these young people, so between 18 and 30, some money to start a business. And at that time so we're going back quite a few, a few years, lots of creative businesses, but a lot of the money was kind of going towards five thousand pounds worth of music studio equipment to sort of have in lots of young boys' bedrooms at the time. But what that did was it gave me a really deep insight into the ways that individuals kind of imagine themselves in terms of business, the sorts of activities that they wanted to do and the structure towards starting a business. So, from volunteering there, then when a job came up, I was able to apply, get the job and from there my sort of career in working with businesses sort of started up, and then years go past and time goes past and then sort of making a decision to go full-time myself, in terms of my own endeavors, and that's taken quite a number of different routes as well. So, I do catering. I'm known as Natalie the cake lady in certain circles, gods to baking and then I sort of went into my own boutique. So I had a, a boutique that I was running and that was interesting and it's sort of where I've kind of come full circle, so, working with um independent businesses, product-based businesses that had really beautiful things, that I would kind of go around and meet them at different places and say I want you with, I want your products with me.

Natalie Freeman: 2:55

We had an economic crash in 2008, 2007, 2008 so I was like, okay, uh, I think I'm gonna have to close. And I think this is one of the key takeaways for me is I called my friend, mentor, colleague and said, oh, I think I'm going to have to close the business. And he said, well, that's your first one under your belt. And that completely changed my perspective in terms of this concept around failure, the concept around what does success look like? And that really was a pivotal kind of mental shift for me. Shop closed back into the workforce, back and forth, back and forth, and then still on this kind of, I think, working with other entrepreneurs to kind of support them and to really develop their skills, I had a kind of I don't know what you'd call it a bit of an adventure, again volunteering.

Natalie Freeman: 3:56

A contract ended and then I said to a friend I want an adventure and she sent me this information for a volunteering program to go to Zimbabwe to act as a team leader with

groups of UK volunteers, matched with Zimbabwean volunteers, and that was a sexual health project and was extremely interesting and that's a whole podcast on its own but loads and learned a lot about the environment there in terms of women, women's health, women's economic situations and so on. And I just said I need to do something. And so, after going and sort of working with volunteering with a different, with an organization, just then started my own social enterprise to deliver enterprise skills training to women, primarily in deep rural, uh, zimbabwean um communities and, I think from there and with lots of different things around this enterprise support stuff, really recognizing that. That's kind of my sweet spot, it's my happy place, it's where I know that I can make a difference and I'm one of the things I know. This is quite a rambling answer, janice, forgive me, but in one of the, the things around when I think about the, the skills needed to do this kind of work and to support people in terms of thinking about their businesses, training others when you don't share a common language was a really interesting experience, because you, I was really having to think about is this a really complex matter?

Natalie Freeman: 5:38

How do I make it so that my very limited Shona and the group's very fluent Shona, but limited English, but far more bilingual than I am by every stretch of the imagination you know how do I make these concepts very clear, and so that was an immensely valuable experience and a life-changing one in many ways. But I think that is a very rambling kind of meander into exactly a range of different steps that have kind of got me to this place now, which is running 13 rhythms, which um is the name of my business. uh, in terms of like it's legal entity, but I guess I'm Natalie no business coach, but uh, really working with encouraging, cheerleading, guiding, advising business owners, who often need a range of um interventions from cheerleading, from information, a bit of a push, a lot of a challenging, sometimes some confidence building, and then the nuts and bolts of this is how you take your creative skills and turn it into a business. So that is a bit of a plotted history. Hopefully that was useful.

Natalie Freeman: 6:54

But there are just some key things that I just like to repeat throughout. Because that is the thing that I want someone to take away with. So that's just that, understanding the way humans work.

Janice Hostager:

Uh-huh! That's Very True. So you are now a business coach but you also call yourself a pricing strategist. How did the pricing part come into play and obviously it comes in any

business. But how is it something that you focused on. Is it a passion of yours? How did you land there?

Natalie Freeman: 8:55

So I'm saying, lots of creative businesses with amazing skills, amazing talents and rubbish products, see that's very English thing sorry. Really bad pricing. There were number of tropes that exists within creatives and creatives businesses which is one is around the struggling artists. And so as a creative, there is a sense

much, so it sounds fascinating. I love that you uh took your skills and brought them to people that really need them. That's just a real. That's a passion of mine as well. I'm just doing working with in different cultures and all of that. It's just, it's so eye-opening. I love that you also were forced to really simplify what you were teaching to make it really understandable when you don't speak the language. I think that's super interesting. I'm sure that was extremely challenging and I think that would be a great exercise for anyone honestly, because we do tend to complicate things when we don't need to sometimes.

Natalie Freeman: 7:36

Yeah, yeah, absolutely Absolutely. And I think I can remember some of the exercises, but it's kind of short bursts and what can you say in a short statement that gets a message across, and things that are memorable. And actually I say this all the time when I do presentations, which is, people will forget most of what you say. So when you go in and you do a talk or a workshop, people will forget most of it, and I say that at the start and everyone says, no, I will, I'll remember, it's fine, but there will be some key things that will just I just make sure that I repeat throughout, because that's the thing I want someone to take away with them. So that's just that understanding about the way that we are as humans, how we work.

Janice Hostager: 8:22

That's very true. So you now are a business coach, but you also call yourself a pricing strategist. How did the pricing part come into play, and how? I mean? Obviously it comes in any business, but how is it something that you focus on? Is it a passion of yours, or how did you land there?

Natalie Freeman: 8:45

from seeing lots of creative businesses with amazing skills, amazing talents and rubbish so that's a very English thing, sorry, really bad pricing, um. I think that there are a number of, I think, tropes that exist within I suppose, with creatives and creative business owners, which is one is around the struggling artist, and so, as a creative, there is a sense of honor in some ways where you can be very skilled but you're not going to make any money, because that's what true creativity, true artistry, is about. And I used to see that a lot from all my years back in that first role that I mentioned, working as a volunteer, and then in the paid roles, etc. This kind of feeling that lots of creatives have is that they're not a genuine artist if they're getting paid well for what they do. That was the first thing.

The second thing was just looking at and listening to business owners who were working full time. So then what happened in their case was they didn't pay any attention to the numbers, they didn't pay any attention to their prices in their business, because their job was supporting their life and their lifestyle, so recognizing that they had the bones of a business idea, maybe even selling to customers and clients but actually not really thinking about it from any sort of a sustainable business model. Because of their job and because their salary was covering things, they were like, well, I don't have to separate my money, I don't have to think about my prices, you know, I'm all right.

Natalie Freeman: 10:33

And I was like, okay, this is something also that needs to be tackled, and I guess the pricing strategist bit that I've, yeah, sort of talk about is because numbers and pricing isn't just about, um saying these are my numbers or these are my prices, and then I'm going to put them up. What's your messaging? How are you going to communicate what it is that you offer? How are you going to talk about the transformation that your products provide? Also, who is your target audience? So, if you've got the right product at the right price in front of the wrong people, you're not going to have a sustainable business.

Natalie Freeman: 11:14

The strategist bit comes in. Is, you know, as a business coach, of course, talking about pricing, is in there, but the reason I wanted to give this sort of pricing strategy thing was just to, I suppose, spark that thought process in the minds of people I work with or people that come across me online just to say that when you're thinking about your prices, it's not just the numbers, it's the target audience, it's the product, it's where you're selling, it's how you're selling, it's in your messaging, and so that's the strategy bit. That kind of goes alongside the numbers and it's not just pulling numbers out of the air either. You really do need to be somewhat strategic when it comes to your business.

Janice Hostager: 11:52

Yeah, and I think, especially when we're just starting out and we may have a background in something, a lot of people work in corporate world for a while and then they decide to become a coach or a consultant or something like that, and so it's hard to price it, even though they have years and years of experience. They think, well, I'm going to lose this job if I don't price this competitively or price it low so I can get more clients. And I think that obviously you kind of shoot yourself in the foot by doing that, because a business exists to make a profit. I think I see this so often with not only clients but just generally just chatting with people and especially products they will say, well, to be competitive, I'm going to price it less than these people over here. But I like what you said about the perceived value as well, because what happens is that it becomes a commodity item and it's a race to the bottom if you start pricing it lower and lower, right? So it reminds me of a market day where everybody is selling tomatoes and so they are just all the same tomatoes. What's that to yours, apart from the booth next to yours, for example. So I love that you mentioned that, because I think we really do get hung up on pricing. I know I got hung up on pricing for sure, and I still struggle with it. So I really have to take a step back and say, okay, let's look at the big picture here. What do I need to charge to be competitive and yet to make my ends meet? It really has to start with the big picture rather than just say, well, I just do this on weekends or on the side, I just decorate cakes or whatever. It's something that really does require a strategy. So how do you go about doing that? Where do you start with a pricing strategy?

Natalie Freeman: 14:04

I start with this. I love what you said about the race to the bottom. You sort of said it before me, so that's brilliant. I like that. We're there in our thinking. I start with this statement and I've been saying it a lot lately which is that nobody needs most of the products that I, in fact all of the products of the clients that I work with and they all, you know, clasp their chest and think how very dare you say such a thing. But I say well, you don't sell water, and even if you did sell water, we could get water out of our taps. If we live in places where you can get water from a tap and you don't sell air, other than those two things, nobody needs what you have. And I say that not to crush anybody's ego, but just to kind of really bring that realization in which you are now. If nobody needs what you have, that means that we are trading in wants and that means we therefore have to inspire somebody to want the product that we are off. Okay. So, as much as I might see a hundred businesses a day that I think I could do that, that and that, change that strategy, sort out their marketing, their this, their this, nobody needs a business coach, okay. So they choose to want one.

Natalie Freeman: 15:23

So for product businesses, for a lot of us in these services and product worlds, we then, once we understand that nobody needs what we have now, we can start to think about okay, so therefore, what is the? What is the value in my product? And not from a value for money perspective, but what transformation does this product provide? In what way is it going to enhance the person who's buying it? In what way is it going to enhance them if it's a product that they will personally use? How will it enhance their home if it's a product for the home or their office or whatever it is? And really thinking through those key points that will become your major selling points.

Natalie Freeman: 16:06

Of course, we have to start with kind of the basics in terms of the cost of production, the cost of goods, all of the costs that are involved in terms of creating a product or getting it from you to a customer. But that's a model which they often call cost plus profit. So you've worked out your costs and then you're going to say well, I'm going to have a 50%, 100%, 150% profit margin. The big issue is that for most people, they never include their time in those pricing calculations. So I see lots of posts online where someone will say, well, I'm a baker. I was five pounds in ingredients and five pounds in postage and packaging. That's 10 pounds and then I sold them for 20 pounds. I made a 10 pounds profit and of course, you didn't. There's no contribution in there towards your overhead, there's nothing in there for your time, etc.

Natalie Freeman: 17:07

So it is about, first of all, understanding your numbers and that's a massive key thing. Lots of people are very afraid of numbers. I don't particularly love math you couldn't give me a trigonometry question but if it's about these numbers, then I'm I'm good with that and I think that, again, for lots of people there there is that kind of I was awful at math at school, so I don't really want to, I don't really want to think about it and I can definitely understand some of that. But then we have to work through that to get to your business and to have a business. A then we can start to build in those other, much more, I guess, ethereal points around. Okay, now we're talking about value, now we're thinking about your target audience. Who are you selling to? What is it about what you have that you can inspire somebody to want this thing? So I use the value-based pricing model, which isn't based on any sort of fixed equation but is looking at your product, your target audience sort of their expectations, the ways that you're going to sell. Not everybody is motivated by price and really, once you understand that, then you can start to think about what is going to make sense for you in terms of your goals, your aspirations, your income goals, what you want to do with your business. Do you want to stay doing this on the side? Do you ever want to do it full time? And then it's a lot of

reverse engineering from that's what I want to earn. Now you have a product, how many can you create? How many can you sell? And then what? To whom are you going to be selling it? And now we can start to look at the numbers. So again, this is where all of that strategy stuff comes in much lesser. Here are some numbers, go with them, but actually looking at all of those factors to actually get to the, to the prices that make sense for the business.

Janice Hostager: 19:15

Do you recommend people use pricing tiers sometimes as well, or do you feel like there's? I suppose with product products there's probably less of that than services, because it's hard to add products or bundle them.

Natalie Freeman: 19:31

I suppose bundling things, for sure, thinking about ways that you can increase your, your, your average order spend. So certainly thinking about, uh if I'm having this conversation on a live uh last week that somebody was saying, should I offer free postage and should I offer free shipping she was in America should I offer free shipping on my products? And I said, well, if your business can absorb that cost, that makes sense, but on an individual unit of I think it was about eight dollars and then your, your shipping is five dollars. What's the perception of that to your customer? So instead, sell three items as a minimum. That increases the order value. Then you can potentially offer postage and packing and all of this. So I think that there are often ways of thinking about how we bundle things, how do we make things make sense to our businesses and how do we make decisions that are also attractive to our customers as well.

Janice Hostager: 20:27

And that customer is really. When I'm working with a client, the first place we start is who's that customer that you really want to reach and develop a profile around them and get to know them? One thing comes to mind in the US we have a chain of shoe stores called Payless Shoes and what they did several years ago and I don't know who did this or I think it was some kind of a marketing gimmick or something like that but they changed the name of the store in one location to like Paylessay or something like that. So it sounded very upscale. Put the same shoes in that store and charge way, way more than they pay at the discount version of it and people bought it. I mean, it was really all about how it was branded, how it was positioned and that target customer that they were aiming for. So I think that's something that we really need to keep in mind. If I'm going to pay \$5 for a candle or \$25 for a candle or more, it really depends on the customer. If you're looking for a customer who is just value-focused, then again you're

going to have to charge more, less than if you are going for a higher I don't want to say higher income person that can buy it.

Natalie Freeman: 21:57

I love that example because we don't need- If you've got Payless shoe stores in America for shoes, we'll have the equivalent here in terms of like all of the different products. And then in England we have a shop called pound land, and so pound land is literally like a dollar tree.

So if I want a candle, I could go into Poundland buy, you know, three packs of I don't know what is that Six inch tall candles, if I want them, in case there's a power cut, if I'm buying a candle that's scented in a beautiful jar and all of the rest of it, it's unlikely that I'm thinking, you know, I've got 10 pounds or \$10, sell me a candle for \$10. At that point I'm already clear that I'm buying an experience. I want to maybe smell something I've never smelled before, or I want the candle to fit into an aesthetic. I'm not focused at that point on the price, and so for most of the businesses that I'm coming across, that I'm working with, they are in that niche of creating products that are experiential, that are about some sort of igniting of the senses, making you feel good when you put something on, making your hair feel nice if you wash your hair, making your skin feel nice, and so at that point, whether it's £5 or 20 pounds is then an interesting question, because if somebody's that invested in whatever it is that you're offering, your job as the business is to build in that sense of the, the benefits, the transformation, how that person's going to feel selling on the emotions as opposed to leading with price. You can't lead with price on a 20 pounds candle, because that's like. It's literally pointless right.

Janice Hostager: 23:39

Right, although you know also, I think sometimes there's that perceived cachet and this is sort of similar to what you were saying. So I love that that you were making that analogy that you can go to on the uk like Marks and Spencers and pay a lot of money for a candle or you can go to Poundtree or Boots Pharmacy and buy one for much less and sometimes it can be that feeling like you almost value that more expensive candle more because you paid more for it and also you feel good about it because you might want to give it as a gift and you want them to think highly of you because you can tell that they paid a lot for that candle or whatever. So there's so much psychology that goes into pricing. I think that we sometimes kind of miss when we're just looking at the raw numbers. So I love that you brought that up.

How important is doing market research when you're setting your prices?

Natalie Freeman: 24:55

I think it's important but I also think that it is a double-edged sword. And particularly if somebody is fairly starting out, the challenge is that they'll look at lots and lots of other businesses and sometimes get a bit frozen with I don't know what to do. Everything is so different. Somebody's, you know, got this very expensive product. Someone else has got a cheap product. I don't know where I fit in.

Natalie Freeman: 25:15

I have a lot of clients that talk about some of the challenges with Etsy, purely in the sense that some people have this for this price and other businesses seem to be selling it at that price. And I and I often say to them you don't know the condition of that business, you don't know if it's a real kind of independent business owner, you don't know if it's a massive factory masquerading, you don't know if that business owner themselves are making profit when they have such low prices. So I think market research is important to a point and then there has to be a stage at which you you do kind of almost put it aside and make some decisions of your own based on where you feel your product fits into a marketplace, where, where it fits into the sort of the imagination of your target audience and just yeah, like I say, just kind of making a decision, the difference between one, like you said, one Payless shoe in the Payless store and then the same shoe in the the french sounding you know, shop the same product It's what's spoken about the product that makes the difference. And so I think, yes, absolutely, market research is crucial, and I always give it a timed period so that we don't kind of get lost in an endless sense of analysis of other competitors. So a very fixed period of time to do some very specific activities and then to kind of come back to what is your own brand, what are your own ethics, what's your own ethos and who is it again that you're aiming to sell to in terms of that target audience. And so it's, it's a yes to the market research and yes, and let's move on once we have that grounding, before we get lost in an endless sort of comparison.

Janice Hostager: 27:34

So do the research, absorb the information, make your and then walk away.

Natalie Freeman: 27:39

Pretty much yes.

Janice Hostager: 27:44

So are there some mistakes that you see that businesses make when they're calculating their pricing and their margins? I know we've talked about some of them, probably, but

are there some that you see on a regular basis that you kind of want to warn people about?

Natalie Freeman: 28:02

Yep, yes. So not considering your time, not considering all of your costs, not having anything in your prices as a contribution towards your overhead? So businesses cost money to run beyond your raw materials to create your products. Having the right product at the right price in front of the wrong audience I would call that a pricing problem. And I think, finally, which is one of those mindset ones, is not being able to own your price and to state your prices confidently. So often, one of the exercises that I give to clients and I talk about this as well in terms of some of my content is that ability to say your prices and pause, and I think we may have talked about this before, Janice, but it's that feeling that often comes when maybe you've got a new price, when you're saying it for the first time, when you know what your product is and you're going to put it out there and you're going to state your price. You know what your product is and you're going to put it out there and you're going to state your price, and then you get the dry mouth and your stomach starts to churn. And if you say that price and keep talking, the chances are. The risks are, believe me, I know because I've done this myself is you then start to talk yourself out of the price. So the price is for the handmade crocheted handbag is, it's 100 pounds, but because it's you, I know you, I can do it for 50 and actually, because you've been, such a great friend to me, I'll do it for you for 30 and if you tell someone about me in the future, then I'll actually do it for 20 and before you know it, you've talked yourself out of the price. Whereas if you say price and pause, let the sick feeling happen in your stomach, let the mouth get dry, but just stop yourself from talking yourself out of the price because you've not actually let the person even respond. So when you say the price and then you start talking, they're like is it 100? Is it this, is it hundred? Is it this, is it this, is it this? Whereas if you say it and pause, you're letting your potential person, your potential customer, hear it, absorb it and make a decision.

Natalie Freeman: 30:28

So I think that is one of the key things we can do, all of the stuff we want to do with the numbers. But if you don't believe that you are worth that price and you're not able to confidently state that price, it's going to feel like a struggle. So I'm not saying that everybody starts off with this confidence. I certainly have put up my prices since I've started and I definitely know that across a range of my different business endeavors that my numbers weren't exactly where they should be. So I'm speaking about this definitely place of experience. But what I for sure do know and understand is that if business owners don't own the price, I say say it with your chest, say it confidently, say those numbers confidently, and you're always really gonna have a tough time getting

people to spend with you, to invest with you, invest in your products, because you don't believe it and therefore it's never going to sound convincing to others.

Janice Hostager: 31:30

That's a really good point, because you're right. If you state it and then you start back tracking, offering a discount or whatever. They're gonna think that it's not worth that price that you just stated. I've certainly done it myself and friends are the worst. They almost kind of expect a discount sometime and you don't want to destroy a friendship by not giving them a discount, how do you handle that?

Natalie Freeman: 32:05

Yeah, Well, well, interestingly. So I know lots of people that run their own business but I don't talk about business to them because it can ruin friendships. And I also say to clients. I've had clients say to me Natalie, my friends, they don't share my stuff on social, they don't leave comments, and everyone's very caught up in this likes and follows and engagement stuff, and I think we're definitely drowning in a sea of you have to have high numbers. I'm like you don't have to have high numbers, you have to have a number of people that are potentially going to become customers or clients of your products or services. So I think that lots of people will talk about my friends don't do this and my friends don't do that. And I go so far as to say you can unfriend your friends from your business online accounts because that's going to save you from all of that stress. I am quite ruthless in terms of how I'm cultivating my social media pages. I'm keeping it absolutely clear and crisp that it is um product-based businesses, so I don't even really have service based businesses. when I started on TikTok I think about a year ago, and I was like TikTok, that's for children. Surely it's actually been really interesting in terms of my business and getting clients from TikTok. But I was so clear at that point that I'm product-based only and I've just cultivated that audience alone. I don't say, well, I'm just going to add my friends. Or when it says at the start of the account, sync your contacts absolutely not. Just keep it and grow it with the audience that you want. And you're going to save yourself a lot of that headache or that heartache sometimes from well, my friends aren't doing this, or my friends want a discount, or my friends, my friends. And you're also going to have that opportunity of not having an inflated number of people, because it's kind of your list that is sort of filled with friends and family who won't buy from you, who aren't your target audience. Some of them might be, some of them might fit that profile, but many of them may not. And so I think there are people really agonizing over my friends who haven't done this when they start their businesses.

And again, maybe it's just that again a mindset shift to say keep your friends, as your friends value that relationship as it is, and look elsewhere for clients, look elsewhere for

customers. because I just think that that's healthier and as I save, I know I could. There's loads of friends who are businesses. I'm like, okay, that's not, are you doing that? Fantastic, and I leave it there. I don't want a fractious conversation. I don't want, I don't want any of that. So if I'm different, but just to generally offer, I've learned the discipline actually of not just randomly offering people wisdom, as I see it, because they're like they may not want it.

Janice Hostager: 35:12

And I think the other side of that is friends that are in business that you don't really probably bring up your business to, but they just kind of want to invite you up for coffee to maybe pick your brain a little bit, and which is also very hard, I mean, I think in those cases I offer a small amount of information and then I maybe invite them, put them on my email list or invite them into a program, but I'm still terrible. I just did this a couple of weeks ago where I gave a friend a discount on some consulting work and it was work and I couldn't not do it. So I apparently have some work to do with that one. So how do you deal with pricing discounts, for example? We talked about friends' discounts, but what about promotions and discounts without eroding the profit margin that comes with doing that?

Natalie Freeman: 36:07

Lovely question, so I think that the key thing is setting those prices at the beginning, so that you have a healthy margin, and I think, for a lot again, for lots of business owners. They haven't done their pricing correctly, so then there is no wiggle room for the discounts. One of the things that I like to say is that when you think about a discount, I want to encourage people to think of it as a gift. So when you're giving a discount, it's like saying to somebody that maybe has bought before and is coming back to your business to buy from you again this is my gift to you as somebody that has purchased from me before, as opposed to, I'm going to give money off so I get lots of sales. They're quite different thought processes and again, I suppose I'm quite pedantic about words and I love words. I probably use too many from time to time other than that time in zim. But I think that sometimes we misunderstand what it is when you are offering a promotional offer or a promotional discount or some money off. And I think you don't have to make money off immediately.

Natalie Freeman: 37:45

I think lots of people go on their website and then there's that pop-up box that pops up all over the page before you've had an opportunity to look around the website. Maybe just time that a bit more, maybe have it a little bit more discreetly in a corner on the website, rather than it pops up and then you've got to find the x and click off the x and

then it pops up again and customer journey wise, that's not great. So instead of always thinking money off is going to inspire somebody to buy which is often where that comes from, think about it as a gift. So maybe your first purchase it's just a first purchase. Once somebody now is in your business, that on your mailing list you have a way of connecting to them. Maybe at different intervals you can then say here is 15%. I don't, I don't believe in anything less than 15. I always think it feels a bit uh, 15% and above, and really think strategically about how you can use those discounts, all those promotional offers, all those vip offers which, again, you're building in that language. You're making the person, the recipient of email, of that money off, of that voucher, that coupon, whatever it is. You're making them feel seen, you're saying that this is something that I would like to offer you as a gift for being one of our customers, and it's to kind of think about it in that way. So if you're looking at a 12-month period, you can then plot when would you like this activity to happen? And your mindset is that it's not going to just be kind of everybody all the time. But it might be that you may have introductory offers with a launch list, with a pre-list. Then it might be once somebody is a customer, then they have other opportunities which entice them, incentivize them to purchase again from you. But just really switching up that whole thought process again around the discount and the money off, because, again, for lots of businesses that I speak to, they see it as the reason why somebody will buy. They'll buy from me if it's got 10% off, and I'm like they won't because we're back to the 100 pound jacket. If someone's going to buy a jacket for 100 pounds, they're kind of going to buy a jacket for 100 pounds. You're 10% off isn't the reason why they will or won't.

Natalie Freeman: 40:20

So it's about thinking, thinking that, just think. Often I'm like what? Okay, if we think about it and we actually think about what it is that we're trying to achieve, then you'll sometimes see the gaps. But I think with so much content that we're all, me too you know that we're all kind of fed so often. Have a discount, have a sale? Okay fine, that's what they say. Now let's think it through. Think about the impact on your business. Can your business absorb any sort of a sale? Because are your prices the right prices in the first place? So place, so again, again. This sort of strategy question comes in, which is discounts. I'll always call them like a promotional offer or a special offer. I just think discounts is a different, uh, animal, it's kind of supermarket type talk and also then thinking about it from the perspective of this is your gift to a customer.

Janice Hostager: 41:16

I like that. Yeah, I think oftentimes I will recommend that pop-up initially when someone visits your site to get them on your email list, in which case that is at least strategically, because 10% off or 15% off is probably not. You should hopefully have that baked into

your pricing so that it's not going to kill the sale or kill your profit margin on that sale. But also I love what you said about the strategy behind it, because there are many times where you want to stand out. You really want to motivate that person to buy, even after they aren't a customer. They were a customer or maybe they've been on your list a while and they haven't purchased and they need that little nudge. Or maybe there's a big Black Friday sale. So you know that everybody is going to be discounting something, so you're going to need that to be competitive. So I love what you say about being strategic with it, because I think that's super important in everything we do in marketing and strategy is key. But I love what you said about that. So do you have some tools or resources that you recommend for businesses looking to just refine their pricing strategies?

Natalie Freeman: 42:30

Yes, so I've created a pricing calculator and you put in your email and then you get the calculator. Talking about email, then it's kind of it's just free access, but essentially what it has is and like pricing calculators exist, but what I really love with mine and I worked with a developer to create this was, you enter in all of your numbers, so your your raw materials, your um contribution to your overhead, your packaging, your postage, if applicable, your staff costs, if applicable, your time goes in and then you get a subtotal and then there's a box and you add in your chosen profit margin and then it gives you a final kind of price for your products. So you can either do it by the individual product or by the batch. So if you make I don't know 24 cupcakes at a time, it will tell you the batch price, et cetera. What I love about it, is it makes the person think through these are all of my costs and my time. And then I have a number and then I add my profit margin on top. Because, as we said earlier, Janice, so many people are thinking about it. I made it for 10 pounds and I sold it for 20, so I've made a profit. And it's like, actually, you've done that work for free and nobody should be working for free that definitely not when you're in your own business. And so what I really love about it is the functionality, so you can put all your numbers in and it will just continue to turn out different numbers. Whoever the guy who created it was amazing because it's formulas and stuff like that, so you can play with different profit margins, different prices for your. So in the time for your, how you charge your time. It's by the hour, so you can play with all of these numbers and really get a sense of where you should be in terms of being profitable. And I think that it's also that process of business costs your time is not negotiable, and then your profit, and then you can see, you know what that price is is actually should be and I say should in the sense of if you want to be a profitable business and not have an expensive hobby, which is the danger that a lot of businesses have, they have businesses that actually cost them money to be part of and so that that is kind of the starting point for for for what I do, it kind of gets people thinking, it helps them to see the numbers in a non-threatening way. It kind of does all of the or it does a lot of the working out for you, and lots of people

say, oh, my goodness, I had no idea that I should be here in terms of what the numbers should be. And if that's the case and you're, we're really far off that well then now we need to think about what is your strategy going to be? Who are you going to be selling to? Do you need to revise your product? Sometimes you know certain products, can hold a set. When I say hold a certain price, do you know what I mean when I say that, like they, they can comfortably be charged at a certain price more easily than other products. So sometimes it's a case of, well then let's rethink maybe what your products are, so that you can have something that's a bit more profitable than having, you know, lots of little things at \$5, for example. That could be fine if you're selling thousands of them, but if you're not at that scale, at that price point, then we need to think differently in terms of where you're going to be making your money on a month to month basis.

Natalie Freeman: 46:40

So once you're again I think it's this clarity around the numbers once you see them, you're really looking and then you take a deep breath in and then you think, right, okay, so what am I really doing here with this business? And so that's the. The really great starting point is it's either going to be yep, great, I can just change this and this and this, and I know I'm on track or wow, I've got a lot to do, and then we can start to move forward in terms of the next steps.

Janice Hostager: 46:52

Oh, I love that so much. I will be getting your calculator and recommending it to your clients because that sounds amazing. I have learned so much. Natalie, thank you so much for joining me today. I think my listeners will feel the same way that you've just really clarified a lot of mysteries there are in pricing, because it's something that we don't really talk a lot about either. So I love that you gave us your best tips and I'll put the link to everything that we talked about in the show notes.

Natalie Freeman: 47:24

Brilliant, thank you so much for having me.

Well I think Natalie covered it all don't you? To get the link of Natalie's pricing calculator and anything else we talked about in the podcast today go ahead and visit the show notes page at myweeklymarketing.com/65 its episode 65.