

08:00 - 09:00
09:00 - 16:30
10:15 - 10:45
12:00 - 13:00
14:45 - 15:15
16:30

THURSDAY, 28 NOVEMBER
09:00 - 16:30

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LEVEL 400 COURSE | B2B AND B2C THEMED

WORKSHOP

BEHAVIOURAL PRICING:

SHIFTING THE PARADIGM FROM VALUE-BASED PRICING TO LEVERAGING BEHAVIORAL ECONOMICS IN B2C AND B2B PRICING

‘Value-based Pricing’ has hitherto been widely accepted as the best option: It is superior to gut-, cost- or competition-based pricing as it is building on a better understanding of customers’ perceptions of value and their resultant willingness to pay. Unfortunately, this model and the respective tools (such as conjoint analysis) still assume that consumers behave like the famous ‘homo economicus’ – a perfectly informed selfish and rational decision-maker with stable preferences. Yet an overwhelming number of insights derived from ‘behavioral economics’ and ‘neuroscience’ contradicts each of these assumptions. In other words, value-based pricing squanders significant margins because it fails to adequately capture the psycho-logics and predictable mistakes in human purchase decisions.

Starting with a short introduction to Behavioral Economics, we will develop ‘behavioral pricing’ as an alternative approach which acknowledges the valid aspects of value-based pricing but goes beyond them wherever they have shown to fail in real life. This will lead us to a validated and award-winning ‘behavioral pricing’ framework, supported by many case studies from different companies in B2C as well as B2B sectors.

Thanks to its inherent focus on understanding and designing customers’ choice architecture, this new approach is equally capable of developing an optimal pricing strategy and providing the appropriate tools to actually execute it. Besides helping to design more profitable pricing strategies, ‘behavioral pricing’ will therefore help to minimize the famous clash between pricing and sales when the pricing strategy is eventually confronted with practice.

ATTENDEES WILL LEARN:

The practical implications of ‘behavioral economics’ for pricing and sales

How this produces a completely new framework that transcends value-based pricing

How to develop smarter pricing strategies which can leverage the frugal heuristics and systematic biases of the decisions “real” customers make

How this translates into significantly higher conversion rates and margins in B2C as well as B2B

How to design tools to support and manage the “last mile” when it comes to executing the pricing strategy

PRESENTED BY:



Dr. Florian Bauer

Founder of Vocatus and Member of Its Executive Board

Dr. Florian Bauer studied Psychology and Economics at the Technical University (Darmstadt), MIT, and Harvard University. He has devoted himself to research into behavioral economics and the psychology of pricing. In 1999 he co-founded Vocatus – an internationally active pricing consulting company – in Munich. Since then, he and his team have focused on systematically translating behavioral economics insights into a completely new pricing framework, which has demonstrated its superiority to classic approaches in hundreds of pricing and sales projects around the globe. Vocatus has duly won numerous industry awards for its innovative work and tools: for example, it was named “Best Consultancy” in the area of pricing by BrandEins in 2016, 2017, 2018, and 2019. Besides his consulting engagements, Florian Bauer is an honorary professor at the Technical University of Munich.