

## *Webinar 12 Handout:* **PRICING STRATEGIES FOR CLIENTS**

Now that you have established your mission, your audience, and your message, you are probably wondering how to create a successful pricing strategy for your business. Well, there is not one right answer here. There are many different types of businesses and ways to structure the way you work with clients. To help you figure out this piece of the puzzle, I am providing several pricing strategies for you to consider. Ultimately it will be up to you to decide what is the best option for your business.

### **Free consultations or discounted first sessions**

*You offer a free 30 minute consultation with no obligation to buy further sessions for first time clients, or you offer a session at 50% off your normal rate for first time clients.*

- **PROS:** This is great if you are just starting out and want to gain as many clients as possible as quickly as you can. The faster you build your clientele, the faster you will gain referrals and start to make money. By allowing people to work with you for free or at a discounted rate, you remove almost any barrier to entry into your business. People feel as though they aren't losing anything if it doesn't work out, so they might be more inclined to try you out. You also gain experience counseling without worrying as much as you otherwise may about making mistakes with paying clients.
- **CONS:** Who wants to work for free? You need to be careful who you offer this to, or accept the fact that some people who take advantage of your offer are doing just that -- taking advantage of you. Often people just like free things and have no intention of becoming a paying client. However, the best way to look at these people is that it was good practice for you and perhaps you learned something from them or about yourself as a nutrition counselor. Experience is always valuable, even if you don't make money from gaining it. Remember that you have great nutrition knowledge, so be careful not to give too much away in the free 30 minutes. They need a reason to become paying clients!

## **Low cost single session**

*This is a pay-as-you-go model, and you tend to keep your rates low compared to others in the industry or in others in your geographical area.*

- PROS: Again, you have one of the lowest barriers to entry, so you may gain a higher volume of clientele more quickly. Think of low cost pricing as the Walmart method of pricing...it's all about volume. You may sell many one time sessions and gain a lot of experience. You may also build your referral base faster because of the volume. Some people really want to build a name for themselves and this is an easy way to cast a wide net and get your name out there.
- CONS: If you really enjoy getting to know people and seeing them through change, then this may not be the best option for you, and you may like a package pricing strategy better. Financial obligation can be a great motivator to stick with something -- in other words, if they pay you for 5 sessions, they will certainly see you for those 5 sessions! That may lend them better results, which in turn will lend you better results...and personal fulfillment. You may find seeing one person at a time and constantly trying to find more one-timers can be exhausting and time consuming.

## **Low cost package pricing**

*This is a buy-several-sessions-at-once model, and you tend to keep your rates low compared to others in the industry or in your geographical area.*

- PROS: Because your rates are low, people don't feel as though they have much to lose. You may also build your clientele more quickly as a result of higher volume. Because they have committed to working with you for several sessions, you have a better chance at gaining more experience and the client has a better chance of success in reaching their goals since they will be held accountable over time. This may offer you more personal fulfillment since you have the opportunity to establish relationships and work closely with people.
- CONS: Because you are asking clients to pay more money up front than a single session situation, you may not have the volume of clients you desire. Some people may feel as though they are "missing out" on clients or like a faster paced business that a single session structure offers.

## High cost single session

*You charge much more than the average person for a one time session with you, but the client is not obligated to come back. It could be a 1 time, hour long session, for example.*

- PROS: Depending on your rates, you could see 1 client for every 4 clients a low cost person is seeing, which means you aren't working as hard and you have more time for other aspects of your business. Most people really need to have a lot of experience or be seen as an expert to command high prices, so your reputation will reflect. Think of high cost pricing as more of a Saks 5th Avenue model.
- CONS: With a higher barrier to entry, you may find you have a lower volume of clients. This may not be satisfying to you if you have a passion for working closely with people, or if you are trying to build your clientele. Also, with no financial obligation for clients to come back to you, you may find you are missing out on really making changes in people's lives, or you aren't there to actually see them through.

## High cost package pricing

*You charge much more than the average person for a package of 2-10 sessions with you, and you offer personalized plans, etc.*

- PROS: Depending on your rates, you could see 1 client for every 4 clients a low cost person is seeing, which means you aren't working as hard or you have more time for other aspects of your business. Most people really need to have a lot of experience or be seen as an expert to command high prices, so your reputation will reflect. You get to work with people for a longer period of time, so you have more opportunity to change that person's life. This will all help you become defined as an expert in your field and may be more personally fulfilling as well.
- CONS: With the highest barrier to entry, you may find you have the lowest volume of clients. This may not be satisfying to you if you have a passion for working with people, or if you are trying to build your clientele. Also, when you have very difficult clients that may or may not be compliant or may not respect your time, you are under obligation to have a long relationship with them.

These are just a few pricing methods to consider when setting up your business. Within these various structures, you also have the opportunity to offer rewards and incentives to your clients who are successful or send you referrals, VIP or friends and family discounts, renewal package pricing, or “sale” pricing at certain times throughout the year. Again, there is no magic formula here. You have to figure out what will work best for you, for the area in which you practice, and for the type of clientele you will be targeting.

## **Other Things to Consider**

### **Friends & Family**

One of the best (and possibly most rewarding!) ways to get your feet wet in counseling is to offer nutrition advice to people you already know and love. Chances are they have already asked you a ton of nutrition questions anyway if they know about your passion, so why not formally book them as your first paying clients? It is a win win - you get to help them live a better life, and they get to help you build your business. A lot of people ask me how I handle charging friends and family, since naturally they will get special treatment. One of the most common discounts for this select group is anywhere from 10-20% off any service or package anytime. However, you have to do what you feel is right for your particular circle and for the individual. Perhaps you always offer a free initial consultation and 50% off renewal packages, or maybe you offer a free first session and 10% off other services, or maybe you charge your regular price for one person but provide tailored services to their spouse or child at no extra charge.

Whatever you decide, keep two things in mind: 1) Make it special. These are special people to you, so you want to be sure they *feel* like they are getting something special from you. 2) Be consistent. You don't want to offer one friend 10% off and another friend 20% off - you will constantly be trying to remember who paid what, and it will be that much harder to keep track of what to charge their referrals. One flat discount is fair and understood by all, and is easiest to keep tabs on as you build your business over the years.

### **Market Research**

Not sure of what the going rate per session is in your area? Ask around! The best way to figure out your own pricing strategy is to know what the average rates in your area are. Find out how nutrition rookies as well as seasoned experts in your area are structuring their services and rates, and base your decisions on your newfound knowledge. Remember, there is no “right” way of doing things, and you should feel confident in yourself to choose the structure and fee that you feel comfy with. Follow your instinct!

## **Finding your Fee**

As I mentioned before, different areas of the country will warrant different prices and pricing strategies. A method that has worked for me is to figure out the hourly rate (which is used for the first two sessions) and then a half hour rate (which is used for the follow up 2 to 6 sessions) and then discount according to whether a person chooses a 4 package program or an 8 or 12. Then, sell mostly 4 or 8 follow up packages.

Before you sit down and work out your package options and pricing strategy, remember to ask yourself the following questions:

*What is more important to me right now - gaining more clients quickly or working with fewer clients for a longer period of time?*

*What is the clientele I wish to target, and what would they be willing to pay to see me?*