

A man with short, light brown hair, smiling, wearing a grey blazer over a white button-down shirt, blue jeans, and a brown belt with a gold buckle. He is standing against a weathered, greyish-blue wooden wall. A dark blue semi-transparent box with a gold border is overlaid on the image, containing text. A thin gold diagonal line runs from the top right towards the bottom left.

PICTURE PERFECT POSITIONING

The secret to positioning your business to charge premium prices.

Nick Reese

POSITIONING 101

HOW TO POSITION YOUR BUSINESS TO CHARGE PREMIUM PRICES

After building 2 successful businesses and coaching over 100 entrepreneurs, I've found that business owners often struggle with how to position themselves in the marketplace. They'll often ask, "*Am I charging too much? Am I charging too little? Am I offering the right products and services?*"

I firmly believe that: **A good positioning strategy is like playing a video game on easy mode.**

That's because your positioning will help you frame the majority of other marketing decisions including how you communicate with your clients, what prices you charge, and most importantly which services you should provide and which you shouldn't.

Think of this more as a crash course in what's possible versus an authoritative handbook. I've designed this guide as a high level tool to walk you through your positioning strategy, which will anchor the rest of your marketing efforts moving forward.

I'll give you the 80/20 of positioning so you can bypass the thousands of books written on the topic, most of which are outdated and not applicable to smaller businesses.

Now before we dive into the meat of this guide, I want you to consider these 3 questions:

- 1) Who is your ideal customer?
- 2) What is their REAL problem?
- 3) How can your product or service solves their problem in a unique way?

If you're still struggling these answer, please read through both of these posts before continuing with the rest of this guide:

<http://www.nicholasreese.com/unstuck/>

<http://www.nicholasreese.com/problem-awareness/>

OK, now let's get into it.

WHAT IS POSITIONING?

THE 80/20 OF GETTING RESULTS

Without going into the academic definition, positioning essentially boils down to how your company is perceived by a potential customer relative to other companies in your market.

In other words, “Why should your customer, choose you over the competition?”

Now without getting buried in details, there can be a whole list of reasons that a customer would want to choose you over someone else, but typically they’ll fall on 2 key spectrums.

Tangible Value: how the product is made or it’s quality.

Intangible Value: psychological benefits, social benefits, and other benefits that can’t be measured in a tangible way.

To illustrate the difference between these two specturms, let’s go back in time.

A BETTER SUGARY DRINK OR... AN EXPERIENCE?

WHAT IS YOUR AUDIENCE REALLY AFTER?

I want you to imagine that you are the brand manager for Coca-Cola.

The year is 1920 and you are responsible for making crafting what will one day become the most recognized name in the world.

As you walk down to the corner store, you hear the commotion of two kids running up to the soda counter to ask for their beverage.

One kid orders [a brand that doesn’t exist anymore] for 3 cents. The other kid orders a Coca-Cola for a nickel (5 cents). Both are obviously excited about the sweet treat that is now in their hands...

... but as the two kids wander off you can see the child with the Coca-Cola bottle in his hand walking proudly while the other kid's shoulders are just a little bit rounder and he's looking at his shoes.

Suddenly you're struck with a lesson in human nature that will transform the way you look at your marketing forever.

“People don't buy Coca-cola because it tastes better. They buy it because it gives them a better experience.”

Now I'm not sure if this scene from the 1920s ever happened, but if you talk to most adults from that era, they can recall the time they had their first Coke.

Regardless of what you think of Coke, there is a lesson here that should be the lens by which you view the rest of this guide.

In order to raise the prices of your product or services, you don't have to necessarily spend more resources creating a better product.

Instead, you need to focus on better understanding what benefits your product offers to your customer and then align your “quality proposition” with what your ideal client is trying to achieve.

In other words, don't just want to give your client a better sugary drink. Give them a better experience, whether it be social status, a story to tell, a boost to their self esteem, or some other intangible value.

TANGIBLE VALUE

THE STUFF YOU CAN TOUCH

Tangible value is the fundamental value a product provides.

When it comes to tangible value think about a raw product such as sugar, crude oil, or any other commodity that is traded in a commercial market.

Each of these products aren't fundamentally different so it is easy to compare one unit of white sugar to another unit of white sugar.

While most customers are willing to pay for a higher quality product, you'll be hard

pressed to find a sustainable way to differentiate your products or services by only focusing on tangible value.

Is it doable? Yes, but even the best quality products need to be infused with intangible value to command the price they deserve.

EXAMPLE: THE STORY OF TWO TABLES

Before we get into intangible value, here is a useful real world example.

Imagine you are in the market for a new dining table and are shopping around comparing your options.

You've narrowed down your selection to Table 1 and Table 2.

Both tables are made by the same Amish family who has been building wood furniture for 5 generations they have the same stain, same quality wood, and same exceptional craftsmanship.

Table 1 is sold at the dusty factory where it is made. Upon arrival you are greeted by a humble man with dirt under his finger nails and a beard covered in sawdust. As you enter the dusty warehouse he proceeds to show you his latest work with pride and explains how this dusty wood table will last your family a lifetime.

Table 2 is sold at an upscale furniture store where you are greeted by a concierge who is there to help you pick out the perfect decor for your home. As the concierge walks you over to the table, she tells you about the small family in Sarasota, FL who have made exceptional quality tables for 5 generations and shows you pictures of the small dusty factory they are made in.

It's no surprise that most customers are willing to pay more for Table 2.

As you can see each table was infused with different intangible value.

INTANGIBLE VALUE

THE STUFF YOU CAN'T TOUCH

The best way to understand intangible value is to think about all the "elements of value" that aren't represented in physical form.

The dining room table example illustrated that intangible value has to do with all of the other elements that make up a product's value... outside of what it's actually made of.

Context is key. How and where each table was presented dramatically shaped your expectations of value.

It's not that the quality of wood or the stain used on the table were different... they are the same product.

It's just that Table 2 has been infused with intangible value because of the experience (and expectations) of buying a table at a high-end store.

Sure, the upscale store might not be able to sell as many tables, but they don't have to.

Instead, they have positioned their business and products to appeal to the needs, wants, and desires of the affluent market they serve.

Similarly, you should be positioning your products and services to meet your customers unique needs.

REMEMBER: PROFIT ISN'T A DIRTY WORD, IT'S THE ONLY WAY TO DO WHAT YOU DO SUSTAINABLY. [\(click to tweet\)](#)

THE PICTURE PERFECT POSITIONING STRATEGY

HOW TO IMPLEMENT IT IN YOUR BUSINESS

Now that we've gone through why positioning is important to your business, it's time to run through some simple questions designed to help you implement the "Picture Perfect Positioning" strategy in your business.

For now, I'm going to assume:

- 1) You know who your customer is.
- 2) You have an idea of why they want to solve that problem.
- 3) You understand the psychological elements associated with buying your product.

Also, if you haven't watched the accompanying video to this guide, you should do so here: <http://www.nicholasreese.com/premium-positioning/>

Got all that? Good, let's get into the good stuff.

BREAKING IT DOWN

4 STEPS TO BETTER POSITIONING

As outlined in the video, this strategy consists of 4 key steps:

- Step 1: Identify what your client really wants to accomplish.
- Step 2: Frame the conversation around getting what you pay for.
- Step 3: Explain how your product's key points help them better achieve their goal.
- Step 4: "Paint a picture" of what happens if they use an inferior product.

For each of these steps, I've included a few questions to get you thinking and how to implement it in your business.

STEP 1: WHAT'S THE REAL PROBLEM?

This first step is the hardest because without fully understanding your customers' wants, desires, and aspirations, you're basically guessing as to why they'd want to work with you, especially if your business is a B2C market.

On the other hand if your business is in the B2B market it's a little easier because people fall into 2 distinct categories (plan accordingly):

1. Increase profit, leads, or sales.
2. Cover their butt and/or make their boss look good

QUESTIONS TO ASK:

- Does your customer know they have a problem?
- If so, what stage of awareness are they in? ([Guide to problem awareness](#))
- How much do you need to educate your customer about their problem?
- Are there any underlying psychological or social benefits to solving their problem?
- Could adding more psychological or social benefits to your product increase your the perceived value of your product?
- Does your product or service solve any other problems the customer doesn't value?
- What is the value (tangible or intangible) to the customer solving this problem?

Remember, the art store example I used in the video. I didn't know that I wanted a high end frame until I realized I wanted Yardená's art to last forever. Don't overlook the value of education.

STEP 2: YOU GET WHAT YOU PAY FOR

This step is easy. Simply frame the conversation around getting what you pay for.

Most cultures follow the rule of thumb that higher priced products are higher quality.

Some say this heuristic is even part of our nature.

In this step, you just need to establish "getting what you pay for" as the frame to view your product or services.

STEP 3: EXPLAIN YOUR KEY POINTS

Now that you've set the frame for "getting what you pay for" now it's time to put your key points of differentiation on display.

In this step you'll want to explain how your product is different and why those specific features will help your client achieve their desired benefit.

QUESTIONS TO ASK:

- What one or two features of my product are the most valuable from my customer's perspective.
- What features don't matter to my customer?
- Are you spending money to build a "quality proposition" that your clients actually want or are you wasting money building features they won't use?

- What emotional benefits do your features offer your customer?
- Are there any social benefits to buying your product/service? If so, can you amplify them?
- What do all of your competitors fail at... from your client's perspective?
- What has your client tried before but failed?
- What frustrates your customers about their situation?

Before you move past this step, make sure you've nailed down EXACTLY what problem your client is trying to solve. If there is any doubt, go back to step 1.

STEP 4: "PAINT A PICTURE"

12. Now that you've framed the conversation around getting what you pay for and you've explained why your product's features help meet your client's needs...

... it's time to "paint a picture" or share a story of someone who's used an inferior product and the negative consequences that they faced.

QUESTIONS TO ASK:

- What negative outcome have other potential clients experienced due to not using your product?
- What "mess" have you cleaned up for a client that another product/service created?
- What are the common ways people in your industry "cut corners" or don't do their best work? And what are the consequences of working with those people?
- What risks will the client be exposed to if they don't work with you?

A NOTE ON ETHICS / MORALS

While I think most products and services that are legitimately better than their competition can use this "negative future outcome" technique in a very ethical/moral way, it's not the only way to use this technique.

If for any reason you encounter any ethical/moral issues with outlining a negative future outcome, you can always share a story about how you convinced a prior client to use your service even though they weren't 100% sure of the value... while making sure to point out the great results you got for them.

I only include this note because I've had a couple people express concern about the ethics/morality of using a negative future outcome.

That said, with both of the cases where it came up, these people already had issues

about charging for their services and it took them a long time to overcome those and charge what they were worth.

(And both finally ended up using the negative future outcome, when they were more certain about their products/services.)

That said, the decision is up to you. :)

THE ROAD AHEAD

WHERE TO FROM HERE

And there you have it. You now understand one of the most powerful (and straight forward) positioning strategies you can use to differentiate yourself from your competition.

I hope you've found this guide insanely valuable and that you'll implement the strategies outlined in your business.

Best of luck and remember positioning is really about understanding your client's REAL problem better than anyone else.

Always on your team,

Nick Reese

FURTHER READING

IF YOU'VE ENJOYED THIS GUIDE, BUT ARE NEW TO MY STUFF, DON'T MISS THESE:

BUSINESS OBJECTIONS

Learn to overcome the 4 most common business objections and how you can reframe any objection into a simple request for more information. If you're afraid of selling, this video and guide will help you a ton.

<http://www.nicholasreese.com/common-business-objections/>

THE BASICS OF SELLING

Learn to use the 3 Ts of selling to nail any sales call. Selling isn't complex if you remember it is just about teaching, tailoring, and taking control.

<http://www.nicholasreese.com/how-to-sell/>

HOW TO GET MORE OF IMPORTANT STUFF DONE

Learn the simple strategy I've used for years to plan my weeks for maximum effectiveness.

<http://www.nicholasreese.com/stop-feeling-overwhelmed/>

HOW TO AVOID PROBLEM CLIENTS

Every business faces problem clients. Learn how to spot them from a mile away, by understanding which for the 4 key categories they fall into. I also explain why you should be focused on finding "Value Seekers" and ignoring the "Bargain Hunters."

<http://www.nicholasreese.com/problem-clients/>

A photograph of Nick Reese, a man with short reddish-brown hair, wearing a dark suit jacket over a light-colored shirt and a dark vest, sitting on a dark green metal lattice porch. He is looking slightly to the right of the camera with a thoughtful expression. The background shows a white door and a brick wall.

NICK REESE

MEANS BUSINESS

Nick Reese is an online marketing expert who inspires individuals to take their business and life to the next level through his actionable marketing and personal psychology advice.

Having built several successful businesses, Nick is currently the CEO of Microbrand Media, a company specializing in building highly profitable web assets.

Nick has personally mentored over 100 entrepreneurs who have gone on to build businesses with more than \$100k in revenue. He has also spoken at the White House about building a business in a tough economy.

Nick is an active startup advisor specializing in customer acquisition and affiliate marketing strategy.

Nick has been featured in Forbes.com, Mashable, TechCrunch, The Washington Post, Inc.com, MSNBC, OPEN Forum, and more.

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<http://nicholasreese.com/picture-perfect-positioning/>