

E-book



10

PSYCHOLOGICAL PRICING PRINCIPLES

DIGITAL&

1. THE DECOY EFFECT

Introducing a strategically inferior third option can steer customers towards a more expensive or preferred choice by making it seem like **better value in comparison**.



No clear best value



Target option seems best value

2. CURRENCY-FREE PRICING

Removing currency symbols (e.g., \$, €) from price tags can reduce the perceived "pain of spending," allowing customers to focus more on the product's benefits

Big Mac Meal
\$3.99 | 600 cal.



Focus on cost

Big Mac Meal
3.99 | 600 cal.



Focus on product

3. THE EASY DIVISION RULE

Customers are more inclined to purchase when the price is easily divisible or allows for simple mental calculation, especially for multi-unit offers.



**Hard to
process unit
cost**



**Easy to
process unit
cost**

4. DYNAMIC URGENCY PRICING

Progressively increasing prices in tiers as an offer period winds down or availability decreases creates a sense of urgency, prompting earlier purchases.

TICKETS **\$159**



Promotes
delay

FIRST 100 TICKETS **\$129**

FIRST 100- 250 TICKETS **\$159**

LAST CHANCE TICKETS **\$199**



Motivates
immediate
purchase

5. FREE SHIPPING

Instead of itemizing shipping costs, incorporate them into the total product price and prominently feature "Free Shipping."

This simplifies the customer's decision and leverages the powerful psychological appeal of "free"!



Shipping cost
creates friction



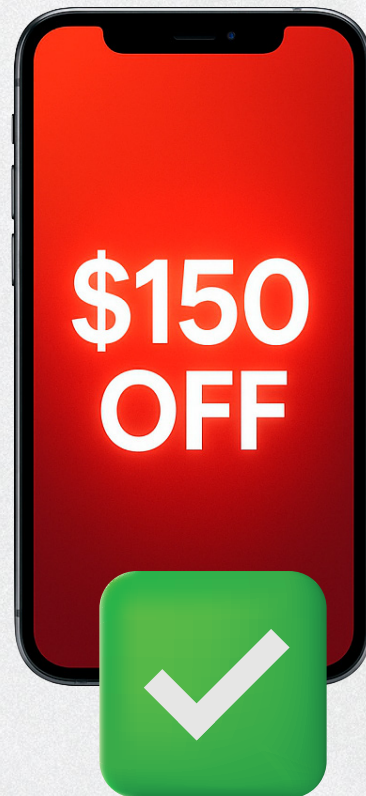
"Free shipping"
adds appeal

6. THE RULES OF 100

When presenting discounts, use percentages for items under \$100 (e.g., "20% off") and absolute monetary values for items over \$100 (e.g., "\$50 off") to make the saving appear more significant.



15% off \$1,000
(seems smaller)



\$150 off \$1,000
(seems larger)

7. CONTEXTUAL PRICING

The perception of a product's price is heavily influenced by the prices of items displayed alongside it; placing it next to a significantly more expensive alternative can make it seem like a bargain.

PRICE: **\$800**



**Seems
expensive alone**

PRICE: **\$5,000**



PRICE: **\$800**



**Seems cheaper
by comparison**

8. BUNDLED PRICING

Offering a collection of products or services as a single package for one price often leads customers to perceive greater overall value and convenience compared to purchasing each item individually.

The image illustrates two pricing strategies for an iPhone bundle. On the left, individual items are priced: a power adapter (\$10) and AirPods (\$65). The iPhone screen shows a 'Total Price: \$1,200'. A red square with a white 'X' is placed below the phone. On the right, the same items are bundled together. The iPhone screen shows a 'Total Price: \$1,275'. A green square with a white checkmark is placed below the phone. Below each side is a white rounded rectangle containing text.

\$10

\$65

Total Price:
\$1,200

**Harder to sell
add-ons**

Total Price:
\$1,275

**Bundle
perceived as
high value**

9. PRICE PRECISION EFFECT

Using specific, non-rounded numbers (e.g., \$97.50 instead of \$100) can make the price seem more carefully calculated, justifiable, and "rational," whereas rounded prices might feel more arbitrary or emotional.



\$1,000
(feels arbitrary)



\$979
(feels calculated)

10. THE RECIPROCITY PRINCIPLE IN PRICING

Offering a small, unexpected value upfront—like a free gift, a surprise discount, or exclusive content—can foster a sense of goodwill, making customers feel valued and more inclined to "reciprocate" by making a purchase or showing loyalty.



Just a transaction



Value first encourages purchase



THANK YOU FOR READING

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DISCOVERY CALL**



or call us directly at:

812-361-2590

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