

Practice activity!

LinkedIn PREMIUM	
<div>Premium Career</div> <ul style="list-style-type: none">✓ 3 in-mail messages✓ See who viewed your profile data for 90 days✓ Salary Insights✓ LinkedIn online courses	<div>Premium Business</div> <ul style="list-style-type: none">✓ Career plans included✓ 15 in-mail messages✓ Third-degree profile browsing✓ Notable business insights
<div>Sales Navigator</div> <ul style="list-style-type: none">✓ Career plans included✓ 20 in-mail messages✓ Lead list✓ Lead recommendation	<div>Recruiter Lite</div> <ul style="list-style-type: none">✓ Career plans included✓ 30 in-mail messages✓ Unlimited Visibility✓ Advanced search✓ Candidate tracking
Service	Price
Basic	Free
Career: Get hired and get ahead	\$29.99/month
Business: Grow and nurture your network	\$59.99/month
Sales Navigator: Unlock sales opportunities	\$99.99/month
Recruiter Lite: Find and hire talent	\$180.00/month
Recruiter (corporate): Find and hire talent	\$895.00/month

Practice

Question 1

LinkedIn is a very valuable service, why does the company offer basic access for free?

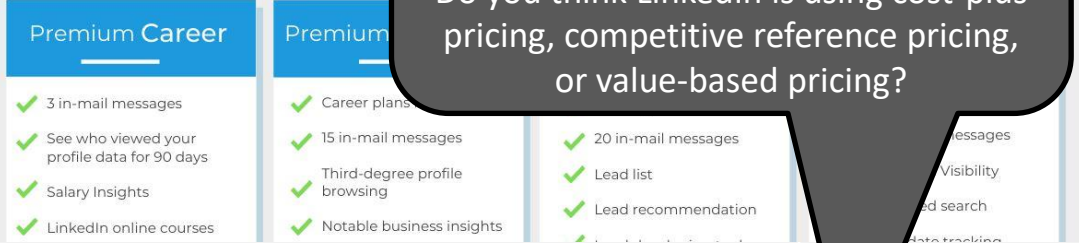
LinkedIn PREMIUM

Premium Career	Premium Business	Sales Navigator	Recruiter Lite
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Question 2

The services offered to Basic, Career, Business, and Sales users are similar (with different permissions and limits). Do you think LinkedIn is using cost-plus pricing, competitive reference pricing, or value-based pricing?



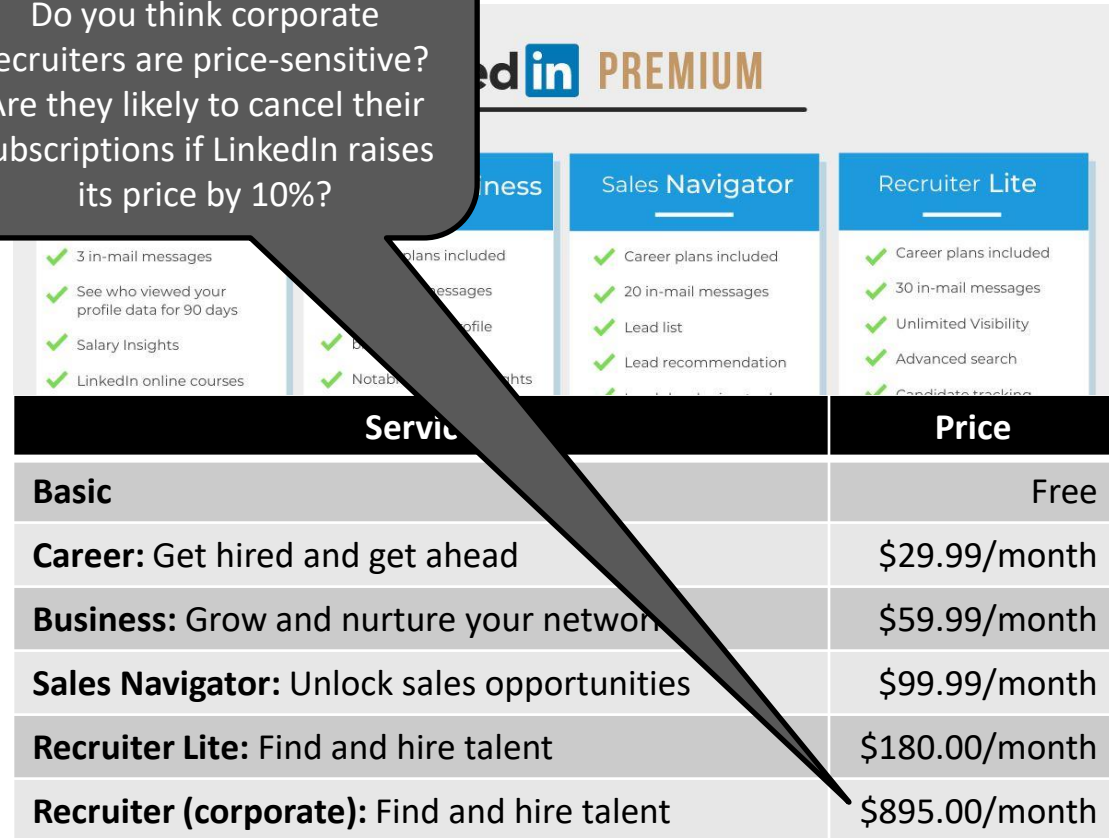
The screenshot shows the LinkedIn Premium Career page with a list of features: 3 in-mail messages, See who viewed your profile data for 90 days, Salary Insights, and LinkedIn online courses. It also shows a 'Premium' section with features like Career plans, 15 in-mail messages, Third-degree profile browsing, and Notable business insights. A 'Premium Business' section is partially visible with features like 20 in-mail messages, Lead list, and Lead recommendation.

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Question 3

Do you think corporate recruiters are price-sensitive?
Are they likely to cancel their subscriptions if LinkedIn raises its price by 10%?

A screenshot of the LinkedIn Premium pricing page. A grey callout box with a black border and a pointer directed at the 'Recruiter (corporate)' row contains the text 'Question 3' and a question about price sensitivity. The background shows the LinkedIn logo and the word 'PREMIUM' in large orange letters. Below this, there are three columns of features for 'Business', 'Sales Navigator', and 'Recruiter Lite' plans, each with a list of benefits marked with green checkmarks. At the bottom, a table lists the service names and their corresponding prices.

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Pricing practice activity

Instructor answers

Practice

Question 1

LinkedIn is a very valuable service, why does the company offer basic access for free?

Instructor answer 1

LinkedIn has over 800 million users, which makes the site exceptionally useful for individuals and businesses. Without the free option, LinkedIn would have never signed up so many users, and their premium services would have been less valuable.

✓ 3 in-mail messages	✓ Career plans included	✓ Career plans included	✓ Career plans included
✓ See who viewed your profile data for 90 days	✓ 15 in-mail messages	✓ 20 in-mail messages	✓ 30 in-mail messages
✓ Salary Insights	✓ Third-degree profile browsing	✓ Lead list	✓ Unlimited Visibility
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Question 2

The services offered to Basic, Career, Business, and Sales users are similar (with different permissions and limits). Do you think LinkedIn is using cost-plus pricing, competitive reference pricing, or value-based pricing?

Instructor answer 2

LinkedIn is using value-based pricing. If they were using cost-plus pricing, the price differences between the services would be minimal. And there is no competitor with their size and presence for competitive referencing.

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Question 3

Do you think corporate recruiters are price-sensitive?
Are they likely to cancel their subscriptions if LinkedIn raises its price by 10%?

Instructor answer 3

Since the site is so valuable to big recruiters – they couldn't do their job without LinkedIn – it's unlikely they would cancel their subscriptions.

LinkedIn could likely raise (or lower) its prices, without much impact on the volume of subscribers.

✓ 3 in-mail messages	Plans included
✓ See who viewed your profile data for 90 days	Messages
✓ Salary Insights	Profile
✓ LinkedIn online courses	Notable insights
Service	
Basic	
Career: Get hired and get ahead	
Business: Grow and nurture your network	\$59.99/month
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