

Notes on “The 1% Windfall” by Rafi Mohammed

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June 23, 2015

1 Value Based Price

Compare to the closest alternative, make sure it’s priced reasonably, and add or subtract the difference in value. If the closest alternative isn’t reasonably priced, do some demand estimation using models or expert guesses.

2 Pick-A-Plan

Ownership Alternatives	Uncertain Value	Price Assurance	Financial & Other Constraints
Interval Ownership	Success Fee	Flat Rate	Financing
Lease	Licenses	Peace of Mind Guarantee	Job Loss Protection
Rent	Auctions	All-You-Can-Eat	Layaway
Netflix Model	Future to Buy Options	Two Part: High/Low Pricing	Prepaid

3 Versioning

Premium Higher Quality	Stripped Down Lower Quality	Unique Customer Needs Package Size
Priority Access	More Restrictions	Extended and Enhanced Warranties
Speed	Off-Peak	Monthly Clubs
Low Deductables, Better Coverage	High Deductables, Lower Benefits	Bundling
	Private Label	Platforms
	Unbundling (A La Carte)	Usage Purpose

4 Differential Pricing Tactics

Hurdles	Customer Characteristics	Selling Characteristics	Selling Techniques
Rebate	Geography	Quantity	Negotiations
Sales	Easily Identifiable Traits	Mixed Bundling	Two Part: Razor + Blade
Coupons	Club Affiliation	Different Next Best Alt.	Metering
Price-Match	Customer History		Dynamic Pricing
Distribution			
Time in Sales Cycle			