Course: Mission Control: Master Your Data, Metrics & Money

Lesson 9: Data-Driven Pricing & Offer Optimization

1. Core Concept & Learning Objective

Core Concept (147 words): This lesson is how you give yourself a "raise." Most founders "guess" their pricing (e.g., "I *feel* like $97 is fair"). This is a fatal error. This lesson teaches you to *stop* "guessing" and start "testing." You will learn to use your "Sales Dashboard" (L4) and *real customer feedback* (surveys) to "optimize" your "offer" (C5, L2) and "test" new, higher price points. You'll learn that "pricing" is not "fixed"; it's a "variable" you can "test" (just like an "A/B test" (L7)) to *instantly* increase your "Profit Margin" (L5) without *any* new "traffic" (L3).

Learning Objective: By the end of this lesson, you will be able to **analyze** your current "offer" (C5, L2), **use** customer data (surveys) and sales data (AOV, L4) to identify "optimization" opportunities, and **design** a "price test" (A/B test) to confidently test a new, higher price point.

2. Interactive Content Activities

Activity 1: Case Study: "The '$97 vs. $147' Price Test"

- **Type:** Case Study Analysis
- **Time:** 15 minutes
- **Instructions:**
  1. Read the "Data" from 'Founder A's' "A/B Price Test" (L7).
  2. **Price A: "$97"**
     - *Traffic:* 1,000 visitors
     - *Sales:* 20
     - *Conversion Rate:* 2.0%
     - *Revenue:* $1,940

3. Price B: "$147"

    *   *Traffic:* 1,000 visitors

    *   *Sales:* 15 (She lost 5 sales... oh no!)

    *   *Conversion Rate:* 1.5% (The "rate" went *down*...)

    *   *Revenue:* $2,205 (...but the "revenue" went *up*!)

4. In the text box, answer: "Which 'Price' *won*? Why is 'Founder A's' 'fear' ("I'll lose sales!") a 'vanity' fear? (Hint: 'Revenue' and 'Profit' (L5) are the *only* things that matter.)"

*   **Expected Outcome:** An "a-ha" moment that "conversion rate" is *not* the "goal." "Total Profit" is the "goal." She made *$265 more* by "losing" 5 customers.

Activity 2: Strategic Exercise: "The 'What-If' Price Test"

*   **Type:** Strategic Exercise

*   **Time:** 15 minutes

*   **Instructions:**

    1. Open your "Sales Dashboard" (from L4).

    2. Open the "What-If" Calculator (worksheet).

    3. Your "Current" Data:

        *   *Price:* $50

        *   *Sales/Month:* 20

        *   *Revenue/Month:* $1,000

    4. Your "Price Test" (What-If):

        *   *New Price:* $75 (a 50% *increase*)

        *   *Sales/Month:* 14 (You *lose* 30% of your customers... oh no!)

        *   *Revenue/Month:* $1,075 (You just *gave yourself a raise*.)

    5. *Your Task:* Run your *own* "What-If" scenario. What if you *doubled* your price?

*   **Expected Outcome:** A "de-risking" of "price increases." You realize you can often *lose* customers and *still* make *more profit* (L5).

Activity 3: Tool Exploration: "The 'Customer Feedback' Survey"

- **Type:** Tool Exploration

- **Time:** 15 minutes

- **Instructions:**

  1. The *best* way to "optimize" your "offer" is to *ask* your customers.

  2. Open a "Simple Form" tool (e.g., Tally, Google Forms).

  3. Create a "1-Question Survey" to send to your *existing* "Customers" (from C5).

  4. **The *Only* Question:** "What was the *one* thing 'missing' from the [Product Name] that you *wish* it had?"

  5. (The answers to this (e.g., "Templates," "A Q&A call") are *your new 'Order Bumps' (C5, L10)*).

- **Expected Outcome:** A "system" for "data-mining" your *customers* for your *next* "offer" idea.

Activity 4: "My 'Price-Test' Fear" (Peer Collaboration)

- **Type:** Peer Collaboration / Discussion

- **Time:** 10 minutes

- **Instructions:**

  1. "Raising prices" is a "mindset" (C5, L1) block.

  2. Go to the community discussion board.

  3. **Post:** "My 'Data' (L4) says I should 'test' a higher price. My 'Fear' is [Your Fear]."

  4. *Example:* "My 'Fear' is 'What if everyone gets mad and calls me greedy?'"

  5. Reply to one other student's "Fear" with a "Data-Driven Reframe" (from L7). (e.g., "Reframe: 'You are not 'greedy'; you are testing 'market value'. The 'data' will tell you the truth.")

- **Expected Outcome:** Peer support to overcome the *emotional* block of "raising your prices."

3. Assignment & Project Milestone

Assignment: The "Offer Optimization & Price Test" Plan (Component 9 of Final Project)

- **Estimated Time:** 60 minutes

- **Deliverable:** A 1-page "Testing" "SOP" (Standard Operating Procedure) in PDF or Notion.

- **Description:** This is your "CEO" plan for "Offer Optimization." You will use your "Data" (L4) and "Customer Feedback" (Activity 3) to design a *new* "Offer Stack" and a "Price Test" (A/B test).

- **Step-by-Step Instructions:**

  1. Open the "Price Test SOP" template (provided).

  2. **Section 1: "The 'Customer Data' (The 'Why')."**

     - (e.g., "My '1-Question Survey' (Activity 3) showed that 80% of my customers *wished* the e-book had 'templates'.")

  3. **Section 2: "The 'Offer Optimization' (The 'New Stack')."**

     - (e.g., "My 'Old Offer' was '$50 E-book'. My 'New Offer' will be '$50 E-book + $19 'Template' Order Bump (C5, L10)'.")

  4. **Section 3: "The 'Price Test' (The 'A/B Test' Plan)."**

     - (e.g., "I will *also* 'A/B Test' (L7) my 'Old Offer' (E-book) price.")

     - **A (Control):** "$50 Price."

     - **B (Variable):** "$75 Price."

     - **The 'Metric':** "I will run this test for 30 days. The 'winner' is the one with the *highest 'Total Revenue' (L4)*, not 'Conversion Rate'."

  5. Save this 1-page document. This is Component 9 of your Final Project.

- **Connection to Final Project:** This "SOP" proves you are a "CEO" (L7), not just a "data-reader." You are "reading" the data (L7) to "optimize" your "Offer" (C5, L2) and "Price" (L9) to *directly* increase your "Profit Margin" (L5).

- **Evaluation Criteria:**

- **Excellent:** All 3 sections are complete. The "Optimization" is "data-driven" (it uses "customer feedback" or "sales data"). The "Price Test" is a clear "A/B Test" (L7) with a "data-driven" "winner" (Total Revenue).

- **Proficient:** The sections are complete, but the "Price Test" is "gut-feel" (e.g., "I'm just raising my price") and is not a "test."

- **Needs Improvement:** One or more sections are missing.

4. End-of-Lesson Assessment

(Multiple Choice 1) In the "'$97 vs. $147' Price Test" (Activity 1), why did the "$147" price *win*?

- A. Because it had a *higher* "Conversion Rate" (it didn't; it was 1.5%).

- B. Because it had *more* "Sales" (it didn't; it had 15, not 20).

- C. Because it generated *more "Total Revenue" ($2,205)*, (which is the *only* "profit" metric (L1) that matters).

- D. Because "$147" is a "magic" price. *(Answer: C)*

(Multiple Choice 2) The "What-If' Price Test" (Activity 2) shows that you can *lose* 30% of your customers and *still*...

- A. "Make *more* 'Total Revenue'" (and 'Profit').

- B. "Make *less* 'Total Revenue'."

- C. "Have a 'higher' conversion rate."

- D. "Have a 'lower' CPA." *(Answer: A)*

(Multiple Choice 3) The "1-Question Survey" (Activity 3) ("What was 'missing'?") is a "data-mining" tool for finding...

- A. "Testimonials."

- B. "Your *next* 'Order Bump' or 'Upsell' idea (C5, L10)."

- C. "Your 'AOV' (L4)."

- D. "Your 'LTV' (L4)." *(Answer: B)*

(Multiple Choice 4) Your "Price Test SOP" (your assignment) is *not* a "gut-feel" decision. It is...

- A. An "A/B Test" (L7).

- B. A "Data-Driven Decision" (L8) to *test* a "variable" (price) and measure the *winner* (Total Revenue).

- C. A "Live Launch" (C5, L8).

- D. A "Bookkeeping" "SOP" (L6). *(Answer: B)*

(Short Answer 1) What is "pricing optimization"?

- *(Example Answer: "It's the "data-driven" process of "testing" different "price points" (or "offers") to find the 'sweet spot' that "maximizes" 'Total Profit' (L5).")*

(Short Answer 2) What is *one* "insight" you got from your "1-Question Survey" (Activity 3) (or *would* get)?

- *(Example Answer: "I know my customers would say 'I wish this 'course' (C5) came with 1:1 'coaching' (C5).' This is my 'Premium Offer' (C5, L2).")*

(Scenario-Based 1) You look at your "Sales Dashboard" (L4).

- **Data:** Your "AOV" (L4) is $50. Your "LTV" (L4) is $55.

- 1. What is the "Diagnosis" (The 'Leak')? (from L4)

- 2. What "Offer Optimization" (from *this* lesson) does this *data* "scream" at you to "fix"?

- *(Answer: 1. The 'Diagnosis' is that my customers never buy again (LTV is almost*