



Pricing Your Services

Pricing influences far more than revenue. It affects profitability, client expectations, service quality, and the long-term sustainability of a business.

A well-priced service creates enough margin to support clients, improve operations, and invest in future growth. It also reflects the value being delivered.

For text marketing resellers, pricing should account for both the cost of delivering the service and the value it can create for the client. Businesses are not purchasing text messages. They are investing in a tool that can help drive traffic, generate sales, increase customer retention, and create repeat business.

Understanding this distinction is essential when developing a pricing strategy.

Price The Service, Not The Sale

One of the most common pricing mistakes is adjusting prices based on the prospect sitting in front of you.

A prospect hesitates, so the price is lowered.

A prospect pushes back, so a discount is offered.

Over time, this can create inconsistent pricing and make it difficult to build a predictable business.

Instead, establish pricing that reflects the service being delivered and apply it consistently.

Clients should receive the same pricing for the same service.

Understand Your Costs

Before setting prices, it is important to understand what it costs to deliver the service.

Examples may include:

- Platform fees
- Text messaging costs
- Contractor expenses
- Software subscriptions
- Administrative time
- Customer support

One advantage of a reseller model is access to wholesale text messaging rates. Because messaging costs are lower, resellers often have greater flexibility when packaging and pricing their services.

Knowing your costs helps ensure that every client contributes to the profitability and long-term sustainability of the business.

Understand The Value

Cost is only one part of the pricing equation.

The other part is understanding the value the service can create for the client.

Consider questions such as:

- What is a new customer worth to this business?
- What is a repeat customer worth?
- What would a successful promotion be worth?
- How much additional revenue could be generated from increased customer visits?

While results can never be guaranteed, understanding the potential value of the service can help put pricing into perspective. Few marketing channels allow businesses to communicate directly with customers in real time. A well-timed text campaign can generate immediate awareness and drive customer action within minutes.

Businesses invest in marketing because they expect it to help them grow. The ability to communicate directly with customers can be extremely valuable when used strategically.

Create Clear Pricing Tiers

Pricing tiers help clients choose a service level that fits their needs.

For text marketing services, tiers may be based on:

- Monthly text volume
- Number of locations
- Support level
- Additional services included

Clearly defined pricing tiers make it easier for clients to understand their options and make informed decisions.

TIP

Know your numbers.

Understand both the cost of delivering the service and the value it can create for the client. Strong pricing decisions require both perspectives.

COMMON MISTAKE

Setting prices without considering the value being delivered.

When pricing is based only on costs, service providers often underestimate the impact their services can have on a client's business.

KEY TAKEAWAY

The most successful service providers price with confidence because they understand both what the service costs and what the service is worth.