Louvain School of Management

Pushing the value aspect of startup forward through the implementation of "The Lean Pricing Strategy and the implementation of KPIs to monitor it."

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Declaration on AI Utilisation

During the preparation of this master's thesis, the authors utilized [Chat GPT 3.5 & Scribbr] for the following purpose:

1. Create the thesis structure | Play the Devil's advocate | Proofreading:

We want to be clear that AI was "a plus" for us, we now see the importance of further learning this new tool which is free and available to all.

Early in the development of our thesis, we experienced considerable difficulty in coming up with a robust idea and a line of direction. To surmount this obstacle, we used artificial intelligence to critically evaluate our initial concept and stimulate the generation of new ideas. This facilitated a broader exploration of potential topics, allowing us to refine our focus and align our research with emerging trends and relevant academic discussions.

In addition, we used AI to identify the skeleton of our thesis, effectively defining the structural framework needed to establish a coherent and logical flow of ideas. This initial structuring was crucial in ensuring that our thesis maintained a clear and coherent narrative thread throughout the process. AI's ability to synthesise information and provide organisational insights played a key role in this phase, helping us to develop a well-structured and focused research plan.

At the end of each section of our thesis, we used the AI once again to challenge our ideas and assumptions. Playing devil's advocate, AI asked critical questions and highlighted potential weaknesses in our arguments. This evaluation process prompted us to re-examine our writing, strengthen our arguments and ensure the solidity of our conclusions. By incorporating AI into this critical review stage, we were able to improve the overall rigour and credibility of our research.

Finally, Scribbr was used at the end of our thesis as a "proofreader" tool to correct any mistake and improve several sentences.

After using "Chat GPT 3.5", we, the authors diligently reviewed and edited the content produced by the tool. We take full responsibility for the final content presented in this thesis. By signing this declaration, we affirm that the content of this master's thesis reflects our original work, augmented by the responsible use of AI.

Signature:

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Maxime Duthoit

Acknowledgements

We would like to express our sincere gratitude to those who have supported us throughout our university journey. This thesis is a testament to their help, without which our achievements would not have been possible.

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Abstract

Growing in an increasingly complex environment, startups are more than ever in need of a compass. Through this work, a theoretical framework called “Lean Pricing” was developed to guide startups towards optimal pricing decisions. A systematic approach was used to gather empirical data through interviews, which was then analysed against the proposed theoretical model to assess its practical viability and conceptual soundness. The central research question was to determine whether the “lean pricing” strategy was suitable for startups and whether it could effectively address the challenges of their dynamic environment. The results confirmed that the lean pricing model is suitable for startups, that it corresponds well to their specific needs and that it improves their pricing strategies. The model therefore provides valuable insights for startup owners, entrepreneurs and other professionals seeking long-term success through adaptive pricing strategies.

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1. INTRODUCTION

1.1 Context

The 2000s saw the advent of successful entrepreneurs whose success has nothing to envy of the 80s rock stars. These included, but are not limited to, Steve Job (Apple), Elon Musk (Tesla), Marc Zuckerberg (Facebook) and Jeff Bezos (Amazon).

There is no denying the fact that startups are vital engines of economic growth and innovation, fundamentally changing the way we live and work. The entrepreneurial energy and creativity that startups bring to the market lead to the development of new products, services, and technologies that redefine industries and improve people's lives. Startups do play a significant role in job creation, which is crucial for economic growth. Beyond direct employment, startups also spur the growth of related industries, such as venture capital, technology services, and business consultancy, which further amplifies their positive economic impact.

Unfortunately, the world of startups is fraught with challenges, where only 18% of first-time startup founders achieve success. In the UK, 60% of startups fail, and in France, the rate climbs to 85%, among the highest in Europe. (Yon, 2024) These statistics underscore the formidable hurdles startups face in diverse markets. Since the early 2000s, Europe has witnessed intensified competition. Alongside it, the economy has entered in a "new world of consumer behavior", characterized by rapidly changing consumer preferences. (Drenik, 2022)

These dynamics present a pressing challenge for startups to distinguish themselves from others. Innovation by itself is not sufficient anymore, it demands agility and responsiveness from startups. When every innovation, whether it is a product or a service, carries a price tag, the real challenge lies now in excelling at understanding and communicating what value is created beyond the mere cost to successfully attract and keep consumers. In this context, the lean pricing approach gives startups back the ability to stand out.

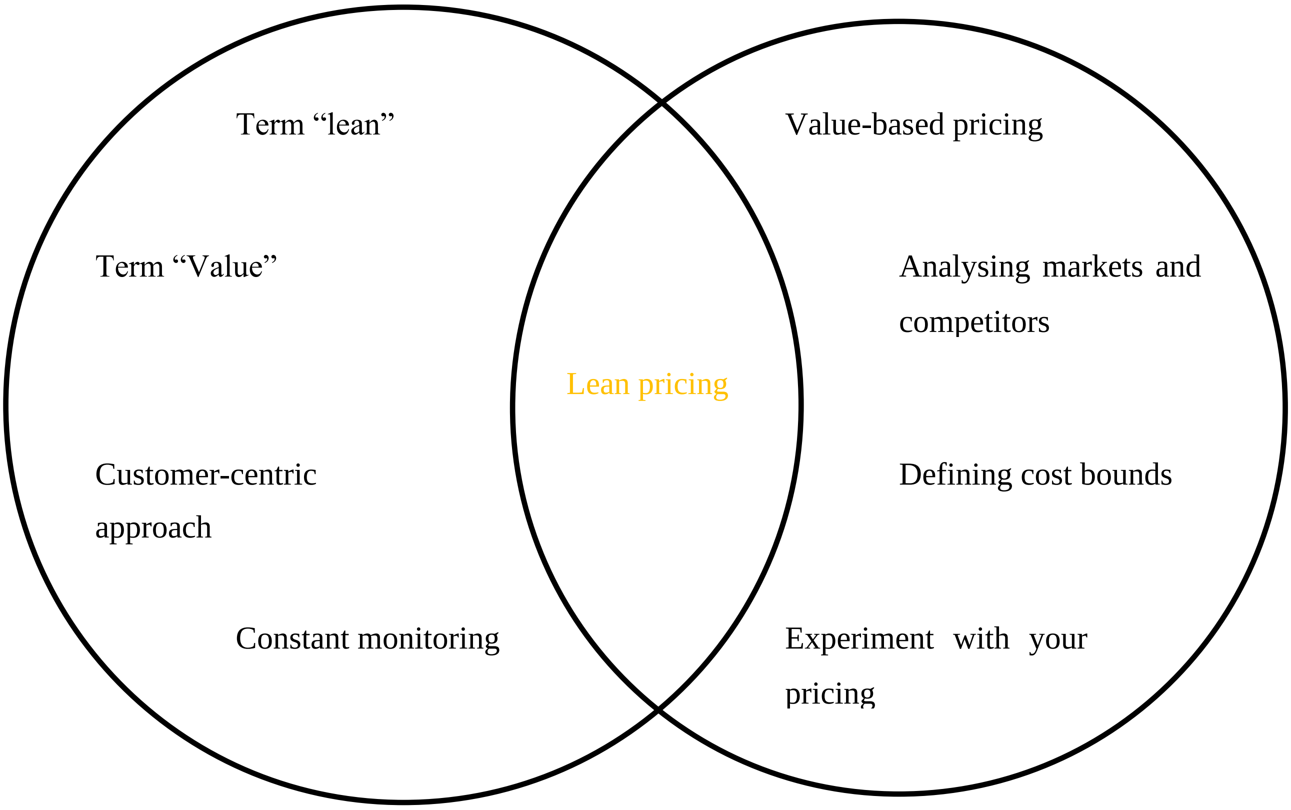
1.2 Problematic and method

The initial problematic was, “What do startups need to have within their pricing strategy to effectively deal with market dynamics?”.

Thereafter, the focus was on identifying, based on previous work, the factors required to build the lean pricing strategy that would respond to these dynamics. Based on previous research, some specific pillars were identified: The lean concept, with its emphasis on looking for performance through the deletion of waste and continuous improvements, monitoring using KPIs, and a customer-centric approach showcasing value.

Each of these factors was broken down for complete understanding to apply them to the lean pricing strategy. Key steps emerged: the need of value-based pricing, analysing market and competitors, and defining cost bounds. Additionally, setting a price reflecting these internal and external components, experimenting with it and pricing tactics, as well as the constant need for monitoring using KPIs. An understanding of the reflexion can be found in appendix 2.

Figure 1: The lean pricing pillars



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This reflexion evolved the problematic into “How can startups effectively build their lean pricing strategy to adapt to competitive markets and dynamic consumer preferences, while continually improving their value propositions and achieving long-term viability?”.

Succeeding questions emerged:

- What are the key factors that contribute to a successful pricing strategy?
- How do competition and changing consumer preferences influence the need for dynamic pricing and value communication?
- What role does value-based pricing play in enhancing a startup’s value proposition?
- How can the theoretical underpinnings of lean ideology, pricing and monitoring be integrated to develop a robust lean pricing strategy?
- What are the best practices for price setting and pricing tactics to ensure continuous evolution and alignment with market demands?
- How can startups move from a price-centric to a value-centric approach to their pricing strategies?

The aim of monitoring as part of lean pricing was to enable startups to make changes and quickly observe if the results of their pricing strategy are unsatisfactory, needs evolution, is aligned with the overall long-term goal, etc. Therefore, future costs caused by a poorly managed front-end of strategic pricing can be avoided.

The very next exercise was to apply the principles of lean pricing to ensure that the steps identified in the theory analysis could be implemented in a practical way.

The purpose was to identify any discrepancies between theoretical concepts and professional practice. To do this, semi-structured interviews were conducted with Startups to gather practical information.

This process made it possible to assess the relevance of lean pricing, identify limitations and formulate recommendations with the objective of evolving the lean pricing theory initially developed. Finally, a conclusion was drawn from this work.

1.3 Structure

This thesis is structured in two primary parts: a theoretical analysis and an empirical analysis.

The first part of the paper, the theoretical analysis, is divided into two sections. The first section lays the foundation, defining the main concepts further developed in this thesis. The definitions of “Startups”, “Lean”, “KPI”, and other concepts ensure a shared understanding between readers and writers, facilitating the reader’s navigation through this thesis. This section aims to offer a comprehension of the fundamental principles and components that constitute the lean pricing strategy, which is developed shortly after.

The second section of this part builds on the fundamental concepts to develop a theoretical framework of the lean pricing. This framework integrates several theories and models, providing a detailed conceptualisation of the lean pricing strategy.

The second part, known as the empirical analysis, focuses on confronting theory to practice. It involves gathering real-world information through semi-structured interviews with diverse startups. This section aims to understand how startups elaborate and implement strategic pricing, as well as to test the lean pricing model. The feedback gathered from these interviews is essential for evaluating and refining the lean pricing model initially proposed.

Following this reality check, a discussion section summarises the results of the theoretical and empirical parts of the thesis. This section compares the insights gained from the empirical work with the initial theoretical framework of the lean pricing model. The aim is to identify areas of alignment and divergence, which will facilitate the evolution and refinement of the lean pricing model.

A section is then devoted to discussing the study’s limitations, acknowledging any constraints or challenges encountered during the research process, as well as the creation of the lean pricing model. In addition, it offers reflections and suggestions for future research, highlighting potential areas for investigation and development.

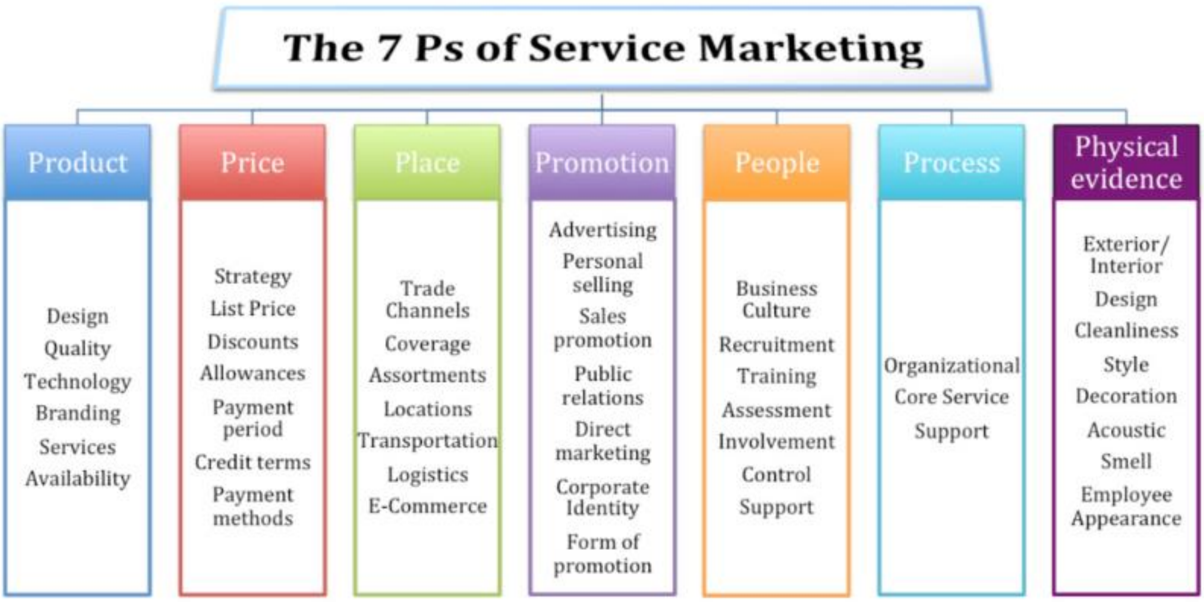
Finally, the thesis concludes with a summary of the main findings and their significance. The conclusion summarises the importance of the lean pricing strategy in improving startup sustainability and growth in this complex environment. It also develops the managerial implications of the results, highlighting how the refined lean pricing model can be practically applied by startups and others.

2. THEORICAL ANALYSIS: INNOVATE

This section starts by establishing the theoretical framework with the key concepts related to this thesis, it then delves into the Lean Pricing Strategy.

Venturing into the theoretical foundation, the first ideology to be explored is pricing. Pricing, one of the 4Ps of marketing mix, is all about determining the value at which a product or service will be exchanged between a buyer and a seller. The 7Ps model's wider framework including extra components like people, process, and tangible evidence, relevant for service-oriented businesses can also be mentioned.

Figure 2: The 7Ps of service marketing



Source: Mba, Y. B. (2021, February 7). History of Marketing Mix from the 4P's to the 7P's. https://www.linkedin.com/pulse/history-marketing-mix-from-4ps-7ps-yousef-baalbaki/

For too long, pricing has been pushed back by startup. The argument is often made that introducing pricing too early can deter customer interest and slow down initial learning. Nevertheless, avoiding it can also lead to delays in validating one of the riskiest aspects of the business model. A lack of customer commitment, often driven by the absence of a price tag, can also delay optimal learning. In fact, startups need only a few committed customers to provide valuable insights and drive product evolution. (Maurya, 2010) During the launching phase, startups gather support from early adopters averse to price elasticity enabling the entrepreneurs to experiment their price. In addition to validating demand, pricing at an early stage is important as it defines perception. Perception of your product or service can influence the value given to it, more on that later.

The need to continuously communicate and shine light on the value of your product or service implies a dynamic approach. The lean concept appears to be the right choice on this matter as it emphasizes on continuous improvements, flow efficiency and adaptability. In recent years, the term "Lean" has gained significant popularity, leading to the emergence of various concepts such as lean management, lean thinking, lean manufacturing, lean six sigma, lean agile, and lean startup, among others.

With the increasing competition as well as changing preferences, there is one last concept that seems relevant: monitoring. In an ever-changing environment with increased volatility, uncertainty, complexity, and ambiguity (VUCA), the necessity of a compass for startups grows. At early stage, a startup needs to focus on expanding and selling its developed product or service, but the swift shift in market dynamics necessitates ongoing monitoring. As soon as the market shows signs of traction, it becomes necessary to structure the company and ensure its survival. In this VUCA environment, monitoring a company can easily become a calvary. The development of a precise dashboard for startups facilitates company monitoring and data collection for adjusting the lean pricing strategy. Listening to the consumer as well as collecting feedback via the implementation of KPIs is primordial. Hence, constant monitoring must be part of the lean pricing strategy.

Before continuing, a couple of definitions seem appropriate to make sure that everyone is on the same page.

In this thesis, a startup will be defined as follow: “Startup is an organisation with limited resources which identifies a market problem, recognises demand, or verifies its solution; at the expansion stage, it is an organisation that grows rapidly (even at double-digit rates per month); and at the maturity stage it is a hyper-scalable organisation.” (Skala.A, 2018). Forbes defines a Startup as “A young company founded to develop a unique product or service, bring it to market and make it irresistible and irreplaceable for customers” (R.Barldridge, 2022).

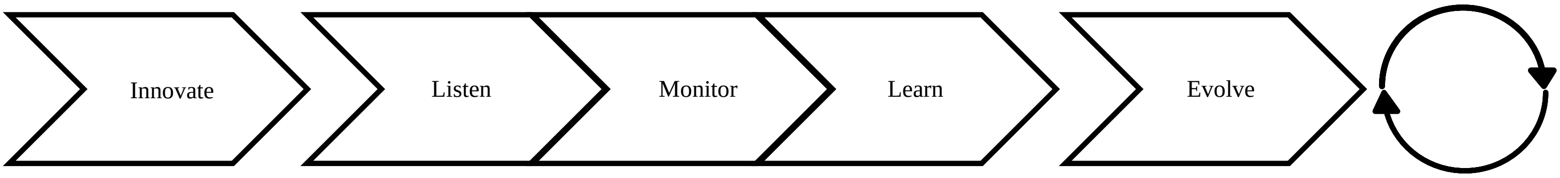
According to Pettersen.J (2009), the lean concepts is mainly about time reduction and continuous improvement. In the context of this thesis, the essence of the term "Lean" is rooted in the spirit of perpetual enhancement, which should serve as the pillar of lean pricing. As previously elucidated, the core concept of the method is to improve in accordance with the environment the company operates in. Following a thorough examination of their peers, Čiarnienė, R., & Vienažindienė, M. (2015) ensued the following definition: *"Lean concept has a multidimensional essence and can be characterized at different levels of abstraction. On the strategic level it represents a philosophy and the way of thinking; on the tactical level it is expressed by a set of principles, and on an operational level is realized through practices, techniques, and tools."*. This definition clarifies the application of the lean method across all business layers. Only an understanding of the whole environment in which the startup operates enables the top management to create the lean method within the company.

Note that monitoring is the process of systematically obtaining, evaluating, and using data on a regular basis in order to monitor performance in a proactive manner, maximise positive results, and minimise any bad effects (Better Evaluation, 2022). Key performance indicators are set to monitor theses performances. Investopedia refers KPIs as "a set of quantifiable measurements used to gauge a company's overall long-term performance" (A.Twin, 2023). This definition enables to understand the principle of overview that KPIs provide. Indeed, a dashboard of KPIs helps entrepreneurs to quickly grasp trends showcasing the overall health of their company. In addition, key performance indicators "provide an objective criterion for measuring business activities and project success". (C.Villazon, L.Pinilla, J.R.Olaso, N.Gandarias , N.Lacalle, 2020).

In other words, KPIs help the company's management understand its performance. Monitoring through KPIs involves quantifying the efficiency of actions within a business context, this is in line with the lean sigma approach. KPIs can either be quantitative or qualitative, but they must be measurable, controllable, and actionable, allowing for the correction of any unfavourable trend. (C.Villazon, L.Pinilla, J.R.Olaso, N.Gandarias , N.Lacalle, 2020). It is important to differentiate KPIs from key figures. A KPI is a variable showing the development of the company on a strategical basis. Key figures would be individual values such as sums or average offering greater significance in terms of causality. (S.Georg, 2019) Starting from now, every time that KPIs is mentioned, Key figures are included.

In a dynamic environment, pricing is likely to evolve, and KPIs can help ensure the viability of these changes. Strategic pricing and monitoring enable startups to align value perception with customer expectations, guaranteeing long-term viability. Taken together, these concepts, inspired by the model “Build - Measure – Learn” from the book “Lean Startup” of Eric Ries (2011) can come together and give the following model:

Figure 3: Model Innovate – Listen, Monitor, Learn - Evolve



In line with this approach, this thesis introduces the concept of Lean Pricing inspired by the book written in 2016 by Mohout Omar, “Lea(r)n Pricing”. The aim with this, is to enhance the pricing strategy of startups. At the heart of lean pricing is a commitment to continually deliver value, encourage customer engagement, and maintain agility in response to market dynamics. Implementing a lean pricing strategy is a multi-faceted process that requires companies to integrate customer-centric pricing models with iterative development and strategic flexibility. This methodology encourages startups to consider pricing as a hypothesis to be tested and redefined through continuous customer feedback and market validation. In this context, lean pricing becomes an integral part of the product development process, enabling startups to rapidly adjust their pricing strategies. The aim is to find a pricing model that resonates with customers and supports the startup's overall value proposition and growth objectives.

The next section of this theoretical analysis will meticulously put together the theoretical frameworks and conceptual underpinnings needed to formulate and monitor the development of the lean pricing strategy.

2.1 Lean Pricing Strategy

The search for the optimal price, a price that strikes a harmonious balance between the value provided and the customer’s willingness to pay, is both an art and a science. In lean pricing, this quest involves a meticulous process of discovery, experimentation, iteration, and continuous improvement. It’s important to take a multi-dimensional approach to pricing, one that transcends simplistic formulas to embrace a more nuanced understanding of market forces, competitive landscapes and, above all, customer psychology (Nagle & Müller, 2018).

One of the fundamental steps in determining the optimal price is to understand the customer's perception of value. This involves engaging with customers through interviews, surveys, and feedback loops to gather information about what they value in a product or service, and what problems it solves for them. This information forms the basis of value-based pricing strategies and guides startups in setting prices that customers perceive as fair and in line with the value they receive (Woodall, 2003).

Additionally, startups must carefully think about where they want to be in the market, and how they want to be perceived by their target audience. Are they looking for a high-end offering, justified by superior quality or unique features? Or do they seek to compete on affordability, offering competitive prices for greater market reach? The chosen market position has a significant influence on pricing strategy, as it dictates the perceived value and competitive differentiation of the offering (Nagle & Müller, 2018).

Furthermore, optimal pricing methodology includes consideration of cost structures and market benchmarks. Although lean pricing focuses on value rather than costs, understanding the underlying cost structure is essential to ensure business viability. Startups need to know their fixed and variable costs to ensure that their prices cover these costs while leaving room for a healthy margin. In addition, market benchmarks and competitor pricing provide a contextual backdrop that startups can't afford to ignore. By analysing competitors' pricing strategies and market expectations, startups can identify pricing opportunities and market gaps they can exploit (Anderson & Simester, 2001).

Finally, the iterative price testing process is an essential element of the lean pricing method. It's a dynamic approach to pricing, in which startups continually test different price points and tactics to gauge market reaction. This may involve offering different prices to different market segments, or experimenting with pricing tactics. The aim is to find the price that maximises both customer acquisition and lifetime value, thus ensuring a sustainable growth trajectory for the startup (Anderson & Simester, 2001).

As mentioned above, determining the optimal price is a complex undertaking, requiring a thorough understanding of the value delivered to customers and the general dynamics of the market.

This lean pricing methodology, with its emphasis on customer value, market positioning, cost awareness, continuous iteration, and monitoring, provides startups with a comprehensive framework for dealing with this complexity. By employing a variety of pricing methods and remaining agile in their pricing strategy, startups can come close to determining the optimal price for their products or services, thereby strengthening their competitiveness in the market-place and stimulating growth. With this in mind, the following paragraphs describe the steps and considerations required to formulate an effective lean pricing strategy that will attempt to approach the optimal price.

2.1.1 Transitioning to value-based pricing

The shift from traditional pricing models to value-based pricing is more than just a change in calculation; it's a fundamental change in perspective. Traditional models, such as cost-plus pricing, focus on internal measures and costs, adding a margin to ensure profitability. While simple, these models often overlook the most crucial aspect of pricing: the customer's perception of value. In this lean pricing strategy, the emphasis is placed on value-based pricing, to shift the focus outwards, towards understanding and capturing customer-perceived value (Mohout, 2016).

Value-based pricing is founded on the idea that customers are willing to pay prices that correspond to the perceived value of the product or service. This approach requires an in-depth understanding of the customer's needs and preferences, as well as the value they derive from the proposed solution. It pushes startups to ask not "how much does it cost us?" but "how much is it worth to our customers?". This perspective encourages companies to align their offerings more closely with customer expectations, improving both competitiveness and customer satisfaction (Hinterhuber, 2008).

By adopting a value-based pricing plan, it is understood that the company charges a fraction of the added value created for their customers. This model relies on the ability to assess and communicate the perceived value of the product or service from the customer's perspective, answering the question of how value can be expressed and communicated effectively. The key is to understand that the price customers are willing to pay is proportional to the benefits your company offers them. As Warren Buffet (2008) succinctly puts it, "price is what you pay, value is what you get". According to Mohout (2016), "If customers remember the price more than the experience, it's because the value provided was insufficient". This perspective requires startups to no longer view pricing as a mere reflection of costs or a competitive reaction, but as a direct representation of the value delivered to the customer. Such a transition requires not only a deeper understanding of customer value, but also effective communication strategies to articulate this value, ensuring that perceived value meets or exceeds the product or service's price (Mohout, 2016).

Embracing value-based pricing introduces complexity and is more time-consuming than simpler cost-plus methods. However, the shift from price to value promotes a healthier business model where the incentive to buy is clear, the gap between perceived value and price. The essence of value-based pricing lies in the startup's ability to generate and then capture value. Before obsessing over the intricacies of pricing, the urgency is to make sure the offering creates substantial value for the customer. A shift from necessary to indispensable must occur. The goal is to transform the product or service from seen as a mere necessity or benefit to seen as an indispensable one.

To achieve this, it is essential to understand in depth the specific problems that the product or service solves for customers. Engaging directly with customers to gather information and feedback can highlight the unique value your product brings, which is an essential step in adjusting the pricing strategy to reflect that value. In addition, startups must think about the different ways in which their product or service brings value, whether it's time savings, cost reduction, quality improvement or new insight. For B2B startups, the final buying decision often boils down to whether the product or service can save or return significantly more than its cost, which highlights the rational underpinnings of business customers' buying behaviour (Mohout, 2016).

Finally, as previously mentioned, effective communication strategies to express this value are primordial. In this regard, if the startup is prepared, a strong brand image can be beneficial. It positions the product or service in the minds of consumers not just as a commercial offering, but an essential part of their lifestyle or professional activities. The brand image must resonate with the values and fundamental needs of the target audience, establishing the indispensable nature of the product. Crafting a story through the product creates an emotional connection with customers, illustrating not just the practical benefits, but also how the product significantly improves their lives or fixes their problems.

2.1.2 Analysing market and competitor pricing

A thorough analysis of the market landscape, including a deep dive into competitors' pricing strategies and market trends, is a necessary component for implementing a value-based pricing strategy. This critical process involves understanding not only what competitors are charging, but also why they are doing so, and how their pricing fits into the broader market context. Mapping direct and indirect competitors enables startups to effectively position their offerings (direct competitors provide similar products or services, indirect competitors offer alternative solutions that could satisfy the same customer need) (Nagle & Müller, 2018).

Indeed, analysing competitors' pricing strategies enables startups to understand how they position themselves on the market. It reveals whether they use cost-plus, value-based or penetration pricing strategies. This information is crucial as it helps startups understand pricing benchmarks within their sector and identify gaps in the market where they could potentially offer superior value. For example, if competitors are heavily engaged in a price war, a startup might choose to differentiate itself by focusing on added value rather than price competitiveness. By taking a close look at the competition's actions, including price levels, product features, market share, and customer loyalty, startups can identify opportunities where their value proposition can stand out. By taking into account both direct competitors and alternative solutions that customers might opt for, startups ensure that their pricing strategy is not only competitive, but also compelling. This holistic approach can help startups strategically position their products or services in the market, improving their potential for success (Nagle & Müller, 2018).

Alongside the competitive landscape, understanding market trends, such as changes in consumer behaviour, economic shifts, and new technologies, can significantly influence pricing strategies, as they can reshape what customers expect in terms of price and value. Studying these trends is therefore important to align pricing strategies with current and future market conditions. Knowing customers' perceptions and expectations of price and value can help develop more effective pricing strategies for target audiences (Hinterhuber, 2008).

Now that data has been gathered on competitors and market trends, the next step is to use this information to create a competitive advantage. Startups should look for opportunities to highlight their unique value propositions that justify their pricing strategy. Whether it's offering superior customer service, additional features or a more customisable product, these elements can differentiate a startup from its competitors. This differentiation needs to be clearly communicated in the pricing strategy, enabling potential customers to understand the value of the product or service. The aim is not simply to match or undercut competitors, but to set a price that reflects the real value of the offering to customers. This means taking into account not only the cost of the service, but also the perceived value and willingness to pay of the target market.

2.1.3 Establishing the cost structure

While strongly emphasising value-based pricing, no pricing strategy can pretend to deny the importance of understanding and integrating cost structures, not even the lean pricing strategy. It is necessary to establish clear cost limits, both upper and lower, within which the price of a product or service must be set to ensure financial sustainability and competitive advantage. These cost limits act as crucial guidelines, guaranteeing that pricing strategies align not only with market value perceptions but also with economic realities.

The lower cost limit represents the minimum price at which a product or service can be offered without incurring a loss. This limit is determined by the direct costs associated with producing and supplying the product or service, including materials, labour, and overheads, as well as variable costs that may fluctuate with scale. Setting this limit enables the company to cover its costs and maintain the operation running. A precise calculation of this lower limit helps to avoid underpricing, which, while potentially attractive for gaining market share, can compromise long-term viability if not carefully managed. Lean pricing advocates a dynamic approach to cost management, seeking efficiencies and innovations that can lower this boundary over time, leading to more competitive pricing and improved margins (Hinterhuber & Liozu, 2019).

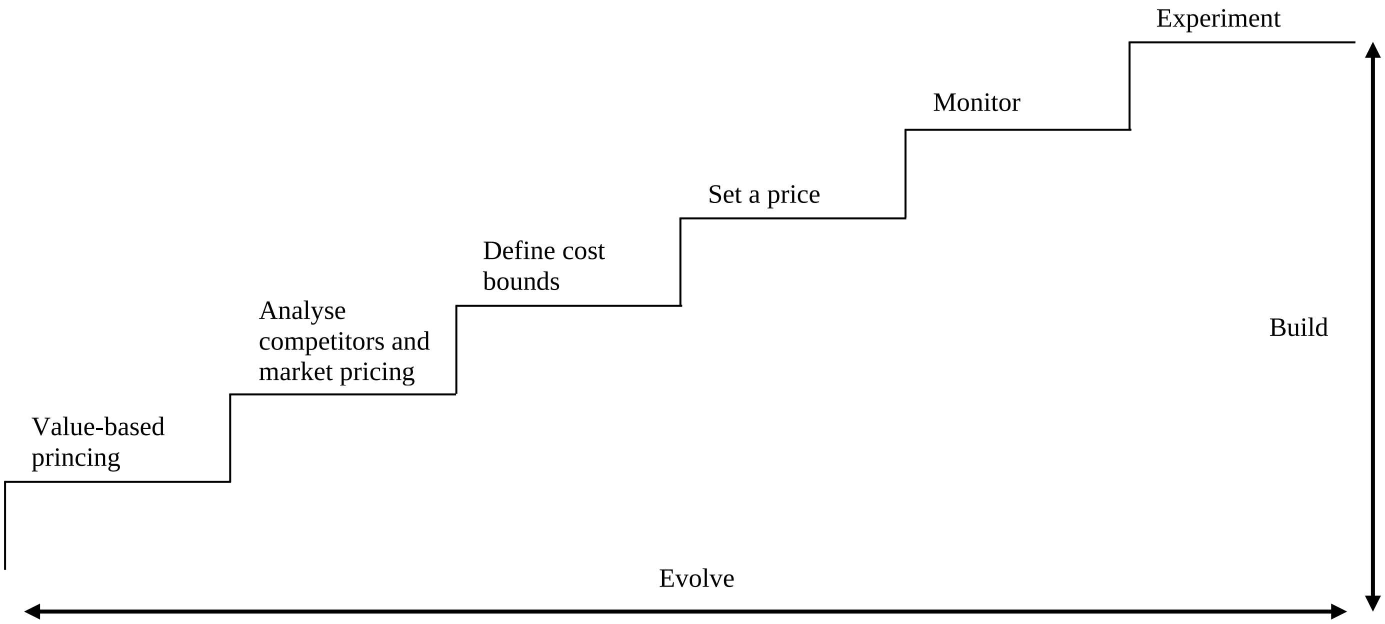
Conversely, the upper cost limit is defined as the highest price the market is willing to pay for a product or service, considering perceived value, competitive alternatives, and the customer's willingness to pay. Brand positioning, unique value propositions, and the strength of customer relationships influence this limit. Understanding the upper cost limit is essential to maximizing profitability without alienating potential customers. Pricing within this upper limit, without exceeding it, enables companies to extract maximum value from their offerings while remaining attractive to their target audience (Hinterhuber & Liozu, 2019).

The strategic balance between these two cost limits is a fundamental principle of lean pricing. It's an iterative approach to pricing, in which companies continually test and adjust their pricing strategies based on market feedback, competitive movements and internal cost optimization (Hinterhuber & Liozu, 2019). This iterative process enables companies to fine-tune their pricing strategies, ideally reducing the gap between the cost of the service and the price the market is willing to pay, thereby improving both competitiveness and profitability.

In addition, innovation, and great value communication play an important role in moving these boundaries. Companies can decrease the lower cost boundary by innovating in product development, operational processes, or customer delivery. Similarly, by highlighting their value, they can raise the upper cost boundary, thereby expanding their pricing flexibility and potential profit margins (Nagle & Müller, 2018).

2.1.4 Setting and experimenting: price and pricing tactics

Figure 4: The journey of price setting



As seen above, setting the right price for a product or service means balancing internal constraints and external market conditions. An effective price incorporates customer perceptions, competitor actions and pricing and the economic value of the product or service, while also remaining within cost limits and in line with market trends.

Furthermore, the price set by startups must align with long-term objectives. If there are plans to highly increase prices in the future, it is advisable to start with a higher price to establish a perception of superior quality from the outset, as it may be difficult to increase prices later.

In the determination of your price, the following two concepts should be known and taken into account:

- The economic value which encompasses both psychological and monetary aspects and refers to the benefits that products and services provide to customers. (Nagle & Müller, 2017)
- The concept of Economic Value Estimation (EVE) as it allows startups to determine the maximum price a fully informed customer would be willing to pay based on the perceived value of the next best alternative. (Nagle & Müller, 2017)

These concepts establish a price range that reflects the differentiated value of the product on the market.

Ultimately, when setting a price, startups need to be judicious. In value-based pricing, the price chosen defines how the created value is shared between the seller and the buyer. If the price set is too low, meaning that most of the value generated is given to the consumer, the buyer may quickly choose another product. Indeed, a competitor whose marketing campaign is more expensive than your startup's can make its product or service appear more prestigious and of better quality, by taking advantage of its higher price to improve perceived value. Conversely, if the price captures most of the value for the seller, the buyer may once again opt for another solution. Balance is once again required. (Mohout, 2016)

Experiment. Price must be experimented. Pricing is a practice, although it must be aligned with certain factors, it is fundamentally based on experimentation and refinement of judgement. The objective of pricing is to create value for both the startup and its customers. Ultimately, to find the optimal value, experimentation is necessary. Price management involves managing change, both internally and externally, because the business environment is constantly evolving, and companies need to adapt. This requires periodic price adjustments. Price management is also about people, taking into account the perceptions of all the stakeholders involved. In addition, price management is about results; the price must deliver sufficient value to both the Startup and its customers. Furthermore, it is about accountability: startups are responsible for the success or failure of their pricing strategy. In addition, effective communication of the pricing strategy is essential to ensure that stakeholders are well informed. Finally, price management is about continuous learning. All these elements need to be experimented with your pricing to achieve the best results. (Drucker, 1973)

Following the price setting process, pricing strategies become essential tools for enhancing conversion rates. In addition to attracting potential customers, pricing tactics aim to motivate them to transition from interest to purchase. (Nagle & Müller, 2018) In this context, it is crucial to test different pricing strategies that align with the nature of the product, market analysis and customers' perceptions of value. (Hinterhuber & Liozu, 2019) These strategies must reflect the different levels of value offered, addressing various market segments. By offering customers options at different price levels, companies can facilitate broader market penetration and strengthen their competitive edge. (Nagle & Müller, 2018)

In addition, effective exploitation of pricing tactics has a direct impact on sales, a company's perceived sustainability in the market and its growth potential. It is therefore essential to adopt pricing strategies that not only resonate with the target audience, but also provide a nuanced response to the changing competitive landscape.

Underneath is a list of strategic pricing tactics worth exploring to understand the one that resonates with your startup's potential customer and can be leveraged effectively to improve conversion for your startup:

1) Price anchoring

Price anchoring exploits the cognitive bias whereby customers rely heavily on the first piece of information offered ("the anchor") when making decisions. Anchoring does not mislead a customer but rather guides potential customers as it helps them decide quickly by leading them to appreciate the value of the core-offering. By presenting a higher price option before introducing the actual product at a lower price, companies can influence customers' perception of value, making the actual price more attractive (Mohout, 2016).

2) Tiered pricing

Tiered pricing involves offering several versions of a product or service at different prices, with varying features or levels of service. This tactic not only appeals to different market segments based on their willingness to pay, but also allows customers to choose the option that best suits their needs, which may encourage them to upgrade in the future. It is through tiered pricing that price anchoring can be easily implemented (Mohout, 2016).

3) Psychological pricing

Psychological pricing strategies, such as charm pricing (for example, pricing just below a round number, such as $9.99 instead of $10), tap into the psychological factors that influence customers' purchasing decisions. These tactics can make prices more attractive and subtly encourage purchases by boosting customer's perception (Simon, 2016).

4) Simplified pricing

Clear, simple pricing can remove barriers to purchase. By making pricing structures easy to understand, with clear value propositions for each price point, companies can reduce customers' cognitive load, making it easier for them to make a purchase decision (Mohout, 2016).

5) Seasonal or limited time offers

Creating a sense of urgency through limited time offers or seasonal discounts can motivate customers to act quickly to take advantage of special prices. This tactic plays on the fear of missing out (FOMO) and can significantly increase conversions in the short term (Hinterhuber & Liozu, 2019).

The necessity of a marketing campaign alongside the limited time offer is primordial. Of course, this pricing method depends on the sector. To monitor this marketing campaign, a KPI such as the cost per thousand can be used. As seen in the Appendix N° 7, this KPI enables to calculate the cost of each impression produced during the campaign.

6) Bundling

Offering bundled products or services at a discounted rate compared to purchasing them individually can provide perceived value to customers, encouraging them to spend more while feeling like they're getting a better deal. (Nagle & Müller, 2018)

7) Up-selling from freemium to premium

For startups employing a freemium model, strategically designing the free version to highlight the value of the product while reserving premium features for the paid version can create a natural path to conversion. (Hinterhuber & Liozu, 2019).

The freemium model has established itself as a popular strategy for startups aiming to rapidly attract users and scale up. This model, which offers a basic version of a product or service for free while charging for premium features or capabilities, embodies the principles of lean pricing by prioritizing customer engagement and value discovery. (Tim, 2023)

The success of the freemium model lies in its ability to demonstrate value to users without upfront costs, thereby lowering barriers to entry and fostering a broad user base. However, the transition from free to paying users is essential, and requires a thorough understanding of customer behavior, their needs, and the perceived value of enhanced features. Effective communication about the benefits of upgrading is key to encouraging users to upgrade to a premium plan.

Startups need to consider the following factors when deploying a freemium model:

- Clearly delineate which features are free and which are chargeable. The value of upgrading to premium must be obvious and compelling to encourage free users to make the transition (Mohout, 2016).
- Engage users with the free version to ensure they recognize the value of the product, increasing the likelihood of conversion to paid plans. Ongoing engagement and exceptional user experiences are paramount to retaining users and reducing churn rate (Mohout, 2016).
- Identify segments within the user base with higher conversion potential. Adapt marketing and communication strategies to meet the specific needs and preferences of these segments, and thus increase conversion rates (Mohout, 2016).
- The freemium model must align with the overall pricing strategy and business objectives. Decisions about which features to include in the free and premium tiers should reflect the startup's value proposition and market positioning (Mohout, 2016).

8) Usage-based pricing

Usage-based pricing, whereby customers pay according to how they use a product or service, can appeal to those who fear paying too much for features they don’t need. This tactic closely aligns pricing with perceived value, which can improve conversion among cost-conscious customers. One must exercise caution when using this tactic though, as it can transfer risk to the service provider. This approach may lead to long conversations or even financial issues following the delivery of the service. (Mohout, 2016)

9) Transparency and trust

Transparent pricing, including additional fees or costs, builds trust with customers. Trust, in turn, is a powerful driver of conversion, as customers are more likely to buy from companies they perceive as honest and straightforward.

Effectively exploiting these pricing tactics requires a thorough understanding of the target market, constant experimentation and refinement, and a flexible approach to pricing strategy, hence, in line with the lean pricing model. If well adopted, these tactics can enhance as previously said, startup's value proposition, meet diverse customer needs, and ultimately achieve higher conversion rates, improving overall valuation through market competitiveness, growth and long-term success. (Hinterhuber & Liozu, 2019)

Finally, there is one more tool worth exploring as a startup, multi-axis pricing. multi-axis pricing, in addition to pricing tactics, can be used by startups to optimize revenues. Multi-axis pricing represents an advanced strategy, offering a sophisticated approach to pricing that goes beyond traditional one-dimensional pricing models.

Multi-axis is perfectly aligned with the lean pricing motto. Indeed, startups that adopt a multi-axial framework can address different customer segments and usage scenarios, enhancing their ability to capture the full value of their offerings in different market niches. The essence of multi-axis pricing lies in its flexibility and adaptability. It enables startups to set prices according to several dimensions or axes (up to three are recommended), such as user tiers, feature sets, usage volumes or even service levels. This approach recognizes that value is not uniform for all customers. Indeed, different segments perceive and derive value differently. As a result, multi-axis pricing provides a structure that can accommodate this diversity, allowing startups to tailor their pricing to the specific value proposition of each customer segment. (Mohout, 2016)

There are several key advantages to using multiaxial pricing:

1) Multi-axis pricing facilitates deeper market segmentation, enabling startups to customize their offerings and pricing structures to better meet the unique needs of different customer groups. This personalization can lead to greater customer satisfaction and loyalty, as customers feel they are paying for the specific value they receive. (Mohout, 2016)

2) This approach captures the variable willingness to pay across different segments, multi-axis pricing enables startups to optimize their revenue streams. It enables higher revenues to be extracted from segments with greater willingness to pay, while continuing to cater to more price-sensitive segments with appropriately priced offerings (Mohout, 2016)

3) Using a multi-axis approach can enhance startups' revenue, giving them a competitive edge, enabling them to differentiate their offerings more effectively. By offering a variety of pricing options and formulas, startups can attract a wider range of customers than their competitors with more rigid pricing structures. (Mohout, 2016)

4) Multi-axis pricing offers the flexibility to adapt quickly to market changes, customer feedback, and competitive pressures. This scalability is crucial for startups as they grow, enabling them to introduce new pricing axes or adjust existing ones in response to changing market dynamics. (Mohout, 2016)

Nevertheless, implementing multi-axis pricing requires a deep understanding of customer value drivers and a robust analytical framework to identify and evaluate different pricing axes. Additionally, startups need to engage in continuous market research, customer feedback loops and data analysis to understand how different segments use and derive value from their product or service. (Mohout, 2016)

2.1.5 Constant monitoring

Constant monitoring is a pillar of lean pricing strategy for several compelling reasons:

2.1.5.1 Benefits of monitoring for startups

For startups, it is essential to integrate key performance indicators to deal with pricing, as this provides crucial information that informs strategic decision-making. A well-constructed KPI dashboard enables startups to quickly detect trends, providing the essential information needed to adapt pricing strategies in line with changing customer demand.

Moreover, through diligent monitoring of pricing tactics and adjustments, startups can ensure that their strategies are positively aligned with customer needs and market trends. This alignment helps to maintain competitiveness in a dynamic environment, ensuring that strategic objectives are met, and pricing strategies remain relevant.

In addition, the analysis of key performance indicators can identify inefficiencies, optimise revenue streams, and adapt pricing strategies to changing business objectives. By closely examining these strategic indicators, startups can know if they should refine their pricing approaches or ensure that their new refined approach responds effectively to customer feedback and market dynamics. Continuous identification and correction of potential errors in pricing (Lean Sigma Approach, 2016) through the use of KPIs allow the pricing strategy to remain accurate and relevant, enabling startups to stay on top.

2.1.5.2 External benefits (for stakeholders)

Building trust and reassuring customers: Startups often find it difficult to build trust due to their limited market presence. When startups launch their first product on the market, it often takes time for customers to recognise their brand and establish trust. Customers may be hesitant to commit to a company they are unfamiliar with, so transparent communication is crucial in this context. Key performance indicators can aid in establishing credibility with customers and other stakeholders. By sharing relevant KPIs, startups can demonstrate their accountability and commitment to delivering value, hence, reassuring customers of their investment. This transparency allows third parties to see how the startup's pricing strategy aligns with its overall value proposition, which is crucial for building trust. A comprehensive KPI dashboard, offering an overview of the startup's overall performance, provides the transparency needed to reinforce the startup's commitment to value and build trust with potential customers and partners.

2.1.5.3 Lean pricing's approach to monitoring

As previously mentioned, when it comes to a lean pricing strategy, monitoring is an essential pillar. Given that pricing influences all operational facets of a business, it is essential that KPIs cover a broad spectrum. For this reason and to ensure complete control of the factors influencing pricing decisions, this thesis advocates the development of a comprehensive KPI dashboard that extends KPIs to encompass all aspects directly or indirectly linked to the pricing strategy (market dynamics). By encompassing the entire organisation, the dashboard provides a holistic view of the business, essential for informing strategic pricing decisions and driving growth. Thereby, the proposed approach enables startups to react quickly to market developments, build customer confidence and, ultimately, achieve sustainable success through adaptive pricing strategies. (Porter, 1985)

Within startups, where the founders are deeply involved in day-to-day operations, having a robust KPI dashboard enables them to maintain an overview of the business. However, it's crucial to consider the startup's structure when integrating KPIs, as these typically small entities may have limited access to detailed data due to resource constraints.

Hence, the challenge for startups is to identify the most relevant KPIs that match their needs and constraints, ensuring that they are impactful and manageable.

KPIs can be classified into three main categories:

- Financial measures, essential for reassuring stakeholders about the startup's viability and future prospects. (L.Vanbrabant, K. Braekers, & Al. 2019)
- Operational performance indicators (KPIs): these provide information on the startup's strategy and operational efficiency, with a view to defining future objectives. (L.Vanbrabant, K. Braekers, & Al. 2019)
- Diagnostic key performance indicators: focusing on historical analysis, these helps diagnose past problems in order to make improvements. (L.Vanbrabant, K. Braekers, & Al. 2019)

The management of these KPIs can be centralised or decentralised, depending on the organizational structure. Centralised KPIs are managed by top management, ensuring alignment with overall strategic objectives, while decentralised KPIs are managed by individual departments, enabling them to focus on more specific operational aspects. This thesis and its lean pricing opted for a centralised management to be in line with what startups do as startups usually are centralised at the beginning.

Furthermore, KPIs must be selected with precision, respecting criteria of validity, usefulness, and relevance. These criteria ensure that KPIs not only reflect company performance accurately, but also provide useful information that supports decision-making processes. Additionally, some KPIs must remain internal due to their sensitive nature, while others are suitable for external sharing.

But how should monitoring be according to the lean pricing?

The Lean-Six Sigma methodology is a cyclical process called “Definition, Measurement, Analysis, Improvement, and Control” (DMAIC), which offers a strong basis for monitoring. This framework is designed to support the continuous improvement of Key Performance Indicators (KPIs) and ensure that they remain relevant over time. This aligns with the lean pricing concepts, which promotes continuous improvement and adaptation. The first stage is identifying the key performance indicators (KPIs), which are then continuously measured, analysed, and refined to adapt to changing market situations and company environments. In order to protect the integrity of the monitoring process, the final phase, known as "control," aims at preserving accuracy and preventing mistakes (Panagopoulos, Atkin, et al., 2017).

This thesis advocates continuous monitoring through the use of a comprehensive dashboard of KPIs, which includes targeted questions designed to quickly identify the potential causes of any variation. For simplicity, the dashboard of KPIs focuses primarily on internal factors, recognising that startups often struggle to collect comprehensive market data. Nevertheless, relevant KPIs relating to competitors that are aligned with lean pricing expectations and are relatively easy to obtain will also be included in the dashboard.

The questions in the dashboard should cover all aspects of the lean pricing strategy, reflecting its different stages. For example:

- Am I able to identify a change in market trends or consumer preferences?
- Are there new competitors on the market?
- Is the perceived value of my product still strong?
- Are changes in pricing tactics well received by consumers?
- Do I need to update my pricing strategy?

Through regular update and analysis of their dashboard of KPI, startups can better understand the reasons for these variations. This understanding will help them decide what action to take, such as improving the communication of value through their pricing strategies, updating or modifying pricing tactics, or reverting to previous pricing strategies if necessary. The ultimate aim is to keep a finger on the pulse of the company's performance and market dynamics, to ensure that the Startup remains agile and responsive.

In accordance with these ideas, the following dashboard was created:

Figure 5: Dashboard of KPIs

	Name of the KPI	**Explanation of the KPI**	**Questions to help understand variation in KPIs**
Marketing	Customer acquisition cost	Total marketing budget and sales budget/Number of new customers	-Are there any emerging competitors or substitute products that influence our price sensitivity? -How does sales volume react to price changes?
	Cost per lead	Advertising budget/Number of new leads	Are there any emerging competitors or substitute products that influence our price sensitivity?
	Customer Lifetime value	Annual profit form a custormer*years as a customer- customer acquisition cost	-What is the impact of price changes on our market share and revenues per customer? -What are retention rates, and how do they vary with pricing changes?
	Willingness to pay of the customer	how much would a customer pay for the given product	-How do customers perceive the value offered by our products or services?
	Marketing qualified leads	Cost per lead/marketing spend for the total number of new lead	
	Churn rate	Customers lost during the period/Initial customer quantity at the beginning of the period * 100	-Are there any emerging competitors or substitute products that influence our price sensitivity?
	Retention rate	Subscription renewals / Subscribers at the n beginning of the period * 100	-Are there any emerging competitors or substitute products that influence our price sensitivity? -What are retention rates, and how do they vary with pricing changes?
	Return on marketing investment (ROMI)	(Gross profit - Marketing cost)/Marketing cost * 100	-Are there any emerging competitors or substitute products that influence our price sensitivity?
		Average willingness to pay of the customers for each segment /price of the product for each segment	-How does our pricing compare with the value perceived by different customer segments?
	Cost per Mille	Total cost of campaign/total impression of the campaign * 1000	
	Net promoter score (NPS)	Likelihood of recommending the company to friends or family on a scale form 1 to 10	-How satisfied are customers with our pricing?
	Customer retention rate	[(Customer at the end of a period-New customers acquired during a period)/Customers at the start of the period]	-What are retention rates, and how do they vary with pricing changes?
Sales	Sales qualified leads rate	Number of SQL (SQL = Intent to buy) / Total number of leads * 100	-How satisfied are the customers with our pricing?
	Quote-to-close ratio	Number of closed and won deal / number of quotes * 100	-Are there any emerging competitors or substitute products that influence our price sensitivity?
	Sales per rep	Total sales / Number of sales made by rep	
	Average purchase value	Total sales / number of customers or transactions	
	Annual contract value	Total sales value of contracts in a year / number of contracts	
	New leads pipeline	Number of new leads added to each rep's pipeline during a single quarter	
	Customer retention	(Overall number of customers at the end of the year - Net new customers acquired during the year)/number of customers at the start of the year*100	
	Number of calls done		
	Number of Emails sent		
	Number of meeting scheduled		
	Upsells and cross sells ratio	Sell back to the same customer and sell another product form the company to the same customer	
	Sales cycle length	How long is the cycle to sell a product	

Finance	Increase in Sales revenue	1-Revenue year N/Revenue Year N-1	-How does the current pricing strategy affect your overall profitability and sales growth? -How does sales volume react to price changes? -Are there seasonal variations in the way our prices affect sales? -Are there any emerging competitors or substitute products that influence our price sensitivity?
	Segment revenue contribution	Revenue by product of the company	
	Net margin	Net income / revenues	-How does the current pricing strategy affect our overall profitability and sales growth?
		(Sales revenues before pricing changes / sales revenues after pricing changes)-1	-How does the current pricing strategy affect our overall profitability and sales growth?
	Brut margin	Earnings before Interest Depreciation and Amortization/Revenue	-How does the current pricing strategy affect our overall profitability and sales growth?
Production cost	Material cost	Entire cost of the material for the company	-How does an increase/decrease of the entire cost of material affect our margin ? '-How should the price of the product be changed therefore ?
	Staff cost	Staff cost to produce the product	-How does an increase/decrease of the Staff cost affect our margin ? '-How should the price of the product be changed therefore ?
	Marketing cost to sell one product	cost of marketing / Total sales	-How does an increase/decrease of the marketing cost affect the margin ? -How should the price of the product be changed therefore ?
	Cost of R&D	Cost for the research & development including prototypes material & labour cost	

3. EMPIRICAL ANALYSIS: LISTEN, MONITOR, LEARN AND EVOLVE

3.1 Methodology: Listen and Monitor

Following a comprehensive theory analysis upon lean pricing, this section delves into the methodological approach designed to investigate the practical implementation of lean pricing strategies in startup environments. As a refresher, the primary objective of the methodology section is to establish a structured framework that facilitates a thorough exploration of the research question. The insights gained from previous research highlights the need to formulate a well-defined research question and corresponding hypotheses, which serve as the foundation for the entire methodological approach.

Before diving into the methodology, reconsidering the purpose of the project seems important for the reader. Subsequently, the aim was to create a lean pricing strategy that responds well the dynamic nature of the world startups evolve in. As a reminder, the lean pricing model was developed to adhere to this “innovate - listen, monitor, learn - evolve” cyclical process. This thesis applies the same framework. Having innovated on the theoretical aspects of lean pricing, this empirical analysis focuses on listening to what startups have to say about their pricing and the lean pricing, monitoring these responses and learning from it. The result part succeeding this analysis aims to refine and evolve the initial theoretical model, thus completing the conceptual loop. Hence, the theoretical underpinnings of lean pricing are updated to reflect practical realities and emerging trends thanks to this iterative approach.

3.1.1 Research question and hypotheses

In order to gather relevant data for the thesis, a research question as well as hypothesis needed to be formulated to guide. These preparatory steps are crucial for verifying the feasibility of implementing the lean pricing strategy in startup environments.

The research question posed in this study, was formulated to guide the empirical analysis, and highlight the contribution of the thesis. The question posed is as follows:

<u>Research question:</u> *Is the "lean pricing" strategy suitable for implementation and for addressing the complex environments in which startups operate, consequently, bettering the pricing strategy of these startups?*

This research question enables to respond to the problematic initially formulated.

Following the research question, came the formulation of the hypotheses guided by two sub-questions designed to provide an in-depth response to the central research question. The construction of these hypotheses involved the examination of these distinct sub-questions:

- The first sub-question assesses the feasibility of implementing the "lean pricing" strategy within startups. This question is based on the assumption that the lean pricing strategy with all its steps must be implementable in order to realise the potential impact on the enterprise. The first two hypotheses are designed to explore this aspect comprehensively.
- The second sub-question seeks to determine whether, in the view of the startup's management, a lean pricing strategy, can increase business value through improved pricing strategies. This question is key to understanding the practical impact of lean pricing at management level and its effectiveness in real applications.

In order to answer these questions, hypotheses have been formulated upon the pillars of the lean pricing strategy. This ensured maintaining a coherent narrative from theoretical exploration to empirical validation.

<u>Hypothesis 1:</u> *Startups can successfully transition from a price-centric to a value-based pricing approach in their pricing strategy.*

Elaborated on the first pillar of the lean pricing strategy this hypothesis enables to test the shift towards a value-based approach.

This hypothesis aims to determine whether any startups are capable to shift towards a value-based pricing which would capture a part of the value delivered to the final consumer of the product. Ultimately, the reason is to assess the ability of companies to modify their pricing strategies so that they better reflect the perceived value of their products or services.

<u>Hypothesis 2:</u> *Startups can effectively experiment with different pricings for their product or service to find the one that mostly aligns with market demands and consumer preferences.*

Knowing whether startups could experiment different pricing configuration remains relevant to test the second core pillar of the lean pricing strategy. Experimenting warrants the dynamism of the lean pricing. Therefore, this hypothesis aims to investigate the capacity of adaptability of pricing mechanisms in startup environments and their potential for experimental pricing engagement.

Hypothesis 3: Startups are capable of monitoring price change through a dashboard of KPIs.

This hypothesis has for mission to evaluate the effectiveness of a relevant dashboard of KPI according to the monitoring pillar of the lean pricing strategy. Thereby finding the right strategic tool to monitor the pricing strategy for startup. In the "Volatile, Complex, Uncertain, and Ambiguous" (VUCA) environment of startups, a well-designed dashboard of KPI's would be a compass for the management, enabling to manage proactively their price adjustments.

Hypothesis 4: Startups can evolve continuously, improving their adaptability to market changes and enhancing their sustainability.

Designed upon the evolving pillar of the lean pricing strategy, this hypothesis examines if startups can easily change their pricing method through time. It recognises potential challenges, such as those faced by companies in sectors with long-term contracts (aerospace, construction, and rental services for example), where pricing flexibility may be limited by reliance on a limited number of large contracts.

3.1.2 Data collection through interviews

Once the scene had been set, data collection remained one of the main challenges in answering the research question and confirming or rejecting the hypotheses. Hence, semi-structured interviews were conducted using a comprehensive interview guide, as seen in Appendix 9. This guide facilitated the collection of qualitative data and made it possible to interview startups, scale-ups, and incubators. The field selection was coherent with the theory and the various sampling met the principle of diversity. A qualitative approach was also chosen for the analysis.

The semi-structured individual interviews began with a pre-established opening statement, followed by guiding questions as outlined in the interview guide. The interview guide was designed to:

- Understand the factors that determine a company’s pricing strategy, an overview of the company is necessary to understand the factors driving the pricing strategy.
- Ask companies to provide specific examples of their pricing strategy.
- Comprehend the evolution of companies’ pricing over time to determine whether companies were already unconsciously using lean pricing’s concepts.

Ultimately, the aim of the interviews was to understand how relevant lean pricing was. Given the sensitive nature of the collected data, the thesis became confidential to protect the information provided by the companies. The objective was to use the semi-structured interviews data to establish a robust system for monitoring and improving the lean pricing approach, to better align with professional sector.

Lastly, alongside the guide, a dashboard with a sample of nearly thirty metrics was presented during the interviews to evaluate the monitoring aspect within lean pricing. To test the monitoring process using a dashboard of KPIs, interviewees were asked to assess the relevance and feasibility of each KPI in the dashboard. As startups must seek efficiency and avoid tedious processes, the “relevance” category assessed whether the company had found the KPI useful. The “feasibility” category took into account how easy it is to obtain and monitor the necessary data, as startups do not always have sufficient resources.

3.2 Analysis: Listen, Monitor and Learn

3.2.1 Observation

This section aims to extract the content of the interviews conducted, providing a concise but comprehensive overview of the key ideas. The relevant points of interviewee are presented in an engaging way to ensure clarity and depth of understanding for the reader.

Overview of the interview of Solarcleano with Pol D.

The first interview was conducted with Pol Duthoit, founder of Solarcleano, to gain a better understanding of the complexity of pricing strategies for international B2B companies. Solarcleano, a company specialising in the manufacture of solar panel cleaning robots, is present in over 80 countries. This extensive global presence requires significant adaptations to its pricing strategy to take account of market conditions and perceptions of value that vary from one region to another.

Mr Duthoit explained that the perceived value of their robots varies considerably between developed and developing countries. In developed countries, where labour is expensive, robots are seen as valuable because they increase productivity and save on high labour costs. On the other hand, in developing countries where labour costs are lower, the value of these robots is not as obvious. For instance, business leaders in Africa may not see the same value in robots as their European counterparts.

The competitive landscape also influences Solarcleano’s pricing strategies. In France, the products are very popular, so there’s no need to discount. However, in Germany and Turkey, where competition is fierce, Solarcleano uses price competition to maintain its market position. This approach prevents competitors from gaining a foothold.

Pol gave an example of how market feedback has directly influenced the company's pricing strategy: At the Intermunich 2018 solar trade fair, Solarcleano initially set the price of its robots at twenty thousand euros. Market feedback indicated that this price was significantly lower than competitors, whose prices ranged from forty-five thousand to eighty-five thousand euros. In response, Solarcleano adjusted its price to thirty-two thousand euros in the space of three days. This pricing strategy enabled the company to quickly establish itself on the market, selling twenty-five robots in the space of a year. Solarcleano’s F1 model has since become the market leader, with subsequent price increases limited to adjustments for inflation in 2022, which has been well received by customers.

Solarcleano uses its pricing strategy as a branding tool. By maintaining a consistent and competitive price level, the company strengthen its market position and value proposition. The F1 model, in particular, is offered with different options to enhance the customer experience, fostering a sense of ownership and loyalty among customers.

In addition to the company's core product, Mr Duthoit presented the Solarcleano B1, a robot designed to clean massive-scale solar farms. For this model, a different pricing strategy is proposed: renting the robot and capturing part of the value brought to customers. This approach particularly suits to large-scale solar farms managed by companies using data analysis to monitor their operations. By exploiting this data, Solarcleano can optimise the cleaning process and thereby improve its customers' return on investment. This innovative strategy allows Solarcleano to align its pricing with the tangible benefits delivered to customers.

Overview of the Little Green Box with Mr Jabo

The second interview with Mr Jabo, representing Little Green Box (LGB), provided valuable insights into how startups in the food industry manage product value and pricing strategies. LGB operates in a competitive sector, delivering certified organic food boxes in Walloon Brabant, with Hello Fresh as a notable competitor. This interview highlighted the resource limitations that young companies face in developing their products and the strategic approaches they adopt to carve out a place in the market.

According to Mr Jabo, LGB's main strategy is not to compete on price, but to differentiate its offer from that of its competitors. The main product, a food box available in different sizes (for one to six people) and featuring 12 weekly recipes, is designed to attract a diverse customer base throughout Belgium. A significant attempt at differentiation was the introduction of the "Chef Box", a premium product developed in collaboration with a professional chef. This box aimed to increase consumer value through unique, high-quality ingredients and a special culinary experience, justifying a higher price based on a cost-plus-margin approach. Despite its initial success, logistical problems, such as insufficient kitchen space for large-scale pre-cooking, prevented the continuation of this product line.

Another key product discussed was the Christmas box, which stands out from standard offerings by offering high-quality ingredients and festive recipes, adding value for consumers during the festive season. This strategy underlines LGB’s commitment to adding value through product quality and innovation, rather than engaging in a price war.

Mr Jabo clearly emphasised the importance of understanding consumer perception of value by continually experimenting with new products. LGB uses various key performance indicators (KPIs) to assess consumer behaviour and satisfaction. Regular surveys are conducted to gather information about customer experiences and product satisfaction. Indicators such as Net Promoter Score (NPS) and customer retention rates are used to measure consumer loyalty and reaction to new product launches. In addition, marketing campaigns are monitored using metrics such as cost per thousand (CPM) and customer acquisition cost (CAC) to assess their effectiveness.

Overview of Wilson & Oskar with Philipp G.

The third interview was an opportunity to discover the perspectives of Philipp Güth, Managing Director and shareholder of Wilson & Oskar. Having worked as a consultant for prestigious companies such as Deloitte and Accenture, Philipp brings a vast amount of experience to his current role as serial entrepreneur. His knowledge has led to a better understanding of lean pricing strategies and the potential pitfalls of over-reliance on Key Performance Indicators (KPIs) in the B2B sector.

Wilson & Oskar is active at the intersection of the food, logistics and branding sectors, with the aim of strengthening team spirit and corporate culture by providing personalised gifts to companies. It offers a mix of services and goods, positioning itself both as a one-stop shop for specific event needs and as a long-term partner for corporate gifts, such as employee birthday presents. The company's unique value proposition lies in its ability to tailor gifts to customer events, fostering long-term relationships with customers.

Philipp Güth presented a critical perspective on the use of KPIs in B2B companies. In his view, while KPIs can signal the existence of a problem, they often fail to explain the underlying causes. Relying too heavily on KPIs can lead to undesirable side-effects, such as setting targets that push the sales team towards achieving targets rather than fostering meaningful interactions with customers. According to Philipp, direct engagement with customers provides more valuable information than just KPIs. For example, soliciting customer feedback during a price increase can provide nuanced understanding and foster stronger relationships, as opposed to simply analysing digital data.

Wilson & Oskar uses a special pricing strategy, starting with low prices to gauge market demand and gradually increasing prices in response to customer interest. Philipp explains this approach as follows: "We start with a low price for the first five customers, then increase until people stop buying, 5 by 5, for example. This progressive pricing strategy allows the company to identify the optimal price point while building a customer base and understanding market dynamics.

The diversity of its customer profiles makes targeted marketing a challenge for Wilson & Oskar. Instead, the company uses an own media to communicate value to its customers. Regular emails are sent to existing customers, informing them of new problems solved by the company and highlighting the benefits of its offerings. This approach ensures that communication is tailored and relevant, helping to maintain strong customer relationships.

Overview of Pampa Cruz with Nils

The fourth interview has been conducted with Pampa Cruz, a startup from Marseille. The startup created only one year ago is trying to become the Airbnb of adventure vehicles for people wanting to travel around the world. With these high expectations, Pampa Cruz would like to revolutionize the mobility with adventure vehicle such as their main product, the Land Rover. As with Air BNB, the purpose of the platform would be to put into contact the different parties interested to rent their vehicles with the ones wanting to rent for their vacations. On the Pampa Cruz platform, three types of persons can meet. On one side, there is the professional renters trying to rent their fleet of vehicles to clients. On the other side, there is the possibility of everyone to rent their vehicles on the platform. Finally, the final consumer trying to find its dream vacation with an adventure vehicle. Pampa Cruz also rents its vehicles on the platform.

What value adds Pampa Cruz, compared to their competitors? For clients, compared to the Camping car renting, Pampa Cruz offers a solution to go on trails where camping car limits are reached. Regarding renters, Pampa Cruz is the first dedicated platform to rent adventure vehicles, enabling them to target their market. Nils explained during the interview that some prospects were still trying to rent on platform such as Leboncoin not dedicated to these functionalities. This example enables to understand the problem which Pampa Cruz solves. Another added value on which Pampa Cruz pay attention is to select their customers. A call with the final client enables to understand the type of person they have in front of them. In this case, an equilibrium should be found as the person wanting to rent their vehicles needs to be reassured that their vehicle is not damaged during the first renting on the platform.

Regarding the prices, while renting their vehicles, Pampa Cruz look to their competitors and apply a discount. The purpose being to find some initial traction by taking a part of the market. The company adapt its price regarding the months of the year. During high season between April and September, prices are higher than during the low season. Thanks to their experience in the Air BNB, the Startups know what percentage less they put for the low seasons which is a percentage compared to the high season. In order to counterbalance the seasonal effect, even though the Startup stays small, founders already find clients in countries in the southern hemisphere such as Chile.

Nils explained that their main objective at the moment is to get money from the market and raise funds.

The pricing strategy of Pampa Cruz is different for professionals renting vehicles on their platforms than others. On the professional clients, a 15% margin is taken on the price showed on their website while for another client, the taken margin is of only 5%.

Overview of Heliotec with Louis D.

The fifth interview was with Louis Dubucq, from Heliotec, a company specialising in the installation of large-scale solar panel projects. Heliotec offers turnkey solutions to large companies that do not have the resources or prefer not to install solar panels themselves. The financing for these installations comes from an investment company called Skysun, which also handles part of Heliotec's sales operations. When a customer calls on Heliotec, the company acts as an intermediary and coordinates the installation of the solar panels with other companies.

Concerning Heliotec's pricing strategy, it is based mainly on production and installation costs, with an additional margin. Mr Dubucq said that customers often look for the best deal on the market. To remain competitive, Heliotec adjust their prices with those on the market. Louis explained that Heliotec may lower its prices to secure customers from its competitors, which could trigger a price war. This competitive approach to pricing highlights the challenges Heliotec faces in maintaining market share.

Now, regarding relations with Skysun, the negotiating dynamic is changing significantly. As Heliotec depends on Skysun for its funding, negotiating power sadly is primarily in Skysun's hands. This dependence highlights the challenges Heliotec faces in terms of financial influence and negotiating autonomy.

A recurring theme among the startups interviewed, including Heliotec, was the difficulty of effectively communicating the value of their products to consumers. Dubucq said that the elements that distinguish Heliotec's offering from those of its competitors are not always clear. This vagueness can hamper their ability to articulate their unique value proposition to potential customers. Dubucq repeated the sentiments expressed in previous interviews regarding the use of key performance indicators (KPIs). While KPIs can indicate whether there's a problem, they don't tell you the root cause. Direct interaction with customers, on the other hand, provides more detailed feedback and a better understanding of customer needs and concerns. This direct communication approach is particularly valuable for Startups like Heliotec, as it enables them to respond more effectively to customer feedback.

<u>Overview of Swinz with Marian F.</u>

The sixth interview, conducted with Marian F. enabled to understand pricing in a regulated environment, the insurance sector. This startup is developing an app with six different services for customers. A package composed of 6 warranties can be found: the RC private live, the rental insurance, legal insurance private law, travel assistance and the Bob warranty and soft mobility.

The package is all in one, which means that there is no possibility of taking one by one the insurances. However, the added value is that all persons insured are insured against every daily issue that they can have. Another added value

Regarding the price, insurance company remains a sector where companies cannot do whatever they would like. As explained during the interview, the prices of the products offered to the clients are not flexible, the price is determined by actuaries and not by the company itself. In some sectors are ruled by legal authorities, thereby not enabling the entities to shift toward a value-based pricing. In this extremely rare case, companies don't have the possibility to adapt to their competitors.

⇨ Sense of saturation and understanding

After conducting six interviews, a sense of saturation began to emerge, along with a clear understanding of which aspects of the lean pricing model initially developed were coherent and which required adjustment. To validate these observations, two additional interviews were conducted:

- The first interview was carried out with Didier Vankeerberghen from EMAsphere, a scale-up specialising in monitoring scale-ups and PME with key performance indicators using dashboards. The purpose of this meeting was to confirm the need to update the monitoring strategies initially provided for in the lean pricing model.
- The second interview was held with Eric Van Cutsem, incubator mentor. The aim of this meeting was to better understand the dynamics of startups and scale-ups, drawing on Van Cutsem's extensive experience with startups and scale-ups to determine what is feasible and consistent in the lean pricing.

Overview of EMAsphere with Didier V.

The seventh interview was an opportunity to find out more about monitoring with EMAsphere, a Belgian company specialising in setting up KPI dashboards for businesses. EMAsphere's core business is to create and automate dashboards based on balance sheets and other business metrics to create actionable KPIs. The service aims to improve decision-making processes by providing clear and comprehensive data.

The first point of discussion was the pricing strategy. In its early days, EMAsphere experimented with different pricing strategies. Unlike many SaaS companies, which set their prices according to the number of users, EMAsphere felt that this approach was not suitable. Pricing per user would have penalised it because, in general, only senior management has access to the dashboard, leaving other potential users out in the cold.

The most significant value-added pricing strategy considered was based on the turnover of client companies. The rationale was that a company with higher revenues, for example 50 million euros versus 10 million euros, would derive more value from the dashboard due to the potential for increased profit margins. However, this approach was criticised when customers whose revenues had increased significantly saw their service costs double as a result.

To address these issues, EMAsphere has adopted a more nuanced pricing model based on three main factors:

- Customers are charged according to the specific functionality they use.
- The cost varies according to the number of data sources to which the system needs to connect.
- Companies with several entities pay more than those with just one, reflecting the increased complexity of data collection and management.

Didier said that this pricing strategy is more closely aligned with the value delivered, while being easier for customers to understand than a purely revenue-based model. The emphasis is on pricing transparency, to ensure that customers understand the correlation between pricing and the value delivered.

Finally, the interview also touched on the applicability of KPIs for startups. Startups with a turnover of less than €1 or €3 million generally don’t have a CFO, which makes them less likely to be EMAsphere’s main customers. However, as these companies grow, gain traction and secure funding from venture capitalists and business angels, the need for solid monitoring becomes critical. This is where EMAsphere’s services become highly pertinent, providing these growing companies with the tools they need to effectively manage their data and performance indicators.

Overview of an incubator mentor, Eric V. C..

The final interview was with Eric Van Cutsem and offered a valuable perspective, confirming many of the ideas explored throughout this thesis. As an incubator mentor and a professional at Orange Labs, Eric is in direct contact with many student entrepreneurs looking to launch Startups. His dual role gives him a unique perspective on the differences between product and service creation in large companies and Startups. His mentoring of scale-up further enriches his knowledge, which extends from early-stage Startups to large companies.

Eric Van Cutsem pointed out that early-stage startups, particularly those with no commercial appeal, generally do not use key performance indicators. At this stage, the main objective of startups is to generate enough revenue to cover expenses. The key indicators for these entrepreneurs are their ability to pay themselves and their employees.

As startups grow into fully formed businesses, the focus shifts. Once market traction is established, management can shift from customer acquisition to optimising internal processes. This is when KPIs become relevant, as we confirmed in the previous interview with EMAsphere. At the scale-up stage, companies start to implement KPIs to measure and improve efficiency, performance, and overall strategic alignment.

Eric emphasised that the startup phase is the critical period for experimenting with different pricing strategies. During this phase, entrepreneurs need to explore different pricing models to identify what works best for their market and product offerings. As businesses grow, the focus shifts to customer segmentation and the exploration of different product options. This provides a better understanding of customer needs and preferences, which facilitates the development of more sophisticated pricing strategies based on added value.

Lastly, Eric has pointed out an important shift in contemporary business environments. There is a change of focus away from purely financial assessments towards the integration of sustainability and societal objectives. This trend is being influenced by investment funds that are prioritising environmental, social and governance (ESG criteria). As a result, pricing strategies are becoming more complex, as they need to take into account the value added to consumers beyond traditional financial measures.

3.3 Results: Evolve

Here it is, the results. This result section represents the final phase, known as the evolution phase, that completes the loop, where the theoretical framework initially established is associated with the ideas drawn from the interviews carried out, and an evolution of this framework is made. This synthesis succeeds the in-depth processes of observation during the interviews. The knowledge gained from detailed interviews is systematically juxtaposed with the initial hypotheses. The section therefore provides a coherent link between the empirical data collected and the theoretical assertions made at the start of the research. This link is essential, as it not only validates the chosen research methodology, but also amplifies the theoretical contributions of the study.

As a reminder, the hypotheses in this section were built upon the pillars of the lean pricing strategy, meaning that if hypotheses are not rejected, the lean pricing strategy are implementable within startups.

3.3.1 First hypothesis

The first hypothesis was: S*tartups can successfully transition from a price-centric to a value-based pricing approach in their pricing strategy.*

Companies such as Solarcleano, LGB and Pampa Cruz have effectively adapted their pricing strategies based on customer value and market feedback, demonstrating the feasibility and benefits of value-based pricing. For example: “According to Mr Jabo (2024), LGB’s main strategy is not to compete on price, but to differentiate its offer from that of its competitors. The main product, a food box available in different sizes (for one to six people) and featuring 12 weekly recipes, is designed to attract a diverse customer base throughout Belgium.”. “A significant attempt at differentiation was the introduction of the “Chef Box”, a premium product developed in collaboration with a professional chef. This box aimed to increase consumer value through unique, high-quality ingredients and a special culinary experience, justifying a higher price based on a cost-plus-margin approach.”.

However, challenges such as articulating unique value propositions indicate areas where startups may need to focus further and refine their strategy. As seen during the interviews, many startups focus primarily on undercutting their competitors rather than effectively communicating their unique value proposition.: "Regarding the prices, while renting their vehicles, Pampa Cruz (2024) looks to their competitors and applies a discount. "*The purpose is to find some initial traction by taking a part of the market.*" "*To remain competitive, Heliotec adjust their prices with those on the market. Louis explained that Heliotec may lower its prices to secure customers from its competitors, which could trigger a price war. This competitive approach to pricing highlights the challenges Heliotec faces in maintaining market share*.".

Indeed, this difficulty had been brought up in the theoretical analysis: "*Embracing value-based pricing introduces complexity and is more time-consuming than simpler cost-plus methods. However, the shift from price to value promotes a healthier business model where the incentive to buy is clear, the gap between perceived value and price*.".

Consequently, the theory initially developed on the need of value communication was coherent and would clearly "promotes a healthier business model" which could serve Heliotech: "*This competitive approach to pricing highlights the challenges Heliotec faces in maintaining market share.*". A startup that does not understand how to apply and communicate a value-based pricing will never be able to come close to their optimal price which align with their customers' perception on value for their product or service. During observation, startups effectively showed that they can adapt their price based on the value perceived by the consumer, but too often this value was not communicated properly which drove customers to not fully perceive it, forcing startups to underprice competitors.

To conclude this hypothesis, the practical experiences of the startups surveyed **validate** the hypothesis and underline the effectiveness of the transition to a value-based pricing approach. This transition, while complex and requiring a deep understanding of customer value, can lead to healthier business models and improved customer satisfaction. The integration of customer feedback, effective communication of value and dynamic pricing adjustments are crucial elements of this successful transition.

3.3.2 Second hypothesis:

The second hypothesis was: *Startups can effectively experiment with different pricings for their product or service to find the one that mostly aligns with market demands and consumer preferences.*

Interviews with various scale-ups provided insights into the feasibility of implementing different pricings after gaining the first market tractions.

These discussions revealed that adapting pricing based on customer interaction often forms and integral part of the startup's business model. For instance, a startup involving working on the implementation of projects with materials such as Heliotech change their prices daily depending on suppliers' cost, as mentioned by Louis during the interview.

A common trend emerged from the interviews: survival remains the only preoccupation of startups. Nils (2024) from Pampa Cruz emphasised, "*the only preoccupation is to survive, and therefore find money at the moment.*". Early-stage entrepreneurs focus on two primary goals: the first one is to ensure that they can pay their employees and the other one is trying to raise the revenue by testing different pricing strategies or products.

This theory was further developed by Eric, explaining that startups frequently experiment with various pricing strategies before receiving substantial consumer traction. The purpose is to gauge consumer interest and optimize pricing from there.

Philipp Güth (2024) from Wilson & Oskar also described their approach to pricing: "*Firstly, we don't put a price to high because we need to find customers. Therefore, we started with a very low pricing and then we raised the pricing quickly while customers are increasing within the company. As an example, you can start with a low price for the first 5 customers, then you increase the price until people don't buy anymore 5 clients by 5*.".

In this section, Philipp, with this iterative pricing strategy demonstrates the dynamic nature required for startup's pricing, in line with the lean pricing. This strategy must be experimented by all startups at early stage to identify the right price point that meets market demand. The theoretical background supports Philipp's approach, emphasising that pricing is fundamentally about experimentation and continuous learning (Drucker, 2019).

Supporting this idea, Pol Duthoit (2024) of Solarcleano also shared a relevant example. At their first show at Intersolar Munich, they tested different price points, going from twenty thousand to thirty-two thousand euros for the Solarcleano F1. This price adjustment enabled the company to increase its margins and invest in the development of new products to meet customer demand.

However, in rare cases, regulatory constraints can limit a startup's ability to change its prices. For example, Marian (2024) from SWINZ explained that their insurance products are regulated in Belgium, which makes it difficult to adjust prices: "*Insurance products are ruled in Belgium. A legal base is thus present. The prices were determined in collaboration with the actuaries of our partners taking the risks. As explained, the price is corresponding to the risk hedging granted*.".

Given these results, the second hypothesis is **confirmed**. Most startups can indeed experiment with different pricing strategies to find the one that better suit them and their customers. Thereby, this confirms that the second pillar of the lean pricing strategy can be implemented in startups, underlining the importance of added value and continuous experimentation in pricing prices.

3.3.3 Third hypothesis:

The third hypothesis was: *Startups are capable of monitoring price change through a dash-board of KPIs.*

During the first six interviews, the monitoring process as imagined in the theory, with the idea of monitoring startups via a dashboard of KPIs along with questions prompting reflection on variations of these KPIs, was largely questioned. In the interview with the startup Wilsen and Oskar, Philipp Güth (2024) explained that "*monitoring a startup with KPIs is not a good idea. We only ask feedback from the customers, and I wouldn't recommend startups to implement KPIs to drive their companies as you cannot understand the why behind a decreasing trend of your KPI.*".

A feeling of inadequacy gradually emerged as more interviews were conducted. To confirm this feeling, two more interviews were conducted:

- The first interview was carried out with Didier Vankeerberghen from EMAsphere, a scale-up specialising in monitoring scale-ups and PME with key performance indicators using dashboards.
- The second interview was held with Eric Van Cutsem, incubator mentor from Orange Labs

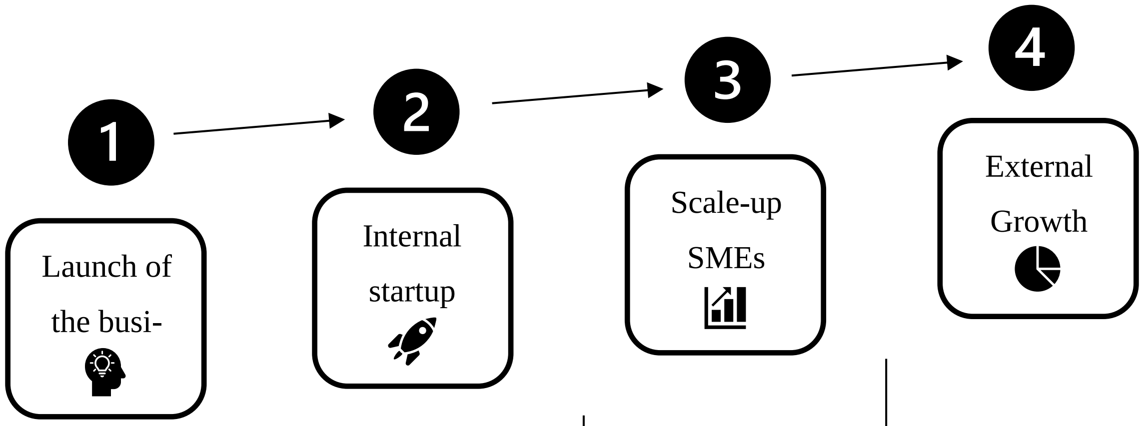
Eric Van Cutsem (2024) explained that "*Startups have little time to implement a dashboard of KPIs compared to scale-up which often have more resources and more complex organizations increasing the needs of KPIs. However, once the startup raise capital through business angel or venture capitalist, the necessity of monitoring appears.*".

In the interview with Didier (2024) from EMAsphere, Mister Didier mentioned that startups can't handle a dashboard of KPIs: "*Between one to three million, there is still not a lot of CFOs at that moment. Therefore, when one doesn't have CFO, they don't pay attention on finance and analysing figures. However, as these companies grow, gain traction and secure funding from venture capitalists and business angels, the need for solid monitoring becomes critical.*".

These meetings confirmed the misalignment between the theory and the professional field. Monitoring was indeed required for every company but the way of doing it should be different. An evolution for the monitoring aspect of lean pricing appeared necessary. The development of a dashboard of KPI, from what Didier explained, was coherent but from the scale-ups' stage as well as for more developed companies. Startups or companies not raising funds and still small don't need a dashboard of KPIs yet.

In order to illustrate the different needs of monitoring according to the life cycle of the company, the graph below was created.

Figure 6: Evolution of the enterprise



Turnover	<1M	1-3M	3-50M	20-100M
Information sharing	Foundators	CEO/Board/CFO/ investors	CEO/Board/CFO/ investors	CEO/Board/CFO/ investors/Managers
Reporting and analytics needs	Customer-centric approach and feedback	Customer centric approach and feedback	Financial KPIs	Financial KPIs/ extra financial KPIs

Given these insights, the decision was taken to **reject** the hypothesis 3. However, these learnings provided by each interviews permitted to evolve the theory on the monitoring aspect within the lean pricing. Monitoring during the startup phase should be conducted by staying close to customers, adopting a customer-centric approach, and actively gathering feedback. The third pillar of the lean pricing, as confirmed by various interviews, has been proven to be essential and should be a part of every pricing strategy.

3.3.4 Fourth hypothesis:

The fourth hypothesis was: *Startups can evolve continuously, improving their adaptability to market changes and enhancing their sustainability.*

According to Pettersen. J (2009), “the lean concepts is mainly about time reduction and continuous improvement.” In the context of this thesis, the essence of the term “Lean” is rooted in the spirit of perpetual enhancement, serving as an additional pillar of lean pricing. As previously elucidated, “the core concept of the method is to improve in accordance with the environment the company operates in”.

Startups should have the ability to evolve their foundational pillars. Thereby changing the way they monitor, the way they experiment with different prices, products or services and the way they communicate about their value proposition. Therefore, evidence of improvements should be observed within startups through time. Enabling to gather essential information for the hypothesis.

A key piece of the empirical evidence comes from the interview with Mr Jabo Mutsinzi (2024) from LGB. During the interview, Jabo provided specifics on tactical changes that improved the business model through time. "*When I arrived, little green box only sold boxes. One of my first strategic decisions has been to put a subscription in order to increase the client retention. Thereafter, the revenues increased by hundred and fifty percent during the first year.*". "*Our strategy is to find fidelity within our customer, launch a specific range with as an example the chef box increasing the added value and thereby our prices and margins and bring new experience on the market. The competitors followed afterwards.".* The flexibility shown by Little Green Box in their catalogue with the "Christmas Box" and the "Chef Box" enables the startup to evolve through time by expanding their value proposition to their clients, which in this case increase their range of products. Not only that, but also offering different pricing, taking into account different perception of value. Therefore, the startup has given itself the means to improve both its added value and the value proposition it offers customer.

The value creation is central to lean pricing, focusing on aligning prices with the value perceived by customers. Startups need to understand and adapt to different perceptions of value in various markets and ultimately evolve.

Since the beginning, Solarcleano, as said by Mister Duthoit (2024), sells internationally: *"We adapt the pricing in function of the countries as the value perceived could be higher.*". As shown by Solarcleano, this idea of value creation is essential for entrepreneurs who are active in a variety of international marketplaces. Mr. Duthoit (2024) asserts that Solarcleano uses a customised strategy to break into international markets by modifying its prices according to how much is thought to be worth in other countries.

In most cases, startups showcased the ability to evolve, confirming the theoretical background. Therefore, the fourth hypothesis of this master thesis is **not rejected**, enabling to positively cover the last pillar of the lean pricing strategy.

Ultimately, the purpose of this section is to answer the research question:

Is the "lean pricing" strategy suitable for implementation and for addressing the complex environments in which startups operate, consequently, bettering the pricing strategy of these startups?

The research confirmed that businesses may transition from price-centric to value-focused pricing, as proven by companies such as Solarcleano, LGB, and Pampa Cruz, which effectively adjusted their pricing strategies based on customer value and market input. Evidence also showed that companies frequently experiment with alternative pricing methods to meet market demands and consumer preferences.

Yet, the hypothesis that startups might track pricing fluctuations using a dashboard of KPIs was rejected. Hence, an evolution was brought to effectively deal with it.

Additionally, it was demonstrated that startups are capable of having a continuous evolution, which improves adaptability and sustainability, with companies such as LGB and Solarcleano, demonstrating flexibility in altering their goods, services, and pricing plans over time.

These proven hypotheses collectively show that the lean pricing model **is suitable** for implementation in startups, assuming some modifications. It is important to note that startups should ensure clear communication of unique value propositions to avoid under-pricing, maintain agility through continuous experimentation with pricing strategies based on customer feedback and market conditions, adopt a customer-centric approach to monitoring early on, and gradually develop more sophisticated monitoring tools as the startup grows. Furthermore, companies must adopt continuous development as a basic idea in order to improve their adaptability and sustainability, ensuring long-term success in competitive marketplaces.

In conclusion, the lean pricing approach, together with the provided recommendation, can successfully manage the complicated contexts in which startups work, enhancing their pricing strategies and overall business performance. Moreover, it can dramatically improve startups' pricing strategies by emphasising flexibility, customer attention, and continual improvement. The ongoing dialogue was respected, permitting the completion of the loop.

3.4 Limitations & further research

The first limit is boundary related as the initial scope of the research is limited to startups. The study is primarily set in the context of startups, as the lean pricing model was developed specifically for startups. Additionally, the analytical framework consisted mainly of interviews with startups and, to a lesser extent, to scale-ups. Therefore, further research is needed to explore the applicability of lean pricing to more established companies. This could include interviews with venture capitalists to ascertain their views on the strategy and how it might be modified to improve its usefulness.

Nevertheless, it is imperative to recognise that the Lean Pricing model is fundamentally an ideological framework for improving pricing strategies through continuous learning, like a perpetual learning machine. This mindset should be applicable to any business, whatever its stage of development. The fundamental principle of remaining consumer-centric, constantly aligning with consumer needs, should be a constant ethos, whatever the size of the business. The monitoring aspect though, must indeed be adjusted according to the resources available and the specific stage in the company's life cycle.

The second limit concerns the dashboard of KPIs elaborated in the theory. KPIs should be meticulously aligned with the competitive landscape, the nature of the market and distinctive characteristics. It is important to note that this work gives a general framework for startups. However, KPIs should be personalised tools uniquely tailored to each company's specific context, as no two companies are identical. Certain sectors have their own KPIs. For instance, companies offering discounted products need to maintain minimum stock levels, as higher stock levels risk diluting profit margins. Therefore, these companies would benefit from a more detailed exploration of supply chain management KPIs.

Another example is aged care facilities, which often track indicators such as the annual percentage of beds occupied. In contrast, companies that manufacture high-quality products should focus on customer feedback and invest in research and development (R&D) KPIs. Given these differences, further research into how KPIs influence different sectors and their specific operational nuances is imperative.

The third limit pertains to the qualitative analysis of it. The study's scope is limited to assessing the applicability of the lean pricing strategy. However, there remains a significant gap to understand the real impact of this strategy on startups. Therefore, a quantitative analysis could be conducted to elucidate this impact. Longitudinal quantitative analysis following startups that adopt lean pricing principles could effectively demonstrate the tangible benefits of this strategy.

An additional limit involves the applicability of the lean pricing strategy in different sectors. While it may apply easily in some sectors, it can become more difficult in others at early stage due to limited negotiation power. The lean pricing, which thrives on the dynamism and adaptability can be difficult to implement in sectors characterized by large-scale contracts. For instance, a startup that wins a few substantial contracts with large companies, potentially worth millions over several years, may find it difficult to apply a pricing strategy that requires frequent adjustments.

For these startups, alternative strategies and opportunities should be further explored. One potential approach could be to negotiate contracts that allow for varied pricing structures or that provide for price adjustments based on consumer feedback and market conditions.

Further constraint has been identified in sectors heavily ruled by legislative bodies. Flexibility constraints and over-regulation inhibit dynamism and experimentation, limiting startups to test different pricing. The case of Swinz in the insurance sector illustrates this problem. As explained during the interview, the pricing of insurance derivative is strictly determined by actuaries. Similarly, the banking sector is subject to strict regulation. An easy glance to the scale-up Green-Got enables to understand this matter. These startups must compete on other aspects such as the service they render.

During the interviews, it was systematically observed that companies consider adding value. However, it can be difficult to understand and accurately implement the pricing of this added value. The ability to quantify value is rare, and pricing products or services at their true value is an even greater luxury. This problem is complicated by the arrival of competitors on the market, who cuts the prices from what might be considered the fair value.

One other limitation of the lean pricing approach is its idealistic nature. The concept and its pillars remain an ideal, making the search for optimal pricing a never-ending journey of continuous improvement. For instance, there is currently a growing trend towards the establishment of startups as benefit corporations, whose aim is to have a social and/or environmental impact through their products or services. However, these companies often struggle to quantify the value of their offerings. In many cases, a significant part, or even all, of a company’s value is difficult to integrate into its pricing strategy. For example, a service that reduces a company's CO_2 emissions is difficult to quantify in terms of monetary gain from potential new customers. Further research could be useful in determining the monetary cost of a tonne of CO_2 for a company, which would make it possible to improve pricing strategies for these services.

The final limitation of this thesis arises from the insufficient integration of environmental parameters in the analysis of value-based pricing strategies. Although the main focus has been on customer perception of value and market feedback, the growing importance of sustainability and environmental impact in business practices cannot be overlooked.

In recent years, environmental, social and governance (ESG) criteria have increasingly been seen as essential elements of a company's overall value proposition. Startups, in particular, are under increasing pressure not only to deliver financial value, but also to demonstrate their commitment to sustainable practices. This trend is driven by both regulatory requirements and changing consumer preferences that favour environmentally friendly companies. Yet, the interviews conducted as part of this thesis did not sufficiently explore how these startups integrate environmental parameters into their pricing strategies. For example, while Solarcleano focuses on solar panel cleaning robots, there was no detailed discussion of how environmental benefits are quantified and factored into their pricing models. Similarly, LGB's organic food boxes promote sustainable consumption, but the direct impact of these practices on pricing strategies has not been explored in depth.

Future research should aim to fill this gap by:

- Developing methodologies for quantifying the environmental benefits of products and services, and integrating these parameters into the overall value proposition.
- Studying the extent to which customers are willing to pay more for environmentally sustainable products and services.
- Assess the long-term value creation associated with sustainability practices such as improved brand loyalty and risk mitigation.

4. CONCLUSION

Reflecting on this thesis, the goal was to correctly readdress the pricing strategy within startup environments. A comprehensive lean pricing model was developed in search of the required concepts through which the pricing strategy of startups would thrive in the complex environment they now grow in. By highlighting these pillars and the ideology that should direct every pricing strategy, startups were given a compass enabling them to navigate their quest for the optimal price. Ultimately, with the theoretical model created, questions arose: Could the lean pricing be implemented within startups, and was it well conceived with the right ideas and ideology.

The research question emerged: "*Is the "lean pricing" strategy suitable for implementation and for addressing the complex environments in which startups operate, consequently, bettering the pricing strategy of these startups?".*

An analysis followed, with a systematic approach of interview conduction to obtain relevant data from the field that would then be juxtaposed with the initial theory developed.

To improve the consistency of the thesis, the pattern applied to the lean pricing model within the theory, "innovates, listen, monitor, learn and evolve" was duly followed through the entire thesis, enabling the lector to acknowledge the model. Doing so, also increased the relevance of the model developed to professional of the sector such as startup and scale-up owners, entrepreneurs, or anyone that care to think that pricing is one of the most important aspect of their long-term success.

The lean pricing model revealed itself suitable for implementation in startups and coherent with the field it had been developed for. The approach, along with the provided recommendations such as ensuring clear communication of unique value propositions and maintain agility through continuous experimentation, can successfully help anyone to manage the complicated contexts in which their startup grows in, enhancing their pricing strategies and overall business performance. Additionally, dramatically improving startups' pricing strategies by emphasising flexibility, customer attention, and continual improvement. The dialogue between the theory and the analysis was respected, permitting the completion of the cycle.

4.1 Limitations and further research

Throughout this research thesis on lean pricing for startups, several notable limitations were identified:

Regarding the application of the Lean Pricing model, mainly in the context of startups. The focus of the model is somewhat narrow, limiting its direct applicability to larger, more established companies. The qualitative nature of this study also limits its ability to conclusively demonstrate the impact tangible impact of Lean Pricing on a startup over a long period of time.

Furthermore, the adaptability and the coherency of the model to sectors characterised by large-scale contracts or strict regulations, such as insurance and banking, remains uncertain. These sectors may require alternative pricing strategies or more flexible contract negotiations.

In addition, the practical application of Lean Pricing in contexts focused on social or environmental impacts presents significant challenges, particularly in terms of effectively integrating these values into pricing strategies.

To address these limitations, this work found various avenues for future research:

Future research should aim to extend the relevance of the lean pricing model to different stages and sizes of companies, incorporating the views of venture capitalists to improve its robustness and adaptability. This would allow the model to be adapted more effectively to different business environments. In addition, the general framework provided by the Research KPI dashboard, while suitable for startups, lacks customisation for specific sectors such as aged care, discount retail and high-quality manufacturing. The development of sector-specific performance indicators would enable the particular needs of these sectors to be met more precisely.

Moreover, this study highlights a significant opportunity to integrate environmental, social and governance into pricing models. Hence, future research should focus on quantifying environmental benefits, measuring consumer willingness to pay for sustainable products and assessing the long-term value creation of sustainable practices. These efforts would align pricing strategies more closely with startups' broader value propositions and the growing importance of sustainability.

4.2 Managerial implications

The in-depth understanding of startups' pricing strategies acquired in the thesis has now for last objective to give managerial implications and contribution that could benefit let alone startup's owner but also anyone who would be interested in learning pricing. Indeed, even if the thesis remains principally based on startups, some implications can also be driven towards scale-up or more developed companies due to the diversity of the sample studied within the thesis.

Clear points of recommendation were identified after the confrontation of theory with the professional environment:

Placing pricing at the centre of the preoccupation is primordial to ensure long-term sustainability in the business world. The creation of a clear overview of the lean pricing with its pillars addresses this purpose, enabling entrepreneurs to utilise the model as a compass to improve their pricing strategy.

Another managerial implication to be discussed remain the dynamism of startups. At the root of the lean pricing methodology stands the dynamic experimentation of pricing. During the interviews, discussions about the capabilities to experiment the pricings were conducted. Companies answered positively telling that trying was possible. However, through the interviews, an understanding of this thesis remains that once their prices were fixed, companies would not try to evolve it through time anymore, even though the market would be still in constant evolution.

The price should remain a continuous experimentation through time to remain coherent within the market. The biggest thing that kills great businesses is complacency. There is a need for restlessness, a feeling that somebody is always after you, but you are doing everything to stay ahead of them. This is the key idea that is required for pricing strategy, always be on the move. The danger would always be that the company would rest on its laurels. Always stay customer-centric, learn, experiment, and stay close to your customers to collect feedback and evolve.

Furthermore, a link can be done between the lean pricing strategy and the "Lean Canvas" from Ash Maurya. Indeed, the proposition of the lean pricing strategy could be easily implemented in the value proposition and the competitive advantage. Both sections are closely aligned as the proposition value depends on the competitive advantage. The pricing itself helps the client understand the value proposition and the competitive advantage. An example would be LGB Selling its chef box at a higher price which enables the client to understand its higher value proposition.

Lastly, this final comment concerns monitoring. Monitoring should consider the resource available in the company to direct how it should be monitored. At early-stage, startups should remain focused on their principal purpose, find the business model and the viable product. Therefore, this study shows that for companies that have not yet obtained substantial funding and are still small, there is no immediate need to set up a dashboard of key performance indicators. Instead of dealing with a dashboard of KPIs, the startup should focus on being close to the customer to gather feedback that will enable the board to pivot quickly when necessary. Monitoring should evolve in response to the company's development.

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6. APPENDIX

6.1 Appendix N°1: The lean startup model

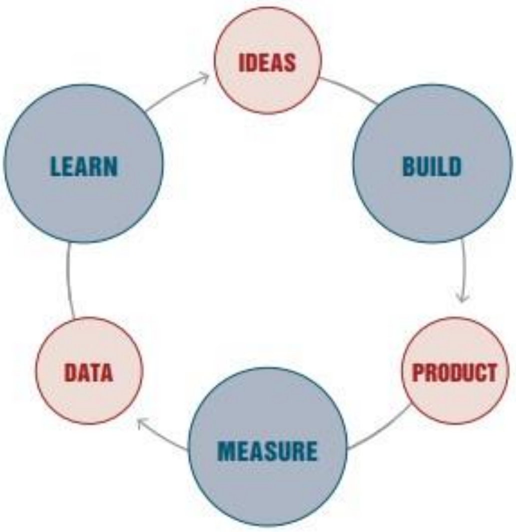
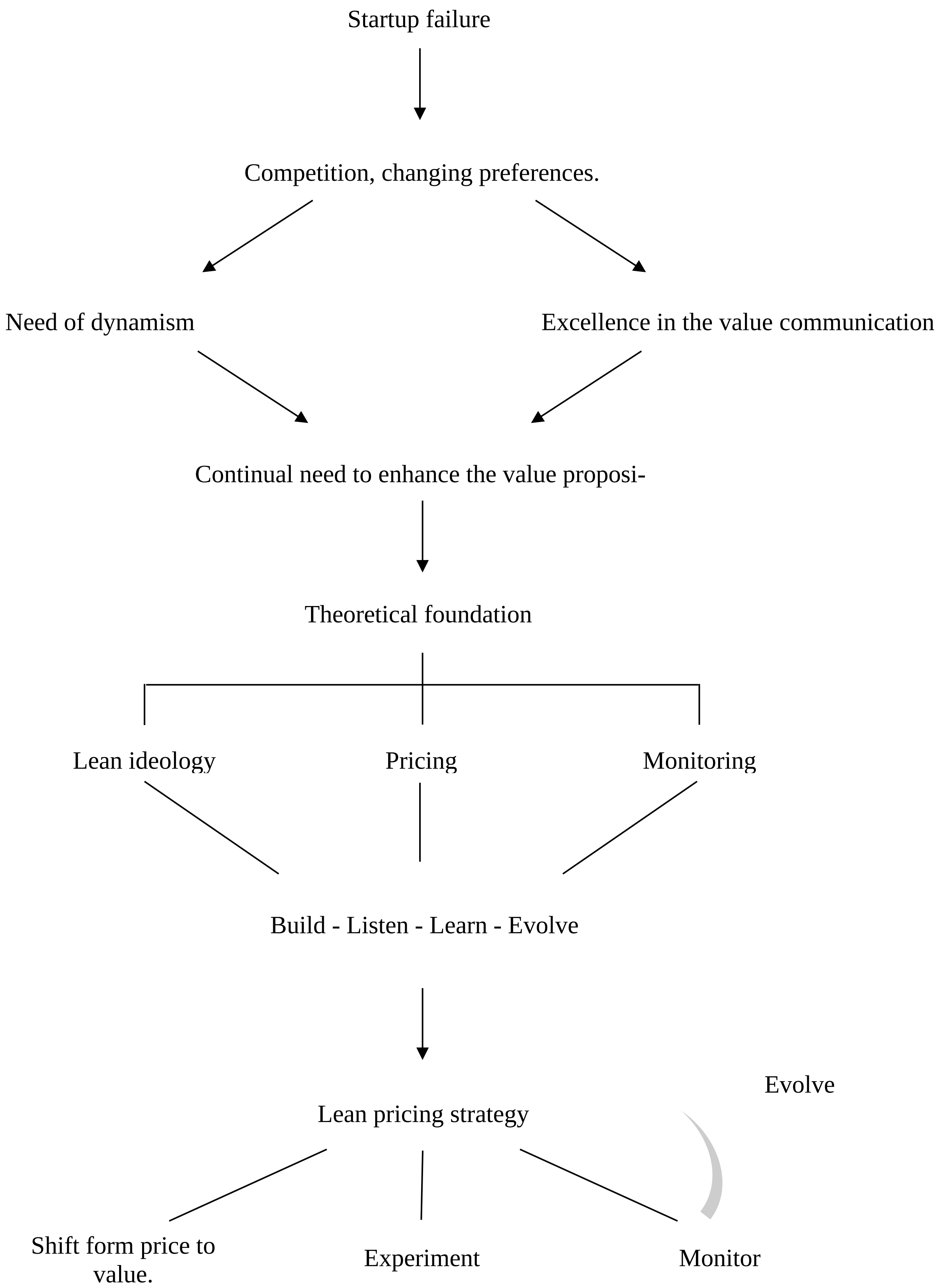


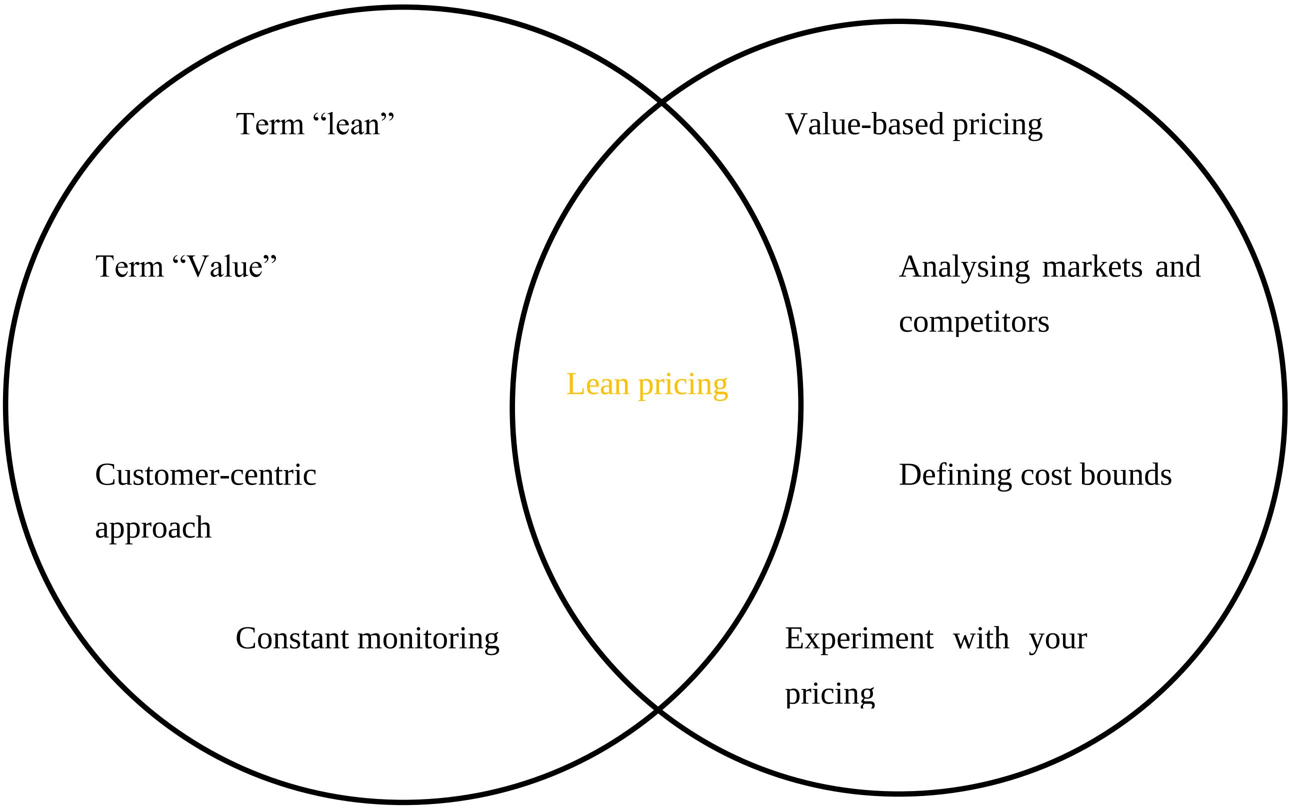
Figure 1-6. *Build-Measure-Learn loop*

Source: A. Mauria (2012) *Build measure Learn loop*, https://scrummaster.dk/lib/AgileLeanLibrary/People/AshMaurya/Running_Lean_Preview.pdf (page 12)

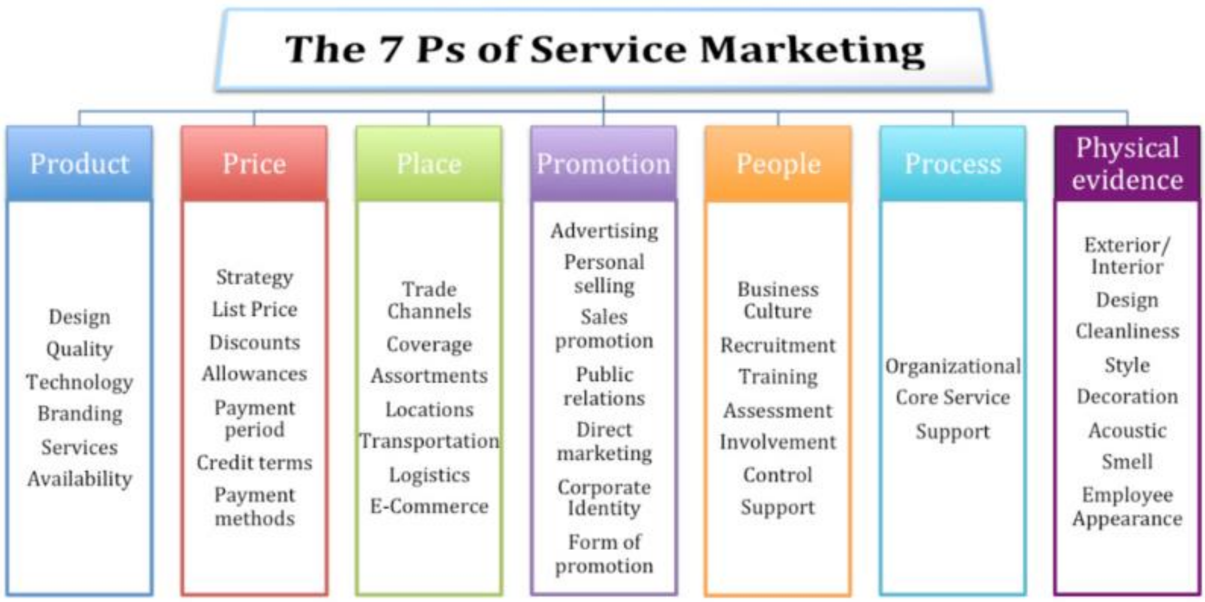
6.2 Appendix N°2 : Scheme explaining the methodology of the thesis.



6.3 Appendix N°3: The lean pricing pillars

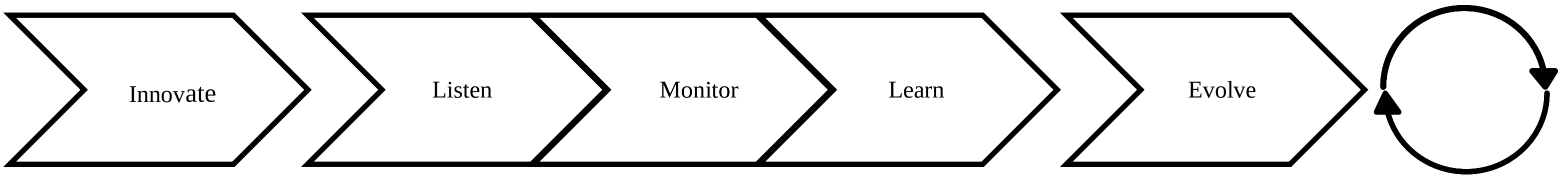


6.4 Appendix N°4: Model Innovate – Listen, Monitor, Learn – Evolve

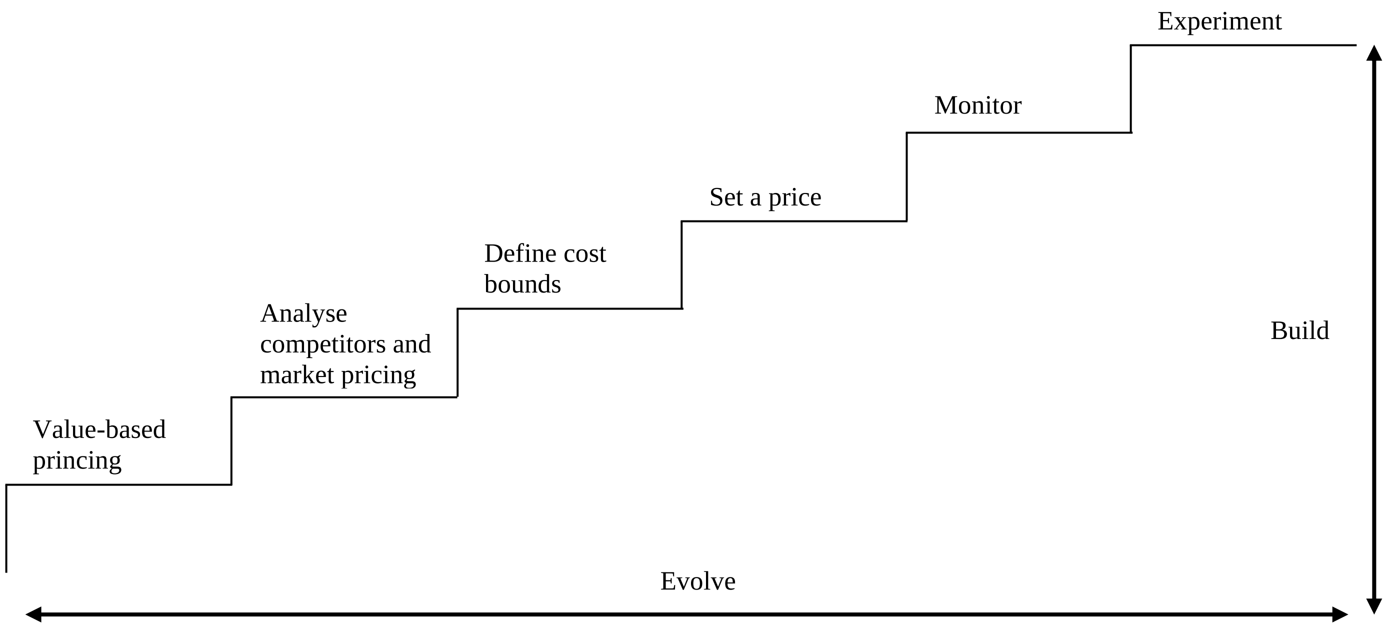


Source: Mba, Y. B. (2021, February 7). History of Marketing Mix from the 4P's to the 7P's. https://www.linkedin.com/pulse/history-marketing-mix-from-4ps-7ps-yousef-baalbaki/

6.5 Appendix N°5: Model Innovate – Listen, Monitor, Learn - Evolve



6.6 Appendix N°6: The journey of price setting

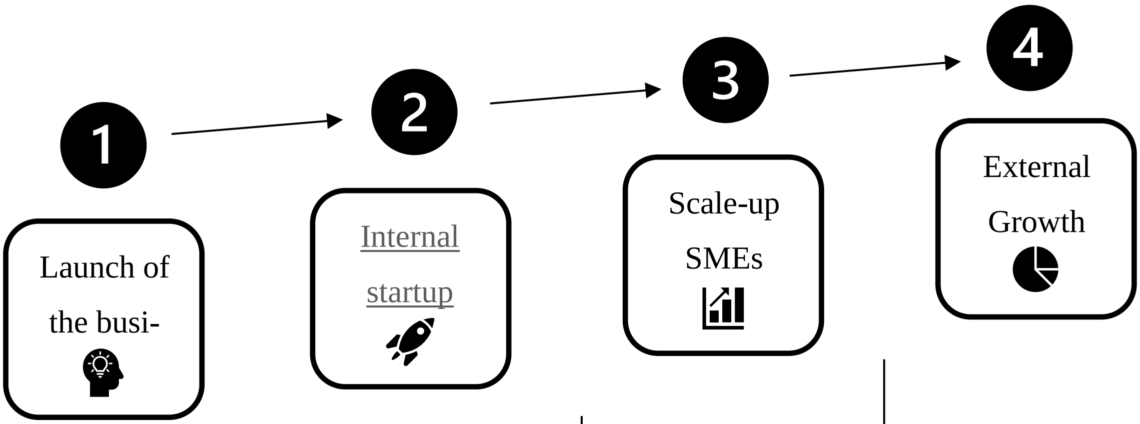


6.7 Appendix N°7: Dashboard of KPIs

	Name of the KPI	Explanation of the KPI	Questions to help understand variation in KPIs
Marketing	Customer acquisition cost	Total marketing budget and sales budget/Number of new customers	-Are there any emerging competitors or substitute products that influence our price sensitivity? -How does sales volume react to price changes?
	Cost per lead	Advertising budget/Number of new leads	Are there any emerging competitors or substitute products that influence our price sensitivity?
	Customer Lifetime value	Annual profit form a custormer*years as a customer- customer acquisition cost	-What is the impact of price changes on our market share and revenues per customer? -What are retention rates, and how do they vary with pricing changes?
	Willingness to pay of the customer	how much would a customer pay for the given product	-How do customers perceive the value offered by our products or services?
	Marketing qualified leads	Cost per lead/marketing spend for the total number of new lead	
	Churn rate	Customers lost during the period/Initial customer quantity at the beginning of the period * 100	-Are there any emerging competitors or substitute products that influence our price sensitivity?
	Retention rate	Subscription renewals / Subscribers at the n beginning of the period * 100	-Are there any emerging competitors or substitute products that influence our price sensitivity? -What are retention rates, and how do they vary with pricing changes?
	Return on marketing investment (ROMI)	(Gross profit - Marketing cost)/Marketing cost * 100	-Are there any emerging competitors or substitute products that influence our price sensitivity?
		Average willingness to pay of the customers for each segment /price of the product for each segment	-How does our pricing compare with the value perceived by different customer segments?
	Cost per Mille	Total cost of campaign/total impression of the campaign * 1000	
	Net promoter score (NPS)	Likelihood of recommending the company to friends or family on a scale form 1 to 10	-How satisfied are customers with our pricing?
	Customer retention rate	[(Customer at the end of a period-New customers acquired during a period)/Customers at the start of the period]	-What are retention rates, and how do they vary with pricing changes?
Sales	Sales qualified leads rate	Number of SQL (SQL = Intent to buy) / Total number of leads * 100	-How satisfied are the customers with our pricing?
	Quote-to-close ratio	Number of closed and won deal / number of quotes * 100	-Are there any emerging competitors or substitute products that influence our price sensitivity?
	Sales per rep	Total sales / Number of sales made by rep	
	Average purchase value	Total sales / number of customers or transactions	
	Annual contract value	Total sales value of contracts in a year / number of contracts	
	New leads pipeline	Number of new leads added to each rep's pipeline during a single quarter	
	Customer retention	(Overall number of customers at the end of the year - Net new customers acquired during the year)/number of customers at the start of the year*100	
	Number of calls done		
	Number of Emails sent		
	Number of meeting scheduled		
	Upsells and cross sells ratio	Sell back to the same customer and sell another product form the company to the same customer	
	Sales cycle length	How long is the cycle to sell a product	

Finance	Increase in Sales revenue	1-Revenue year N/Revenue Year N-1	-How does the current pricing strategy affect your overall profitability and sales growth? -How does sales volume react to price changes? -Are there seasonal variations in the way our prices affect sales? -Are there any emerging competitors or substitute products that influence our price sensitivity?
	Segment revenue contribution	Revenue by product of the company	
	Net margin	Net income / revenues	-How does the current pricing strategy affect our overall profitability and sales growth?
		(Sales revenues before pricing changes / sales revenues after pricing changes)-1	-How does the current pricing strategy affect our overall profitability and sales growth?
	Brut margin	Earnings before Interest Depreciation and Amortization/Revenue	-How does the current pricing strategy affect our overall profitability and sales growth?
Production cost	Material cost	Entire cost of the material for the company	-How does an increase/decrease of the entire cost of material affect our margin ? '-How should the price of the product be changed therefore ?
	Staff cost	Staff cost to produce the product	-How does an increase/decrease of the Staff cost affect our margin ? '-How should the price of the product be changed therefore ?
	Marketing cost to sell one product	cost of marketing / Total sales	-How does an increase/decrease of the marketing cost affect the margin ? -How should the price of the product be changed therefore ?
	Cost of R&D	Cost for the research & development including prototypes material & labour cost	

6.8 Appendix N°8: Evolution of the enterprise



Turnover	<1M	1-3M	3-50M	20-100M
Information sharing	Foundators	CEO/Board/CFO/ investors	CEO/Board/CFO/ investors	CEO/Board/CFO/ investors/Managers
Reporting and analytics needs	Customer-centric approach and feedback	Customer centric approach and feedback	Financial KPIs	Financial KPIs/ extra financial KPIs

6.9 Appendix N°9 Interview guide

Interview guide.

Company name:
Contact:
Sector:
Sub-sector:

Section 1: Introduction

Brief introduction of the purpose of the interview:

Thank you for participating in this study. The purpose of this interview is to review and understand your current pricing strategy. Following this interview, an analysis will be conducted to highlight the feasibility regarding the implementation of lean pricing strategy and possible points of optimization that can be applied to your current pricing strategy. Additionally, a thorough evaluation on specific Lean Pricing parameters will be lead. Finally, recommendations as well as the implementation of KPIs for constant monitoring and improvements will be put together."

Consent and confidentiality:

"This conversation will be recorded for analysis but will remain confidential. Any information you provide will be anonymized in the final thesis. Do you consent to this process?"

Section 2: Startup Overview

Company Background:

"Could you briefly describe your startup, the context and the sector to which it belongs to. Explain your main products or services and the current stage of your business?"

Initial Pricing Decisions:

"What were the key factors that influenced your initial pricing strategy?"

"Can you walk us through the process of how you decided on your current pricing model? What other models did you consider?"

"How does your pricing model align with your overall business strategy and customer acquisition goals?"

"Are there specific features or services that are priced differently to highlight their unique value?"

"Has your pricing evolved through time? Did you experiment different pricing types for the same product? "

"Would you be able to experiment different pricing?"

Current pricing decisions

"What are the key factors that influence your pricing decisions on a day-to-day basis?"

"How do market dynamics and competitor pricing influence your pricing strategy?"

"Did you implement your pricing based on collecting a portion of the value you give to your customers? Would it be easy to implement?"

"How do you communicate the value proposition of your products or services through your pricing?"

"Have there been instances where you adjusted your pricing to better reflect the value perceived by your customers?"

"How sensitive are your customers to price changes? Can you share any experiences where a price change significantly impacted customer behavior?"

"What role does customer feedback play in shaping your pricing strategy?"

"How frequently do you review and adjust your pricing? What metrics or indicators prompt a pricing review?"

Section 3: Lean Pricing Strategy

"How familiar are you with the Lean Pricing strategy? Could you define it?"

Customer Value Perception:

"Can you describe how your pricing reflects the perceived value of your products or services by your customers?"

"Can you explain how you communicate the value of your product? "

"If we were a client, how would you approach us and give us your pricing?"

Pricing Adjustments and Market Response:

"Have you made any significant adjustments to your pricing strategy based on market feedback? What was the impact?"

Section 4: Key Performance Indicators (KPIs)

Selection of KPIs:

"Which KPIs do you currently use in the company?"

"Do some of these KPIs help you drive your pricing strategy?"

Effectiveness of KPIs:

"How effective have these KPIs been in providing insights into your business performance and pricing strategy?"

Challenges with KPIs:

"What challenges have you faced in defining or using KPIs effectively?"

Section 6: Future Perspectives

Future Pricing Strategies:

"Looking forward, how do you anticipate your pricing strategy will evolve?"

"has your pricing the capability to evolve through time?"

Advice for Other Startups:

"What advice would you give to other startups considering implementing a lean pricing strategy?"

Section 7: Closing

Additional Insights:

"Is there anything else you would like to add that we haven't covered, but you feel is important to understanding pricing strategies in startups?"

Thank You and Next Steps:

"Thank you for your time and insights. We will be processing the information and may reach back out for clarifications. Meanwhile, would you like to receive a copy of the research findings once the study is complete?"

6.10 Appendix N°10: Interview of Mister Pol. D– Solarcleano (Scale-up)

Interview transcription

This retranscription has been made based on notes taken during the interview with the interviewee

Due to the time limit, all questions could not be answered during the interview.

Company name: Solarcleano
Contact: Pol Duthoit
Phone: +32 477 18 12 12
Email: N/A
Sector: Solar - Robotic

Section 1: Introduction

Brief introduction of the purpose of the interview:

Thank you for participating in this study. The purpose of this interview is to review and understand your current pricing strategy. Following this interview, an analysis will be conducted to highlight the feasibility regarding the implementation of lean pricing strategy and possible points of optimization that can be applied to your current pricing strategy. Additionally, a thorough evaluation on specific Lean Pricing parameters will be lead. Finally, recommendations as well as the implementation of KPIs for constant monitoring and improvements will be put together."

Consent and confidentiality:

"This conversation will be recorded for analysis but will remain confidential. Any information you provide will be anonymized in the final thesis. Do you consent to this process?" Yes

Section 2: Startup Overview

Company Background:

"Could you briefly describe your startup, the context and the sector to which it belongs to. Explain your main products or services and the current stage of your business?"

I founded a solar panel cleaning company, Voltanet, in 2010. During 4 years we cleaned manually all kind of installations and it was a hard work. So in 2013 I decided to create a rotating brush which helped a lot but was still manual. Simultaneously I heard about a solar cleaning robot in France, went to see a demonstration and bought it. It was a great improvement for the cleaning, but the robot was still in development and the Creator did not want to improve.

The next step was to create my own robot. In 2017 I hired an Engineer to design a cleaning robot for rooftop, named the F1.

We presented it at the biggest solar event in Europe, Intersolar Munich in June, same year where a Swiss robot was also presented. We decided to fix the price to 20k. The interest was immediate, and we noticed two german competitors.

The business modele is based on a downpayment of 50% as sales order and the 50 other procent before delivery.

The success was immediate and we deliver our first F1 in January 2018, selling 25 units for the first year. Our robots are now used in more than 80 countries over the world.

We are known as an innovative company in our sector with 3 different robots sold, 2 coming in 2024 and 2 in 2025 with also the addition of a new business model to rent some of them and give some service to the O&M companies about the predictive maintenance.

Initial Pricing Decisions:

"What were the key factors that influenced your initial pricing strategy?"

There are different factors:

Competitors at the Intersolar Fair in 2017

We wanted to take the biggest part of the market as quickly as possible

Inflation in beginning 2022

We adapt the pricing in function of the countries as the value perceived could be higher.

"Can you walk us through the process of how you decided on your current pricing model? What other models did you consider?"

At the beginning of the 3 days of Intersolar 2017 we fixed the price to 20K; we noticed immediately that this price was really too low : the selling price or 3 competitors was between 45 and 85k. So every half day we increased our selling price up to 32k that seemed the best value for money for the last day.

"How does your pricing model align with your overall business strategy and customer acquisition goals?"

We can demonstrate to our prospects and customers that we have the best value for money. Nevertheless in function of the countries we decide if we adapt or not our discount in function of some criterias such as :

Open a new market (the first in the market take the main part)

Manpower costs (has an impact on the decision making to buy a robot or to clean manually)

Level of way of life (if the robot is too expensive they could not get their money back)

"Are there specific features or services that are priced differently to highlight their unique value?"

We have a lot of options to increase the value of our robots such as :

Camera
LEDs
Different kind of brushes
Sensors
Customer's logo on the cover
Scanner
Current pricing decisions

"What are the key factors that influence your pricing decisions on a day-to-day basis?"

A fight against a competitor in some countries

"How do market dynamics and competitor pricing influence your pricing strategy?"

The market is dynamic, with a growth of 30%/year. Our goal is to take the maximum of the market; in some of them with more competition such as Germany and Turkey the sales team is allowed to increase the discount to sell to annoy our competitor. Why : because we are the only one to sell everywhere in the world and at the same price. This advantage give us an excellent ROI to allow to decrease our price in those 2 countries to decrease the benefits of our 3 competitors meanwhile we get our maximum price in all the other countries.

The exception is in France where we are really the reference, and we nearly don't need to discount to get the order.

"How do you communicate the value proposition of your products or services through your pricing?"

3 different ways :

We present our robot in about 30 fairs/year

We organise at least 1 roadshow/month

We send offers

We begin with the top price of 35k and we decrease or not with a discount

"Have there been instances where you adjusted your pricing to better reflect the value perceived by your customers?"

No

"Do you consider the value that you bring to customers into the pricing of your product? Can you easily measure the value brought to your customer thanks to this price?"

Yes : if they have the business, the F1 for instance is paid in 6 months

"How sensitive are your customers to price changes? Can you share any experiences where a price change significantly impacted customer behaviour?"

No. We kept the same price since 2017 to 2022 when we increased from 32 to 35k because of the inflation but nobody complains.

"What role does customer feedback play in shaping your pricing strategy?"

They play their role asking offer from our competitors and comparing the prices

"How frequently do you review and adjust your pricing? What metrics or indicators prompt a pricing review?"

Just once in 2022 because of inflation. Thanks to our competitive advantage in terms of awareness, reputation and technological advantgage, we could increase our selling price without any problem.

"Can you describe a scenario where you had to pivot or significantly change your pricing strategy in response to external factors or internal goals?

The case appeared when we decided to work with "Agents" in different countries to help our growth in some specific countries such as USA, Turkey or Singapour for the South Asia. We had some meetings to define a clear strategy about the discount and advantages we give to our Agents.

Section 3: Lean Pricing Strategy

"How familiar are you with the Lean Pricing strategy?" Not familiar

"How do you define lean pricing within your organization? What steps did you take to implement this strategy?"

Customer Value Perception:

"Can you describe how your pricing reflects the perceived value of your products or services by your customers?"

Our customers agrees that we have the best fair value for our products, even if they ask for discount. Most of them buy another one when they need.

For the coming B1A for instance it's more complicated because we'll rent it on a long term, between 5 and 25 years.

We have 2 different solutions :

We rent in function of the added value of the cleaning, divided for instance the gain in 60% for the customer and 40% for us. This solution give some advantage for the customer who has no CAPEX but just OPEX and for Solarcleano we increase our revenues

The second possibility is to rent to a define price in function of the sqm to clean and the frequency (once per week, month,…)

"Can you explain how you communicate the value of your product? "

For our F1 we communicate that it's the best seller in his market with a great and quick ROI, many options available with 80% of the market; the customer is reassure about the quality of the product

"If we were a client, how would you approach us and give us your pricing?"

Pricing Adjustments and Market Response:

"Have you made any significant adjustments to your pricing strategy based on market feedback? What was the impact?"

At the fair in 2017. We never change because of the market

Section 4: Key Performance Indicators (KPIs)

Selection of KPIs:

"Which KPIs do you currently have in the company?"

Increase of followers on all the social networks, numbers of visitors on website, number of leads coming from phone and website, 4 different satisfaction inquiries (yearly customer, delivery, one month after delivery, internal & external training)

"Do some of these KPIs help you drive your pricing strategy?" No

Effectiveness of KPIs:

"How effective have these KPIs been in providing insights into your business performance and pricing strategy?" None

Challenges with KPIs:

"What challenges have you faced in defining or using KPIs effectively?"

It's challenging to define SMART KPIs for each of our business units, to follow them from trimester to yearly base, after to take conclusions and at the end of the process to make an Action Plan based on these results. But we improve every year and some of them are easier to use and understand than some others.

Section 5: Lean Pricing Outcomes

Impact on Business Performance:

"How has the lean pricing approach impacted your business performance, especially in terms of profitability and growth?" None

Lessons Learned and Adjustments:

"What lessons have you learned from implementing lean pricing, and what adjustments, if any, have you considered necessary?" Read section 3.A on the B1

Section 6: Future Perspectives

Future Pricing Strategies:

"Looking forward, how do you anticipate your pricing strategy will evolve? Are there any trends or external factors you expect to influence your decision?"

Yes for sure there are many factors influencing the pricing strategy for the existing and new products :

Cost price (material+manpower)
Inflation
Competition
Market shares
Profit share for B1
Electrical prices
Manpower cost
Standard of living

Advice for Other Startups:

"What advice would you give to other startups considering implementing a lean pricing strategy?"

If you have the idea just do it and go

Section 7: Closing

Additional Insights:

"Is there anything else you would like to add that we haven't covered, but you feel is important to understanding pricing strategies in startups?"

Thank You and Next Steps:

"Thank you for your time and insights. We will be processing the information and may reach back out for clarifications. Meanwhile, would you like to receive a copy of the research findings once the study is complete?"

6.11 Appendix N°11 Interview of Mister Jabo. M - Little Green Box (Scale-up)

Interview transcription

This retranscription has been made based on notes taken during the interview with the interviewee

Due to the time limit, all questions could not be answered during the interview.

Company name: Little Green Box
Contact: Monsieur Jabo
Phone: +32 478 73 29 53
Email: N/A
Sector: Agro-Alimentaire

Section 1: Introduction

Brief introduction of the purpose of the interview:

Thank you for participating in this study. The purpose of this interview is to review and understand your current pricing strategy. Following this interview, an analysis will be conducted to highlight the feasibility regarding the implementation of lean pricing strategy and possible points of optimization that can be applied to your current pricing strategy. Additionally, a thorough evaluation on specific Lean Pricing parameters will be lead. Finally, recommendations as well as the implementation of KPIs for constant monitoring and improvements will be put together."

Consent and confidentiality:

"This conversation will be recorded for analysis but will remain confidential. Any information you provide will be anonymized in the final thesis. Do you consent to this process?"

Section 2: Startup Overview

Company Background:

"Could you briefly describe your startup, the context and the sector to which it belongs to. Explain your main products or services and the current stage of your business?"

<u>Initial Pricing Decisions:</u>

"What were the key factors that influenced your initial pricing strategy?"

Quand je suis arrivé, nous avons d'abord subi les prix. Sachant que nous les avons d'abord diminués par rapport aux concurrents, ensuite nous avons créé un benchmark par rapport aux concurrents. Pour acquérir les clients, on a fait un bon service client et pour être plus compétitif, pour faire de la rétention de client et offre pour abonné et tournant via cette offre-là.

Ensuite, il y a eu la possibilité d'avoir un abonnement automatique sur la plateforme. Cette idée nous a permis de beaucoup augmenter les ventes.

But, avoir minimum un certain nombre de box niveau valeur ajouté

"Can you walk us through the process of how you decided on your current pricing model? What other models did you consider?"

Comme expliqué auparavant, nous avons beaucoup basé notre produit sur les coûts des producteurs. Comme nous sommes certifié Bio, les prix sont plus élevé ce qui affecte nos marges. Un autre facteurs sont les recettes. Si une recette est plus couteuse, on fait gaffe. Pas le prix de vente client des magasins, les recettes aussi.

"How does your pricing model align with your overall business strategy and customer acquisition goals?

Notre stratégie est de trouvé de la fidélité chez nos clients, lancer une gamme spécifique avec par exemple la chef box qui augmente la valauer ajouté et par cela notre prix et marges pour apporter une nouvelle expérience sur le marché. Nos compétiteurs ont suivi par après.

Nous n'avons pas renouvelé l'expérience car au niveau opérationnel c'était difficile, mais cette offre étaient très attractive pour le client par rapport à la valeur perçue.

Niveau organisationnel interne pas pu relancer la machine. Augmentation prix, pas de baisse de commande.

Différence de pricing, l'une des choses qui manquaient pour le haut de gamme, c'est qu'il faut préparer, faire de la cuisine. Mettre en place une cuisine, ou on commande et on peut mettre des valeurs. Que ce soit facile. Recette simple.

Légèrement plus cher que le marché, mais pas évident.

"Are there specific features or services that are priced differently to highlight their unique value?"

Il y a la Box du chef et nous faisons également les Box pour noël. Elles permettent un ajout de valeur et pour noël les personnes cherchent a faire un repas un peu plus spéciale.

"Has your pricing evolved through time? Did you experiment different pricing types for the same product? "

On teste beaucoup de différents produits, mais nous ne travaillons pas tellement sur les prix différents.

"Would you be able to experiment different pricing?"

Oui, ce ne serait pas un soucis en soi, comme quand je suis arrivé, nous avons fait pas mal de changements.

Current pricing decisions:

"What are the key factors that influence your pricing decisions on a day-to-day basis?"

Conccurence, marge, le produit donc la valeur pour le client.

"How do market dynamics and competitor pricing influence your pricing strategy?"

N/A

"Did you implement your pricing based on collecting a part the value you give to your customers? Would it be easy to implement?"

"How do you communicate the value proposition of your products or services through your pricing?"

Un univers sur la préparation, exclusif, édition limitée, couleur sombre, page spécifique pour la boxe du chef.

"Have there been instances where you adjusted your pricing to better reflect the value perceived by your customers?"

Non

"How sensitive are your customers to price changes? Can you share any experiences where a price change significantly impacted customer behavior?"

N/A

"What role does customer feedback play in shaping your pricing strategy?"

Nous envoyons des enquêtes de satisfaction que nous checkons régulièrement. C'est ce qui nous a permis de nous rendre compte que la boxe du chef fonctionnait bien et que les clients en étaient très content.

"How frequently do you review and adjust your pricing? What metrics or indicators prompt a pricing review?"

Nous ne le revoyons quasiment jamais

Section 3: Lean Pricing Strategy

"How familiar are you with the Lean Pricing strategy? Could you define it?"

Je connais un peu le lean startup, mais pas le lean pricing.

<u>Customer Value Perception:</u>

"Can you describe how your pricing reflects the perceived value of your products or services by your customers?"

N/A

"Can you explain how you communicate the value of your product? "

N/A

"If we were a client, how would you approach us and give us your pricing?"

N/A

Pricing Adjustments and Market Response:

"Have you made any significant adjustments to your pricing strategy based on market feedback? What was the impact?"

Section 4: Key Performance Indicators (KPIs)

Selection of KPIs:

"Which KPIs do you currently use in the company?"

Taux de conversion, revenue par euros dépenser, audience du site.

"Do some of these KPIs help you drive your pricing strategy?"

Principalement le cout.

Effectiveness of KPIs:

"How effective have these KPIs been in providing insights into your business performance and pricing strategy?"

Un peu au niveau marketing

Challenges with KPIs:

"What challenges have you faced in defining or using KPIs effectively?"

N/A

Section 6: Future Perspectives

Future Pricing Strategies:

"Looking forward, how do you anticipate your pricing strategy will evolve?"

N/A

"has your pricing the capability to evolve through time?"

N/A

Advice for Other Startups:

"What advice would you give to other startups considering implementing a lean pricing strategy?"

N/A

Section 7: Closing

Additional Insights:

"Is there anything else you would like to add that we haven't covered, but you feel is important to understanding pricing strategies in startups?"

N/A

Thank You and Next Steps:

"Thank you for your time and insights. We will be processing the information and may reach back out for clarifications. Meanwhile, would you like to receive a copy of the research findings once the study is complete?"

N/A

6.12 Appendix N°12: Interview of Mister Philipp. G - Wilson & Oskar (Startup)

Interview transcription

This retranscription has been made based on notes taken with the interviewee

Due to the time limit, all questions could not be answered during the interview.

Company name: Wilson & Oskar
Contact: Philipp Güth
Phone: N/A
Email: philipp@wilsonandoskar.com
Sector: Food, Logistics, brand.

Section 1: Introduction

Brief introduction of the purpose of the interview:

Thank you for participating in this study. The purpose of this interview is to review and understand your current pricing strategy. Following this interview, an analysis will be conducted to highlight the feasibility regarding the implementation of lean pricing strategy and possible points of optimization that can be applied to your current pricing strategy. Additionally, a thorough evaluation on specific Lean Pricing parameters will be lead. Finally, recommendations as well as the implementation of KPIs for constant monitoring and improvements will be put together."

Consent and confidentiality:

"This conversation will be recorded for analysis but will remain confidential. Any information you provide will be anonymized in the final thesis. Do you consent to this process?"

Yes, everything said are on social media so you can use everything as you wish.

Section 2: Startup Overview

Company Background:

"Could you briefly describe your startup, the context and the sector to which it belongs to. Explain your main products or services and the current stage of your business?"

Helps company make their employees be more proactive, enhancing the team spirit and the cultur of the the company. By helping companies create identity with goodies, and appreciation by sending gift for birthday and other events to employees.

Some products are produced, some others are bought.

Initial Pricing Decisions:

"What were the key factors that influenced your initial pricing strategy?"

Branding strategy:

Don't put a price to high because you need to find customers so, we started with a low pricing and then raised the price quickly.

Start with low price with the first 5 customers then increase until people don't buy anymore 5 by 5 for example.

Some cases prices are lower than competitors but higher service event though lower price.

Optimise on shipping side. Go for effectiveness.

the purpose is to set a pricing first enabling to attract customers. Therefore, Startups often just try to sell their products to get some tractions from the market.

"Can you walk us through the process of how you decided on your current pricing model? What other models did you consider?"

Went for a strategy with high price point and no one purchase it because premium.

First understand whether there is value for the customer and then increase.

"How does your pricing model align with your overall business strategy and customer acquisition goals?"

The priceAligns with the customer strategy paid and earn media are expensive, therefore we practice owned media which is cheaper but therefore we need customers. So we also need retention. In the company the customer retention is of roughly 50%.

Being in the interaction with the customer is more important than the KPIs.

Base on customer interactions is more important. In B2C context, harder to implement.

For standardize products, need some qualitative calls, more interactions.

"Are there specific features or services that are priced differently to highlight their unique value?"

Premium services, the more you personalise, the more it would be premium. The prices are based on cost because of the other companies. Therefore we made a benchmark. For margin, it is based on industry standards.

Optimise suppliers to optimise price, by having better conditions → impact on pricing.

In short, we compete on price by optimizing supply chain enabling to sometime have a higher perceived value than competitors but lower prices.

"Has your pricing evolved through time? Did you experiment different pricing types for the same product? "

"Would you be able to experiment different pricing?"

Current pricing decisions

"What are the key factors that influence your pricing decisions on a day-to-day basis?"

Standardise the pricings for the sales.

We communicate on the content of the packaging themselves, compared to competitors. We also provide services, such as branding, personalization for the companies.

"How do market dynamics and competitor pricing influence your pricing strategy?"

"Did you implement your pricing based on collecting a part the value you give to your customers? Would it be easy to implement?"

N/A

"How do you communicate the value proposition of your products or services through your pricing?"

-We mainly state it as a problem. We do everything from the issue, so service

-Our persona, is multi-faceted, so difficult to target it can basically be anyone in a company form any sector, any gender and so on. Therefore we stopped doing the segmentation.

-Speak about the problem in the email to cover the problem clients could have.

We decided to invert from traditional methodologies regarding the contact with the customer. First we have a personal contact with the companies, the they face the chatbot.

"Have there been instances where you adjusted your pricing to better reflect the value perceived by your customers?"

N/A

"How sensitive are your customers to price changes? Can you share any experiences where a price change significantly impacted customer behavior?"

N/A

"What role does customer feedback play in shaping your pricing strategy?"

"How frequently do you review and adjust your pricing? What metrics or indicators prompt a pricing review?"

Section 3: Lean Pricing Strategy

"How familiar are you with the Lean Pricing strategy? Could you define it?"

I know well the lean startups and therefore probably understand the main idea of the lean pricing.

<u>Customer Value Perception:</u>

"Can you describe how your pricing reflects the perceived value of your products or services by your customers?"

N/A

"Can you explain how you communicate the value of your product? "

N/A

"If we were a client, how would you approach us and give us your pricing?"

N/A

Pricing Adjustments and Market Response:

"Have you made any significant adjustments to your pricing strategy based on market feedback? What was the impact?"

When we change the price, we use the qualitive feedback through the calls. We ask a certain number of questions to feel the customer feelings. It is more interesting for us than KPIs. Because understanding what's behind the KPI is not evident.

Section 4: Key Performance Indicators (KPIs)

monitoring a Startup with KPIs is not a good idea. We only ask feedbacks from the customers and I wouldn't recommend Startups to implement KPIs to drive their companies as you cannot understand the why behind a decreasing trend of your KPI.

Selection of KPIs:

We use some metrics but we don't use KPIs.

"Which KPIs do you currently use in the company?"

N/A

"Do some of these KPIs help you drive your pricing strategy?"

N/A

Effectiveness of KPIs:

"How effective have these KPIs been in providing insights into your business performance and pricing strategy?"

We have no KPIs for the sales team because when you introduce them, secondary effect. The team don’t prioritize the call with the client as an example because they must reach the target.

Challenges with KPIs:

"What challenges have you faced in defining or using KPIs effectively?"

N/A

Section 6: Future Perspectives

Future Pricing Strategies:

"Looking forward, how do you anticipate your pricing strategy will evolve?"

N/A

"Has your pricing the capability to evolve through time?"

N/A

Advice for Other Startups:

"What advice would you give to other startups considering implementing a lean pricing strategy?"

N/A

Section 7: Closing

Additional Insights:

"Is there anything else you would like to add that we haven't covered, but you feel is important to understanding pricing strategies in startups?"

N/A

Thank You and Next Steps:

"Thank you for your time and insights. We will be processing the information and may reach back out for clarifications. Meanwhile, would you like to receive a copy of the research findings once the study is complete?"

N/A

6.13 Appendix N°13: Interview of Mister Louis. D – Heliotech (Startup)

Interview transcription

This retranscription has been made based on the recording of the interviewee.

Due to the time limit, all questions could not be answered during the interview.

Company name: Heliotech
Contact: Louis Dubucq
Phone: N/A
Email: lou.dubucq@gmail.com
Sector: Solar

Interviewé : Je commence par une bref introduction de ma boîte?

Terence : Est-ce que tu peux décrire un peu la Startup, le secteur, etc.? Et est-ce que c'est plutôt un produit ou un service que vous avez?

Interviewé : Nous, on est une Startup qui installe des panneaux photovoltaïques. On est plutôt concentré sur le B2B, donc on ne va pas installer des panneaux pour des résidentielles, des petites installations de panneaux. On fait plutôt des plus gros projets, de 250 kilos Créto, ce qui fait genre plus ou moins 500 panneaux. Et donc, pour ça, on a deux moyens, disons, financiers. On travaille soit via un partenaire, qui s'appelle Pearson. Donc, eux, ils détiennent en partie notre société, c'est comme ça qu'elle a été crééee. Et donc, c'est une société de télé investissement. Donc, ce qui se passe, c'est qu'ils s'occupent de faire un peu le démarchage des clients. Une fois qu'ils trouvent un client, imaginons le patron de l'aise qui veut installer 1 000 panneaux sur leur toit, ils étudient le... Enfin, ils leur font une offre. Et une fois que l'offre est signée avec ce client-là, ils nous envoient le projet et c'est à nous de le gérer. Donc, on fait tout ce qui est gestion de projet, c'est-à-dire tout ce qui est dimensionnement, etc. La fourniture de toutes les pièces, panneaux, ondulés, etc. Et puis, on gère la construction. Donc, pour ça, on sous-traite l'installation. Et donc, on doit quand même lancer les hommes pour expliquer comment fonctionnent les projets, assurer le suivi, etc. Donc, ça, c'est le premier moyen. Et donc, eux, le téléinvestissement, j'imagine que tu sais ce que c'est. Eux, ce qu'ils font, c'est qu'ils s'occupent de tous les frais d'investissement et d'opération. Donc, la société qui va installer des panneaux, comme Delès, par exemple, ils dépensent 0 €. Et ensuite, Skyson, la société partenaire qui fait le téléinvestissement, ils revendent l'énergie à Delès à un prix moins cher que le fournisseur. Par exemple, LG, tu vois. Et donc, c'est un peu win-win parce que Skyson, eux, ils gagnent, ils envoient leur énergie. Et le Delès, ils déboursent 0 € pour avoir 500 poissons sur leur toit, tu vois. Parce qu'il faut savoir que des offres comme ça, ça se chiffre en plusieurs dizaines de milliers d'euros. Et donc, une industrie qui va installer des panneaux, elle n'a pas toujours envie d'investir autant de thunes dans les panneaux alors qu'ils pourraient profiter d'énergies moins chères et décarbonées. Soit parce qu'ils veulent utiliser ça pour investir dans d'autres départements de leur boîte, soit juste parce qu'ils n'ont pas le cash pour le faire, quoi. Ok. Donc, ça, c'est un premier moyen. Soit le deuxième moyen, le client passe directement par nous. Donc, imagine que Delès dit « Nous, on a assez de fonds propres. On a 100 000 balles à dépenser dans les panneaux. » Il passe directement par nous. Donc, sans intérêt d'investissement, on leur fait une offre en dimension de projet et tout. Et puis, ils payent en fonds propres, quoi. Ok. Donc, ça, c'est un peu ce qu'on fait. Donc, on fait du B2B, ce qu'on appelle du EBC. Donc, c'est Engineering, Procurement et Construction. Ok. Voilà un peu comment on est organisé.

Terence : Et ça fait combien de temps que la startup existe ?»

Interviewé : Elle a été créée il y a un an maintenant. Donc, ils ont créé ça à deux fondateurs. Ils ont mis une partie des actions et l'autre moitié dans la société d'investissement Skyson. Et puis, moi, je les ai rejoints début avril. Donc là, on est trois. Je suis arrivé comme premier employé.

Terence : Oui, j'ai vu sur LinkedIn que tu étais arrivé il n'y a pas si longtemps. Vous êtes trois

Interviewé : Très bien. Donc, la question suivante, c'est quels sont les facteurs qui ont influencé votre stratégie de pricing initiale ?

En fait, nous, comme on ne vend pas un produit, notre projet de pricing, ce qu'on fait, c'est que pour créer une offre, on a un fournisseur qui offre des prix pour nos panneaux, par exemple.

Si on sait qu'il nous faut 500 panneaux, on sait que ça va nous coûter X.

Et donc, en créant l'offre, on a tous ces postes où on a des coûts. Donc, la main-d'œuvre est férable. Ça, c'est des prix qui sont donnés par les fournisseurs et les sous-traitants.

Et nous, à partir de là, on applique une marge. Soit, via Skyson, on a un deal avec eux où on a une marge fixe. Et s'ils sont en fonds propres, sans passer par Skyson, alors nous, on n'applique qu'une marge pour s'aligner au prix du marché

Terence : OK. Et la marge, comment est-ce que vous l'avez calculée ?

Interviewé : La marge Skyson, c'est fait avec des négociations entre ceux qui ont fondé Skyson et ceux qui ont fondé ma Startup. Et nous, comment on la fixe ? On sait qu'on a, en fait, pour le secteur photovoltaïque, il y a un prix du marché par Watt grade qui est environ 1,30 € le Watt grade. Donc, si tu veux installer des panneaux, si tu veux installer un kilo Watt grade, tu sais que tu fais 1 000 fois 1,30 €. Ça, c'est le prix qui est facturé. Et nous, en sachant ça, une fois qu'on a notre offre, on voit notre prix au Watt grade et on applique la marge pour être plus ou moins aligné à ce prix-là.

Souvent, on se met un peu en dessous pour avoir l'offre. Et voilà.

Terence : Ok. Très bien. Ça, je comprends. Alors, est-ce qu'il y a une autre question intéressante par rapport au prix ? Tac, tac, tac, tac, tac. Tac. Est-ce que tu sais s'il y a des facteurs qui influencent vos décisions de prix au jour le jour?

Interviewé : Au jour le jour, non. Il y a le marché des panneaux qui est des panneaux qui peut évoluer. Il évolue pas au jour le jour. C'est pas si relatif que ça. Même si là, ça a bien diminué, ça ne change pas tant que ça non plus. Et en fait, nous, ce qu'on fait, c'est qu'on a plusieurs fournisseurs qui vendent les mêmes produits avec qui on a des beaux contacts. Et, ben, imaginons qu'on a un projet, on veut… Enfin, imaginons qu'annuellement, on a 25 entendus l'heure sous, je sais pas, 3000 panneaux. Le gars va nous dire « Moi, je vous fais les panneaux à ce prix-là » parce qu'eux, ils ont envie qu'on achète chez eux aussi, tu vois. On fait ça avec nos trois fournisseurs, par exemple.

Ils vont nous donner les trois prix, les trois prix différents. Celui qui a le prix le plus cher, on lui dit « Ben, écoute, j'ai ton concurrent. On a un prix à ce prix-là. Soit tu t'alignes, soit on ne prend pas chez toi. »

Et donc, ça nous permet d'avoir ce pouvoir de négociation pour avoir les prix les moins chers. Et comme on a… Ben là, c'est encore le début. On a quand même beaucoup de projets assez gros. Du coup, on achète beaucoup. On a besoin de beaucoup de panneaux, de trucs. Et comme on a un gros volume, eux, c'est fort intéressant de marcher un peu au-dessus, de diminuer un peu leur prix pour qu'on commande chez eux.

Terence : Ok. Je vois. Je vois, je vois. Et donc, tu m'as dit que votre marge, vous vous alignez un peu en dessous des compétiteurs, c'est ça ?

Oui.

Donc, si on prend cette question. « Tiens, comment est-ce que les dynamiques de marché et le prix dans les compétiteurs influencent votre stratégie de pricing ? » Tu sais mieux répondre, brièvement ?

En fait, le prix du marché, tu vois, c'est quelque chose qui se fait un peu en parlant dans une relationschip ou en parlant un peu avec les clients. Et en fait, quand tu es dans le secteur, du coup, tu connais ce prix qui n'est pas vraiment un prix fixe. Tu vois, c'est un prix, un ordre de grandeur à garder en tête. Et du coup, quand je te dis qu'on met un peu moins, c'est vrai qu'on n'a pas vraiment une stratégie fixe et déterminée pour dire qu'on va mettre ce chiffre exact. C'est un peu la fausse louche en disant « Ok, ça, ça a l'air bien. » Et on met ça, quoi.

Est-ce que vous mettez votre proposition de valeur en avant et comment est-ce que vous la communiquez ? Est-ce que vous parlez Justin du coup ? Est-ce que vous dites Justin, voilà, on est moins cher que ce compétiteur, c'est pour ça que vous devez venir chez nous ? Ou est-ce que vous avez d'autres façons de communiquer et de mettre en avant votre valeur ajoutée sur le marché ?

Quand ça passe pour l'anti-investisseur, ce qu'est-ce que je te parlais avant, c'est eux qui s'occupent de la démarche commerciale et le projet nous vient automatiquement, mais presque. Donc nous, on n'a pas ce job-là de sales, tu vois, de vendre notre boîte et dire ok, on est mieux que les autres, donc ça c'est eux qui s'en chargent. Et Skelson, eux, ce qu'ils disent, enfin je ne travaille pas chez eux, mais du coup on a beaucoup de contact avec eux, ils ont la valeur, enfin là où ils se différencient des autres, c'est qu'ils ont un espace créatif, ce qui leur a permis d'avoir un certain projet, un peu le truc innovant de qui ça a jamais été fait et ça nous permet d'avoir des panneaux, d'avoir des installations. Par exemple, ils ont installé des panneaux sur le plateau d'Andralecte qui est un bâtiment classé, et donc a priori, tu te dis, tu vois, placer des panneaux sur un bâtiment classé, des bons bâtiments comme ça, tu te dis, je vais mettre des panneaux dessus, tu vois, t'as envie de garder le truc un peu historique. Et eux, ils sont arrivés avec une idée pour rendre l'installation plus esthétique, ce qui a permis que l'installation des panneaux sur ce toit-là soit validée par, je sais plus comment ça s'appelle, l'association des monuments belges, un truc comme ça. Donc, c'est typiquement ça, c'est une première valeur ajoutée. Aux Chevaux, c'est vrai que le terroriste, c'est pas nouveau, ils ont pas inventé la poudre, mais le fait d'être, de professionnaliser ce secteur-là et de travailler avec une société dont ils ont en partie fondé, qui va gérer leur projet, ça leur permet, tu vois, ils font des promesses à des clients en disant, OK, nous, on est une Startup qui se veut de contribuer à la transition énergétique, d'avoir des prix compétitifs, une garantie, etc. Ils font ces promesses-là et le fait d'avoir, comme Startup, cette installation sous la main, ça leur permet d'être sûrs que les promesses qu'ils font sont élivrées comme telles. C'est pour ça que notre boîte a été créée, en fait. Parce qu'avant, ils travaillaient avec des sous-traitants qui géraient leurs projets. Sauf que les gars, ils travaillaient jamais comme ils voulaient, donc ils faisaient des promesses et tout, mais au final, leur rendu n'était pas parfait, n'était pas assez professionnel ou pas exactement comme ils veulent. Et c'est comme ça que notre boîte s'est créée. **—**

Terence : OK. Très bien.

Interviewé : Je sais pas si ça répond bien à tes questions, mais...

Terence : Ça répond aux questions. C'est parfait. Concernant tout ce qui est feedback des consommateurs, est-ce que vous prenez ça en compte ?

Est-ce que... Tu sais si c'est vous qui gérez ça ?

Interviewé : Ouais, on prend ça en compte, évidemment. Dans les panneaux, t'as cet aspect de monitoring qui est important. Parce qu'une fois que tu produis... À Bruxelles, par exemple, il y a encore le certificat vert. Donc le client, il veut que ses panneaux produisent correctement pour avoir leur certificat vert. Et donc, si leur panneau produit pas parce qu'il y a des problèmes, eux, ils sont pas contents, quoi. Donc même si les panneaux sont installés et que le projet est fini, tu peux toujours avoir des interactions avec tes clients. Eux, ils vont te dire « OK, je vois sur mon application que je produis ça. Est-ce que c'est normal ? », etc. Et nous, on est hyper preneurs d'avoir des feedbacks parce qu'on est dans une optique de vouloir s'améliorer en continu et de perfectionner nos process, quoi.

Terence : Ouais, tout à fait.

Interviewé : Mais on ne récupère pas des feedbacks systématiquement, tu vois. On n'a pas un process qui dit « OK, en fin de projet, on vous demande d'office le feedback du client ». Ça se fait un peu plutôt s'ils ont un truc à nous dire ou si à la fin du projet, en discutant un peu, ils nous disent un truc, quoi, tu vois.

Terence : OK. Donc vous restez à l'écoute, mais vous n'avez pas systématiquement une approche pour récolter des feedbacks ?

Interviewé : Non, non, c'est ça.

Terence : Est-ce que vous avez des KPI ?

Interviewé : Non, rien du coup.

Terence : Vous n'avez pas de KPI en place pour monitorer tout ça ?

Interviewé : Non. Pas que je sache, en tout cas. Non, je ne crois pas. Après, je ne suis pas CEO non plus. Moi, je gère les projets, donc il y a peut-être des infos que je n'ai pas, mais je ne pense pas.

Terence : Ok, ok, ok. Mais donc je pense qu'on est pas mal par rapport à ça. J'essaie juste de voir s'il y a une autre question que je pourrais te poser. Tac, tac, tac. Le Lean Pricing, t'as jamais entendu ça ?

Interviewé : Non, non, j'ai pas encore entendu parler.

Terence : Ok. Est-ce que selon toi, il y a effectivement un focus qui se fait plus sur, tiens, le Product Development, etc., que sur le prix au sein de votre startup ? Donc on a plus un accent sur le développement du produit ? Le prix ? La promotion, etc., plutôt que sur l'aspect prix ?

Interviewé : Je pense que l'accent est plutôt sur le prix, dans le sens où le client, une fois qu'il a décidé de mettre des panneaux, qu'il fait appel à des boîtes pour le faire, ce qu'il regarde, honnêtement, c'est le prix. Souvent, c'est dur d'avoir une valeur ajoutée en plus. Nous, c'est un truc sur lequel on travaille. Typiquement, j'essaie de travailler moins avec des fournisseurs chinois et plutôt des fournisseurs européens. Parce que, éthiquement, nous, on est une boîte qui veut contribuer à la transition énergétique, et donc on veut concilier nos convictions avec nos actions. Et donc, à tout point de vue, éthiquement, etc., c'est mieux de travailler avec des fournisseurs européens. Et pour le marketing, c'est un truc en plus. Quand tu peux le vendre, tu dis, ok, nous, on travaille avec des produits européens, c'est plus responsable, socialement, etc. Sauf que, les prix de Chine sont beaucoup... C'est vraiment pas cher. Ils sont beaucoup moins chers qu'en Europe, en fait. Donc, si tu proposes des produits avec des prix européens, ben, t'as juste pas ton offre, quoi. Enfin, le client valide pas ton offre, il va acheter chez le voisin, quoi. Donc, t'as quand même plus une composante de prix plutôt que du produit... En lui-même.

Terence : Est-ce que, selon toi, votre stratégie de pricing va évoluer avec le temps, ou ça va rester relativement la même chose ?

Interviewé : Je pense que ça va rester relativement la même chose. Avec Skyson, c'est un peu fixe. Et sans Skyson, non, je pense qu'on va pas très évoluer. Est-ce qu'il y a autre chose ? Terence : Non. Est-ce qu'il y a, selon toi, quelque chose qu'on n'a pas couvert et qui serait intéressant à en dire par rapport à votre stratégie de pricing ?

Interviewé : Non, je pense qu'on a couvert ce qu'il fallait.

Terence : Ok, très bien. Maintenant, si tu le veux bien, est-ce qu'on peut passer ensemble, juste en revue, tous ces KPIs et voir si, selon toi, il y aurait une utilité pour votre startup et si, selon toi, l'implémenter serait faisable ? T'arrives à bien lire ou tu veux que je zoome plus ?

Interviewé : Je veux que tu zoomes un peu.

Mais donc, j'imagine que tu vas me parler du Lean Pricing après ?

Terence : Ouais, ça vient ensuite.

Interviewé : Est-ce que votre stratégie peut s'appliquer à une boîte comme la nôtre où on parle un produit,

Terence : ça va ? Tu vois ? En fait, vous êtes entre le produit et le service.

Interviewé : Ouais, ça va.

Terence : Donc, c'est ça que c'est compliqué et c'est ce qu'on essaie aussi de comprendre avec ces interviews. Et ça, il va falloir que je repasse l'interview et que j'essaie vraiment de comprendre et me poser par rapport à ça et me demander si c'est faisable. Et je te dirai par la suite. Mais a priori, oui, ça devrait être faisable pour tout le monde. Parce que vous avez des coûts de production pour tout le monde, des frais de maintenance entre guillemets. Ouais, ouais. Vous avez des compétiteurs à analyser. Vous avez des tendances qui sont changeantes aussi. Il faut intégrer les préférences des consommateurs. Dans ce que tu me décris, c'est plus le côté pricing qui est important pour les consommateurs. Donc, de ce que tu me dis, je te dirai oui pour le moment, mais à voir.

Pour l'aspect marketing, le coût d'acquisition d'un consommateur, ce n'est pas vous qui gérez, je pense, ou c'est vous qui gérez?

Interviewé : De quoi parle-t-on par coût d'acquisition?

Terence : Quand vous allez démarcher des consommateurs, des clients, il y a un coût marketing pour aller voir le client, etc., et lui expliquer votre service, entre guillemets. Donc ça, ça va être le coût d'acquisition.

Interviewé : Non, non, on n'a pas ça.

Terence : Tout ça, je vais passer. Un KPI qui jauge l'augmentation des ventes, ça vous l'avez?

Interviewé : Les KPIs qui sont définis, je ne les connais pas, je ne m'occupe pas non plus de l'admin et de la finance de la boîte.

Terence : Mais selon toi, ce serait intéressant, ce serait faisable.

Interviewé : Évidemment qu'on monite l'augmentation des revenus parce que dans la vision de la boîte dans les 5 prochaines années qui étaient définies, je ne sais plus les chiffres, mais quand je suis rentré, on m'a montré les slides, etc., et je me suis dit qu'en 2025, on devrait avoir X de chiffre d'affaires, X employés, et c'est comme ça qu'on se voit évoluer. Donc c'est sûr qu'on garde à ça.

Terence : Ok. Tout ce qui est rétention du client aussi?

Interviewé : Dans quel sens? Dans quoi parler?

Terence : C'est décrit juste ici.

Interviewé : Non, on ne fait pas, mais une fois qu'un client a ces panneaux, il ne va jamais les réinstaller, à priori. Ce n'est pas comme quelqu'un qui vendrait un livre ou des smartphones, où un jour tu vas acheter tout un smartphone dans la même boîte. Vous n'avez pas besoin de retenir le client parce que s'il passe à la chaîne fois, il ne devra plus normalement dans sa vie.

Terence : Je pense qu'on a fini. Ça, c'est des questions qu'on a développées aussi avec les KPI, mais vu que tu ne gères pas les KPI, ce n'est pas très relevant pour toi. Mais donc c'est de se dire, tiens, à chaque fois qu'il y a une variation dans un de ces KPI, pour aider entre guillemets la Startup à savoir, tiens, qu'est-ce qui se passe? On a développé des petites questions en se demandant, tiens, mais ça, ça bouge?

Si ça, c'est une variation. Tu m'entends?

En fait, pour aider à gérer la variation des KPI, parce que généralement, dans les Startup, on prend des KPI, mais ce qui est compliqué, c'est de comprendre vraiment la variation qu'il y a derrière. Donc, on essaie de développer des questions qui permettent de se poser des questions quand il y a une variation et de se dire, OK, par exemple, si mes sales diminuent, est-ce que ce serait parce qu'un nouveau compétiteur est rentré dans le marché et du coup,il met des prix en dessous des nôtres et du coup, il capture une partie de nos clients?

Est-ce que c'est notre stratégie de pricing qui n'est pas bonne ?

Donc, en fait, on a développé ça. C'est intéressant selon toi? En fait, c'est de l'aide à monitorer la variation.

Interviewé : Je ne sais pas, c'est difficile à dire.

Ça peut être intéressant dans le sens où, par exemple, en 2013, en Wallonie, avant 2013, il y avait les certificats verts, du coup, tout le monde a voulu installer des panneaux parce que c'était hyper rentable. Et en fait, le gouvernement Wallonie, ils ont vu que ça leur coûtait, enfin, que c'était un peu trop abusé, tu vois? Du coup, ils ont dit OK, non, on arrête les certificats verts en 2013. Et là, les gens, ils ont, tous les clients, tous ceux qui veulent installer des panneaux solaires, ils ont perdu confiance au marché. Et du coup, on est passé d'un moment où il y avait plein de boîtes.

Discussion hors sujet et de tactics

Les chats sont créés grâce à des panneaux, parce qu'il y avait une énorme demande. À un moment où la demande et la confiance au marché a diminué, de coup il y a plein de boîtes qui sont écroulées. Et donc le fait de, par exemple, diminuer tes revenus ou quoi, ça peut toujours être intéressant de voir d'où ça vient. Est-ce que ça vient d'un marché qui évolue, ou de toi, le service que tu rends n'est pas assez bon ?

Terence : Oui, c'est ça.

En fait, c'est aider à se poser les bonnes questions quand il y a une variation, en fait. Donc c'est juste une petite aide, quoi.

Je pense qu'on a fini, alors.

Interviewé : Pardon ?

Terence : Hallo?.

Interviewé : Est-ce que tu as d'autres questions pour moi ?

Terence : Non, a priori, non.

Interviewé : Je veux bien que tu expliques, du coup, la stratégie du Lean Pricing, un peu comment ça marche.

Terence : Donc, simplement, l'idée derrière, c'est l'aspect Lean, c'est l'aspect expérimenté, c'est l'aspect mettre en avant plutôt la valeur ajoutée du produit ou service plutôt que le prix.

Maintenant, de ce que je comprends pour votre business, c'est plus le côté prix qui est important. Donc c'est compliqué de se focus sur plutôt la valeur ajoutée, même s'il y a des pistes d'idées, et tu me l'as dit. Mais donc, l'idée du Lean Pricing, c'est d'abord transitionner vers ce focus sur la valeur ajoutée. Ensuite, ça va être d'analyser le marché et la compétition, qu'est-ce qu'ils font, etc. Parce que, comme tu l'as dit, tiens, votre prix, il va dépendre aussi de ce que le compétiteur fait. Ensuite, l'idée, c'est d'établir les coûts de structure. Le minimum coût de structure viable pour continuer à runner votre business, ça, ça va être les frais d'opération, etc. Et ensuite, il faut essayer de trouver, entre ce minimum viable et ce maximum, là où votre client est prêt à payer.

Interviewé : Ouais, ok.

Terence : Mais donc, pour faire ça, entre guillemets, il n'y a pas de secret, et c'est ce qu'on met, c'est qu'il faut définir un prix, il faut en fait placer un prix. Et l'idée, c'est de placer un prix qui se trouve entre ces deux frontières, mais qui soit assez haut dans un premier temps. Parce qu'en fait, le premier prix que tu mets sur le Le premier prix que tu mets sur le marché, les clients vont prendre ça en compte et vont penser que vous êtes plutôt premium ou plutôt vraiment cheap. Donc le premier prix qui va être placé va vraiment influencer ce que les gens pensent de vous. Donc on discute de tout ça, on discute aussi du fait qu'il faut faire attention quand vous placez un prix par rapport au consommateur parce que si vous le placez en dessous de votre compétiteur, vous allez bouffer une partie de ses sales et du coup vous allez rentrer dans une guerre de prises qui n'est pas bonne. On parle de plein de tactiques de prix qui sont le price anchoring, donc c'est utiliser un exemple, par exemple le coût de l'énergie et se dire vous payez énormément pour le coût de l'énergie par an et du coup les gens vont avoir ce prix en tête et puis vous venez avec votre truc en mode ça c'est le panneau solaire, ça vous coûterait autant et du coup en trois ans vous avez rentabilisé la chose. Donc ça ce serait le côté price anchoring, ça c'est des techniques qui sont très utiles. Il y a la psychologie de pricing, c'est au lieu de mettre 10€ c'est mettre 9,99€, ça la plupart des gens l'utilisent, je ne sais pas si vous l'utilisez, je ne saurais pas dire, je ne sais pas, on parle de quoi comme chiffre en général, on parle de dizaines de billets c'est ça? On parle de 20'000 à 1'000'000, et une offre de 600'000 mettre 519,99€, je ne sais pas si ça change rien, mais en fait en gros on dit qu'il faut tenir compte des aspects extérieurs, parce que vous faites très bien en soi, mais il faut aussi tenir compte, il faut essayer avec différents prix, je ne sais pas du coup si ça s'implique à vous parce que vous êtes très limité dans vos offres entre guillemets.

Interviewé : Oui, le seul critère sur lequel on peut jouer c'est la marge qu'on veut faire en fait. Et est-ce que vous jouez sur des limited time offers ou des prix groupés ou des choses comme ça ?

Terence : Oui ça j'imagine que oui, quand vous avez une grosse grosse commande ou beaucoup de panneaux solaires, vous allez diminuer, comparé à une plus petite demande, le prix du panneau solaire ?

Interviewé : Oui, il y a des économies d'échelle ça c'est sûr, par exemple imaginons un zoning, on travaille sur un zoning, t'as une trentaine de bâtiments qui appartiennent à un propriétaire et ce gars-là a voulu mettre des panneaux sur tous les bâtiments. Tu vas clairement diminuer tes coûts en ayant un projet sur 30 bâtiments que si tu gérais chaque bâtiment séparément avec des propriétaires différents et donc des offres différentes, des projets différents et tout. Parce que tu vas avoir une livraison d'un camion, au lieu d'avoir plein de livraisons, parce que t'as des frais communs, etc. Je vois, je vois. Mais du coup, je ne sais pas si c'est vous qui vous occupez de ça, mais est-ce que vous mettez en avant l'aspect qu'au final mettre des panneaux solaires dans le long terme ça va bénéficier aux clients ? Vous jouez sur cet aspect ? Que dans le long terme ça bénéficie aux clients ? Ouais. Dans le sens rentabilité quoi. Ouais, c'est ça. Une année, vous aurez rentabilisé vos panneaux et ça sera que du gain. C'est ça. Si c'est quelque chose sur lequel on peut communiquer, on peut leur donner une estimation du temps de retour. Donc après X années, vous aurez rentabilisé vos panneaux. Ça, on peut le faire. Mais globalement, ceux qui veulent investir dans les panneaux sont aussi conscients de ça en fait. Tout à fait. Donc généralement, il n'y a pas besoin de leur rappeler que les panneaux photovoltaïques, après un peu moins de 10 ans, du moins devraient être rentables. Quelqu'un qui a de l'argent à investir, il a tout intérêt à mettre des panneaux, parce qu'en 7 à 10 ans, c'est du gain rien.

Terence : On parle aussi de la technique qui s'appelle le freemium model. Tu as déjà entendu ça ou pas ?

Non. Ou tu ne connais pas ça ? En fait, c'est donner au client un produit ou un service « gratuit » pour l'inciter à comprendre la valeur ajoutée de votre premier service et du coup l'inciter à passer à l'action et acheter le premier service premium. Dans votre cas, ça pourrait être dire que si vous placez des panneaux solaires avec vous, en contrepartie, par exemple, on fait tout ce qui est entretien ou nettoyage de vos panneaux solaires par la suite, gratuitement ou quelque chose comme ça. Est-ce que vous pensez que c'est faisable dans votre industrie ou pas ?

Interviewé : Oui, c'est faisable. Ce qui nous empêche un peu de vouloir proposer la maintenance. Je ne sais pas, si les panneaux sont sales, proposer de dire « OK, on peut venir les nettoyer » parce que si les panneaux sont sales, vous produisez moins et donc c'est moins rentable et donc c'est plus intéressant de les nettoyer. C'est quelque chose qu'on a déjà discuté, donc on pourrait faire comme tu dis, dans notre offre, dire « OK, en plus de ça, vous avez ce service-là en plus ». Donc oui, ça pourrait s'appliquer a priori. OK, très bien. Mais bon, on va savoir que si on le fait, on va demander de plus aux clients. On ne va pas le faire gratuitement parce qu'il faut… Oui, vous allez l'intégrer dans les coûts. Oui, on ne va pas le faire. Oui, c'est ça. Comment ça s'appelle ça ? Donc, ça s'appelle le « freemium model ».

Terence : OK, je vois.

Interviewé : OK. Donc, en fait, c'est ça notre Lean Pricing. C'est de se dire qu'il y a tous des aspects extérieurs à notre business qu'il faut prendre en compte comme les préférences du consommateur. Dans votre cas, c'est de se dire, est-ce qu'un consommateur préfère acheter des panneaux construits, développés en France, etc., ou est-ce qu'il s'en fout et lui, il va juste regarder le prix et donc c'est plus avantageux d'aller chercher des panneaux en Chine. Donc ça, c'est l'aspect extérieur. Il y a l'aspect intérieur, il y a tout ce qui est coûts de production, etc., coûts de maintien. Et ensuite, il y a le fait d'ajouter une marge. Comme tu me l'as dit, votre marge, elle est assez fixe. C'est vrai que c'est compliqué. Maintenant, le fait de mettre un prix de 5 % en plus, ça peut vous augmenter beaucoup de votre marge. Donc ça, c'est à voir et ça, c'est à expérimenter. Donc ça, c'est à voir avec le temps. Mais sinon, je pense que vous cochez pas mal de cash. En vrai, j'ai l'impression que votre stratégie de pricing n'est pas mal du tout. Il y a juste vraiment essayer de plus communiquer sur la valeur ajoutée. Mais ça, vous l'expliquez quand même en disant, tiens, il y a cet aspect rentabilité, il y a cet aspect mieux pour l'environnement. Tout ça, c'est des choses à communiquer, mais vous le faites, je pense. Puis, il y a le monitoring. Tu m'as dit que vous monitoriez. Le but de monitoring, c'est de se dire qu'est-ce qui se passe dans notre business au jour le jour.

Pourquoi il y a une différence de sales ou pourquoi des clients peuvent être mécontents, etc. Monitorer de manière constante, c'est très important aussi pour le business en lui-même. Mais ça, vous faites du coup.

Terence : Non, écoute, j'ai rien d'autre à te recommander.

Je pense qu'on a touché à tout.

Interviewé : Ok, parfait.

Terence : Merci beaucoup pour ton temps, en tout cas.

Interviewé : De rien, de rien, avec plaisir.

C'est toujours intéressant aussi d'apprendre des nouveaux trucs et d'avoir des potentiels conseils.

Terence : Avec plaisir. Je vais analyser un peu tout ce que tu m'as dit, et si j'ai des conseils ou d'autres petites questions, je reviens vers toi via LinkedIn.

Interviewé : Ça va,

Terence : ça va parfait.

Merci beaucoup en tout cas.

Interviewé : Ouais, bon courage pour ton mémoire, du coup.

Terence : Merci.

Interviewé : Au revoir.

Terence : Au revoir.

6.14 Appendix N°14: Interview of Mister Nils. P - Pampa Cruz. (Startup)

6.15 Appendix N°15: Interview of Mister Marian. F – Swinz (Startup)

6.16 Appendix N°16: Interview of Mister Didier. V– Emasphère (Scale-up)

6.17 Appendix N°17: Interview of Mister Eric V. C.– Mentor at the Yncubator of Louvain-La-Neuve, and Manager of the innovation Lab at Orange (Incubator)

Interview transcription

This retranscription has been made based on notes taken during the interview with the interviewee.

Due to the time limit, all questions could not be answered during the interview.

Company name: Innovation Lab Manager at Orange, Mentor at Yncubator
Contact: Eric Van Cutsem
Email: eric@vancutsem.net
Phone: N/A
Sector: N/A

Section 1: Introduction

Développer un produit mais se rendent compte que le produit coute plus cher que ce qu'elles pensaient au départ. Pour un service, c'est plus facile, mais pour un produits, les choses peuvent vite changer est plus compliquée.

Brief introduction of the purpose of the interview:

Thank you for participating in this study. The purpose of this interview is to review and understand your current pricing strategy. Following this interview, an analysis will be conducted to highlight the feasibility regarding the implementation of lean pricing strategy and possible points of optimization that can be applied to your current pricing strategy. Additionally, a thorough evaluation on specific Lean Pricing parameters will be lead. Finally, recommendations as well as the implementation of KPIs for constant monitoring and improvements will be put together."

Consent and confidentiality:

"This conversation will be recorded for analysis but will remain confidential. Any information you provide will be anonymized in the final thesis. Do you consent to this process?"

Section 2: Startup Overview

Company Background:

"Could you briefly describe your startup, the context and the sector to which it belongs to. Explain your main products or services and the current stage of your business?"

Initial Pricing Decisions:

"What were the key factors that influenced your initial pricing strategy?"

C'est très différent de chaque entreprise. De plus il ne faut pas oublier les Startups a impact sociétal ou écologique, ces société la au niveau du ROI, on check l'impact qu'elles ont par rapport a l'impact sur les gens.

Ensuite, il y a aussi le but d'avoir des relations à long terme et donc une réduction du prix

Créer des prix a options, faire un contrat très précis avec petite marge et dès que sortis du contrat on chiffre.

"Can you walk us through the process of how you decided on your current pricing model? What other models did you consider?"

N/A

"How does your pricing model align with your overall business strategy and customer acquisition goals?

Très différents en function de service ou produit et du secteur de la strat-up.

Evaluer ce que fait la concurrence. Mais parfois pas présente. Evaluation par comparaison. Parfois études faites par autres entreprises pour trouver le prix ou service.

"Are there specific features or services that are priced differently to highlight their unique value?"

Les scale-ups changent moins leurs prix que les Startups mais souvent adaptent avec d'autres produit pour s'adapter aux différents segments. Les prix peuvent changer dépendant du client en fonction de comment ils sont pour les services. Si un client est plus ennuyeux, on sait qu'on va avoir des ennuis, on augmente le prix pour pallier à cela.

"Has your pricing evolved through time? Did you experiment different pricing types for the same product? "

N/A

"Would you be able to experiment different pricing?"

Oui les startups sont capable d'essayer différent pricing comme déjà expliqué.

Current pricing decisions

"What are the key factors that influence your pricing decisions on a day-to-day basis?"

N/A

"How do market dynamics and competitor pricing influence your pricing strategy?"

"Did you implement your pricing based on collecting a part the value you give to your customers? Would it be easy to implement?"

"How do you communicate the value proposition of your products or services through your pricing?"

Souvent pas bien communiquer, mais c'est la difficulté. Légitimité intervient là-dedans. Ne se croit pas toujours légitime dans ce qu'elles font. Regarder la concurrence pour comprendre quelle est la valeur ajoutée.

Faire des appels avant de vendre et quand elle vend. Pour faire l’étude de marché pour faire l’échange avec les clients pour savoir qui est le publique cible. Se confronter au marché car base pivot pour les Startups.

Tout le monde essaye d’avoir une entreprise qui a un impact que ce soit sociétale ou autre donc direction vers cela. Les investisseurs se disent de plus en plus à impact également.

"Have there been instances where you adjusted your pricing to better reflect the value perceived by your customers?"

"How sensitive are your customers to price changes? Can you share any experiences where a price change significantly impacted customer behavior?"

"What role does customer feedback play in shaping your pricing strategy?"

"How frequently do you review and adjust your pricing? What metrics or indicators prompt a pricing review?"

Section 3: Lean Pricing Strategy

"How familiar are you with the Lean Pricing strategy? Could you define it?"

Très familier avec le lean startup, mais pas trop avec le lean pricing.

<u>Customer Value Perception:</u>

"Can you describe how your pricing reflects the perceived value of your products or services by your customers?"

Pour les firmes plus grosses, calculs du gain pour le client et donc prix sur base de ce que le client gagne. Pour les Startups, c’est encore souvent compliqué donc elles sont plus prises dans le coté comment évoluer le prix et on s’arrête là.

"Can you explain how you communicate the value of your product? "

N/A

"If we were a client, how would you approach us and give us your pricing?"

N/A

Pricing Adjustments and Market Response:

"Have you made any significant adjustments to your pricing strategy based on market feedback? What was the impact?"

N/A

Section 4: Key Performance Indicators (KPIs)

Les Startups ont peu de temps pour développer des KPIs et n'ont pas encore besoin de la structure, alors que les scale-ups ont plus de ressources, leurs permettant de gagner du temps par la même occasion.

Lors de la phase de scale-up, les KPIs deviennent plus intéressants afin de pouvoir monitorer et prendre des KPIs appliqué à son entreprise. Cependant lorsque la startup lève des fonds, avec des venture capitalist ou les business angels la nécessité du monitoring apparait.

Selection of KPIs:

"Which KPIs do you currently use in the company?"

N/A

"Do some of these KPIs help you drive your pricing strategy?"

N/A

Effectiveness of KPIs:

"How effective have these KPIs been in providing insights into your business performance and pricing strategy?"

N/A

Challenges with KPIs:

"What challenges have you faced in defining or using KPIs effectively?"

N/A

Section 6: Future Perspectives

Future Pricing Strategies:

"Looking forward, how do you anticipate your pricing strategy will evolve?"

N/A

"has your pricing the capability to evolve through time?"

Oui, les startups ont du temps pour faire évoluer leurs prix, même si ce n'est pas toujours le cas pour toutes.

Advice for Other Startups:

"What advice would you give to other startups considering implementing a lean pricing strategy?"

Section 7: Closing

Additional Insights:

"Is there anything else you would like to add that we haven't covered, but you feel is important to understanding pricing strategies in startups?"

N/A

Thank You and Next Steps:

"Thank you for your time and insights. We will be processing the information and may reach back out for clarifications. Meanwhile, would you like to receive a copy of the research findings once the study is complete?"

N/A