VICOMTE

VICOMTE READING ROOM

PRICING VS. PURPOSE

A curated reading list from Chris R. Burggraeve on building Pricing Power and Purpose in an inflationary world.

CHRIS R. BURGGRAEVE · VICOMTE

vicomte.com · crb@vicomte.com

PRICING POWER & PURPOSE

Pricing vs. Purpose — Reading for Inflationary Times

Following a series of sessions with senior marketing and finance leaders at companies around the world, at the Institute for Real Growth, and at The B2B Institute, about the tension between these two concepts, many asked for more reading on Pricing (Power).

The financial “why” of marketing is to build strong intangible assets on the balance sheet, then to monetize them via the P&L. Warren Edward Buffett's #1 criterium to invest in any company is whether it has Pricing Power or not: the ability to raise prices on its Brands over time, without curtailing demand or losing share to a competitor. In math equation terms, Pricing Power is the “necessary condition” for long-term brand success. Purpose is the “sufficient” condition. It is all about “and,” not “or,” as I argued last year in Marketing Week. However, many companies are increasingly at risk of throwing away the proverbial Purpose baby with the inflation bathwater, hoping to protect margins for another quarter.

What lessons have been learned? How to balance a fiduciary duty to shareholders vs. to all stakeholders?

For your convenience, I compiled two chronological lists, from the most recent publications to (pre-inflation) classics — a mix of technical and more accessible articles and academic books.

Recent Articles (Post-Inflation)

1. "How to Grow despite Inflation" — Simon-Kucher, May 2022
2. "Talking to Your Customers About Prices" — Harvard Business Review, March 2022
3. "Warren Buffett's Top Tips for Beating Inflation" — Investing.com, March 2022
4. "Five Ways to Adapt Pricing to Inflation" — McKinsey & Company, Feb 2022
5. "The 4Ps of Marketing: What You Need to Know" — Neil Patel, 2022

A quick modern refresh on the “P” of Price — useful for anyone who never learned the 4P Marketing Mix, and who may equate “Marketing” only with “advertising” or “social media management” (both a fine subset of the “P” of Promotion only).

Books (Pre- and Post-Inflation)

1. "Beating Inflation: an Agile, Concrete and Effective Corporate Guide" — Hermann Simon, 2023
2. "Marketing and Finance: Creating Shareholder Value" — Malcolm McDonald, Brian D Smith & Keith Ward, 2013
3. "Predictive Analytics: The Power to Predict Who Will Click, Buy, Lie Or Die" — Eric Siegel, 2013

4. "The Psychology of Price" — Leigh Caldwell, 2012

5. "Power Pricing: How Managing Price Transforms the Bottom Line" — Robert Dolan & Hermann Simon, 1996

These lists are not meant to be exhaustive. (Beating) Inflation is a broad topic, with major macro-economic ramifications across society, and with many good and bad historical lessons. Inflation has positives too. There are also valuable lessons from countries with a long history of high inflation (Turkey, Argentina, and others).

More on this: Chris's article on Pricing Power and Purpose in Marketing Week.

Chris R. Burggraeve runs Vicomte, a NYC-based marketing advisory firm helping C-Suites and Boards (re)build finance-first marketing capability. Get the Creating Marketing Miracle$ model, the Ultimate Guides, and the Alpha M 2.0 Audit — all free — at vicomte.com.