

# Pricing Strategies, Mass, Premium Or Mass-Premium Positioning



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Chapter - 1

# The D2C Landscape In India



# The D2C Landscape In India

India's **Direct-to-Consumer (D2C)** model has redefined how brands reach customers. With **1.4 billion mobile users** and **250 million online shoppers**, India is now the **third-largest digital shopping market** after the US and China. Over **800 homegrown brands** are leveraging e-commerce, social media, and quick commerce to connect directly with consumers.

## Evolution of the Ecosystem

What began as niche online ventures has evolved into a thriving digital-first economy. Brands like **Nykaa**, **Mamaearth**, **BoAt**, and **Lenskart** show how technology, influencer marketing, and data-driven insights are replacing traditional retail networks.

## Why Pricing Defines Survival

Nearly **85% of D2C startups fail within two years**, largely due to weak pricing strategies. Pricing shapes perception—too low erodes trust, too high limits adoption.

## Growth Beyond Metros

The next growth wave is driven by **Tier 2 and Tier 3 cities**, where aspiration meets opportunity. Brands like **Care Natural** succeed through smart pricing, local partnerships, and quick-commerce tie-ups that make products instantly accessible.



**Golden Insight:** Success = speed + trust + smart pricing beyond metros.



Are you reaching the right customers with the right pricing strategy?



## Chapter - 2

# Pricing Models: Mass, Premium, And Mass-Premium



# Pricing Models: Mass, Premium, and Mass Premium

Pricing defines how a brand is perceived, and in D2C, it begins with understanding who you're selling to. The mass segment represents everyday consumers seeking value and accessibility. Premium buyers prioritize quality, exclusivity, and experience, while mass-premium bridges both—offering aspirational products at attainable prices.

## Understanding Target Audience

Before setting prices, brands must map who their real buyer is. Demographics, spending power, and buying motivation determine which segment to target.

## Affordability vs. Aspiration

D2C success lies in balancing affordability with aspiration. Affordable pricing ensures reach, while aspirational appeal builds emotional connection. Brands like **BoAt** and **Mamaearth** thrive by combining premium perception with accessible pricing.

## Influence of Category and Product Type

Pricing strategy depends on category dynamics. Commodities like soaps or snacks compete on affordability; skincare, wellness, or supplements thrive on trust, packaging, and perceived value. Startups must identify where their category sits on the price-value spectrum and adjust accordingly.



**Golden Insight:** Pricing tells your brand story—affordable, aspirational, or both.



Does your pricing truly reflect who your real customer is?



Chapter - 3

# Case Study: Care Natural



# Case Study: Care Natural

**Founded By Neha Khaire In 2021, Care Natural Began As A Premium Personal Care Brand With High-Priced Products Aimed At Niche Audiences. However, Early Results Showed Limited Traction—Customers Admired The Quality But Hesitated To Buy.**

## From Premium to Balanced Pricing

Realizing that pricing restricted adoption, the brand repositioned itself. It introduced affordable SKUs while maintaining quality and design, creating a balanced mass-premium model. This helped Care Natural reach wider audiences, including Tier 2–3 cities, without diluting its eco-conscious identity.

## Lessons from Early Mistakes

Neha's biggest learning: **start with awareness before aspiration**. Customers must experience a product before committing to a premium.

## Packaging, Quality & Perception

Care Natural differentiated itself through sustainable packaging and honest and natural ingredients. Its refined presentation appealed to both mass and premium audiences—proving that perception and pricing must evolve together.

Today, the brand stands as an example of how smart repositioning and pricing agility can turn an early struggle into sustained D2C success.



**Golden Insight:** Awareness comes before aspiration—trial drives adoption.



Have you tested your pricing to encourage real customer trials?



Chapter - 4

# Case Study: Bombay Hemp Company (BOHECO)



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Founded In 2013 By Jahan Peston Jamas And His Team, Bombay Hemp Company (Boheco) Pioneered India's Industrial And Medical Hemp Industry—A Highly Niche And Regulated Category. With No Prior Benchmarks, Boheco Had To Create Its Own Pricing Framework From The Ground Up.

## Pricing in a Regulated Category

In industries governed by legal and medical constraints, pricing is not merely commercial—it signals credibility and safety. For BOHECO, compliance costs, R&D investment, and regulatory approvals made traditional “cost-cutting” impossible. Jahan’s approach positioned pricing as part of category creation, defining what legitimate hemp-based products could be worth in India.

## From Cost-Plus to Value-Based Pricing

BOHECO began with a cost-plus model, adding margins to cover clinical research, formulation, and doctor consultations. Over time, the company shifted to value-based pricing, linking prices to therapeutic outcomes—pain relief, better sleep, or anxiety management—rather than just product cost.

## Building Legitimacy through Pricing

Pricing became a proxy for trust. Premium positioning reinforced credibility among doctors and consumers, while strategic accessibility encouraged adoption. For BOHECO, price was not a number—it was proof of legitimacy in a sensitive, emerging industry.



**Golden Insight:** In niche markets, price = credibility + trust.



Does your pricing communicate legitimacy and build trust?



Chapter - 5

# Profit vs. Scale: The D2C Dilemma



# Profit vs. Scale: The D2C Dilemma

Every D2C founder faces a critical choice—profit-first or scale-first. Profit-first brands prioritize lean operations and high margins, while scale-first players chase aggressive customer acquisition to dominate market share.

## Two Paths, One Goal

Minimalist exemplifies the profit-first model: focused product lines, efficient marketing, and steady organic growth. In contrast, MamaEarth pursued scale—launching multiple SKUs, investing heavily in brand awareness, and rapidly expanding across platforms. Both approaches succeeded, but with different timelines to profitability.

## Balancing Acquisition and Sustainability

For new startups, the key lies in sequencing priorities—start lean, validate product-market fit, and expand once retention stabilizes. Early focus on margins ensures long-term survival; early focus on scale ensures faster recognition. The ideal path combines both—profitable growth supported by data-driven decisions, pricing discipline, and brand trust.

In the evolving D2C ecosystem, founders must remember: **“revenue without retention is noise, and scale without margin is risk.”**



**Golden Insight:** Growth Without Margins Or Retention Is Risky. Balance Is Key.



Are You Focusing On Profit, Scale,  
Or Balancing Both For Sustainable  
Growth?



Chapter - 6

# Omnichannel & Geography-Based Pricing



# Omnichannel & Geography-Based Pricing

During the webinar, both speakers emphasized that D2C success depends on adapting pricing across online and offline models.

Jahan Peston Jamas explained that there is no “one-size-fits-all” formula. Products perform differently online versus physical stores. Online channels require campaigns, ads, and discounts to drive visibility, while offline presence creates credibility and enables higher average order values through consultations and in-person sales. His team maintains harmony between online and offline prices to avoid customer pushback.

Neha Khaire highlighted the importance of geography-based pricing. Her brand, Care Natural, entered smaller and less-explored markets—like the Northeast, Odisha, and Uttarakhand—where logistics and shipping costs were high but competition was low. By negotiating with couriers and distributors, she created a workable pricing structure and built strong B2B relationships.

## Takeaway

Both speakers agreed that adapting pricing to geography and channel ensures accessibility without losing profitability—turning omnichannel pricing into a strategic growth tool rather than a challenge.



**Golden Insight:** One price doesn't fit all—adapt by channel & region.



Have you tailored your pricing for each channel and region effectively?



Chapter - 7

# Promotional Pricing Tactics



# Promotional Pricing Tactics

The webinar explored several real-world pricing tactics used by D2C founders.

Neha Khaire shared that Care Natural frequently uses bundling and anchor pricing during festive seasons. For Diwali, she launched a “Buy One, Get One for ₹1” campaign—an adaptation of the one-rupee trend—to attract trial buyers while covering shipping costs. She explained that this method helped customers experience multiple products and led to repeat purchases.

➤ On The Other Hand, Jahan Spoke About Limited Period Offers In Regulated Categories Like Wellness. He Warned Against Random Discounting. Instead, He Ties Offers To Relevant Occasions—Such As World Arthritis Day For Pain Relief Products Or Winter Months For Decongestion Balms—So That Promotions Are Contextual And Credible.

Both founders noted that consumer psychology plays a major role: urgency (FOMO), visible savings, and a sense of exclusivity can drive conversions—but only when backed by genuine product value and trust.



**Golden Insight:** Promotions must be strategic, contextual, and trust-driven.



Are your offers driving meaningful engagement, not just short-term sales?



## Chapter - 8

# The Founder's Playbook for Sustainable Pricing



# The Founder's Playbook For Sustainable Pricing

The closing segment of the webinar focused on long-term pricing sustainability.

Jahan explained that profitability in D2C is not just about quick sales but about “strategic sustainability.” Emerging categories must invest in education, credibility, and compliance before expecting profit. His advice: grow through controlled chaos, not hyper-expansion. Building strong fundamentals ensures that pricing remains viable as the market matures.

Neha echoed a similar thought—stressing the importance of trust and perceived value over short-term gains. Her early mistake of setting premium prices taught her that brands must first build awareness and trial before aiming for aspiration.

Both agreed that founders must balance affordability with authenticity. Sustainable pricing comes from consistent quality, regional understanding, and long-term relationships—not deep discounts.

The key takeaway: price is a reflection of trust, and trust is the foundation for every successful D2C brand.

## Pricing-Self-Assessment Questions for D2C Founders

[Click Here](#)



**Golden Insight:** Long-term pricing = trust, consistency, and authenticity.