

If the Price is Right

You're all set to launch your new product. You have your target market and your product's features and benefits covered. You just need to do one more thing and you're all done – set your product's price. Before you can print online, you should have already determined what the prices of your products or services are since it will be an important bit to include in all your marketing materials.

Pricing is one of the most difficult tasks for many business owners. You need to find a balance that will reflect your business costs and your product's value to your customers. Here are some considerations that you can follow:

Production Cost. These are fixed and variable expenses to produce your product. Make a list of all your expenses – raw materials, sales commission, hourly wages, taxes, rent, electricity and others. You need to sum them up and divide them with the total number of hours you can bill your customer in a year. Include holidays, sick days and all the business hours with no work in your billable hours' list.

Profit. It is business after all so consider how much percentage you are going to apply after you come up with a break even figure. You need to enjoy the fruits of your labor.

Client. Analyze who are these people and how much are they willing to give for your product. Test your pricing strategy through market research. If you can offer a better service or a unique feature, you may price your product a bit higher than your competitors.

Knowledge of the Market. Know your industry and its environment. Observe your competitors' and their pricing strategy. Be able to understand the different threats and opportunities of the market so that you can use them to your advantage.

Product Uniqueness. Compare your product with that of your competitors. Mark the difference – taste, packaging, color, benefits and features, etc. Be able to distinguish your product's uniqueness from them and position it with this distinction. You need to be remembered for something. This is where branding comes in.

Price Elasticity. Determine if the price will survive changes resulting to changes in the demand. You need to make sure that if the situation calls for your product to be priced at a low rate, you will still live.

Business Strategy. Think of Chanel and Revlon. They create the same perfume but each are priced differently. How are you pitching your product to your market? Again, it bodes on your branding. How are you seen by your customers? Are you a high end product? Or you mainly cater to class C?

Give it a lot of time and a lot of thought. Think about your reasons behind your price. Work and rework your numbers until you arrive at a point of confidence. Then, set your price. Include it in your marketing materials and you can print online.

About the Author

Troy Duff works as a businessman and currently runs a [print online](#) company that offers banners, magazines, flyers, posters, custom printer and other printed ads.

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