

## **Pricing Strategies - Part 4:**

How to price your products and services

**Focus:** Product pricing strategy is just as much an art form as it is a science. In order to achieve success, you need to know how to appropriately price your products and services. It is also important to know that the difference between cost and value can increase profitability: the cost of your **product** or **service** is the amount you spend to produce it. The **price** is your financial reward for providing the **product** or **service** and the value is what your customer believes the **product** or **service** is worth to them. In this video, I will provide you with the tools and strategies you need to create a reliable, data-backed pricing structure for your products and services.

### **Common problems/mistakes:**

- New business owners often settle and use the first price that comes to mind;
- They copy competitors or guess and do not use a pricing model at all;
- Prices are based on costs, not customers' perceptions of value.

### **Why is it important:**

- Ensures you achieve profitability;
- It helps you to develop your product/service offering;
- It improves your focus on customers and providing value.

Screen share:

How to work out your pricing

### **Template/checklist:**

Screenshare slides

### **Tips for success:**

- Research as much as you can about your competitors prices;
- If you have loads of different products and price points, try to use the same pricing strategies across the board unless you can justify not doing so;
- Review your pricing strategy and re-evaluate your costs every 1-2 years depending on the strategy adopted.

### **Task:**

Follow the steps discussed in this video to research, analyse and identify the best pricing strategy or combination of strategies for your business.