

How to Price Your Product or Service Just Right



**The Best Strategies For
Pricing Your Product
The Right Way**

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**The Best Strategies for Pricing Your Product
Competitively**

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Pricing: All You Need to Know

If you are trying to sell something on the Internet, pricing your services/ products would be the single most important decision you will take. Since, the Internet provides thousands of alternatives to the customers, you need to be at par with the competition. The prices that you quite will determine how long you can stay in the market.

You need to acquire a clear cut idea about pricing. To what extent can you push it? How often do you need to review the prices? A lot would depend on how you handle this stage of business. You have to pinpoint a consumer group to begin with and then estimate how much they would be willing to pay for your services or products.

But besides that you also have to ensure that you make some profit for yourself. And quite often these two demands can be in conflict with each other. Different people use different techniques to set the prices of their products. Some of them have a scientific basis and some do not. Given below is one such procedure which works with an understanding of the production cost, customer expectations and other players in the field.

Cost is defined as the sum total of the expenses that you incur when making a product. Expenses include cost of raw material, machinery, packaging, delivery etc. Price is amount customers have to pay for per unit of you product /service.

For you to make a profit, the price should be more than the cost. Your prices should be consistently above the cost if you are planning to run your company for a long time, except in special cases. Sometimes you can lower the prices, to gain entry into a market for example. Starting with prices which are lower than your competitors would make people notice you. And once you collect a decent number of customers you can gradually increase prices!

How much would customers pay for your services is directly proportional to significant and valuable they think your product is. Of course your marketing strategies and reputation in the market will play a significant role in this regard.

Between these two numbers, your cost and the price your customers are willing to pay for your product lies your ideal price. If your price is a little lower than what your customers are willing to pay for your services, it would definitely work in your favor in the long run.