

Developing a pricing strategy

It's often difficult for business owners to know how much to charge for their product or service. Charging too much or too little can be equally disastrous.

Pricing is a crucial element in developing a successful strategy for your business. Your pricing reflects your value proposition and reinforces your brand and needs to be consistent with the value you deliver.

This checklist will help you determine how much to charge.

Checklist		
1	Do research into what your competition charges. You can do this via the media, online or by networking with other business owners in your industry.	
2	You may want to start out charging a slightly lower rate and raise the fee as you gain in experience. However, do this with care as customers may not be prepared to pay more for your product or service if you hike your price. To counteract this issue, you should consider launch with a special introductory discount offer, rather than a standard lower rate.	
3	Structure your rate to cover things like overheads and insurance. If you're working to a tight delivery deadline you could load the fee to reflect this.	
4	Consider rewarding loyal customers who place larger orders or repeat orders.	
5	Be clear about your rates and any surcharges before accepting an order from a customer. Also know whether or not you are prepared to negotiate ahead of time so you're not taken by surprise should the customer ask for a cash discount.	
6	Re-evaluate your pricing structure on an ongoing basis to ensure it keeps pace with fluctuations in the interest rate, import duties, the petrol price and so on.	