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| **Pricing Strategy Checklist** |
| **1. What is your pricing-level philosophy?** Do you aim to price your offerings at the high-end, middle-of-the-pack, or the low-end choice? If you have high-end prices, what extra value do your products deliver compared to lower-priced offerings? If your prices are lower, what affects your lower price and can your pricing sustain profitability?How do you plan to maintain or adjust your pricing level over the business plan period? |
| **2. What is your pricing structure?** Do you offer all-inclusive pricing or pricing for a base-level product plus add-on prices for service, guarantees, delivery, and so on? Do you offer a singleprice or multiple price levels? Do you price by the project or product delivered or by the time and costs involved? Do you offer a free base-level product with premium-level options available for a price? Are your prices based on usage (for instance, pay per view)? Are prices frequently discounted through promotional offers, quantity discounts, or other deals or incentives?How do you plan to adjust your pricing structure over the business plan period? |
| **3. What pricing and payment options do you offer?**Do you offer introductory pricing to gain trial and acceptance, increasing prices later? Do you allow bargaining? Do you offer financing? Do you offer a range of payment options? Do you offer contract, subscription, or bulk-order discounts?How will you adjust your pricing and payment options over the business plan period*?* |
| **4. Pricing considerations…**Do your prices cover all costs plus a profit margin? Do your prices cover costs such as shrinkage, returns, bad debt, and allowances for employee errors?Do you know how each pricing and payment option impacts your financial condition?Do you – or can you – join a buying group, buy through an association, or establish bulk-buying agreements to reduce the costs of your product?How do you plan to adjust pricing over the business plan period? |