

SETTING YOUR PRICES QUESTIONNAIRE

Ask yourself these questions to help set an effective pricing strategy

The Demand —determine which products to focus on for greater profitability.

1. Which products/services do customers shop around for?
2. Which products/services are in greater demand even at higher prices?
3. Are certain products/services in greater demand at one time of the year than another? If so, which? And what is the duration of the demand?
4. Do your customers expect a certain price range?
5. What is the balance between price and quality in your market?
6. Which products do your competitors fail to present?

The Competition —determine whether you are priced appropriately for your target market. Don't "leave money on the table."

1. What are your competitor's pricing strategies?
2. Are your prices based on an average gross margin consistent with your competition's?
3. Is your policy to sell consistently at a higher price, lower price, or the same price as your competitors? Why?
4. How do competitors respond to *your* prices?

The Strategy

1. How does your pricing affect your sales/volume goals?
2. How does your pricing affect your profitability?
3. How can pricing help you gain new business?
4. Are your strategies in line with broader economic trends?
5. How do you respond to your competitor's pricing?

Other factors to consider

1. What volume in each product line will you need to do at your prices to maintain profitability ?
2. How does your method of delivery affect your price? (*Include measuring and installation services.*)
3. Do your promotional policies affect prices? Do they have an impact on your profitability?

