

Pricing and the Competition

Begin the process of making your pricing decision by examining your competition.

1. List your three most direct competitors, those who compete for the same target market as yours. Note the price they charge for the same or similar service or product. (If you sell more than one product, complete this exercise for each one or use average prices per category.)

Competitor Price

2. What strengths/benefits does your product/service have that these competitors do not?

3. Do these strengths or additional benefits entitle you to ask your customers to pay more for your product or service? Why?

4. Evaluate your product or service in relation to your competitors' and select a price range that seems appropriate. What is your justification for your price range? How high can a price be before the product or service is priced out of the market?