



Pricing to Improve Profit Margins

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Maximizing registrations & income

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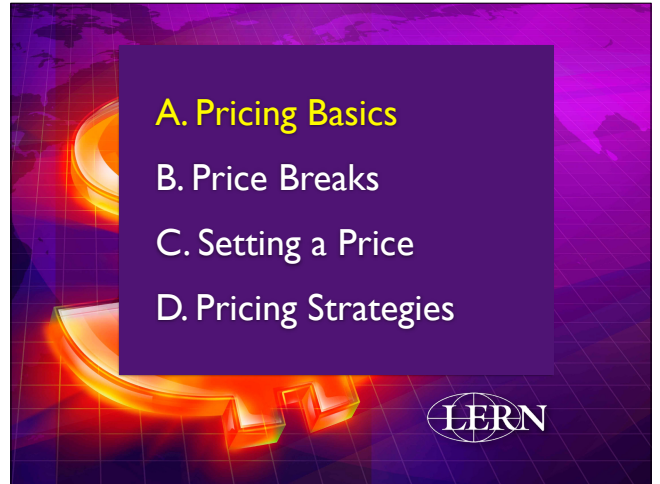
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A. Pricing Basics  
B. Price Breaks  
C. Setting a Price  
D. Pricing Strategies

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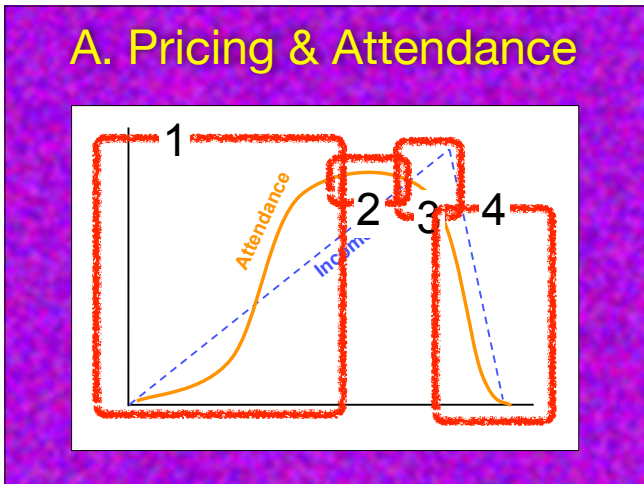
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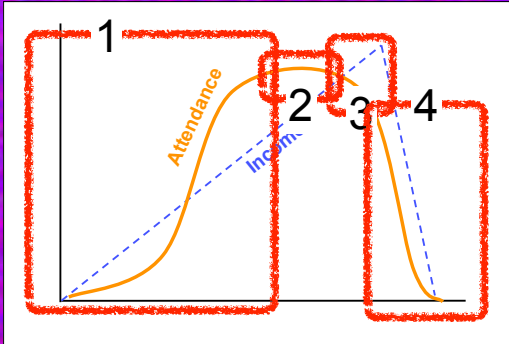
A. Pricing Basics  
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A. Pricing & Attendance



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B. Your Price is Your Image



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Got a lot to carry? Get a box.

Don't laugh.

Anyone for half a station wagon?

Small. Medium. Large.

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# E. Diversified Pricing

Clustered Pricing

Diversified Pricing

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A. Pricing Basics

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- A. Pricing Basics
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\$49 → \$50

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B. Price Breaks

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## Price Breaks: Community Programs

\$10	\$20	\$25	\$30
\$40	\$50	\$60	\$75
\$80	\$100	\$150	\$200
\$300	\$400	\$500	\$1,000



B. Price Breaks

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## Price Breaks: CPE, Seminars, etc.

\$50	\$100	\$150	\$200
\$250	\$300	\$400	\$500
\$600	\$700	\$800	\$900
\$1,000	\$1,250*	\$1,500	\$1,800*
\$2,000	Up by \$1,000		



B. Price Breaks

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A. Pricing Basics

B. Price Breaks

C. Setting a Price

D. Pricing Strategies



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## A. Market Price

1. Always use market price
2. Courses individually priced
3. Consider course costs
4. What the audience is used to paying
5. Examine competition
6. Know your brand.



C. Setting a Price

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## B. Pricing Rules

1. ~~\$27~~ \$95 or \$99
2. Close to price break
3. ~~\$95.00~~ \$95
4. Don't hide or highlight



C. Setting a Price

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## C. Setting Market Price

1. Determine income needed
2. Formula price
3. Nearest price breaks
4. Competition charging
5. People willing to pay



C. Setting a Price

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Production Cost = \$400  
 Production Percentage = 50%  
 Projected Registrations = 40

1. Income Needed = Prod. Cost ÷ Prod. %
2. Formula Price = Income Needed ÷ Proj. Reg.
3. Nearest Price Breaks
4. Select Pricing Options

25

Production Cost = \$400  
 Production Percentage = 50%  
 Projected Registrations = 40

1. Income Needed = Prod. Cost ÷ Prod. %
2. Formula Price = Income Needed ÷ Proj. Reg.
3. Nearest Price Breaks
4. Select Pricing Options

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Production Cost = \$400  
 Production Percentage = 50%  
 Projected Registrations = 40

1. Income Needed = Prod. Cost ÷ Prod. %
2. Formula Price = Income Needed ÷ Proj. Reg.
3. Nearest Price Breaks
4. Select Pricing Options

$\$400 \div .50 = \$800$  Income Needed

27

Production Cost = \$400  
 Production Percentage = 50%  
 Projected Registrations = 40

1. Income Needed = Prod. Cost ÷ Prod. %
2. Formula Price = Income Needed ÷ Proj. Reg.
3. Nearest Price Breaks
4. Select Pricing Options

$\$400 \div .50 = \$800$  Income Needed  
 $\$800 \div 40 = \$20$

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Production Cost = \$400  
 Production Percentage = 50%  
 Projected Registrations = 40

1. Income Needed = Prod. Cost ÷ Prod. %
2. Formula Price = Income Needed ÷ Proj. Reg.
3. Nearest Price Breaks
4. Select Pricing Options

$\$400 \div .50 = \$800$  Income Needed  
 $\$800 \div 40 = \$20$   
 \$20 \$25

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Production Cost = \$400  
 Production Percentage = 50%  
 Projected Registrations = 40

1. Income Needed = Prod. Cost ÷ Prod. %
2. Formula Price = Income Needed ÷ Proj. Reg.
3. Nearest Price Breaks
4. Select Pricing Options

$\$400 \div .50 = \$800$  Income Needed  
 $\$800 \div 40 = \$20$   
 \$20 \$25  
 \$19 \$25

30

Production Cost = \$400

Production Percentage = 50%

Projected Registrations = 40

1. Income Needed = Prod. Cost + Prod. %
2. Formula Price = Income Needed + Proj. Reg.
3. Nearest Price Breaks
4. Select Pricing Options


$\$400 \div .50 = \$800$  Income Needed  
 $\$800 \div 40 = \$20$   
 \$20 \$25  
 \$19 \$25

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## A. Price vs. Competition



Competition




## A. Price vs. Competition



Competition

Quality




## A. Price vs. Competition



Competition

Quality

Cheaper




## A. Price vs. Competition



Competition

Quality

Location, Instructor, Time, Day, Content

Quality

Cheaper




## B. Increasing Prices

Price Increase	What To Do
0 - 14%	Do It - Price Break
15 - 24%	Test
25 - 49%	New Features
50%+	New Event

## C. When To Increase Prices

1. Down economy
2. Full classes
3. Low registrations
4. High priced selling more than low price
5. Reach another market segment.

## D. Selling Price Increases

1. Raise one digit
2. One major price increase
3. Better brochure
4. Add refreshments or other touches
5. Outside speaker
6. Booklets or handouts
7. Make course longer
8. Add activities create high perceived value

## E. Lowering Prices

- Rarely
- Get off price break
- Reach another market segment

## F. Price Discounts

- Group discount
- Certificate discount
- Early bird discount



## G. Converting Free to Pay

1. Explain why
2. Share with Paul Revere - spread the word
3. Patient
4. Audience shift





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