Pricing cheat sheet

Choose a pricing strategy based on your industry, audience, and business goals!

1. Cost-Plus Pricing

Formula: Cost + Profit % = Price

Best for: Physical products, retail, manufacturing

Example: Product costs **£10** to make, you add a **50% markup**, so price = **£15**

2. Value-Based Pricing

Based on: Customer's perceived value

Best for: Services, premium products, coaching

Example: Your service helps clients earn **£1000 more/month**, so you might charge **£300-£500**

3. Competitive Pricing

Based on: Market and competitor prices

Best for: Retail, SaaS, agencies

Example: If competitors charge **£50**, you can price at **£45** (cheaper) or **£55** (if offering more value)

4. Hourly Rate Pricing

Formula: (Target Salary + Expenses) ÷ Billable Hours = Hourly Rate

Best for: Freelancers, agencies, consultants

Example: If you want to earn **£50,000/year** and work **1,200 billable hours**, charge **£50/hour**

5. Subscription Pricing

Based on: Recurring payments for memberships/SaaS

Best for: Software, coaching programs, memberships

Example: Running an online course costs **£10,000/year** and you want **500 members**, so charge **£20/month**

6. Penetration Pricing

Strategy: Start low to attract customers, raise later

Best for: New businesses entering a competitive market

Example: Launch at **£10** instead of **£20**, then increase once you have customers

7. Psychological Pricing

Strategy: Use pricing tricks to influence decisions

Best for: Retail, e-commerce, online courses

Examples:

- **Charm Pricing:** £9.99 instead of £10
- **Anchoring:** Show "£100" crossed out next to "Now £50!"