



# Pricing & Profitability

## Understanding Pricing Mistakes

Review the common pricing mistakes below and reflect on your own pricing strategy.

### Identify Pricing Mistakes

Check any pricing mistakes that apply to your business:

- ☐ Underpricing due to fear of losing customers
- ☐ Over-reliance on discounts
- ☐ Using cost-plus pricing without considering value
- ☐ Ignoring psychological pricing strategies
- ☐ Not communicating price increases effectively
- ☐ Not adjusting pricing regularly
- ☐ Ignoring customer segments
- ☐ Offering only one pricing option

Which of these mistakes do you think is the biggest challenge for your business?

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## The Discount Trap

Think about how discounting affects your business. Answer the following:

Have you relied on discounts to attract customers? \_\_\_\_\_

What alternative strategies could you use instead (e.g., bundling, added value, tiered pricing)?

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## The Power of a 1% Price Increase

Quick Math Exercise:

1. Your Total Annual Revenue: \$ \_\_\_\_\_

2. Multiply by 1% (0.01): \$ \_\_\_\_\_

This is the additional profit you could generate just by increasing prices slightly!



## Value-Based Pricing & Tiered Pricing

How can you enhance your offering to justify higher prices?

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What are three ways you can add value without discounting?

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_

## Implementing a Pricing Change

Write down ONE pricing change you will test this month:

Pricing Change: \_\_\_\_\_

How will you measure success? \_\_\_\_\_

### Next Steps:

- Monitor customer reactions to small pricing adjustments.
- Test and refine your pricing strategy regularly.
- Communicate price increases effectively.

Example:

“Due to rising costs and improvements, we’re making a small adjustment to better serve you.”

What’s one action step you will take this week?

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