

How to Price Products in Ecommerce Business

Business success depends largely on pricing! Building a long-term profitable business requires the right price for your products!

DUBAI, DUBAI, DUBAI, August 16, 2022 /EINPresswire.com/ -- You need to make sure that your pricing reflects the value that makes it worth it for you to make your product and for your customers to use it. Whether a product is worth the time and money is determined by its tangible price point.

Importance of Pricing



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There can be very significant consequences for an organization when it comes to pricing decisions. For many customers, it is the most important factor in determining the profit margin on a product. Once the product is manufactured, pricing plays a critical role in decision-making. Besides determining the return, demand, sales volume, and market share, it also helps in building a product image and promoting sales.

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YRC is a Management Consulting Company, especially for the B-C Sector. Empowering Retail & E-commerce businesses.”

Nikhil Agarwal

Below mentioned are some of the important points to always consider while formulating your pricing strategies.

Keeping your Sales Price Higher Than Your Cost Price

In this competitive ecommerce industry, businesses are trying very hard to survive, many are even selling at losses

to maintain/ survive in a competitive marketplace. Always make sure your business is backed by solid investors, otherwise you might run out of cash. The market trends always keep fluctuating, and cost prices also fluctuate over time, affecting the price at which you can comfortably sell for a profit. So, it is better to price your product correctly considering all the expenses including the manufacturing costs, sales cost, marketing and employee wages and anything that is to be paid for. However, never undermine the quality of your products/services, always go for genuine ones.

Increasing the value by bundling products

An example of product bundling is when several products are bundled together and sold as a single unit. Customers are encouraged to buy more products using this strategy. Combining two or three products and selling it as a package is not a very new technique, but has become quite popular in the [eCommerce business](#). Suppose you are selling a product at 100 and this may be a little expensive or customers must not find it as valuable, what you could do is offer them a new deal where they buy more items and you could also find profits. You can always do much more with your existing stock when you bundle it. The profits and sales of individual items can be increased over time by bundling products. If your customer purchases a pencil, eraser, and sharpener in a bundle instead of just one pencil, they are likely to order more than one product, increasing your average order value.

Keeping a tab on competitor pricing

Monitoring your competitors' prices and keeping tabs on them can make all the difference to your business' success. In order to meet your goals consistently, you need to continuously adjust your pricing according to what other companies are doing. By tracking other companies' pricing, you will ensure that you remain in line with what other companies are doing. It is crucial for a business to have competitive pricing, especially in e-commerce pricing. Analyzing competitor pricing involves a detailed and comprehensive study and evaluation. There are several tools and softwares available online that give you a real-time view of your competitors. One such is Prisync, a reputed competitor price tracking & monitoring software to increase competitiveness, sales, and profits.

Pricing as per brand positioning !

Many times it happens if you sell your product at a very cheap pricing, your customers may shy away from buying thinking about / assuming your products are of a lower quality. In order to understand, you need to be thorough about the demographics of your customers about their likes, preferences, what are the websites they are browsing and what kind of income disposal they have. In price positioning, a product or service is positioned within a certain price range. In addition to its positioning in the market, the price tells you where the product ranks in the minds of customers in that market. With platforms like ecommerceDB where you could buy analytical reports of thousands of ecommerce businesses across the globe, now you could save a lot of time in reinventing or making the same mistakes again.

Long Term approach towards pricing in your business

It is very strategic to set long-term goals. Their goal is to ensure the company can reach its full potential by permanently fixing problems. Achieving long-term goals involves much planning, as it involves social, economic, and political aspects of the company. Whatever pricing policies and

discount offers you opt for, you should consider it in a long term approach. Always make decisions keeping in mind the sustainability of your business model in the long term, otherwise things may turn bad for your business if you adopt short term strategies for instant profit. Instant profits may blurr your long term view.

About YRC

Your Retail Coach (YRC) is an experienced multidisciplinary agency specializing in [eCommerce Retail Strategy](#), Ecommerce Market Research SOPs (<https://www.yourretailcoach.ae/services/market-research/>), BPA (Business Process Automation <https://www.yourretailcoach.ae/services/business-plan-development/>) and CRM (Customer Relationship Management), etc. We aim to deliver innovative eCommerce retail concepts that could help you build a sustainable as well as a profitable [online business model](#).

Get advise for E-commerce retail business : <http://www.yourretailcoach.ae/contact-us/>

For more information on pricing, refer to the video:
<https://www.youtube.com/watch?v=H2EJ6pUiD1k>

Retail & E-commerce Vlogs:

<https://www.youtube.com/c/YOURRETAILCOACH>

Retail & Ecommerce Blogs:

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