



Press release

What you need to know before Finalizing the Price of the Product

Source: Entrepreneur India

Find the link of the news below:

<https://www.entrepreneur.com/article/315096>

Mumbai, June 14, 2018

As the Price of the product is decided with many factors that go hand in hand, there is a list of them in this media coverage that may help you become even more organized with regard to the price of your products.

As an idea finds its place and a business is born, an entrepreneur goes out of his/her way to ensure that it follows a successful path. But the success is put to test when the idea meets the customer in the form of a product. To ensure that the customer buys the product, the entrepreneur has to put everything in order and an important part in that process is finalizing the pricing.

The pricing will decide whether your product will be accepted by its target audience or not. As there is no streamlined method of fixing the price of a product and most of the companies follow their own method to do so. One can only do that with the help of years of experience and understanding of the market, but the problem is that people who are in a position to do so take undue advantage of it and it gives rise to the scope of blackmarket that will be a topic of an article some other time, here we are focusing on one of its aspects.

Entrepreneur India spoke to startup founders about how to get the pricing right for your product.

The 4Ps that Make for Pricing

While deciding the pricing of your product, **Ambud Sharma, Founder, Escaro Royale Luxury**, believes that the 4Ps have to be kept in mind. He said that one has to start with the product and more importantly, the class of products. "When we are

developing products catering to the niche luxury segment, we develop with only the best materials and hence the costing of the product is on the higher end,” he said.

Secondly, the placement of the product plays a bigger role in defining the price points. Thirdly, in order to cater to the niche consumers, one needs to understand that there is a need to create best supporting content and thus, promoting this content takes some cost. “When we mix all three - the product, the placement and the promotion, we get the "price" component,” said Sharma.

Features Will Help You Decide

A startup must use market segmentation to identify the features and benefits needed in a product to attract a given segment away from a competitive alternative. “While adding or subtracting a feature, It is required to think about both the cost of that feature and the impact of that feature on the willingness-to-pay of the intended segment,” said **Nikita Kumawat, Founder, Soulfitt**. She added that as features are added, a product becomes attractive to more market segments and the cost to produce will increase. “As a result, either the price will need to rise (thus deterring some segments from purchasing and reducing the addressable market) or the margins will need to decline (thus reducing the profit of the product). Managing this tradeoff is a crucial factor in devising the pricing strategy,” she said.

Identify Your Target Audience

The most important factor is that your pricing must suit your target audience. **RavishYadav, Marketing Manager Riversong** believes that it is always the target customer, which should be in the mind, while one is working on the pricing. “The pricing should be set in a way that the customer always find himself on a winning side, whenever he compares the usefulness of the product with his buying capacity,” he said.

Analyse the Competition

A market study needs to be done as you go ahead with your pricing strategy. Customer’s perceived value for the offering, the cost involved and the competitor’s pricing for a similar offering, all affect the pricing believes **Rajesh Desai, CEO of Lyra India**. “Pricing is a symbiotic association of the minimal costs incurred by a company, with a congruent value proposition towards customers,” he said.

About Lyra:

Founded in 2001 by Alain Lacour, Lyra secures e-commerce and proximity payments and develops value-added services to manage transactions and POS equipment on a daily basis. Based in Toulouse, Lyra is present internationally with 10 subsidiaries (Algeria, Germany, Brazil, Chile, Spain, India, Mexico, Argentina, Colombia and Peru). The group has over 250 employees for a turnover of €53M in 2017.

Lyra's key figures:

Over 10 billion payments secured and transmitted in 2017 worldwide

Over 50,000 e-merchants

Over 3,000,000 payment terminals worldwide

Lyra's services are certified PCI DSS, Visa Merchant Agent and approved by GIE Cartes Bancaires.

<http://www.lyra.com>