

The art of pricing



of pricing THE ART OF PRICING How to Find the Hidden Profits to Grow Your Business RAFI MOHAMMED RAFI MOHAMMED is a director of Simon-Kucher & Partners, a consulting firm which specializes in international pricing strategy. Dr. Mohammed, a graduate of Boston University, the London School of Economics and Cornell University, has previous experience as a government economist. He also worked on pricing issues for the Federal Communications Commission during the deregulation of the telecommunications industry and as a fellow at the University of Virginia School of Business. The Web site for this book is at www.rafimo.com.

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By investing less than one hour per week in these summaries, subscribers gain a working knowledge of the top business titles. Subscriptions are available on a monthly or yearly basis. Further information is available at www.summaries.com. "The Art of Pricing – Page 1 MAIN IDEA Price is never one-size-fits-all.

If you think that way, you're leaving money on the table in the form of hidden profits you can and should access to grow your business. Instead of looking for the "perfect" price where consumer demand is optimized and your profits are maximized, try a more multi-dimensional approach instead. In particular, there are three different tools you'll need to approach pricing

decisions more effectively: 1. You'll need the right mind-set – where you look at pricing not as the search for a single optimum price point but as a multiple price point exercise in profit maximization.

The key is to understand the value which exists in the mind of buyers should dictate and drive your pricing decisions, not other factors like what competitors are charging or your costs plus a...