

Financial training for non financial staff



The financial training specialists

Tip of the week

Find more at www.attainmenttraining.co.uk.

For more tips follow me on Twitter: [@attainment_trg](https://twitter.com/attainment_trg)

Setting prices

When we think about setting prices, we often think “What price will give us most sales revenue (or shift the maximum number of units)?” The lower the price, the more we sell.

However, a better question is “What price will give us most profit?”

If we reduce the price, we sell more units, but make less profit per unit. If we increase the price, we sell fewer units, but make more on each one.

What pricing strategy gives the best profit? Do we need to reduce prices or increase them to increase profits?