

### **Agenda**





- 2. Understanding Pricing Strategies
- 3. Common Pricing Mistakes to Avoid
- 4. Live Example
- 5. Key Takeaways





#### **Understanding Your Market**

To price your products or services effectively, you first need to deeply understand your market.

- Analyze market trends and shifts in demand
  - → Subscribe to industry newsletters, attend trade shows, and follow thought leaders to identify the industry trends and insights.

#### **Study Buying Behavior**

- → Monitor what products are selling and at what price points.
- → Habitual Buyer Vs. Variety Seeking Buyer
- → Influencer marketing shaping decisions.





## Understanding the Different Pricing Strategies

- → **Tiered Pricing:** Offering multiple pricing levels based on customer preferences or product features. Offer different pricing levels based on the design complexity, number of colors, or type of transfer. ( Good, better, best model)
- → **Bundle Pricing:** Grouping products together for a special price. (e.g. T-shirt + hat + packing)
- → Seasonal or Trend-Based Pricing: Adjusting prices based on demand, holidays, or trends. Example: Pricing apparel higher during holidays or special events.





## Understanding the Different Pricing Strategies cont.

- → Cost-Plus Pricing: Define and explain how to calculate costs and add a profit margin.
- → Value-Based Pricing: Pricing based on the perceived value to the customer rather than cost.



#### **Cost Plus Pricing vs. Value**

Use **cost-plus pricing** as a **baseline**, but don't stop there. Research:

- •What are competitors charging?
- •What does your target audience expect to pay?
- •Are there similar products/services with better perceived value?

Switch to Value-Based Pricing When Possible

Ask yourself:

What is this worth to my customer?

If your product solves a unique problem or offers a better experience (e.g., durability, faster production, custom designs), price based on **value delivered**, not just cost.



#### **Cost Plus Pricing**

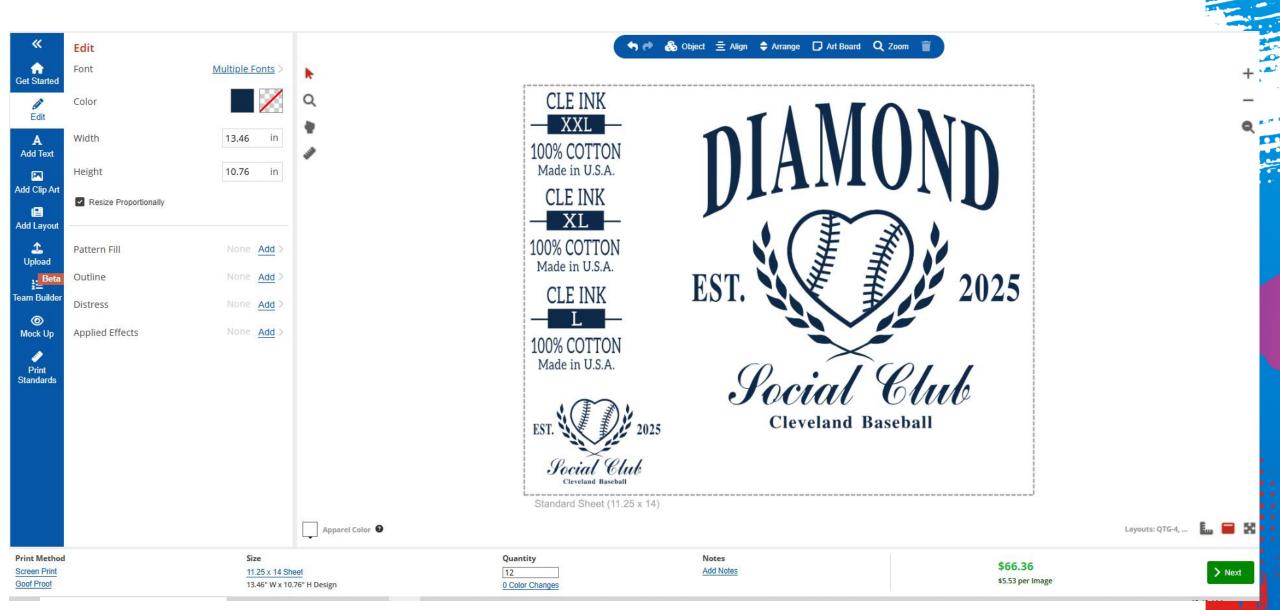
Your Cost \$10(Blanks \$5 + Transfer \$2 + Labor \$3)

Your Price \$25

Your Profit \$15 (60% Margin)

That's a **60% margin** (aka, you're doing great!







## Port & Company ® - Fan Favorite Tee PC450

1-12qty \$3.58

13-35qty \$3.36

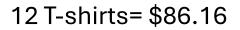
36+qty \$3.14





#### **Cost Breakdown**

Item	Cost per Unit
PC450 T-shirt	\$3.58
Heat Transfer Design	\$1.10 + (Add for each print location aka VALUE)
Labor (pressing)	\$2.00
Packaging	\$0.50
Total Cost	\$7.18 ( Per T-shirt)



Sell 12t-shirts x \$25= \$300

\$300(profit)-\$86.16( Labor) = Pocket \$213.84 ©





## Pricing Mistakes to Avoid

- → **Underpricing:** Consequences of undervaluing products and not covering costs.
- → Not Accounting for All Costs: Overlooking hidden costs like labor, utilities, and packaging.
- → Not Adjusting for Market Trends: Failing to adjust prices when materials or demand change. If a specific design trend becomes popular (e.g., vintage graphics, tiedye), failing to raise your prices accordingly might hurt profits.
- → Being Afraid to Raise Prices: Addressing the fear of losing customers when increasing prices. After building a reputation for top-notch heat transfer designs, it's okay to increase your pricing once demand is established.





#### **Guess That Price!**

A. \$30.00

B. \$45.50

C.\$60.00

D. None of the Above





### **Key Takeaways**

- → Know your market
- → Price for profit, not fear
- → Position for value, not just cost
- → Pricing is not "set it and forget it"





Remember, the process never stops. You will continually be evaluating and making improvements to maintain growth.



### **Additional Insights!**











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# Thanks for Attending!

Any Questions?





