



Pricing Strategy Matrix

Price	Low	Medium	High
Perceived Value High - - Medium - - Low	Promotional Temporary Price	Value Good quality at a reasonable price	Premium Highest quality product/service at a premium price - prestige brand
			Skimming Mediocre quality at a high price
	Commodity Lowest quality with no differentiation among competitors		
Volume	High	Medium	Low

The B2B pricing strategy matrix below can help you evaluate price, perceived value, and volume to construct an informed pricing strategy decision.

While developing your B2B pricing strategy, it is important to remember that there is an implicit relationship between price, value, and volume. In preparing your pricing strategy, it is also essential to recognize the dynamic market relationships between price, perceived value, and size, or quantity.

Customers usually will pay higher prices for things that have a high-perceived value and are scarce regarding quantity available like an exclusive product or service. At the opposite end of the spectrum, we expect to pay low prices for mass-produced items that are not readily distinguishable among competing brands like copy paper.



Courtesy of IndustryArchive.Org

Determining a value price is a little more difficult because one person's value could be another person's luxurious, or yet another person's perception of cheap. So how do you determine the right price for your products or services? It requires taking into account all three factors of price, value, and volume to achieve the right balance of all these factors to maximize customer acceptance and your sales and profits.

There are many options and methods to establish the price of your products or services. The pricing strategy matrix (chart below) takes into account three attributes of setting a price, volume, perceived value and price in a range of each quality type. You can use the chart below to:

- determine where your current pricing places your products or services on this chart
- re-assess your pricing to your pricing objectives
- compare your pricing chart to that of your primary competitors to gauge your relative product/service pricing position in the marketplace

**For more Pricing Strategy Information,
please visit IndustryArchive.Org.**