

Module 1

Find your niche in the market.

Topic 5

How to price your product competitively.

Lesson 1

The importance of setting a global price matrix from day 1.

Lesson 2

Looking at how you want to be perceived by price in each global market.

Lesson 3

How to conduct a price comparison of global competitors.

Lesson 4

Looking at 3rd party platform channels for competitor price analysis.

Lesson 5

How to analyse and consider market exchange rates, when setting your pricing rules.

Lesson 6

How to create a global price matrix.

Lesson 7

Summarising all lessons within this step with a case study.

Project work

Complete the price analysis for your brand and define your global price matrix.



New Lesson.

The importance of setting a global price matrix from day 1.



How to price your product competitively.

When opportunities arise don't trip at the first hurdle because you don't know how much your product would be in different currency rates.

If from day 1 you have the ambition of becoming a global brand, define your global pricing now.

Your pricing could set your brand's image, so make sure you get it right!





How to price your product competitively.

‘To stay ahead of the game, international brands need to strengthen their value proposition. In particular, those competing neither on price nor on quality, must think strategically about expanding their online reach and becoming more **competitive on pricing.**’

<https://www.businessoffashion.com/articles/intelligence/the-year-ahead-beware-asias-cross-border-challengers?>





How to price your product competitively.



The pro's of completing this analysis:

- You will be aware of the effects of exchanges rates across different markets.
- You won't be slowed down in any new business deals, as you will be able to quote the relevant currency and be able to pitch your value in that market.
- You won't make the mistake at settling a new deal with wholesale at a loss, as you will using the correct RRP ensuring you make the best margin.
- You will remain competitive in all markets you work in.



How to price your product competitively.

An important lesson.

Pricing transparency is extremely important when operating only online. By being transparent, it will help build trust and win your customers over.

In return they will feel comfortable spending with you.

Ways to achieve this:

- Price consistently across your channels.
 - The price matrix will help you achieve this.
- Introduce a customer promise to honour a lower price if a customer finds it. (excluding 3rd party sellers for example eBay)



**Deliver the right product, in
the right market, at the right
price.**



New Lesson.

Looking at how you want to be perceived by price in each global market.



How to price your product competitively.

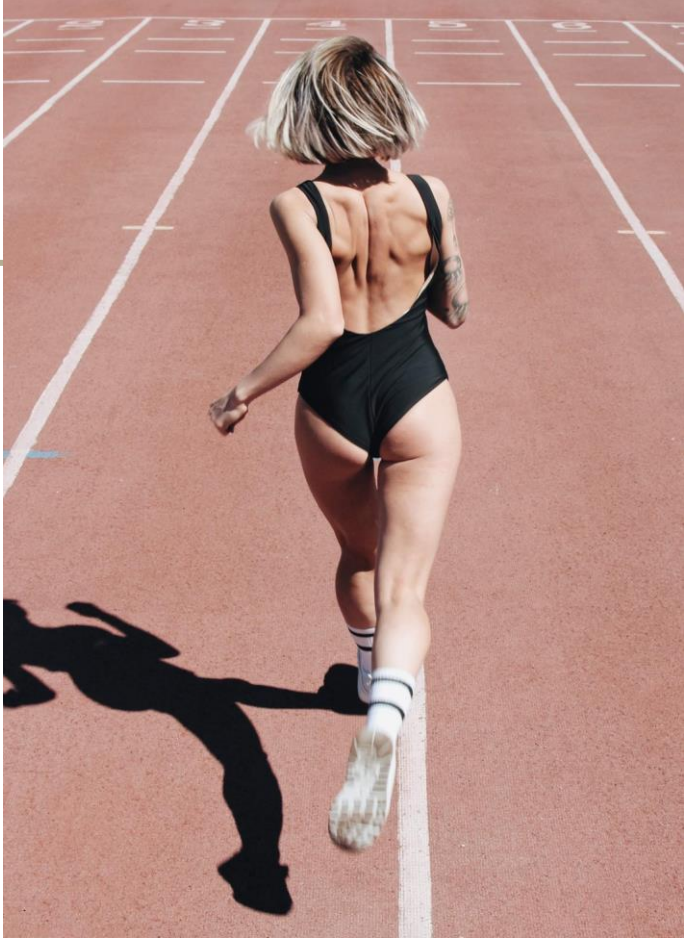
‘There is no "good, better, best" anymore. You're either "good enough" or you are the best.’



<https://www.retaildive.com/news/the-future-of-retail-what-2020-and-beyond-will-bring-to-the-industry/569615/>



How to price your product competitively.



Perception.

How do you want the price of your product to define how your brand is perceived ?

Examples being:

- Wow, that's great value.
- That's expensive for that fabric.
- The price seems very high vs similar brands.
- That seems like a fair price for an amazingly designed item.



How to price your product competitively.

Question you can ask yourself, to help determine how you will be perceived are:

- Does the target market you've selected perceive value in price or quality?
 - Does your brand's perception match this?
- Consider RRP rounding rules; 0.00, or 0.99, or 0.95.
 - Is 0.99 perceived as being a value brand?
- Which 3rd party platforms and/or new markets might you consider working with in the 1st year of trade?
 - How are they perceived and does it match your brands?
- Who are the competitors in your target market to benchmark your brand against?





How to price your product competitively.

Let's look at an example: Spell

<https://aus.spell.co>

Let's say that their new target market is USA.

- Competitors in that market are:
 - Free People
 - Anthropologie
 - For the Love of Lemons
 - Urban Outfitters
- Suitable 3rd party ecommerce platforms are:
 - Revolve
 - Shopbop
 - Neiman Marcus
 - Lulu's
- Rounding - 0.00 to match Aus. pricing.
 - Perceived luxury, not value.



SPELL & THE GYPSY
COLLECTIVE



How to price your product competitively.

What is Spell's perception vs the US market?

- The modern US market is price sensitive, lead by Walmart.
- The long-standing women's fashion market in the US, values quality and established brands.

Does that match Spell brand perception? Yes.

- Spell target customer is interested in fashion, not grocery shopping!





New Lesson.

How to conduct a price comparison of global competitors.

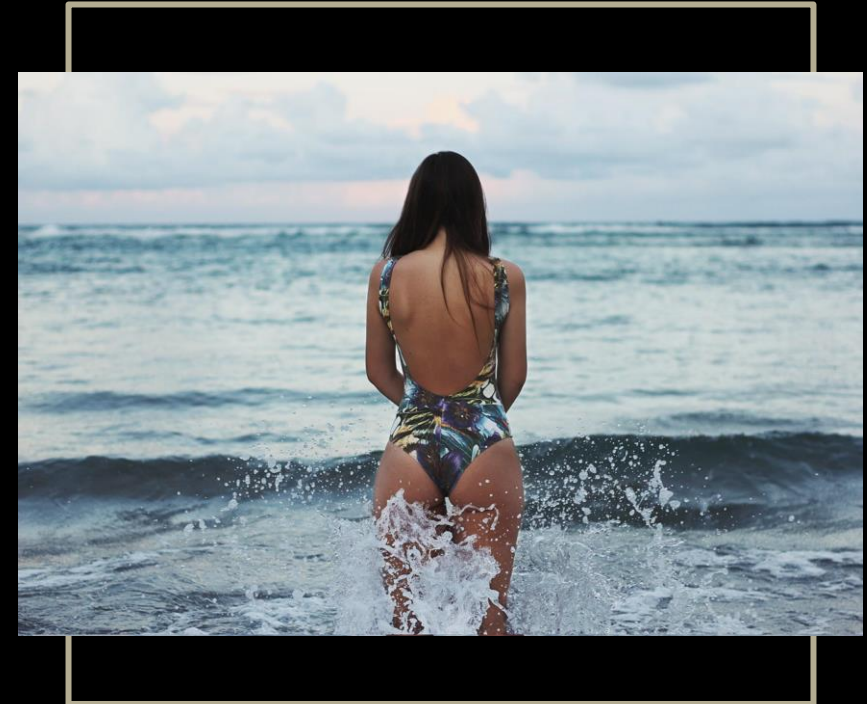


How to price your product competitively.

Criteria to follow:

- Use the same competitors used in the competitor analysis.
- Decide the markets, therefore the currencies that you are going to analyse.
- You only need to run this analysis looking at their online store, ideally their DTC website.
- If a competitor's website doesn't convert a currency then use today's exchange rate.

At this point you won't be 100% sure what categories you will be selling. Therefore I encourage you to analyse every product category your competitors sell, as later down the line it could help inform your decision.





How to price your product competitively.

An example of a pricing comparison table.

Brand	RAQ						the _Fold						Monday Swimwear					
Price Range	Entry RRP \$AUD	Exit RRP \$AUD	Entry RRP GBP	Exit RRP GBP	Entry RRP EUR	Exit RRP EUR	Entry RRP \$AUD	Exit RRP \$AUD	Entry RRP GBP	Exit RRP GBP	Entry RRP EUR	Exit RRP EUR	Entry RRP \$AUD	Exit RRP \$AUD	Entry RRP GBP	Exit RRP GBP	Entry RRP EUR	Exit RRP EUR
Swimwear																		
Bikini Tops	\$ -	\$ -	£ -	£ -	€ -	€ -	\$ -	\$ -	£ -	£ -	€ -	€ -	\$ -	\$ -	£ -	£ -	€ -	€ -
Underwire cup	\$ 79.00	\$ 89.00	£ 41.87	£ 47.17	€ 48.98	€ 55.18	\$ 140.00	\$ 160.00	£ 75.00	£ 85.00	€ 80.00	€ 99.00	\$ 94.00	\$ 98.00	£ -	£ -	€ -	€ -
Crop top	\$ 89.00	\$ -	£ 47.17	£ -	€ 55.18	€ -	\$ -	\$ -	£ -	£ -	€ -	€ -	\$ 87.00	\$ 89.00	£ -	£ -	€ -	€ -
Triangle	\$ -	\$ -	£ -	£ -	€ -	€ -	\$ 130.00	\$ 160.00	£ 75.00	£ 85.00	€ 80.00	€ 99.00	\$ 77.00	\$ 92.00	£ -	£ -	€ -	€ -
Strapless	\$ -	\$ -	£ -	£ -	€ -	€ -	\$ -	\$ -	£ -	£ -	€ -	€ -	\$ 88.00	\$ -	£ -	£ -	€ -	€ -
	\$ -	\$ -	£ -	£ -	€ -	€ -	\$ -	\$ -	£ -	£ -	€ -	€ -	\$ -	\$ -	£ -	£ -	€ -	€ -
Bikini Bottoms	\$ -	\$ -	£ -	£ -	€ -	€ -	\$ -	\$ -	£ -	£ -	€ -	€ -	\$ -	\$ -	£ -	£ -	€ -	€ -
90s / high side	\$ 49.00	\$ -	£ 25.97	£ -	€ 30.38	€ -	\$ 70.00	\$ -	£ 48.00	£ -	€ 55.00	€ -	\$ 77.00	\$ 82.00	£ -	£ -	€ -	€ -
High Waist	\$ 39.00	\$ -	£ 20.67	£ -	€ 24.18	€ -	\$ 110.00	\$ -	£ 59.00	£ -	€ 68.00	€ -	\$ 82.00	\$ 89.00	£ -	£ -	€ -	€ -
Side tie	\$ 45.00	\$ -	£ 23.85	£ -	€ 27.90	€ -	\$ -	\$ -	£ -	£ -	€ -	€ -	\$ 77.00	\$ 79.00	£ -	£ -	€ -	€ -
Strappy briefs	\$ 39.00	\$ -	£ 20.67	£ -	€ 24.18	€ -	\$ -	\$ -	£ -	£ -	€ -	€ -	\$ 75.00	\$ 79.00	£ -	£ -	€ -	€ -
One Piece	\$ -	\$ -	£ -	£ -	€ -	€ -	\$ 230.00	\$ -	£ 122.00	£ -	€ 142.00	€ -	\$ 159.00	\$ 192.00	£ -	£ -	€ -	€ -
Beachwear																		
Tunic / Kaftan	\$ -	\$ -	£ -	£ -	€ -	€ -	\$ -	\$ -	£ -	£ -	€ -	€ -	\$ 138.00	\$ 145.00	£ -	£ -	€ -	€ -
Top	\$ -	\$ -	£ -	£ -	€ -	€ -	\$ -	\$ -	£ -	£ -	€ -	€ -	\$ 89.00	\$ 118.00	£ -	£ -	€ -	€ -
Shirt	\$ -	\$ -	£ -	£ -	€ -	€ -	\$ -	\$ -	£ -	£ -	€ -	€ -	\$ 118.00	\$ -	£ -	£ -	€ -	€ -
Pants	\$ -	\$ -	£ -	£ -	€ -	€ -	\$ -	\$ -	£ -	£ -	€ -	€ -	\$ 129.00	\$ -	£ -	£ -	€ -	€ -
Dresses	\$ -	\$ -	£ -	£ -	€ -	€ -	\$ -	\$ -	£ -	£ -	€ -	€ -	\$ 179.00	\$ -	£ -	£ -	€ -	€ -
Sarongs	\$ -	\$ -	£ -	£ -	€ -	€ -	\$ -	\$ -	£ -	£ -	€ -	€ -	\$ 52.00	\$ 59.00	£ -	£ -	€ -	€ -
Accessories - Bag	\$ -	\$ -	£ -	£ -	€ -	€ -	\$ -	\$ -	£ -	£ -	€ -	€ -	\$ 79.00	\$ 129.00	£ -	£ -	€ -	€ -
Accessories - Hat	\$ -	\$ -	£ -	£ -	€ -	€ -	\$ -	\$ -	£ -	£ -	€ -	€ -	\$ 39.00	\$ 98.00	£ -	£ -	€ -	€ -

Reminder: this table is one of the pricing strategy workbook sheets. Open it up now and familiarise yourself with it!



How to price your product competitively.

Brand	RAQ					
Price Range	Entry RRP \$AUD	Exit RRP \$AUD	Entry RRP GBP	Exit RRP GBP	Entry RRP EUR	Exit RRP EUR
Swimwear						
Bikini Tops	\$ -	\$ -	£ -	£ -	€ -	€ -
Underwire cup	\$ 79.00	\$ 89.00	£ 41.87	£ 47.17	€ 48.98	€ 55.18
Crop top	\$ 89.00	\$ -	£ 47.17	£ -	€ 55.18	€ -
Triangle	\$ -	\$ -	£ -	£ -	€ -	€ -
Strapless	\$ -	\$ -	£ -	£ -	€ -	€ -
	\$ -	\$ -	£ -	£ -	€ -	€ -
Bikini Bottoms	\$ -	\$ -	£ -	£ -	€ -	€ -
90s / high side	\$ 49.00	\$ -	£ 25.97	£ -	€ 30.38	€ -
High Waist	\$ 39.00	\$ -	£ 20.67	£ -	€ 24.18	€ -
Side tie	\$ 45.00	\$ -	£ 23.85	£ -	€ 27.90	€ -
Strappy briefs	\$ 39.00	\$ -	£ 20.67	£ -	€ 24.18	€ -
One Piece	\$ -	\$ -	£ -	£ -	€ -	€ -
Beachwear						
Tunic / Kaftan	\$ -	\$ -	£ -	£ -	€ -	€ -
Top	\$ -	\$ -	£ -	£ -	€ -	€ -
Shirt	\$ -	\$ -	£ -	£ -	€ -	€ -
Pants	\$ -	\$ -	£ -	£ -	€ -	€ -
Dresses	\$ -	\$ -	£ -	£ -	€ -	€ -
Sarongs	\$ -	\$ -	£ -	£ -	€ -	€ -
Accessories - Bag	\$ -	\$ -	£ -	£ -	€ -	€ -
Accessories - Hat	\$ -	\$ -	£ -	£ -	€ -	€ -

A few simple instructions to follow to complete this task are:

- Enter your competitor brands across the top bar.
- Enter the categories you wish to analyse in the 2nd column.
- Open up your competitor's online store across multiple tabs on your browser.
- Analytically work through the data entering the currency you wish to analyse.

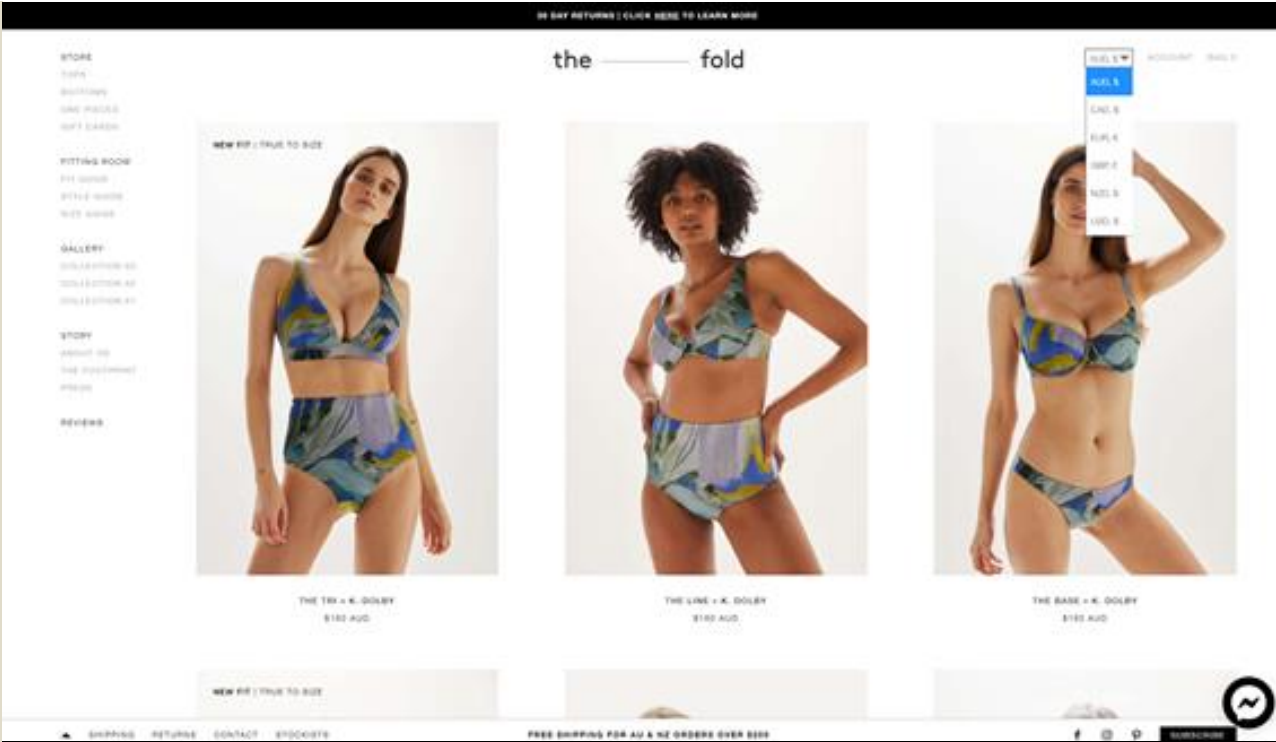
Tip: Always enter your home market currency first i.e. AUD.

Tip: Most websites offer you the ability to switch into different currencies on their site. If this is not an option then apply today's relevant exchange rate.



How to price your product competitively.

Let's run through a live example ...





How to price your product competitively.

This is the most important step!

You now need to summarise the data you have obtained.

- You now know the competitive price point to aim for by category (the average price point)
- By knowing the average price point this will guide you into:
 - Either pricing up or down by category.
 - You now have a benchmark to work to.
- You will have an understanding of what exchange rate your competitors are using for each currency.
- The data will suggest new price points for product categories you haven't considered yet.



Open up your workbook and document your answer in there.



New Lesson.

Looking at 3rd party platform channels for competitor price analysis.



How to price your product competitively.

You may be asking why do I need to look at 3rd party platforms when building my pricing strategy?

By analysing your competitors that are selling on 3rd party websites you have an insight into wholesale and the effects this will have on your brand.

3rd party platforms may up-price or down-price vs your chosen RRP. Why?

- Simply because they can.
- Mainly because they will price to suit their market and sales targets each season.

You need to be aware of these rules if you want to work in wholesale or try to compete with the larger platforms like ASOS.



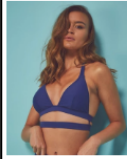


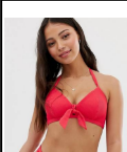




How to price your product competitively.

An example of 3rd party competitor pricing analysis.

A reminder of the key question:

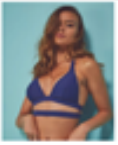


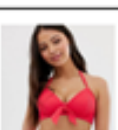


- Is the platform up or down pricing from brands own website?

Image	Brand	Product Description	Own Brand site	ASOS	Up price	Notes
	Wolf & Whistle	Jessica Eco Bikini Top	£24.00	£18.00	-25%	
	Wolf & Whistle	Eco Animal underwired top B-F	£30.00	£28.00	-7%	
	Wolf & Whistle	Eco high waist belted brief	£19.00	£16.00	-16%	
	Freya	Nouveau F Cup Tie Front soft tri	£34.00	£30.00	-12%	Ex.rate used: AUD to GBP 0.53 RRP \$64.95
	Freya	F cup bardot bandeau	£45.00	£36.00	-20%	Ex.rate used: AUD to GBP 0.53 RRP \$84.95
	Freya	Sundance rio tieside brief	£32.00	£24.00	-25%	Ex.rate used: AUD to GBP 0.53 RRP \$54.95



How to price your product competitively.

A few simple instructions to follow to complete this task are:

Image	Brand	Product Description	Own Brand site	ASOS	Up price	Notes
	Wolf & Whistle	Jessica Eco Bikini Top	£24.00	£18.00	-25%	
	Wolf & Whistle	Eco Animal underwired top B-F	£30.00	£28.00	-7%	
	Wolf & Whistle	Eco high waist belted brief	£19.00	£16.00	-16%	
	Freya	Nouveau F Cup Tie Front soft tri	£34.00	£30.00	-12%	Ex.rate used: AUD to GBP 0.53 RRP \$64.95
	Freya	F cup bardot bandeau	£45.00	£36.00	-20%	Ex.rate used: AUD to GBP 0.53 RRP \$84.95
	Freya	Sundance rio tieside brief	£32.00	£24.00	-25%	Ex.rate used: AUD to GBP 0.53 RRP \$54.95

- Select a large 3rd party platform in your target market where you will see a high SKU count.
 - Remember for a fair analysis you need to review more than 1 platform in the market you are wanting to go into.
- Find 2-3 of your competitor's products, no less.
- The product has to be the same; both shape and colour on both the brands and 3rd party website.
- If the RRP currency is different per site, reference the ex.rate that day. Document this in the notes column.

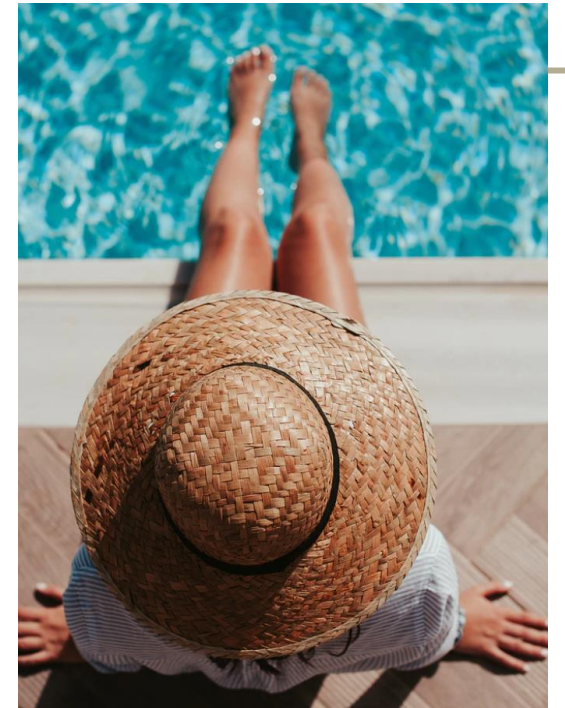


How to price your product competitively.

This is the most important step!

You now need to summarise the data you have gathered.

- Are your competitors up or down pricing their product on 3rd party platforms?
 - Summarise the average rule per platform or market. This will help inform your pricing rules.
- Knowing this will guide you into whether or not you can up-price or not. This must be consideration if you want to remain competitive.
- This analysis will also enhance your perceived view about the target market you wish to launch in. Does it match your original perception?
- This analysis may decide if the 3rd party ecommerce is right for you?



Open up your workbook and document your answer in there.



New Lesson.

How to analyse and consider market exchange rates, when setting your pricing rules.



How to price your product competitively.

Analyse the exchange rate using 2 simple tools.

1. XE currency charts.
2. Your competitor analysis.

The result.

You will ensure you are using the most competitive exchange for your brand.



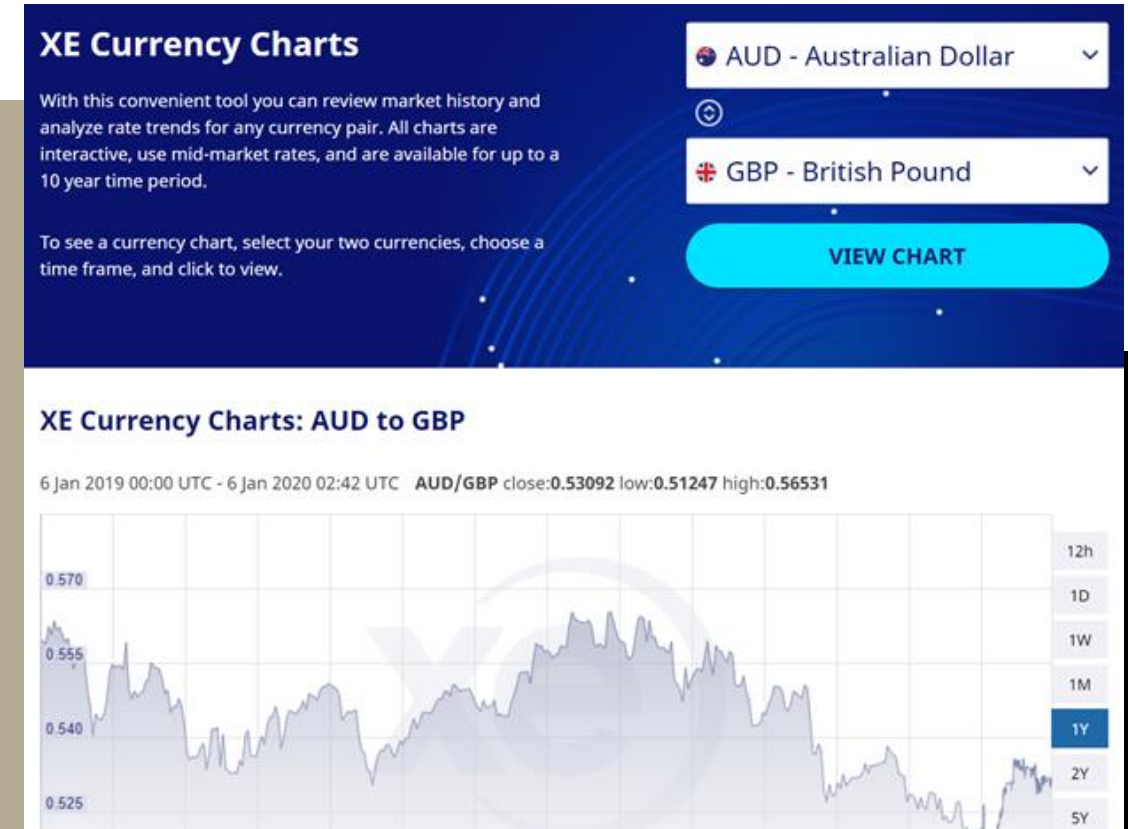


How to price your product competitively.

Tool 1.

XE Currency Charts

<https://www.xe.com/currencycharts/?from=AUD&to=GBP&view=1Y>





How to price your product competitively.

Tool 2.

Your competitor pricing analysis.

You’ve already completed the work through entering your competitors’ price points in different currencies.!

All you now need to do is calculate the exchange rate.

- Enter this in a table in your workbook, just like the example in this page.

the_Fold						Miss Mandalay						Freya					
Entry RRP \$AUD	Exit RRP \$AUD	Entry RRP GBP	Exit RRP GBP	Entry RRP EUR	Exit RRP EUR	Entry RRP \$AUD	Exit RRP \$AUD	Entry RRP GBP	Exit RRP GBP	Entry RRP EUR	Exit RRP EUR	Entry RRP \$AUD	Exit RRP \$AUD	Entry RRP GBP	Exit RRP GBP	Entry RRP EUR	Exit RRP EUR
\$ -	\$ -	£ -	£ -	€ -	€ -	\$ -	\$ -	£ -	£ -	€ -	€ -	\$ -	\$ -	£ -	£ -	€ -	€ -
\$ 140.00	\$160.00	£ 75.00	£ 85.00	€ 80.00	€ 99.00	\$ 86.67	\$ 92.32	£ 42.00	£ 49.00	€ 37.00	€ 56.00	\$ 69.95	\$ 89.95	£ 36.00	£ 40.00	€ -	€ -
\$ -	\$ -	£ -	£ -	€ -	€ -	\$ -	\$ -	£ 48.00	£ -	€ 55.00	€ -	\$ 74.95	\$ -	£ 35.00	£ -	€ -	€ -
\$ 130.00	\$160.00	£ 75.00	£ 85.00	€ 80.00	€ 99.00	\$ 73.67	\$ 94.21	£ 40.00	£ 50.00	€ 52.00	€ 56.00	\$ 64.95	\$ 69.95	£ 28.00	£ 35.00	€ -	€ -
\$ -	\$ -	£ -	£ -	€ -	€ -	\$ 86.67	\$ 90.44	£ 46.00	£ 48.00	€ 53.00	€ 55.00	\$ 74.95	\$ 89.99	£ 36.00	£ 42.00	€ -	€ -
\$ -	\$ -	£ -	£ -	€ -	€ -	\$ -	\$ -	£ -	£ -	€ -	€ -	\$ -	\$ -	£ -	£ -	€ -	€ -
\$ -	\$ -	£ -	£ -	€ -	€ -	\$ -	\$ -	£ -	£ -	€ -	€ -	\$ -	\$ -	£ -	£ -	€ -	€ -
\$ 70.00	\$ -	£ 48.00	£ -	€ 55.00	€ -	\$ 48.93	\$ 75.28	£ 25.00	£ 40.00	€ 30.00	€ 31.00	\$ 44.95	\$ 54.95	£ 16.00	£ 23.00	€ -	€ -
\$ 110.00	\$ -	£ 59.00	£ -	€ 68.00	€ -	\$ 48.93	\$ 52.96	£ 28.00	£ -	€ 32.00	€ 37.00	\$ 54.95	\$ 59.95	£ 24.00	£ -	€ -	€ -
\$ -	\$ -	£ -	£ -	€ -	€ -	\$ 47.05	\$ 52.69	£ 25.00	£ 32.00	€ 31.00	€ 33.00	\$ 44.95	\$ 59.95	£ 21.00	£ 26.00	€ -	€ -
\$ -	\$ -	£ -	£ -	€ -	€ -	\$ 48.93	\$ 50.81	£ 24.00	£ 28.00	€ 27.00	€ 34.00	\$ 49.95	\$ -	£ 20.00	£ 26.00	€ -	€ -
\$ 230.00	\$ -	£ 122.00	£ -	€ 142.00	€ -	\$ 131.89	\$ -	£ 70.00	£ -	€ 81.00	€ -	\$ 109.99	\$129.95	£ 60.00	£ 69.00	€ -	€ -
\$ -	\$ -	£ -	£ -	€ -	€ -	\$ -	\$ -	£ -	£ -	€ -	€ -	\$ -	\$ -	£ -	£ -	€ -	€ -
\$ -	\$ -	£ -	£ -	€ -	€ -	\$ -	\$ -	£ -	£ -	€ -	€ -	\$ -	\$ -	£ -	£ -	€ -	€ -
\$ -	\$ -	£ -	£ -	€ -	€ -	\$ -	\$ -	£ -	£ -	€ -	€ -	\$ -	\$ -	£ -	£ -	€ -	€ -
\$ -	\$ -	£ -	£ -	€ -	€ -	\$ -	\$ -	£ -	£ -	€ -	€ -	\$ -	\$ -	£ -	£ -	€ -	€ -
\$ -	\$ -	£ -	£ -	€ -	€ -	\$ -	\$ -	£ -	£ -	€ -	€ -	\$ -	\$ -	£ -	£ -	€ -	€ -
\$ -	\$ -	£ -	£ -	€ -	€ -	\$ -	\$ -	£ -	£ -	€ -	€ -	\$ -	\$ -	£ -	£ -	€ -	€ -
\$ -	\$ -	£ -	£ -	€ -	€ -	\$ -	\$ -	£ -	£ -	€ -	€ -	\$ -	\$ -	£ -	£ -	€ -	€ -
AUD Brand 00 rounding - round numbers Ability to switch currencies on site Not using a flat rate - using the ex.rate of the day AUD to GBP rate being used: 0.57 AUD to EUR rate being used: 0.64						GBP brand 00 rounding - round numbers Ability to switch currencies on site Not using a flat rate - using the ex.rate of the day AUD to GBP rate being used: 0.52 AUD to EUR rate being used: 0.60						AUD Brand 0.95 rounding Ability to switch currencies on site Not using a flat rate - using the ex.rate of the day AUD to GBP rate being used: 0.46 AUD to EUR rate being used: n/a					

	XE.com	Competitors			Analysis	
Currency	1 yr av (above)	the_fold	Miss M	Freya	AV	Diff
AUD - GBP	0.53	0.57	0.52	0.46	0.52	-3%
AUD - EUR	0.61	0.64	0.6		0.62	2%



How to price your product competitively.

Use both sets of data to decide the exchange rate that you will set for your brand.



The few simple instructions to follow to complete this task are:

Tool 1.

➤ Review annual ex.rate using the right hand bar.

➤ I advise to use the 1 yr view as a fair average.

➤ Analyse the high, low and the closing exchange rate, to be able to compare against your competitors data.

➤ Enter the average into the summary table in your workbook.

Currency	1 yr av	the_fold	Miss M	Freya	AV	Diff
AUD - GBP	0.53	0.57	0.52	0.46	0.52	-3%
AUD - EUR	0.61	0.64	0.6		0.62	2%

Tool 2.

➤ No actions as the table has already been created.

Summary.

Review the data gathered and decide on the best average exchange rate for your brand. Fix this for the next year.



New Lesson.

How to create a global price matrix.



How to price your product competitively.



What is a price matrix?

It is a table containing all your brand's currencies.

The importance of building a price matrix:

- You are able to look-up into the matrix at any point and translate a price point into numerous currencies.
- It is extremely beneficial when selling into wholesale.
- You will have one document that anyone in your team can reference at any point.

A point to note is that once you have completed the analysis, you only need to share and publish a narrow view of the matrix so not to confuse people.



	UP-PRICING AUD BY +12%										SUMMARY PRICING - Competitor Analysis	
	.+12%	0.53				0.63						
AUD	AUD Final	GBP	roundup	round down	GBP Final	EUR	roundup	round down	EUR Final	Entry AUD	Exit AUD	
\$ 35.00	\$ 40.00	£ 21.20	£ 22.00	£ 21.00	£ 22.00	€ 25.20	€ 26.00	€ 25.00	€ 25.00			
\$ 39.00	\$ 44.00	£ 23.32	£ 24.00	£ 23.00	£ 25.00	€ 27.72	€ 28.00	€ 27.00	€ 28.00	\$45.00	\$55.00	
\$ 45.00	\$ 52.00	£ 27.56	£ 28.00	£ 27.00	£ 28.00	€ 32.76	€ 33.00	€ 32.00	€ 32.00	\$30.00	\$30.00	
\$ 49.00	\$ 55.00	£ 29.15	£ 30.00	£ 29.00	£ 30.00	€ 34.65	€ 35.00	€ 34.00	€ 35.00	\$35.00	\$50.00	
\$ 55.00	\$ 62.00	£ 32.86	£ 33.00	£ 32.00	£ 32.00	€ 39.06	€ 40.00	€ 39.00	€ 40.00			
\$ 59.00	\$ 66.00	£ 34.98	£ 35.00	£ 34.00	£ 35.00	€ 41.58	€ 42.00	€ 41.00	€ 42.00			
\$ 65.00	\$ 72.00	£ 38.16	£ 39.00	£ 38.00	£ 38.00	€ 45.36	€ 46.00	€ 45.00	€ 45.00			
\$ 69.00	\$ 78.00	£ 41.34	£ 42.00	£ 41.00	£ 42.00	€ 49.14	€ 50.00	€ 49.00	€ 50.00			
\$ 75.00	\$ 84.00	£ 44.52	£ 45.00	£ 44.00	£ 45.00	€ 52.92	€ 53.00	€ 52.00	€ 52.00			
\$ 79.00	\$ 88.00	£ 46.64	£ 47.00	£ 46.00	£ 48.00	€ 55.44	€ 56.00	€ 55.00	€ 56.00	\$60.00	\$80.00	
\$ 89.00	\$ 100.00	£ 53.00	£ 53.00	£ 53.00	£ 54.00	€ 63.00	€ 63.00	€ 63.00	€ 64.00	\$45.00	\$50.00	
\$ 99.00	\$ 112.00	£ 59.36	£ 60.00	£ 59.00	£ 60.00	€ 70.56	€ 71.00	€ 70.00	€ 72.00			
\$ 109.00	\$ 122.00	£ 64.66	£ 65.00	£ 64.00	£ 65.00	€ 76.86	€ 77.00	€ 76.00	€ 78.00			
\$ 119.00	\$ 134.00	£ 71.02	£ 72.00	£ 71.00	£ 72.00	€ 84.42	€ 85.00	€ 84.00	€ 85.00			
\$ 129.00	\$ 145.00	£ 76.85	£ 77.00	£ 76.00	£ 76.00	€ 91.35	€ 92.00	€ 91.00	€ 92.00			
\$ 139.00	\$ 155.00	£ 82.15	£ 83.00	£ 82.00	£ 82.00	€ 97.65	€ 98.00	€ 97.00	€ 98.00			
\$ 149.00	\$ 166.00	£ 87.98	£ 88.00	£ 87.00	£ 88.00	€ 104.58	€ 105.00	€ 104.00	€ 105.00			
\$ 159.00	\$ 178.00	£ 94.34	£ 95.00	£ 94.00	£ 95.00	€ 112.14	€ 113.00	€ 112.00	€ 112.00			
\$ 169.00	\$ 190.00	£ 100.70	£ 101.00	£ 100.00	£ 100.00	€ 119.70	€ 120.00	€ 119.00	€ 120.00			
\$ 179.00	\$ 200.00	£ 106.00	£ 106.00	£ 106.00	£ 106.00	€ 126.00	€ 126.00	€ 126.00	€ 128.00			
\$ 189.00	\$ 212.00	£ 112.36	£ 113.00	£ 112.00	£ 112.00	€ 133.56	€ 134.00	€ 133.00	€ 134.00			
\$ 199.00	\$ 222.00	£ 117.66	£ 118.00	£ 117.00	£ 118.00	€ 139.86	€ 140.00	€ 139.00	€ 140.00			
\$ 219.00	\$ 245.00	£ 129.85	£ 130.00	£ 129.00	£ 130.00	€ 154.35	€ 155.00	€ 154.00	€ 155.00			
\$ 229.00	\$ 256.00	£ 135.68	£ 136.00	£ 135.00	£ 135.00	€ 161.28	€ 162.00	€ 161.00	€ 162.00			
\$ 249.00	\$ 278.00	£ 147.34	£ 148.00	£ 147.00	£ 148.00	€ 175.14	€ 176.00	€ 175.00	€ 176.00			
\$ 259.00	\$ 292.00	£ 154.76	£ 155.00	£ 154.00	£ 155.00	€ 183.96	€ 184.00	€ 183.00	€ 184.00			
\$ 269.00	\$ 302.00	£ 160.06	£ 161.00	£ 160.00	£ 160.00	€ 190.26	€ 191.00	€ 190.00	€ 192.00			
\$ 279.00	\$ 312.00	£ 165.36	£ 166.00	£ 165.00	£ 165.00	€ 196.56	€ 197.00	€ 196.00	€ 196.00			
\$ 299.00	\$ 335.00	£ 177.55	£ 178.00	£ 177.00	£ 178.							



How to price your product competitively.

		NO up-pricing				
		0.53				0.53
AUD		GBP	roundup	round down	GBP Final	Ex.rate
\$	35.00	£ 18.55	£ 19.00	£ 18.00	£ 18.00	0.51
\$	39.00	£ 20.67	£ 21.00	£ 20.00	£ 20.00	0.51
\$	45.00	£ 23.85	£ 24.00	£ 23.00	£ 24.00	0.53
\$	49.00	£ 25.97	£ 26.00	£ 25.00	£ 26.00	0.53
\$	55.00	£ 29.15	£ 30.00	£ 29.00	£ 30.00	0.55
\$	59.00	£ 31.27	£ 32.00	£ 31.00	£ 32.00	0.54
\$	65.00	£ 34.45	£ 35.00	£ 34.00	£ 35.00	0.54
\$	69.00	£ 36.57	£ 37.00	£ 36.00	£ 38.00	0.55
\$	75.00	£ 39.75	£ 40.00	£ 39.00	£ 40.00	0.53
\$	79.00	£ 41.87	£ 42.00	£ 41.00	£ 44.00	0.56
\$	89.00	£ 47.17	£ 48.00	£ 47.00	£ 48.00	0.54
\$	99.00	£ 52.47	£ 53.00	£ 52.00	£ 52.00	0.53
\$	109.00	£ 57.77	£ 58.00	£ 57.00	£ 58.00	0.53
\$	119.00	£ 63.07	£ 64.00	£ 63.00	£ 64.00	0.54
\$	129.00	£ 68.37	£ 69.00	£ 68.00	£ 68.00	0.53
\$	139.00	£ 73.67	£ 74.00	£ 73.00	£ 74.00	0.53
\$	149.00	£ 78.97	£ 79.00	£ 78.00	£ 78.00	0.52
\$	159.00	£ 84.27	£ 85.00	£ 84.00	£ 85.00	0.53
\$	169.00	£ 89.57	£ 90.00	£ 89.00	£ 90.00	0.53
\$	179.00	£ 94.87	£ 95.00	£ 94.00	£ 95.00	0.53
\$	189.00	£ 100.17	£ 101.00	£ 100.00	£ 100.00	0.53
\$	199.00	£ 105.47	£ 106.00	£ 105.00	£ 105.00	0.53
\$	219.00	£ 116.07	£ 117.00	£ 116.00	£ 116.00	0.53
\$	229.00	£ 121.37	£ 122.00	£ 121.00	£ 122.00	0.53
\$	249.00	£ 131.97	£ 132.00	£ 131.00	£ 132.00	0.53
\$	259.00	£ 137.27	£ 138.00	£ 137.00	£ 138.00	0.53
\$	269.00	£ 142.57	£ 143.00	£ 142.00	£ 142.00	0.53
\$	279.00	£ 147.87	£ 148.00	£ 147.00	£ 148.00	0.53
\$	299.00	£ 158.47	£ 159.00	£ 158.00	£ 158.00	0.53
\$	349.00	£ 184.97	£ 185.00	£ 184.00	£ 185.00	0.53

A few simple instructions to follow are:

- Highlight the average RRP's based on your research (competitor analysis table).
- Apply the exchange rate you have set for your new market.
- The round-up and round-down formula in your workbook will automatically populate to the rule 0.00, override this if you have chosen 0.95 or 0.99.
- Then decide each final price point, deciding if you will round-up or round-down to meet your brand's perception.
- Run a check, to ensure the overall exchange rate average meet your brand's average rate after the completing the rounding exercise.

Note: If you are choosing to sell only in your local market, in this case AUD, then you only need to compare the average price points, in which to set your price points.



How to price your product competitively.



Pause.

So far you have applied:

- Lesson 2 – Perceived value, in this example 0.00 quality.
- Lesson 3 – The average price point by competitor, by category.
- Lesson 5 – the average exchange rate for your new currency (if applicable)

Now we need to a run the next analysis and one of the most important.

- **Can you afford to up-price in your new market?**

Let's now look at lesson 4 and our 3rd party platform analysis.



How to price your product competitively.

Lets start with an industry fact.

Most brands on average up-price by +12% in the UK/EU and by +20-25% in the USA.

➤ **Why?** Because as a base, you need to cover the duties and overall cost of shipping into those countries.

UP-PRICING AUD BY +12%							SUMMARY PRICING - Competitor Analysis	
AUD	+12% AUD Final	0.53 GBP	roundup	round down	GBP Final	Entry AUD	Exit AUD	
\$ 35.00	\$ 40.00	£ 21.20	£ 22.00	£ 21.00	£ 22.00			
\$ 39.00	\$ 44.00	£ 23.32	£ 24.00	£ 23.00	£ 25.00	\$45.00	\$55.00	
\$ 45.00	\$ 52.00	£ 27.56	£ 28.00	£ 27.00	£ 28.00	\$30.00	\$30.00	
\$ 49.00	\$ 55.00	£ 29.15	£ 30.00	£ 29.00	£ 30.00	\$35.00	\$50.00	
\$ 55.00	\$ 62.00	£ 32.86	£ 33.00	£ 32.00	£ 32.00			
\$ 59.00	\$ 66.00	£ 34.98	£ 35.00	£ 34.00	£ 35.00			
\$ 65.00	\$ 72.00	£ 38.16	£ 39.00	£ 38.00	£ 38.00			
\$ 69.00	\$ 78.00	£ 41.34	£ 42.00	£ 41.00	£ 42.00			
\$ 75.00	\$ 84.00	£ 44.52	£ 45.00	£ 44.00	£ 45.00			
\$ 79.00	\$ 88.00	£ 46.64	£ 47.00	£ 46.00	£ 48.00	\$60.00	\$80.00	
\$ 89.00	\$ 100.00	£ 53.00	£ 53.00	£ 53.00	£ 54.00	\$45.00	\$50.00	
\$ 99.00	\$ 112.00	£ 59.36	£ 60.00	£ 59.00	£ 60.00			
\$ 109.00	\$ 122.00	£ 64.66	£ 65.00	£ 64.00	£ 65.00			
\$ 119.00	\$ 134.00	£ 71.02	£ 72.00	£ 71.00	£ 72.00			
\$ 129.00	\$ 145.00	£ 76.85	£ 77.00	£ 76.00	£ 76.00			
\$ 139.00	\$ 155.00	£ 82.15	£ 83.00	£ 82.00	£ 82.00			
\$ 149.00	\$ 166.00	£ 87.98	£ 88.00	£ 87.00	£ 88.00			
\$ 159.00	\$ 178.00	£ 94.34	£ 95.00	£ 94.00	£ 95.00			
\$ 169.00	\$ 190.00	£ 100.70	£ 101.00	£ 100.00	£ 100.00			
\$ 179.00	\$ 200.00	£ 106.00	£ 106.00	£ 106.00	£ 106.00			
\$ 189.00	\$ 212.00	£ 112.36	£ 113.00	£ 112.00	£ 112.00			
\$ 199.00	\$ 222.00	£ 117.66	£ 118.00	£ 117.00	£ 118.00			
\$ 219.00	\$ 245.00	£ 129.85	£ 130.00	£ 129.00	£ 130.00			
\$ 229.00	\$ 256.00	£ 135.68	£ 136.00	£ 135.00	£ 135.00			
\$ 249.00	\$ 278.00	£ 147.34	£ 148.00	£ 147.00	£ 148.00			
\$ 259.00	\$ 292.00	£ 154.76	£ 155.00	£ 154.00	£ 155.00			
\$ 269.00	\$ 302.00	£ 160.06	£ 161.00	£ 160.00	£ 160.00			
\$ 279.00	\$ 312.00	£ 165.36	£ 166.00	£ 165.00	£ 165.00			
\$ 299.00	\$ 335.00	£ 177.55	£ 178.00	£ 177.00	£ 178.00			
\$ 349.00	\$ 392.00	£ 207.76	£ 208.00	£ 207.00	£ 208.00			
Current Pricing								
Proposed new Pricing								

- As we are looking at the UK, apply +12% up-price to your price points.
- Then follow the example same process as the previous instructions. Round-up, set price points etc

The final steps is to review what this has done to your price points, focusing on your key category price points. The highlighted price points.

- Use the key to clearly show the old and new price point.

Ask yourself:

- Does it align to the market data?
- Are you still competitive?



How to price your product competitively.

Let's run through a live example ...

The question you are verifying is can you afford to up-price by +12% in the UK market?

A further check you need to use to validate your price points is how much did your competitors up-price on 3rd party platforms/new market?
(lesson 4)





How to price your product competitively.

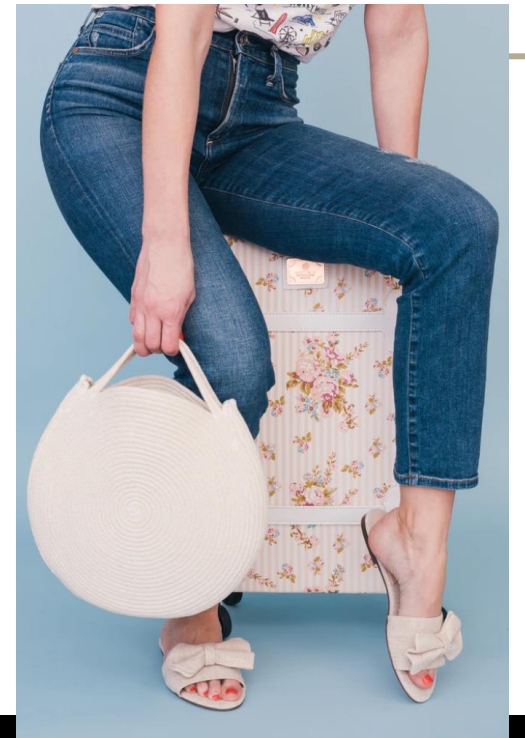
This is the most important step!

You now need to draw conclusions from the data and make decisions.

This is the final stage in step 3. You have to know how to price your product competitively and fix your price matrix.

Points to note:

- You don't need to increase the RRP in your current market, as this exercise is teaching you the up-pricing rules in new global markets.
- If generic rules don't work, for example applying a flat exchange rate to all prices, you can override specific price points. The tools you learn in this step are for guidance. It is up to you to make a commercial decision that's right for your brand.
- A tip; every 6 months [minimum] re-run all the data and check you are still competitively priced.



Open up your workbook and document your answer in there.



How to price your product competitively.



‘The dynamic pricing duo studied the unit economics of 2,463 companies and found that ***a 1% price improvement results in an 11.1% increase in operating profit***, which compares to 1% improvements in variable cost, volume, and fixed cost only resulting in profit increases of 7.8%, 3.3%, and 2.3% (respectively).’

<https://www.priceintelligently.com/blog/bid/157964/two-reasons-why-pricing-is-the-most-important-aspect-of-your-business>



New Lesson.

Summarising all lessons within this step with a case study.



How to price your product competitively.

RAQ

The brand I have used throughout the competitor analysis is RAQ.

➤ <https://raqapparel.com/>

Facts you need to know about RAQ.

- RAQ is an Australian swimwear brand for the fuller busted woman.
- RAQ are looking to expand into the UK/EU market.
- RAQ are interested in exploring new product categories.





How to price your product competitively.

Let's run through a live example ...

Find your perfect fit. Try our fit calculator.

Q

RAQ

Shop All Shop by Product Type Shop by Size

Free delivery on orders over \$100 AUD 30-day money back guarantee Buy now, pay later with Afterpay & Z

AUD

AUD

USD

CAD

INR

GBP

EUR

JPY

All Products


Bra Size

Colour


Product Type

Style


Featured



Underwire Crop - Red
\$ 99.00 AUD
★★★★★ 13 Reviews



90's Brief - Red
\$ 49.00 AUD
★★★★★ 6 Reviews



High Waist Full Brief - Red
\$ 55.00 AUD
★★★★★ 7 Reviews



How to price your product competitively.

Case study conclusion.

- From looking at the research, RAQ can up-price by +12% in the UK as this meets how they are perceived in the market i.e. competitive but not the cheapest brand.
- If RAQ were to sell into the UK/ASOS they would need to consider lowering their prices as this platform has more competitive prices.
- Looking at their competitor analysis, RAQ can clearly up-price their high-waisted brief as it is significantly lower than the price of their competitors.
- RAQ now also has a range of price points for products they don't currently sell for future consideration.





Project work.

Complete the price analysis for your brand and define your global price matrix.



Stop!

I would encourage you to stop think, and complete the pricing analysis for your brand.

- Step 1 – Complete the analysis.
- Step 2 – Create your global price matrix.
- Don't forget to use your workbook and document your summary in your business plan.

