

Create a pricing strategy for Ather

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Alright, let's hit the road and rev up Ather's pricing strategy! No rocket science, just a practical approach balancing customer perception, market demand, and keeping a watchful eye on the competition.

Market Demand and Customer Perceptions:

First things first, we need to understand what our riders want. Ather is not just a scooter; it's an experience. Customers are looking for sustainability, performance, and cutting-edge technology. Our pricing needs to reflect the value they're getting – not just in terms of transportation but in the overall lifestyle upgrade.

Competitor Analysis:

Now, let's peek at the competition. What are they charging, and what are they offering? We don't want to undersell our innovation, but we also need to stay competitive. If a similar model is priced significantly lower, we need to have a clear reason – whether it's superior technology, better range, or outstanding customer service.

Pricing Models:

1. **Cost-Based Pricing:**
 - Factor in production costs, including materials, labor, and overheads.
 - Add a reasonable profit margin.
 - This ensures we cover our costs and generate profit, but it might not capture the true value of our product.
2. **Value-Based Pricing:**
 - Reflect the value Ather provides to the customers – think about the money saved on fuel, the joy of a smooth ride, and the positive environmental impact.
 - Price based on the unique features and benefits that set Ather apart.
 - This approach aligns with the perceived value and enhances brand image.
3. **Competitor-Based Pricing:**
 - Analyze the pricing strategies of competitors.
 - Offer a competitive price, ensuring Ather is seen as a viable alternative.
 - However, avoid a race to the bottom – highlight what makes Ather worth the price difference.

Calculations:

4. Cost-Based Calculation:
 - Production Cost: \$5000
 - Profit Margin: 20%
 - Selling Price = \$5000 + (20% of \$5000) = \$6000
5. Value-Based Calculation:
 - Calculate the perceived value Ather offers to customers.
 - If the perceived value is \$8000, the price can be set at \$7500 to provide a perceived benefit to the customer while ensuring profitability.
6. Competitor-Based Calculation:
 - If competitors are priced around \$7000, consider a similar price but highlight additional features to justify the premium.

Final Strategy:

Taking into account the calculations and analyses, a blended approach might work best. A value-based pricing that considers production costs and competitor positioning. Let's set the price at \$7300. This is competitive, reflects the true value of Ather, and keeps us in the race for sustainable urban commuting. Remember, it's not just about the scooter – it's about the Ather experience. Let's roll with it! 🏁🗣️
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