

Title:

Lowest Price - Enjoy Fast Profits

Word Count:

485

Summary:

Lowest price of any product is the price that is set at the minimum without undergoing any loss by either the businessmen or the customers. Before you fix the lowest prices, you should research on factors like what to sell, how to sell and whom to sell. After these factors are decided you should fix the prices of the products and services that you want to sell.

How to win a price war?

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Keywords:

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Article Body:

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How to win a price war?

A close research on Economics suggests that price is the result of demand and supply. The market will always settle on a certain amount. The wholesalers and retailers will start fixing their own prices depending upon the equilibrium of the market price. If you can be one of those wholesalers or retailers, fixing your prices at the lowest then you can be assured of huge profits. Traditionally there are three ways to set the price for a product:

- Standard Markup - always adding the same percentage markup to the cost of products [i.e. cost plus50%]
- Competitive Parity - charging the same price or average price of the

competition

- Zero-based pricing - receiving a small margin per item with high volume of sales

You should fix your price based on the perceived value to the customers. To fix the lowest price without undergoing any loss, you should know what people want to pay? Either contact a market research firm or do it yourself if you are in a budget.

Pricing for a healthy business

Setting lowest price does not mean that you undervalue your products and services. While lowest pricing is a blessing amongst businessmen, under-pricing is a curse for them. Getting sound business advice solves the first problem of understanding the best way to approach pricing of one's product or service. Remember that costs determine the lowest price and must include overhead expenses, demand and supply factors of that product or services.

Since cost can determine lowest price, therefore concentrate to keep your cost of production low. Try to use advanced machineries that will produce high quantity of products with little amount of raw materials. This will offer you to produce in bulk and you can keep the price much lower than other wholesalers.

Visit websites of people selling the same products, compare their price lists with one another and then set your own price. This will help you to set the lowest price for your products.

Benefits of setting lowest price

There are several benefits of fixing lowest price. They are:

- You will get lifetime customers who will come to you for business again and again.
- You will gain fast popularity in the market, both amongst businessmen and customers.
- You will have quick cash flow, as customers' will crowd to your shop.
- You are assured of long-term huge profits.

Your customers are tough and demanding, so supply products and services at lowest prices. This will help you to earn lifetime customer relationships.