



TAITA BASKET ASSOCIATION (TBA)

3rd Training Workshop & Concluding Meeting of the Branding Project using Intellectual Property (IP) for "Taita Basket"

PRICING



- ▣ A good pricing formula ensures that you pay your self and account for your materials.
- ▣ Helps you understand wholesale vs retail pricing.
- ▣ The pricing formula might help you realize if you are undervaluing your worth.
- ▣ If you are just picking a price out of thin air you might be undervaluing yourself.
- ▣ Are you charging what you are worth?

How much is your time worth?
How much is your basket worth?



Factors to consider:-

- ▣ **Material Costs**
Sisal, dyes
- ▣ **Labor costs:**
time per hour/per day (government minimum wage guide to consider)
- ▣ **Miscellaneous Costs:** transport, rent, electricity, stationery, labels, branding, advertising etc
- ▣ **Competition:** Be competitive, but not compromise on profits



Pricing Formulae



Cost Price:

Cost Price is how much it actually cost you to make your item, including your time. (Time + Materials+ 10-15% overhead costs)

Example: Sisal (grams)+ Dyes (grams)+ Hours (actual time)



Wholesale Price

- **Wholesale Price**
- *Selling in large quantities*



- the base rate at which you would price your work if selling it in bulk to a retailer.
- $(\text{Cost Price} \times 2)$

Recommended Retail Price



Recommended Retail Price (RRP)

the rate at which you (or a store selling your items)
would price your work for sale to the public

Summary to pricing

- ▣ Solid pricing structure – reduce price fluctuation)
- ▣ Creative and strong branding and packaging (Tagging)
- ▣ Clear product descriptions, good product photos, good advertising (active social media, flyers), good customer service
- ▣ A good story behind your products (Taita Basket Association)



Pricing Formula:

- ▣ $\text{Time} + \text{Materials} = \text{Cost Price}$
- ▣ $\text{Cost Price} \times 2 = \text{Wholesale Price}$
- ▣ $\text{Wholesale Price} \times 2 = \text{Recommended Retail Price}$



Well Priced = Good Product = Profits

