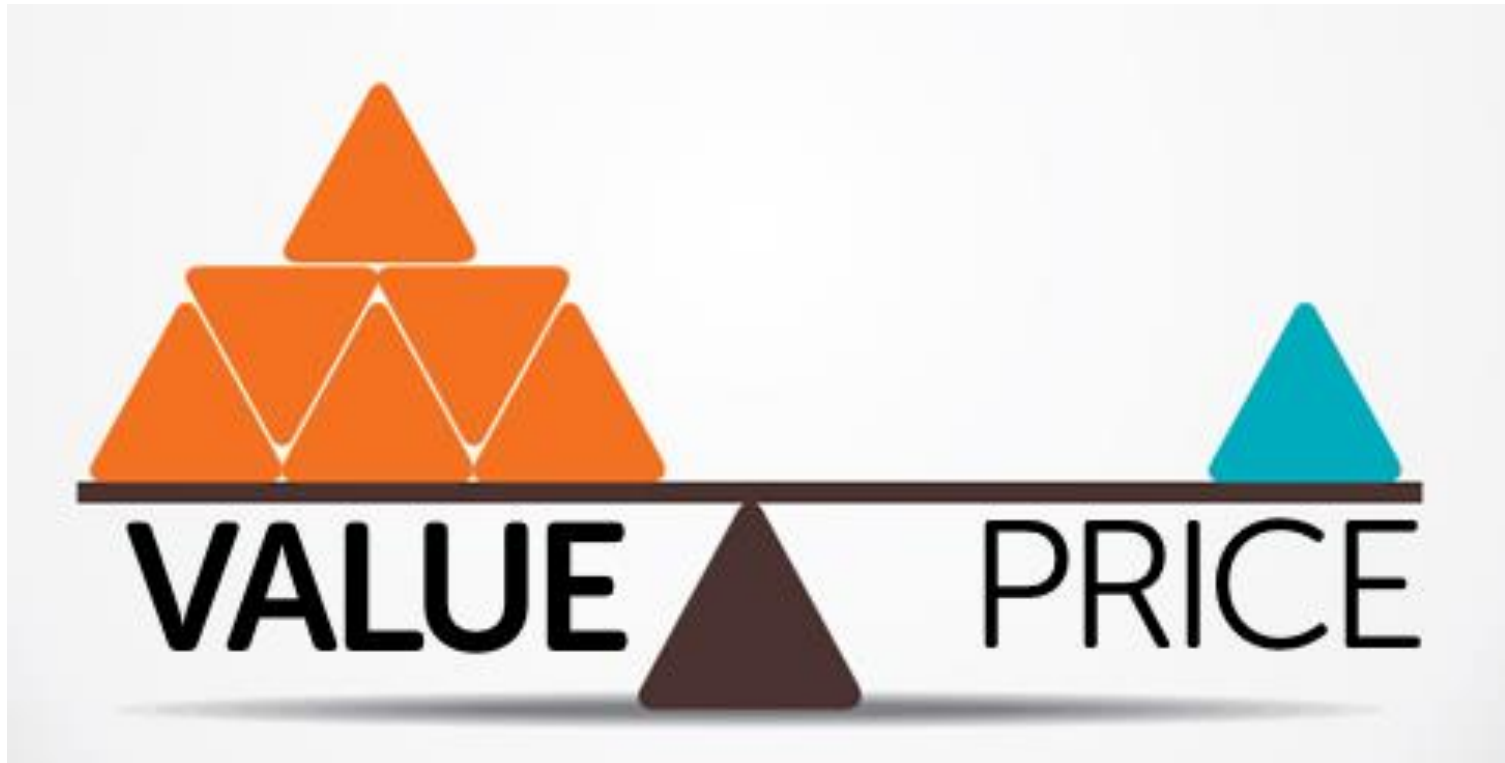


Pricing & Value





Getting it right



- NPO or Not For Loss
- Sell price based on:
 - Quality
 - Value
 - Service
 - Unique benefits

- Perception of lower quality
“you get what you pay for”
- Not enough money to cover costs
(equip, programs, facilities, etc...)
- Lack confidence in your product/service
value

Pricing Water



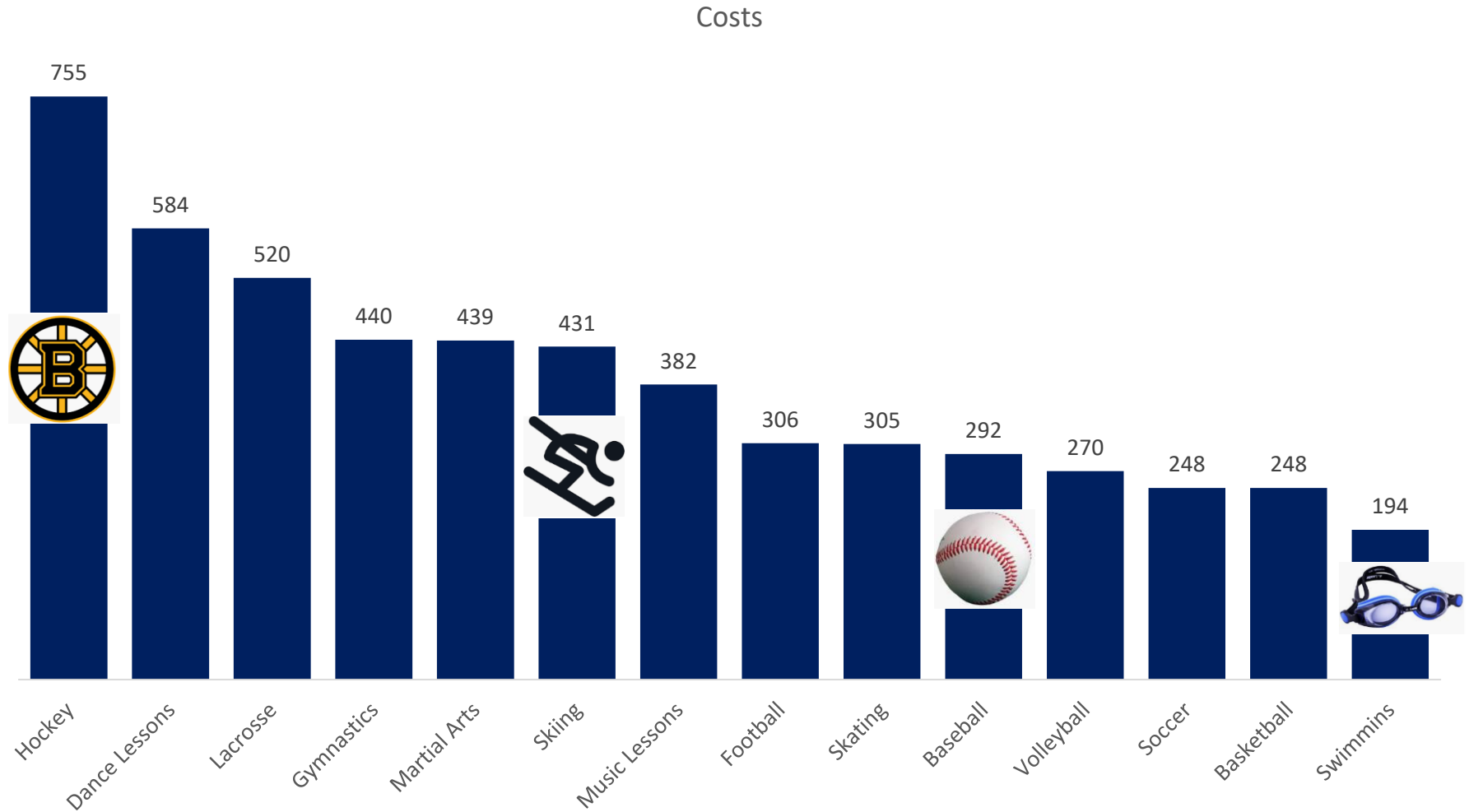
Strategies





Cross Country
Ski Ontario

Competitor Pricing





Cross Country
Ski Ontario

Unique Selling Proposition

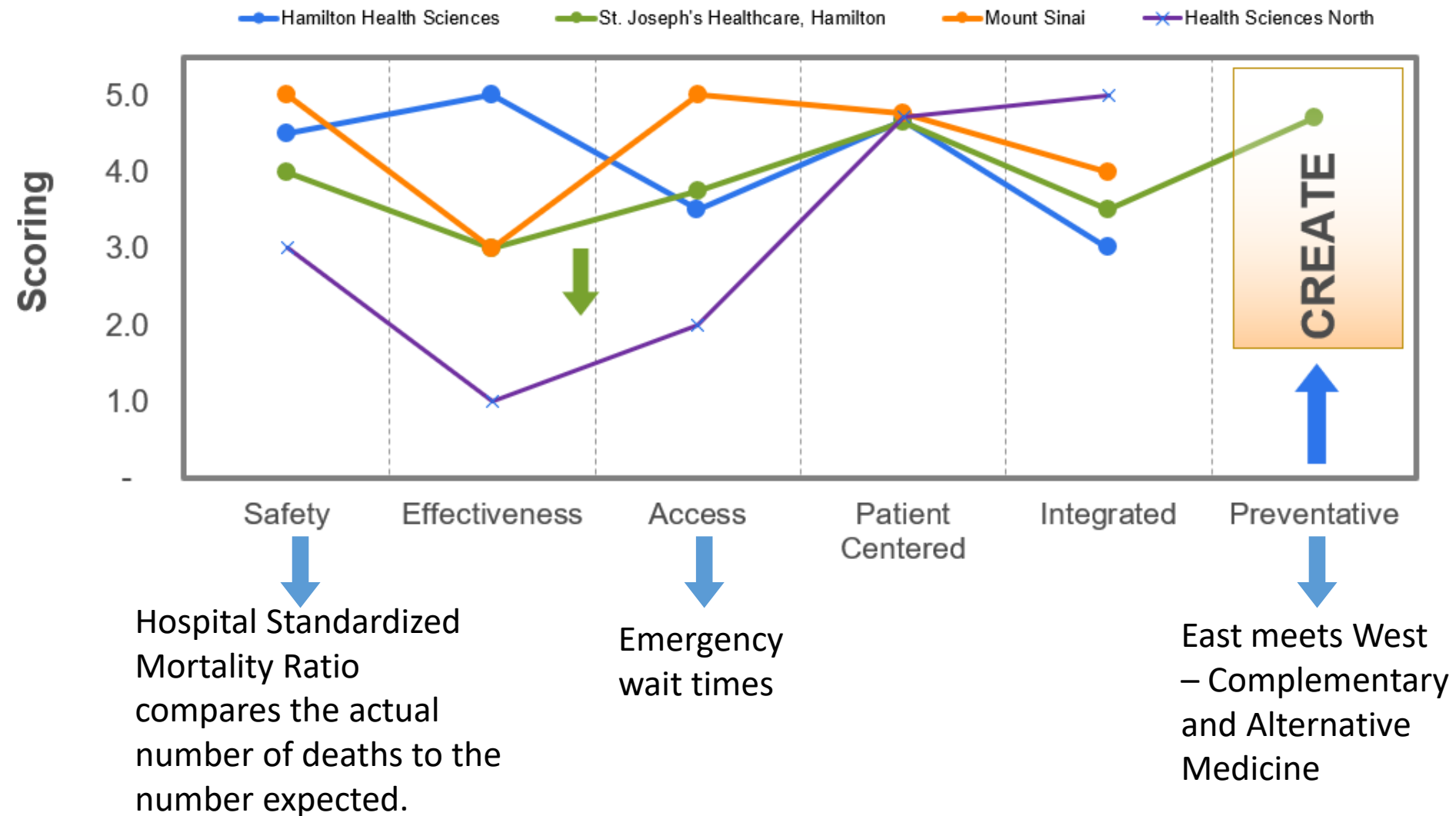


What is unique about our sport?

- Can do as a family?
- Can do for a lifetime?
- Low Impact?

Value Curve

Value Curve





Cross Country
Ski Ontario

Cost Plus



Pros

Easy to justify

Guaranteed Profit

Simple

Cons

Contract cost overruns

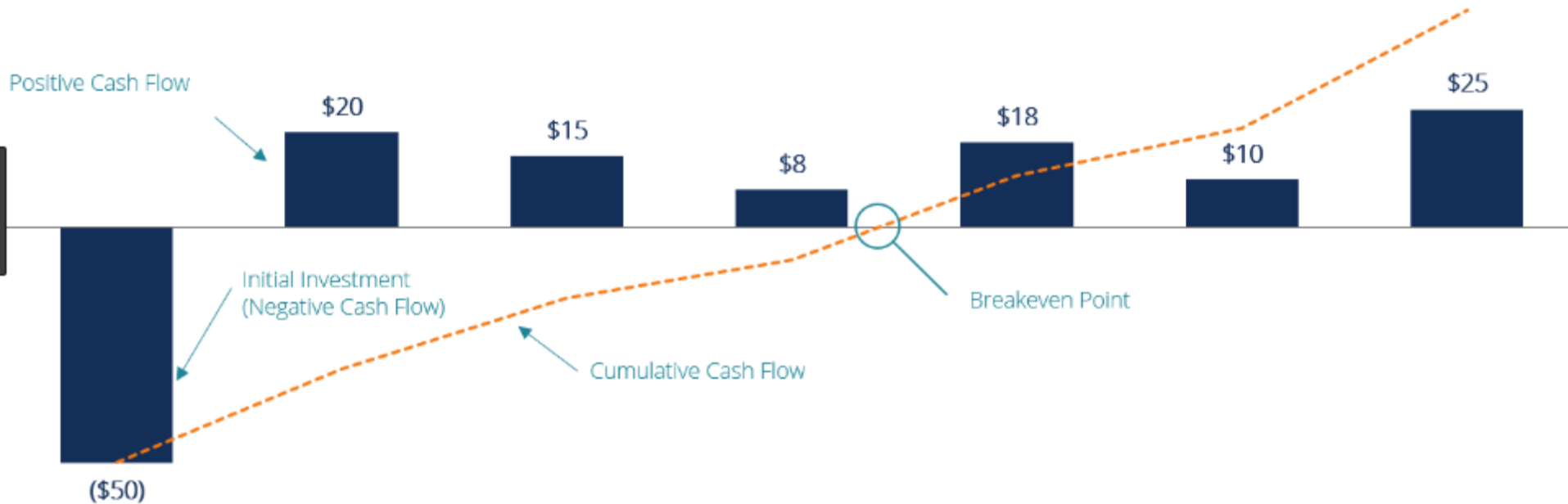
Schedule overruns

Ignores competition

Rate of Return

Internal Rate of Return

$$IRR = 22\%$$



-Typically used for Capital Projects

-IE, invest in night lighting and increase membership by \$10 each

-What is the minimum return that a NPO should aim for?

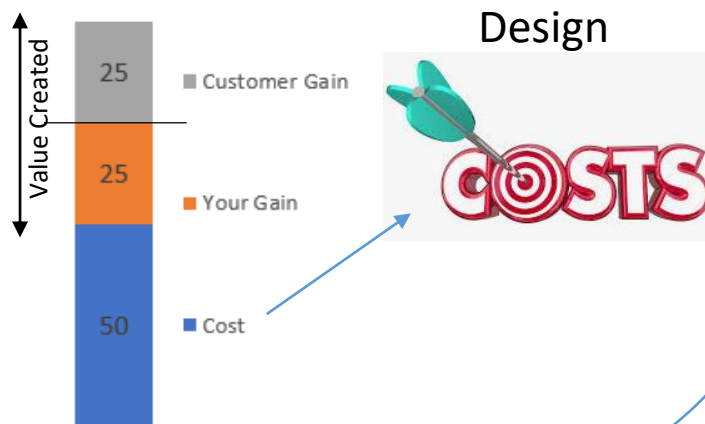
Value Based Pricing

Value-based pricing



What does the Customer want?

Setting price based on customer perceived value



Premium Pricing



Denis 😊

Large Double
Double

vs.

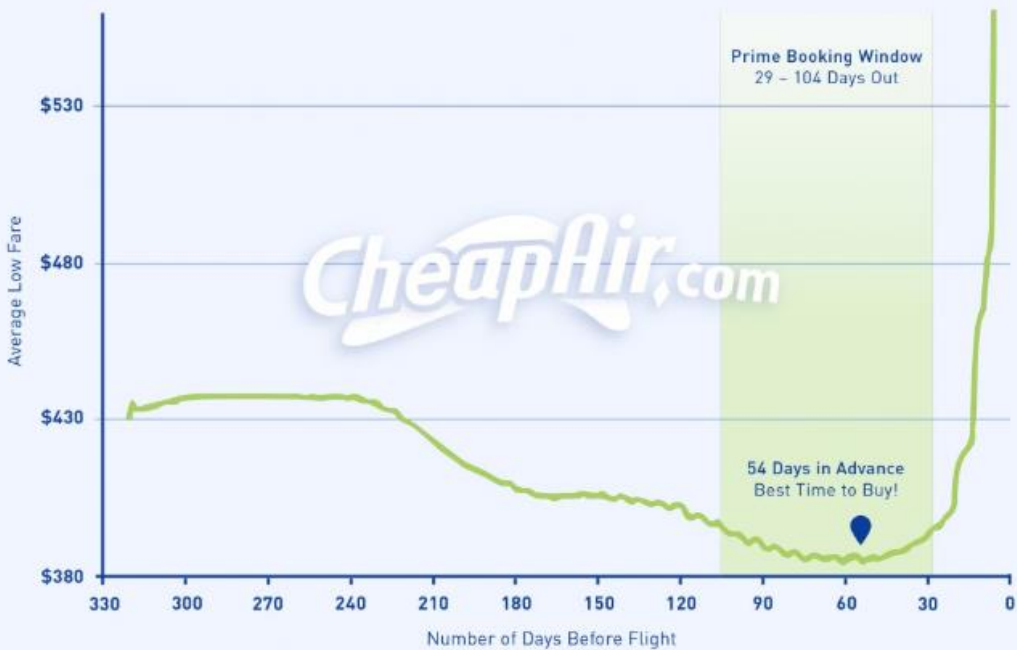
Grande chai tea
latte three pump
skim milk light
water 2% foam
extra hot but not
too hot!!!

Price Elasticity



Airline example

Domestic Airfares 2013
Average Air Fare Based on Advance Purchase



Avg. Roundtrip Ticket Price



Cookies & IP Address



Cross Country
Ski Ontario

