



## How to Confidently Increase Your Prices

The thought of increasing your prices; not only if, but when, can be a source of anxiousness for some business owners. You recognise that the cost of running your business is growing every month, yet you may not have increased prices for more than 12 months, or even more!

Often fears and concerns that a price increase will see you lose out on business, is the main barrier to taking this step. Yet is this a fact, or is it just an illusion?

Below are some steps to consider when increasing your prices and how to do it confidently.

### 1. Value Yourself and Your Expertise

What is the difference between someone who charges \$70/hour, and someone who charges \$140/hour for their work? Rarely is it the market they are working with, their experience or expertise. Often the person who 'values themselves and their craft' more, charges more for what they do.

When I was a personal trainer, I started out charging \$60 per session, yet two years later it would be \$260 a session. Was I more experienced? Slightly. However, the experience and outcome the client received was no different. The big difference was I just felt better about who I was and the value that I delivered.

Another obstacle that may be present is your thinking that "*Why would anybody want to pay \$140 for me to come out and unplug a drain, replace some taps, fix some power points or ceiling fans, when it is quite simple to do?*"

Well, the answer is, even if it's easy and quite simple for you to do, the customer does not possess the skill, nor the time. People just want the problem solved quickly. You are also taking care of solving the underlying problems.

### 2. Start with New Customers

Start today by charging new customers your new rate. If you haven't put up your prices for at least 12 months, start by adding 8-10% on what you are currently charging for labour and use this for **ALL** new work. This will help build confidence. As you begin to see that people are willing to pay, your confidence will build to gradually introduce the new price to existing customers moving forward.



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### **3. Communicate in Advance with Your Existing Customers**

Connect and communicate with existing customers that you are increasing your prices as of a set date in the future. As a suggestion act on this 2-3 months in advance, and let them know the reasons why you are increasing your prices. This can be:

- Increased cost of materials
- Increased cost of labour
- Growing overhead costs
- Continued training/upskilling of your team
- Value that you are offering

Also, use this opportunity to check-in and gather feedback from your customers.

From our experience, once you increase your prices and you do not lose work from your customers, a familiar comment is, "I should have or could have done this six months ago!" By the way, if you do lose a small percentage of customers in the process, it will most likely be the annoying, price shoppers anyway.

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