# 📊 **Product Pricing Calculator Template**

*A structured tool to help small businesses accurately calculate product prices while ensuring profitability and competitiveness.*

## **📌 Why Use a Product Pricing Calculator?**

✅ Helps set profitable pricing based on cost, margins, and competitor pricing.
✅ Ensures all costs (fixed, variable, and hidden) are considered.
✅ Prevents underpricing or overpricing, maximizing revenue potential.
✅ Useful for businesses in retail, manufacturing, e-commerce, and service industries.

# **📝 Product Pricing Calculator Template**

## Step 1: Identify Costs

Before setting a price, list all expenses related to the product.

| **Cost Category** | **Description** | **Amount ($)** |
| --- | --- | --- |
| Raw Materials | Cost of raw materials per unit | [Input] |
| Manufacturing Costs | Labor, production, packaging, etc. | [Input] |
| Shipping & Logistics | Import duties, storage, transportation | [Input] |
| Marketing Costs | Advertising, branding, and promotions | [Input] |
| Fixed Costs Allocation | Rent, salaries, utilities (divided per product) | [Input] |
| Transaction Fees | Payment processing fees (PayPal, Stripe, POS) | [Input] |
| Other Costs | Miscellaneous expenses | [Input] |
| Total Cost per Unit (A) | Sum of all costs | [Auto-Calculated] |

## Step 2: Set Profit Margin

Determine the profit percentage you want to make on each product.

| **Pricing Factor** | **Formula** | **Value ($)** |
| --- | --- | --- |
| Total Cost per Unit (A) | From the previous table | [Auto-Calculated] |
| Desired Profit Margin (%) | Enter your target profit percentage | [Input] |
| Profit Amount (B) | A × (Profit Margin ÷ 100) | [Auto-Calculated] |
| Selling Price (C) | A + B | [Auto-Calculated] |

## Step 3: Competitor & Market Consideration

Compare your price with competitors and adjust if necessary.

| **Competitor Name** | **Competitor’s Price ($)** | **Your Price ($)** | **Adjustment Needed? (Yes/No)** |
| --- | --- | --- | --- |
| Competitor A | [Input] | [Auto-Calculated] | [Yes/No] |
| Competitor B | [Input] | [Auto-Calculated] | [Yes/No] |

If your price is significantly higher or lower, revisit Step 1 to adjust costs or profit margins.

## Step 4: Final Pricing Strategy

Decide the final price based on costs, competitor analysis, and perceived customer value.

| **Price Component** | **Amount (₦)** |
| --- | --- |
| Total Cost per Unit (A) | [Auto-Calculated] |
| Profit Margin (B) | [Auto-Calculated] |
| Final Selling Price (C) | [Auto-Calculated] |
| Psychological Pricing Adjustment | Adjust price for market perception (e.g., ₦9.99 instead of ₦10) |
| Final Retail Price | [Auto-Calculated] |

# **📌 SAMPLE PRODUCT PRICING CALCULATOR (EXAMPLE)**

## Business Example: Handmade Candle Business

A small business selling handmade scented candles wants to set a profitable price.

### Step 1: Identify Costs

| Cost Category | Amount (₦) |
| --- | --- |
| Raw Materials (wax, fragrance, wick, jar) | ₦5.00 |
| Packaging (box, labels, ribbons) | ₦2.00 |
| Manufacturing (labor, electricity) | ₦3.00 |
| Marketing (ads, promotions) | ₦1.50 |
| Shipping & Logistics | ₦2.50 |
| Fixed Costs Allocation | ₦1.00 |
| Transaction Fees (Stripe/PayPal) | ₦0.50 |
| Total Cost per Unit (A) | ₦15.50 |

### Step 2: Set Profit Margin

| **Pricing Factor** | **Value (₦)** |
| --- | --- |
| Total Cost per Unit (A) | ₦15.50 |
| Desired Profit Margin (%) | 40% |
| Profit Amount (B) | ₦6.20 |
| Selling Price (C) | ₦21.70 |

### Step 3: Competitor & Market Consideration

| **Competitor Name** | **Competitor’s Price (₦)** | **Your Price (₦)** | **Adjustment Needed?** |
| --- | --- | --- | --- |
| Competitor A | ₦22.00 | ₦21.70 | No |
| Competitor B | ₦24.50 | ₦21.70 | No |

### Step 4: Final Pricing Strategy

| **Price Component** | **Amount (₦)** |
| --- | --- |
| Total Cost per Unit (A) | $15.50 |
| Profit Margin (B) | $6.20 |
| Selling Price (C) | $21.70 |
| Psychological Pricing Adjustment | $21.99 |
| Final Retail Price | $21.99 |

# **📌 Final Thoughts**

✅ This calculator ensures small businesses price their products strategically.
✅ Customizable for various industries (e.g., fashion, SaaS, handmade goods, retail).
✅ Helps avoid financial losses by covering costs and achieving profitability.