

PRICES & PENNIES

by José Young

Like many other ministries, Ediciones Crecimiento Cristiano (ECC) in Argentina started off many years ago reproducing materials on a manual mimeograph. Those first attempts were pretty rustic, though improved equipment has created a better image over the years. Since that small start, we have always been very conscious of prices. If you have to survive on what you sell, every cent counts. So, ECC priced all items to the nearest ten cents (in the beginning, to the nearest one cent!).

Recently, however, we realized that our price list complicated life for our customers and for our staff, so we decided to simplify.

First, we eliminated the cents and rounded off all prices to the nearest dollar. That helped, especially when we set up a book table at a conference. We used to carry a bag full of coins to make change and a calculator to sum the cost of more than three items. Now, the sales process is much more efficient.

Second, we made our pricing more consistent. For example, we have a series of five workbooks on men, women and marriage. They used to each have different prices but now these resources all have the same price. Though the profit margin we receive from the sales of each one is different, the average profit margin of gain on the whole series is roughly equal to what it was before. And now, when someone asks "How much are these?", instead of looking up each workbook in the price list, we know that they all have the same price.

Third, we rounded off prices towards the low end. We specialize in study guides for small groups, which have a different marketing profile than books. In a church there might be two or three people interested in buying a book. But when a study group is formed, all the members of the group should have his or her own copy of the study guide. In that case, the cost becomes critical, especially now in Latin America.

Lower prices help to discourage the photocopying of our materials. Unfortunately, even among evangelicals, disregard for copyrights is common. However, if making photocopies is really not that much cheaper, there is a better chance that our customers will choose to buy extra copies rather than reproduce their own.

Another consideration in changing our price list is our desire to get ECC materials into as many hands as possible. We lowered prices because we would rather sell ten titles at two dollars each than two titles at ten

dollars each. We prefer to earn our revenue by selling a larger quantity of workbooks rather than by maintaining a larger profit margin.

ECC continues trying to find that delicate balance between publishing as a business, and a ministry. As a business, ECC needs to earn enough money to keep functioning, but as a ministry ECC wants to get its materials in as many hands as possible. A simplified price list will help us find that balance. ❖

HOW TO REVISE YOUR PRICE LIST

1. Look at the product. The workbooks that ECC publishes are intended for use in group settings, so its pricing strategies need to motivate buyers to purchase multiple copies of a product. ECC believes lower prices will lead to a greater volume in sales. A publisher with a series of titles may instead want to motivate his or her customers to buy complete sets of the series rather than numerous copies of a single book. Do your pricing strategies encourage customers to do what you want them to do with your product?

2. Study the market. One of ECC's concerns is the possibility that churches may purchase one copy of the workbooks and make photocopies rather than purchasing individual copies for all study group members. For a different publisher, the competition from similar book titles may be a more immediate concern. What factors should affect your pricing policy?

3. Pay attention to hidden costs. ECC's new price structure facilitated conference sales. If your company distributes most of its books at events, a simplified price list for use at such events might increase revenue. Is counting pennies costing you dimes?

4. Review your pricing strategy in light of your mission. ECC's focus on spiritual growth means increased distribution is very important, so its prices need to promote volume sales. Another publishing house might produce high-quality reference materials for a professional audience. It may prefer to set prices that communicate the value of its resources. Discounts may not be as effective in that publisher's strategy because they may lead customers to devalue the books. What message do you want your pricing strategies to support? —Editor

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