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Abstract

In marketing and retail, the price of a product is often the most important factor in determining the product's success. Sure, quality and appearance play a large role in a customer's decision, but shoppers are being manipulated by the pricing, and they're often not even aware of it. Ideally, every retailer would determine their costs to provide goods or services, and then tack on a modest surcharge to those goods or services to make a profit. But in the reality of your local Tesco or Safeway, shopping is not that simple. Finding the true cost or value of an item is muddled in rewards programs, rebates, discounts on multiple items, etc. More than ever before, retailers and service providers understand that a mix of the following pricing strategies will ultimately produce more profits than selling exclusively with a variable cost-plus pricing method.