Pricing in Retail
(continued)

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Pros and Cons of Everyday Low Pricing

Pros:

- Reduced advertising expense
- More predictable sales levels
- Fewer peaks and ebbs of sales distribution

Cons:

- Decreased excitement
- Potentially less store traffic due to specials
- Less “cherry-picking” by consumers who only purchase specials

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Reasons to Use Multiple-Unit Pricing

- A firm could seek to have shoppers increase their total purchases of an item.
- This approach can help sell slow-moving and end-of-season merchandise.
- Price bundling may increase sales of related items.

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Price Adjustments

- Adaptive mechanism
  - Markdown
  - Additional markup
  - Employee discount

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Price Lining

Plans	BASIC FREE Always	BRONZE $ 9 per month	SILVER $ 19 per month	GOLD $ 29 per month	PLATINUM $ 50 per month
Disk space	5 GB	20 GB	50 GB	100 GB	500 GB
Databases	1 database	5 databases	10 databases	50 databases	unlimited
Bandwith	50 GB	100 GB	200 GB	500 GB	unlimited
E-mail accounts	1 acc	20 acc	50 acc	100 acc	unlimited
Subdomains	none	3 subdomains	10 subdomains	20 subdomains	unlimited
24/7 support	✖	✔	✔	✔	✔
	Sign Up	Sign Up	Sign Up	Sign Up	Sign Up

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Timing Markdowns

- Early markdown policy
- Late markdown policy
- Staggered markdown policy
- Automatic markdown plan
- Storewide clearance

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