

12.11: Why It Matters- Retail Pricing and Sales Strategies

The term “pricing” is one of the four “P’s” we learn in classic product marketing. In the marketing world, product, promotion, placement, and pricing are the four categories that must be addressed and executed for a successful product lifecycle.

Although there is obvious carryover from classic marketing to retail marketing, pricing takes on a different level of importance for



the retailer. This may be why there seem to be as many retail pricing strategies as there are retailers.

Let’s imagine that you are considering jumping into the retail industry by opening a candy store. You would have a myriad of things to address in your business plan. Who are your competitors? How much consumer revenue is currently being devoted to candy sales in the existing market? What are the demographics of the customer base? How much is the average purchase by the customer base? Where are the potential locations for your shop?

This list of questions would go on for many pages. Where would the pricing of your goods rank as a priority? That is one of the important points of this module. Pricing for the retailer is a key value lever, and an important core competency, but it does not exist in a vacuum and in fact is dependent on a variety of other factors.

In this module we will explore how retail pricing strategy is developed as part of overall business objectives. We will discuss many variables that affect retail pricing strategy such as product mix, competition, elasticity, cost factors, and supporting growth and success in the market.

Contributors and Attributions

CC licensed content, Original

- Why It Matters: Retail Pricing and Sales Strategies. **Authored by:** Bob Danielson. **Provided by:** Lumen Learning. **License:** [CC BY: Attribution](#)

CC licensed content, Shared previously

- organic egg bowl beside berry. **Authored by:** Heather Ford . **Provided by:** Unsplash. **Located at:** <https://unsplash.com/photos/rxcEgbcFCjc>. **License:** [CC BY: Attribution](#)

12.11: Why It Matters- Retail Pricing and Sales Strategies is shared under a [not declared](#) license and was authored, remixed, and/or curated by LibreTexts.

- 12.11: Why It Matters- Retail Pricing and Sales Strategies is licensed [CC BY 4.0](#).