# The Price is Right... ...or is it?

The single most important factor

Why pricing is so HARD

Key components of pricing right

4 steps to making pricing so much easier

But what is it WORTH? How can you tell?



## The most important factor

No matter what you sell, where, to whom, for how many years, there is one factor that influences your pricing above all else.

## Why pricing is so HARD

Variety
Online knowledge
The competition
Flux

...and aren't we LUCKY!

Quick Tip: To figure out the "retail price" of brands you don't know: Go to the designer's web site and click on "store locator" or the equivalent. Using your local knowledge of newmerchandise stores in your area, you'll get a rough price level and target audience.

# Key components of pricing right

The Law of Supply & Demand

Your clientele Your competition Your ambiance Current demand

Why getting things in early in the season is VITAL

Pricing doesn't only take place at the incoming rack or door: it takes place in every corner of your shop, in your advertising and in your web communications... Pricing even takes place on the phone... it's all your image and the added value you display.

So, a 4<sup>th</sup> part of the most important factor in pricing is Manipulating supply & demand

# 4 steps to making pricing easier

First, set a minimum.

How much does it cost you to accept an item?

Second, develop a marketplace Create demand

Third, tempt & tell

And lastly: use your markdown schedule to its full value

Are things moving through your store at a proper pace? As you know, only a certain amount of merchandise will fit into your space. Profits are only made if that space is filled and emptied regularly, with corresponding deposits in your sales drawer.— from The Money-Wise Guide to Accepting & Pricing available at <a href="http://tgtbt.com/shop.htm#25">http://tgtbt.com/shop.htm#25</a>

#### Where's the SWEET SPOT?

And why it can vary so much, from shop to shop.

#### But what is it WORTH?

The short answer... and the longer answer

How can you tell if you're pricing right?

Things you'll probably never price right (and that's okay.)

Things that are worth more, just 'cause

The one thing to *never*, *ever* take into consideration when pricing

Use a mystery item as an attention- getter on Facebook ("I'm stumped ...what's this worth?") and/or Twitter, where you'd put please RT so I get all opinions.... then be sure to follow up with what you decided, who bought it.

#### Resources:

This handout is available at <a href="https://www.tgtbT.com/pricing">www.tgtbT.com/pricing</a>, where you can simply click on the links below. Also on this page, you will have access to:

Our Step-by-Step Pricing Cheat Sheet in a 4-up layout to use with staffers An edited version of my Pricer info from an NFP consignment shop I worked with More links to pricing information

#### More on pricing, from Auntie Kate the Blog:

How often we should "go to the web to check the price."

http://auntiekate.wordpress.com/2010/08/18/making-more-money-in-your-consignment-shop-or-wasting-time/

"It's worth *nothing* in your closet...your attic...your basement." http://auntiekate.wordpress.com/2011/01/27/what-its-worth-there-and-here/

And from Sharing, the Professional Resalers' discussion board at TGtbT.com:

RESALE STORES CANNOT COMPETE ON PRICE ALONE http://www.tgtbt.com/w-agora/view.php?bn=tgtbt\_receiving&key=1304342480

Contact Kate at her web sites, <a href="http://TGtbT.com/">http://TGtbT.com/</a> and <a href="http://HowToConsign.com/">http://HowToConsign.com/</a> or from her blog at <a href="http://auntiekate.wordpress.com/">http://auntiekate.wordpress.com/</a> In addition, she is on Facebook at <a href="http://www.facebook.com/sarasotakate">http://www.facebook.com/sarasotakate</a> and she tweets as TGtbT at <a href="http://twitter.com/2Good2BThrew">http://twitter.com/2Good2BThrew</a> and posts consumer-oriented messages as HowToConsign at <a href="http://twitter.com/HowToConsign">http://twitter.com/HowToConsign</a>

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