

ARTICLETROVE.COM SAMPLE

PRICING STRATEGIES

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1.

Despite the lack of supportive research, it is widely held that people are not entirely rational. Besides there are a few other reasons why odd-numbered pricing is still around:

1. People tend to ignore the least significant digits when imbibing price. Subconsciously they may overlook or neglect the numbers after the decimal point. Besides when written smaller than the left most digits, they are subconsciously told to overlook the cents.
2. Fractional prices often suggest that the goods are priced at the lowest price possible.
3. Calculation typically uses the most significant digits the mind reads. This means that people would feel that difference between 5 and 3.99 is 2.01 and not 1.01.
4. Another reason why odd numbered pricing is prevalent is because of price bands. Dozens of apps that point the best deals around any location sometimes band prices, and in those cases it is helpful by reducing your price by a fraction of a cent to get into the next lowest band.

Most stores that want to be thought of as classy, are also realizing the negative connotation behind sneaking in the cents. It is for this reason that many big retailers like Nordstrom desist from odd pricing.

2.

I would always prefer to buy a car from a dealer that has a fixed price policy. It may have something to do with the slick image that car dealers and sales persons are associated with, but there are also some hard facts underlying my confidence in fixed price dealers.

The most important ones would be :

a. JUDGEMENT ON LOOKS

People dislike being judged. In a place where bargaining is possible, car prices are always thrown at, going after the look and the judged ability of the buyer to pay. It is a form of shakedown, however most people always have a lingering feeling that if only they were with someone else, they would have been quoted differently.

b. FAIR POLICY

Having a fixed price policy says a lot about the business owner and his ethics. People trust straight forward sellers who are forthright more. Besides it also tells the buyer that the advertising is genuine and that the car would not turn out to be a lemon – and that there is nothing to hide.

c. LESS HASSLE

This is probably just as important as the first two points. There is no satisfaction even after you have bargained as much as you could. There would be a feeling that maybe the price could have gone down further. Besides, bargaining as an activity is strenuous for some people and makes others uncomfortable. There may also be feelings of guilt in some people that they drove the bargain very hard and probably took advantage of the other party.

d. PRICE ASCERTAINING

Price ascertaining is a science in itself. There are third party services like the KBB, however, sometimes those prices are not practical, neither can they be tweaked to the particular condition of the car. In such cases it is difficult to say exactly what the car is worth. With a fixed price car dealer, you can let a professional decide how much it is worth.

e. INDUSTRY CLEANSER

Car Sales industry has a dark image in people's minds. There are numerous cases of people getting ripped off and the whole aura of it all puts people at unease. A dealer with fixed prices is a novelty and brings some respect to the industry.