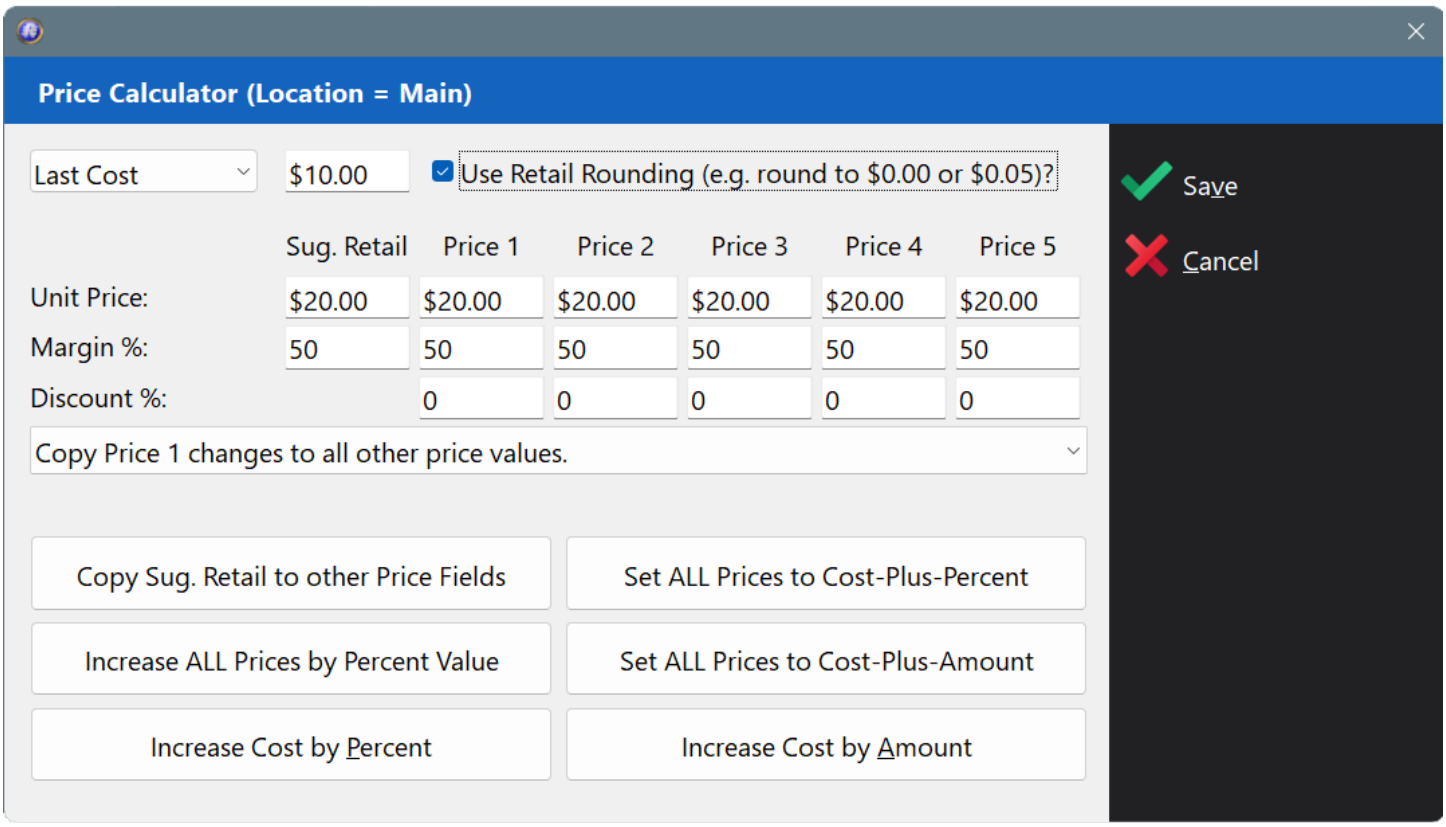
Using RetailEdge’s Price Calculator

Inventory Management · https://retailedge.com/docs/using-retailedges-price-calculator

How To Use The Price Calculator



We have taken the approach that most of the time, your vendors will be giving you a cost from which you can calculate a price based on a desired margin. So the RetailEdge Price Calculator you would:

1. **Enter your Cost**, then in one of the price fields enter a desired price and press enter, and RetailEdge will calculate your Margin, Or
2. **Enter a desired margin** and press enter and RetailEdge will calculate a Price.

Sometimes a vendor might only give you a suggested retail price and your cost would be a certain percentage off of Suggested Retail. In that case what you need to do is determine what your percentage off would be in terms of Margin first because that is what RetailEdge uses. So for instance

if you were receiving 35% off Suggested Retail, that would equate to a margin of: 1-.35 = .65.

Margin = 1-Cost/Retail and so in your case, this would be 1-.65/1 or a 35% margin (pretty easy and no reason to have to do the math).

As discussed above, most of the time we are going to be adjusting your margin of your price. The one exception is if you are in the Suggested Retail column and have a $0 cost. Then if you have a Unit Price and enter a Margin and press Enter, RetailEdge will calculate your cost.

Price Levels

The price levels are as follows:

Suggested Retail Price

Used to imply a discount with Price 1 and to show a Was/Now, Theirs/Our pricing on certain barcode labels

Price 1

The normal selling price

Price 2-5

Used for discounting items usually in conjunction with a customer discount. So you might have wholesale customers who you want to give a Price Level 2 discount to. This allows you to give a discount that is not just a straight percentage. So if you have a 60% margin on some items you can give more of a discount than on items you have a 35% discount on. We actually use price level discounting here for resellers on software but nothing else (services, hardware, etc.).

Discount Rules

Sometimes it is easier to setup Discount Rules for things as well. So you would not need to setup price levels on individual items, but could setup something that would allow you discount all items in one department by 30% and all items in another department by 20% for customers in your loyal customer program.

That being said percentages don't always work. So if you are giving wholesale customers Cost Plus pricing, and you receive a big discount from a vendor, then your average cost is going to be less than standard costs and so a Price Level discount can prevent you from over discounting in some situations.