

# neto



## PRICING YOUR WAY TO RETAIL PROFIT

The success of any retail business ultimately comes down your ability to consistently make a profit. To increase your profit, you can raise your prices, reduce your costs, or make more sales—but it can be tricky to adjust one of these variables without affecting the others. So, when you're pricing your products, you'll need to think about minimising your costs and maximising your sales rate. Here are a few points to keep in mind when searching for that sweet spot:

# 1

## **YOUR CUSTOMERS HAVE EXPECTATIONS ABOUT WHAT THEY CAN GET FOR THEIR MONEY, BASED ON YOUR BRAND PROMISE**

If you want to raise your prices, you'll need to convince your customers that you offer better value for money or that your products are superior to those they'd find in your competitors' stores.

# 2

## **BY REDUCING YOUR OPERATING/SELLING COSTS, YOU CAN MAKE MORE PROFIT WITHOUT INCREASING YOUR PRICES**

One of the best ways to do this is through better inventory management, ensuring that you've got the right stock on hand when customers are keen to buy, and no stockpiles of unsold items clogging up your valuable warehouse space.

# 3

## **YOU ONLY MAKE A MARGIN ON THINGS YOU ACTUALLY SELL**

Inventory that's not selling this year is unlikely to do better next year, and as long as it's sitting on your shelves, it's costing you money, not earning it. Discounts encourage customers to buy these items, so you can still profit from them and you won't need to write them off.

# 4

## **IF YOU DISCOUNT A PRODUCT LINE, YOU'LL NEED TO SELL MORE UNITS TO MAKE THE SAME PROFIT**

A cart abandonment email campaign that offers customers a small discount on their selected items can encourage [54% of shoppers to come back](#) and complete their checkout. Neto can send automated abandoned cart emails whenever a customer doesn't complete their purchase.

# 5

## **PAIRING A POPULAR PRODUCT WITH AN UNDERPERFORMER CAN ENCOURAGE CUSTOMERS TO SPEND MORE**

You'd be surprised how many customers are willing to pay an extra \$20 in store to qualify for a "free" product that they'd never have bought outright, and it's a great way to clear end-of-season stock and make way for new product lines.

By keeping on top of your operating costs and inventory management, you'll be able to offer year-round competitive pricing and well-timed discounts to increase your sales and maximise your profit.

Neto is the only Australian retail management platform that provides a complete solution for ecommerce, Point of Sale, Inventory and Fulfillment. Our integrated back-end technology enables exceptional and consistent customer experiences via any channel, be it in store, online or through a marketplace. We automate repetitive tasks and integrate with multiple sales channels to manage orders and shipments.

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Sell everywhere, manage everything

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