

Part 3: 3-6 Price Elements for Building Store Image

The retail prices of the merchandise carried by a retail store are not only an indication of the channel of distribution and location in which the store operates, but also these prices impact the types of product classifications offered and the fashion level of the product. The *price ranges*, or price lines with lowest to highest retail prices, of a store's merchandise assortments are also store image cues that target consumers consider when selecting a specific retail store for purchases. Additionally, the *price points*, or specific, selected prices within the price range for a particular product classification, signify store image cues.

Many strategies and types of pricing are available to the retailer. All of these strategies denote very specific retail image cues. For example, pricing strategies include new product pricing, consumer oriented pricing, cost oriented pricing, value based pricing and competition oriented pricing. For each of the pricing strategies there are various types of pricing based on store type and merchandise assortment. For detailed information on the strategies and types the student should further investigate this element.

However, in today's retail climate, all consumers expect value for the price paid, whether buying from a mass merchant or the most exclusive specialty store. Many stores utilize the price attribute to communicate value or fair price (e.g., Every Day Fair Prices, Every Day Low Prices, Every Day Value), while others use it to build prestige and status in the marketplace. Regardless the strategy, the price range and points or price element established by any retailer is a major image cue for that retailer and a major symbol that guides the merchandiser for selecting display themes, props, and attention-getting devices. Also, the price element is closely linked with the sophistication of the merchandise presentation and displays.

