

 SAF WebBlast \$49.99 or \$50?
One Penny Makes a Huge Difference


\$49.99 \$50.00

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\$49.99
Charm Pricing

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\$50.00
Rounded Pricing

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<p>\$49.99 Charm Pricing</p>	<p>\$50.00 Rounded Pricing</p>
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Notes...


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Rules...


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[Austin Area Photo | Anthony Marino](#)



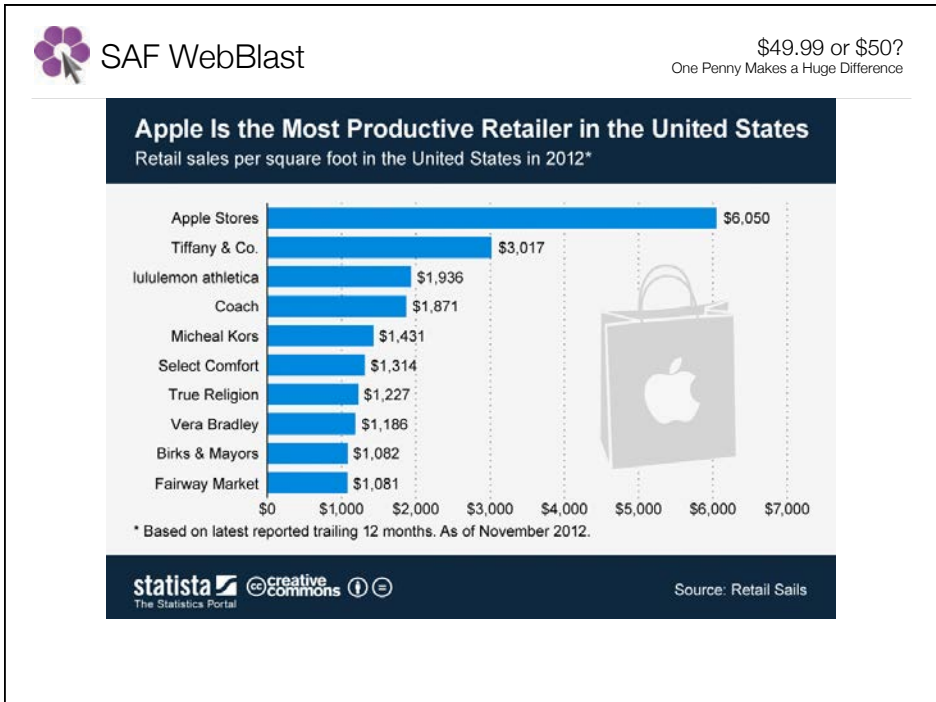
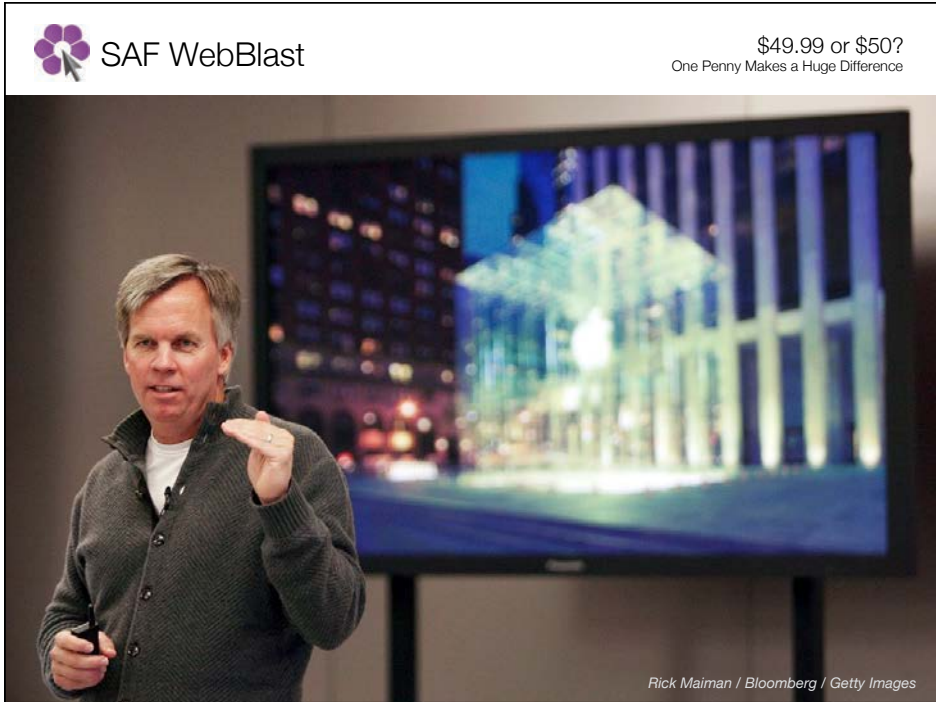
What remains largely unexplained by our work is “Why 9?” The data and explanations are silent on how customers form beliefs that \$9 endings convey favorable information that increases demand for an item.

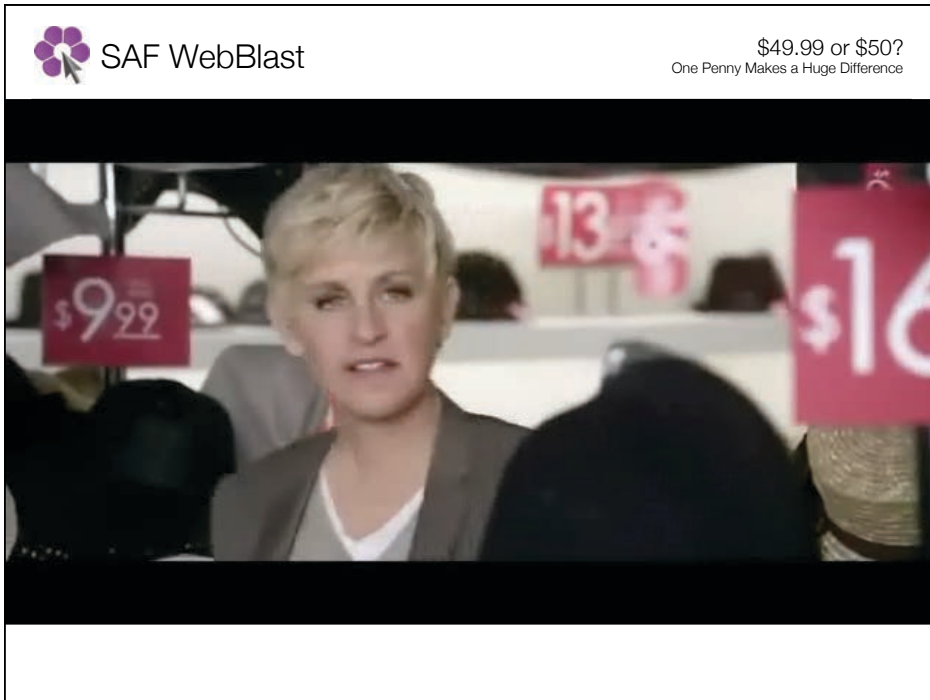
Effects of \$9 Price Endings on Retail Sales:
Evidence from Field Experiments

Author(s): Eric T. Anderson, University of Chicago, Graduate School of Business
Duncan I. Simester, Sloan School of Management, MIT,
Source: Quantitative Marketing and Economics, 1, 93–110, 2003. # 2003
Copyright: Kluwer Academic Publishers




People Don't Like It









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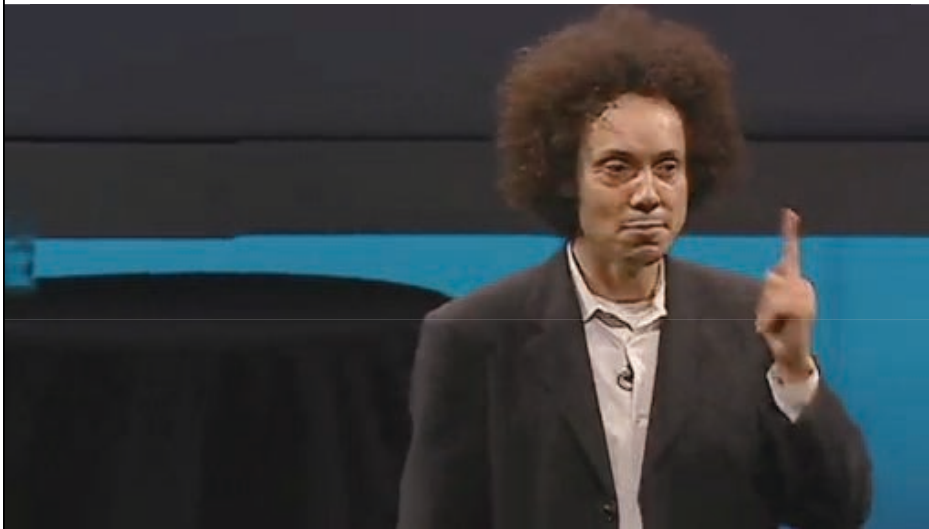
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[Henry Ford | PBS.org](http://HenryFord.PBS.org)

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[Malcolm Gladwell: Choice, happiness and spaghetti sauce | TED2004](http://MalcolmGladwell.TED2004)

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Grade	Price
Regular	39 8/10
Plus	40 8/10
V-Power*	41 8/10
Diesel	39 9/10

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Price
\$44
\$39
\$34

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Price	Symbol	Sold
\$44	Red X	17
\$39	Green Checkmark	21
\$34	None	0

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Price	Symbol	Sold
\$44	Red X	17
\$39	Green Checkmark	21
\$34	Red X	16

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	\$44 17		\$39 21		\$34 16
	\$54 8		\$49 14		\$44 10
	\$64 7		\$59 7		\$54 6
	\$84 12		\$79 24		\$74 15

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Image Communicated by the Use of 99 Endings in Advertised Prices

Author(s): Robert M. Schindler & Thomas M. Kibarian
Source: Journal of Advertising, Vol. 30, Issue. 4 (2001), pp. 95-99

The 99 ending increases the likelihood that viewers judge an advertised price as relatively low and as representing a discount...



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<p style="font-size: 2em; font-weight: bold;">\$49.99</p> <p>Charm Pricing</p> <ul style="list-style-type: none"> ● implies value, savings 	<p style="font-size: 2em; font-weight: bold;">\$50.00</p> <p>Rounded Pricing</p>
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Image Communicated by the Use of 99 Endings in Advertised Prices

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Source: Journal of Advertising, Vol. 30, Issue. 4 (2001), pp. 95-99

The 99 ending increases the likelihood that viewers judge an advertised price as relatively low and as representing a discount. However, in addition to these price-image effects, the 99 ending has negative effects on quality image in the ads sponsored by higher quality retailers.

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TIFFANY & CO.

Necklaces & Pendants (66) Filter by: Designers & Collections Materials Pearls x \$200 - \$1,300 x

Necklace of Tahitian pearls with 18k white gold. \$10,000. ADD TO SHOPPING BAG. + SAVE THIS ITEM / VIEW DETAILS


TIFFANY ENCHANT®
SHOP THE COLLECTION

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BERGDORF GOODMAN
221 602 S4284
SKU
04521250
100291 352220
MARK 75000
SIZE NS
\$2,150.00

985 000
4985482000 A2
09192
5008428
02979 98516
MARKET PRICE
\$1375.00


OFF5TH
985 002 0733
498585247970
09853
STAINLESS CRUSHED SILVER
VALUE
\$6800.00

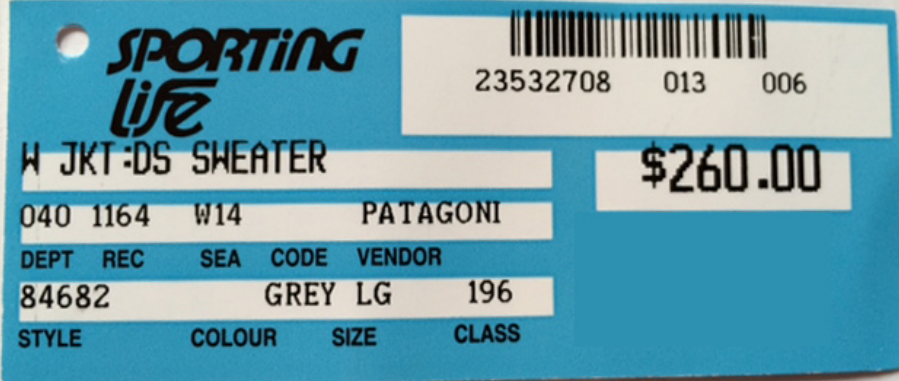
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Rules...

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SPORTING life

23532708 013 006

W JKT-DS SWEATER **\$260.00**

040	1164	W14	PATAGONI	
DEPT	REC	SEA	CODE	VENDOR
84682			GREY LG	196
STYLE	COLOUR	SIZE	CLASS	

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SPORTING Life


23532708 013 006

W JKT:DS SWEATER **\$260.00**

040	1164	W14	PATAGONI	
DEPT	REC	SEA	CODE	VENDOR
84682		GREY	LG	196
STYLE	COLOUR	SIZE	CLASS	

23532708
013 006
\$129.99

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BERGDORF GOODMAN


221 602 S4284
SKU
04521250
100291 352220
REGULAR 25000
SIZE NS
\$2,150.00


985 000


49854820005 A2
09192
5008428
02979 98536
MARKET PRICE
\$1375.00

OFF5TH

985 002 0733
498585247970
09853
STAINLESS CRUSHED SHIRT
WHITE
\$6800.00

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Rules...

- sales & specials - always use charm pricing

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Rules...

- sales & specials - always use charm pricing
- premium & deluxe versions - use rounded pricing

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BERGDORF GOODMAN

DESIGNERS A-Z DESIGNER COLLECTIONS SF CONTEMPORARY SHOE SALON HANDBAGS JEWELRY ACCESSORIES BEAUTY MENS KIDS GIFTS & HOME SALE

ACCESSIONS: SUNGLASSES

ALL DESIGNERS

FEATURED DESIGNERS

CATEGORIES

SUNGLASSES

OPTICAL FRAMES

WATCHES

COLOR STORIES

NEW ARRIVALS

BO RADAR

MEN'S ACCESSORIES

SORT BY: PRICE LOW TO HIGH 16 ITEMS

Tory Burch Metal Aviator Sunglasses with Logo Arms, Custom/Orange \$149

Tory Burch Metal Aviator Sunglasses with Logo Arms, Custom/Black \$149

Tory Burch Metal Aviator Sunglasses, Light Gold/Gray \$149

Tory Burch Metal Aviator Sunglasses with Logo Arms, Custom/Black \$149

Tory Burch Metal Aviator Sunglasses, Light Gold/Plum \$149

Tory Burch Transparent Plastic Cat-Eye Sunglasses, Milky Smoke \$160

Tory Burch Gradient Decked T Sunglasses \$175

Tory Burch Machine Butterfly Sunglasses, Havana/Black \$175

Tory Burch Plastic Butterfly Sunglasses, Havana/Black \$175

Tory Burch Gradient Polarized Sunglasses, Gray/Brown \$200

Tory Burch Polarized Metal Aviator Sunglasses with Acetate Arms, Custom/Black \$200

Tory Burch Metal Aviator Polarized Sunglasses with Acetate Arms, Custom/Gray \$200

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Rules...

- sales & specials - always use charm pricing
- premium & deluxe versions - use rounded pricing
- don't be all in on either model – make an informed decision on a case-by-case basis



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This Number Just Feels Right:

The Impact of Roundedness of Price Numbers on Product Evaluations

Author(s): Monica Wadhwa and Kuangjie Zhang
Source: Journal of Consumer Research, Vol. 41, No. 5 (February 2015), pp. 1172-1185
Published by: The University of Chicago Press

...because rounded numbers are more fluently processed, rounded prices (e.g., \$200.00) encourage reliance on feelings. In contrast, because nonrounded numbers are disfluently processed, nonrounded prices (e.g., \$198.76) encourage reliance on cognition.



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Source: Journal of Consumer Research, Vol. 41, No. 5 (February 2015), pp. 1172-1185
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First, our results show that when the purchase decision is driven by feelings, marketers are likely to benefit from pricing the products at rounded prices.

In contrast, when the purchase decision is driven by cognition, marketers are likely to benefit from pricing the products at nonrounded prices.


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Notes...

<p style="font-size: 2em; margin: 0;">\$49.99</p> <p style="margin: 0;">Charm Pricing</p> <ul style="list-style-type: none"> ● implies value, savings ● appeals to reason 	<p style="font-size: 2em; margin: 0;">\$50.00</p> <p style="margin: 0;">Rounded Pricing</p> <ul style="list-style-type: none"> ● implies quality, status ● appeals to emotion
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Rules...

- sales & specials - always use charm pricing
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Second, our results show that not only do rounded versus nonrounded prices affect the anticipated satisfaction and purchase intention, but it could also affect the perceived product performance. For example, participants perceived the quality of the pictures taken from a camera they were purportedly buying for a vacation to be better when the camera was priced at a rounded number than a nonrounded number. In contrast, they reported the quality of the pictures taken from the camera they were purportedly buying for a class to be better when the camera was priced at a nonrounded as compared to a rounded price.


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Notes...

<h2>\$49.99</h2> <p>Charm Pricing</p> <ul style="list-style-type: none">● implies value, savings● appeals to reason	<h2>\$50.00</h2> <p>Rounded Pricing</p> <ul style="list-style-type: none">● implies quality, status● appeals to emotion
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Rules...

- sales & specials - always use charm pricing
- premium & deluxe versions - use rounded pricing
- don't be all in on either model – make an informed decision on a case-by-case basis
- pricing will affect not just purchasing but enjoyment

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Thank you!