



The Portal People
integrated ebusiness



Knowledge
Series

Understanding Price Bands

Table Of Contents

What Are Price Bands?	2
How Price Bands Work in Our Software	2
Benefits of This Approach	3
How to Set Up Price Bands	3
Flexibility with The Price Matrix	3
Managing Price Bands Over Time	4
Conclusion	4

Understanding Price Bands

When managing pricing for different customers, the concept of price bands can simplify things significantly. Price bands allow you to set flexible pricing for various customer groups or individual clients based on their relationship with your business. Let's dive into what price bands are and how they work in your software to help you manage customer-specific pricing with ease.

What Are Price Bands?

Price bands are predefined pricing levels that apply to different customers. Instead of setting a single price for each product, you can create multiple price levels (or bands) and assign them to customers based on their purchasing agreement or status.

For example, you might have:

- **Price Band 1:** Standard retail price
- **Price Band 2:** Discounted price for regular customers
- **Price Band 3:** Wholesale price for bulk buyers

Each band reflects a different price point for the same product, depending on the type of customer ordering it.

How Price Bands Work in Our Software

Our software simplifies this by allowing you to set up price bands as numbered prices 1 – 9 per customer and stock code. You can assign a specific price band (Up To 9 Price Bands By Default) to each customer, which automatically links them to the appropriate stock code price band when they place an order.

Example Scenario

Let's say you have a product, "Widget A," with different price levels:

- **Price 1:** £10 (retail)
- **Price 2:** £8 (for loyal customers)
- **Price 3:** £6 (for wholesale customers)

Understanding Price Bands

If Customer X is on Price 1, every time they order “Widget A,” they will be charged the retail price of £10. On the other hand, if Customer Y is on Price 2, the system will automatically apply the £8 price when they order the same product.

Benefits of This Approach

- **Consistency:** No need to manually adjust pricing for each customer’s order. Once you’ve assigned a customer to a price band, the system automatically selects the right price based on the stock code.
- **Flexibility:** You can easily offer different pricing levels for various types of customers (e.g., regular buyers, and large clients) without complicating your stock management.
- **Efficiency:** When a customer places an order, the system automatically pulls the price from the stock code linked to their assigned price band, speeding up the process and reducing errors.

How to Set Up Price Bands

Setting up price bands is straightforward. Here’s how it works:

1. **Define Price Bands for Each Stock Code:** Start by setting the different price levels for each product in your inventory. For example, under the stock code for “Widget A,” you’ll create the three price bands Price 1 (£10), Price 2 (£8), and Price 3 (£6).
2. **Assign Price Bands to Customers:** Once your price bands are in place, you can assign each customer to a specific band. In the customer profile, you’ll simply provide the relevant price band (e.g., Price 2 for loyal customers).
3. **Automatic Price Application:** From there, the system handles the rest. When a customer on Price 2 orders “Widget A,” the price of £8 is automatically applied, without any manual intervention needed.

Flexibility with The Price Matrix

Understanding Price Bands

Our software also gives you the ability to create custom price rules if you need to tailor pricing for specific customers. Let's say you have a VIP customer who gets a unique discount that isn't part of your regular pricing structure. You can create a custom price just for them and assign it to their profile. This way, every time they place an order, they'll receive their personalised pricing.

The Price Matrix offers huge scope for custom pricing, we will explore this further in a dedicated article.

Managing Price Bands Over Time

As your business grows and customer needs change, you may need to adjust your price bands. Our software makes this easy. You can:

- **Update Prices by Band:** If your costs change, you can update prices within a specific band for a product. For instance, if your supplier raises their prices, you can adjust Price 2 for "Widget A" from £8 to £9, and the system will reflect that in all future orders for customers assigned to Price Band 2.
- **Reassign Customers:** If a regular customer becomes a wholesale client, you can easily move them from Price Band 2 to Price Band 3. Their future orders will now be priced according to the new band.

Conclusion

Price bands are a powerful tool for managing customer-specific pricing. By allowing you to set up different pricing levels per customer and per stock code, both Datafile Business Software and our very own B2B eCommerce website platform ensures that customers always pay the right price based on their agreement with your business. This not only saves time but also helps maintain consistency and accuracy in your pricing strategy.

Whether you're managing retail customers, loyal buyers, or wholesale clients, price bands offer the flexibility you need to keep everyone happy and your business running smoothly.



The Portal People
integrated ebusiness

The Portal People Ltd
Tel: 01323 385 391
Web: portalpeople.uk