

MATCOM

- **PRICE - MARKING**

a learning element for staff of consumer cooperatives

international labour office, geneva

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by Inge Blank



MATCOM
Material and techniques for cooperatives management training

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In collaboration with cooperative organizations and training institutes in all regions of the world, MATCOM designs and produces material for the training of managers of cooperatives and assists in the preparation of adapted versions for use in various countries. MATCOM also provides support for improving the methodology of cooperative training and for the training of trainers.

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PRICE-MARKING

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PREREQUISITES

To benefit from this MATCOM Learning Element, you should:

- have some retail shop experience;
- have studied the MATCOM Element "Leakage", or have the corresponding knowledge.

HOW TO LEARN

- Study the Element carefully.
- Give written answers to all the questions in the Element. This will help you not only to learn, but also to use the knowledge in your work at a later time.
- After you have studied the Element by yourself, discuss it with your instructor and your colleagues, then take part in the practical exercises organised by your instructor.

TRAINER'S NOTES

are available for this Element. See the Trainer's Manual.

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INTRODUCTION

"I'm sorry, I can't find the price. Please wait while I look it up," says the cashier.

Everytime the cashier cannot find the price of an item, her work is stopped, and the customers must wait.



"What's the price of that thing? How can I buy anything if I do not know the price?" says the customer.

Most customers want to know the prices before they decide which goods they will buy. And many want to read the prices themselves, rather than ask somebody else to tell them.



No, the situations which are described above should never happen in a good co-operative shop. The members expect to get better service.

Why, then, are shop personnel sometimes careless about price-marking? Do they not realise how important it is? Does it take too much time? Is the work not properly organised?

Study this MATCOM Element, and you will learn how to carry out price-marking - and also the re-filling of the shelves - in the most efficient way.

WHY PRICE-MARKING?

Of course, price-marking takes time, and money must be spent on price labels, tags and maybe special price-marking tools. Still, it is necessary to do it, and it is worthwhile.

Let us talk about all the reasons for price-marking, and what it means to customers and staff.

The customers

The customers, and especially those customers who are members of a co-operative society, have a right to get the necessary information before they make up their minds whether or not to buy. They need to know the prices to be able to find out:

- if the quality is agreeable with the price
- which shop has the cheapest price
- what they can afford to buy

Some customers do not like to ask what the prices are because they are embarrassed to show that prices are important to them. Therefore the prices should be easy to see without having to ask the cashier.

In fact, if the prices are not seen clearly, the customers may want to do their shopping elsewhere.

The staff

A salesman's main task is to guide the customers, to show them the goods, and to explain quality and use, whenever this is necessary. But he cannot possibly remember all the prices. It is likely that he will make mistakes and sometimes charge the wrong prices.



You have already seen how important price-marking is to the cashier (page 3). In a self-service shop, customers are usually very anxious to check out quickly after they have finished their shopping. As long as they are walking along looking for goods, they do not notice that time is passing, but waiting in a long line to pay makes people impatient.



Price-marking helps to make the work easy, both for the salesmen and the cashiers. They then have more time for their main task - to serve the customers.

Price control officials

In many countries, prices for basic food and other essential items are fixed by the government. On all these goods price-marking must be done, because the customers, as well as the government representatives, must be able to check that you do not charge more than the fixed prices.



How can clearly-marked prices on the goods help

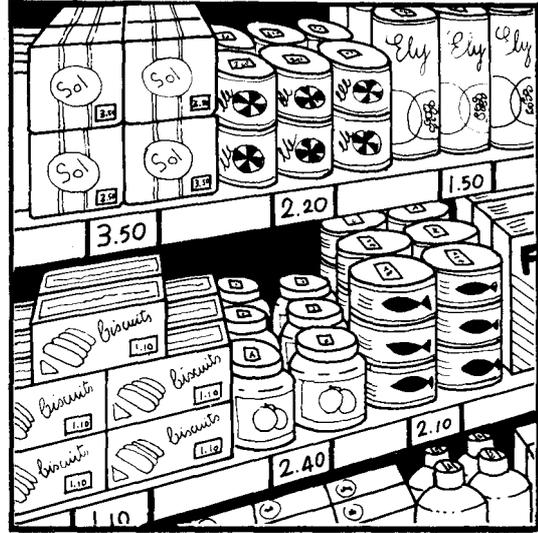
- a) to sell more?

- b) to reduce the leakage?

WAYS TO DISPLAY THE PRICE

Mark everything:

The customers want to see the prices of all goods. Therefore the main rule is that every single item in a shop must be price-marked.



Exceptions

But there are some exceptions where the main rule is not possible or practical to follow:

Fast-moving items

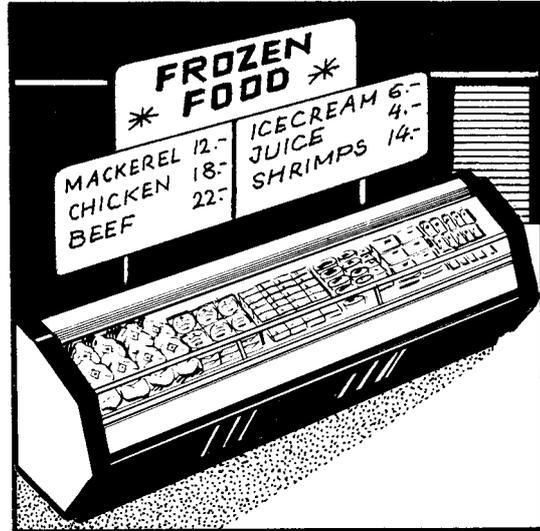
The cashier will soon learn the prices of the most common goods which are sold in large quantities every day. It would not be necessary to mark all items individually. And the customers can see the prices of such goods on placards or notice-boards.



"It is not possible to price-mark every bottle of beer when we sell many cases of beer a day."

Frozen goods

It is very difficult to write on the wrappers of frozen food. And labels can not be fixed unless you use a very special glue. Therefore you must display the prices separately.



Not prepacked goods

If some goods are weighed at the check-out, and prices are charged according to the weight of the goods, individual prices cannot be marked before the goods are weighed. But the price per kilogram must be displayed.



Do not forget the cashiers

Prices displayed on placards and posters serve the customers - and maybe the assistants in a counter-service shop. But how can the check-out cashier in a self-service shop know the prices of goods which have no price-marks?

The problem can be solved by a little price-list at her counter.

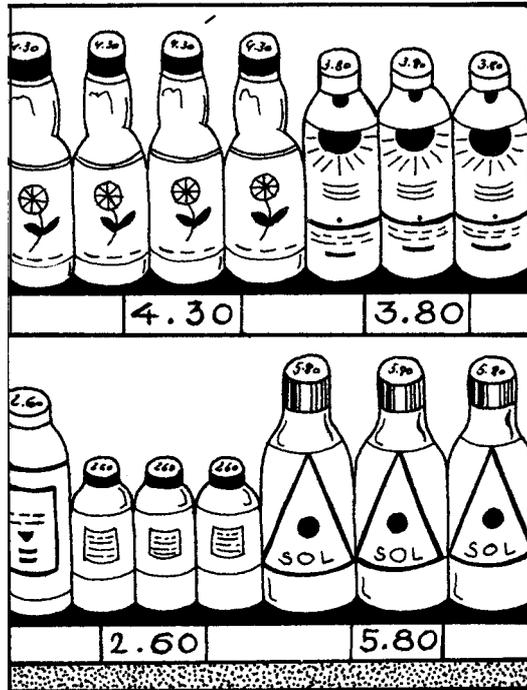
But be careful. Remember to change the price-list, and to tell the cashier about the price changes.



Price on the shelves

Most of the goods should be price-marked on each item. But it will be looked upon as a very good service if you also display the prices clearly on the shelves.

Before you decide to use this method in a self-service shop, you must consider that you must always check and make sure that the goods are placed correctly. Otherwise the customers are misled.



What method do you think is good to fasten the price labels to the edges of the shelves? Which methods do you not recommend? Why?



Which type of price-marking do the customers in a counter-service shop appreciate most - prices marked on each item or prices displayed on the shelf edges? Why?

METHODS AND EQUIPMENT FOR PRICE-MARKING

There are quite a lot of goods to price-mark in a shop. You can save time if you choose the correct methods and use the correct equipment.

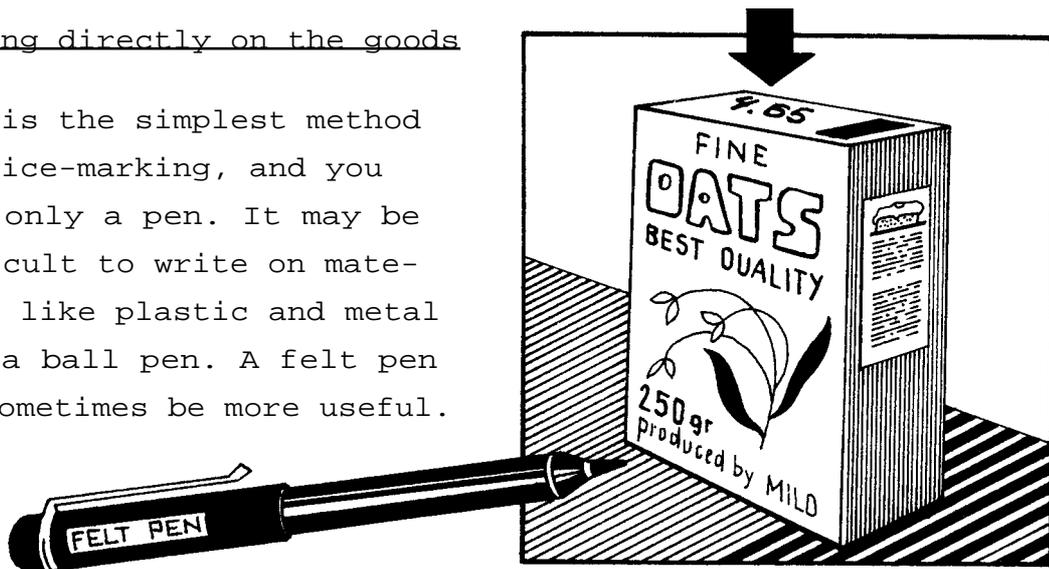
But the goods are made of many different materials: paper, plastic, fabric, metal, china, glass, etc. And they have many different shapes, so the same method is not always good for each material. You must find the best way to mark each type of article.

Also you must not forget that price-marking is useless if the prices cannot be read easily - even after the goods have been displayed for some time. Figures must be seen clearly, and tags and labels must not fall off. This is also important to prevent stealing by dishonest customers. It must not be easy for a dishonest person to change the price.

Let us look at the best price-marking methods, from which you may choose.

Writing directly on the goods

This is the simplest method of price-marking, and you need only a pen. It may be difficult to write on materials like plastic and metal with a ball pen. A felt pen may sometimes be more useful.



You can write only on light-coloured backgrounds. And you must remember that customers sometimes like to remove the price after they have bought them because they want to give the goods to somebody else. That is difficult if the price is written with a ball pen and certain types of felt pens.

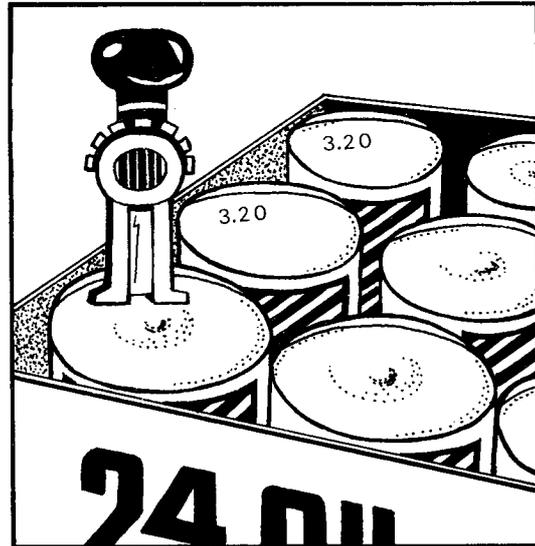


Why should you not use a pencil when marking goods in a self-service shop?

Rubber stamp

The rubber stamp is considered to be a quick and cheap tool for price-marking, especially when you have large quantities of goods to mark.

The rubber stamp can be changed for any price. There is also a self-inking type of rubber stamp so that you do not need to use a stamp pad.

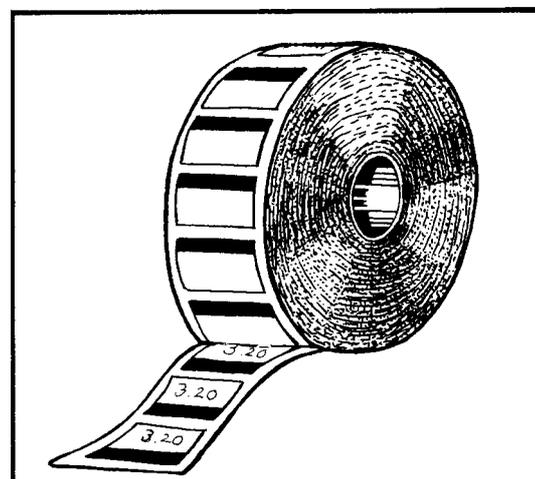


The rubber stamp is useful for goods with a hard, flat surface, like cartons and tins. On many plastic covers and soft materials it cannot be used.

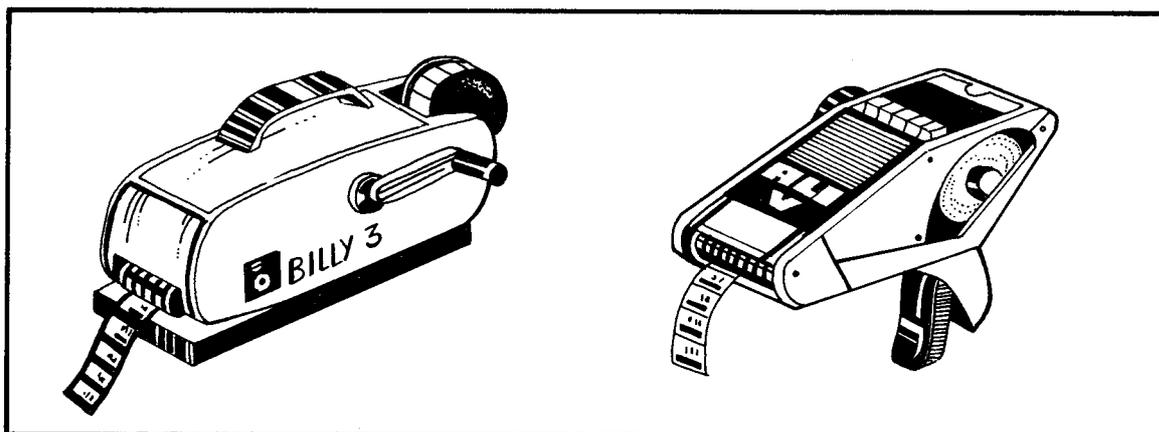
Do not forget to clean the stamp now and then. Dust will give unclear figures.

Price labels

To use price labels is maybe the best method, because they can be fixed on most dry materials, except fabric. Self-sticking, or self-adhesive, labels are practical. The prices should be written on the labels before they are fixed to the goods.



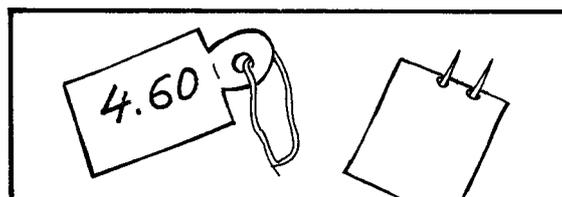
There are special label printers that can be loaded with a roll of labels. You then set the price you want and print as many labels as you need. Some printers are small and handy and can be used like pistols: the labels are shot onto the goods.



Price tags

When other methods of price-marking cannot be used, the solution may be to use price-tags. You write or print the price on the tags, or you fix adhesive labels on them.

You can fix the tags with a piece of string, a pin, or with a staple.



The main problem with this method is that it will take a long time. It may be difficult to fix the tags properly and there is a risk that dishonest people may take off or change them.



Mention some products which you think are suitable for price-marking:

- a) with tags

- b) with rubber stamp

WHERE TO PUT THE PRICE?

The customers, as well as the cashier, will suffer if they must turn the package several times before they find the price-mark.

Let us suggest where the price-mark can be placed:



Mark on top if possible

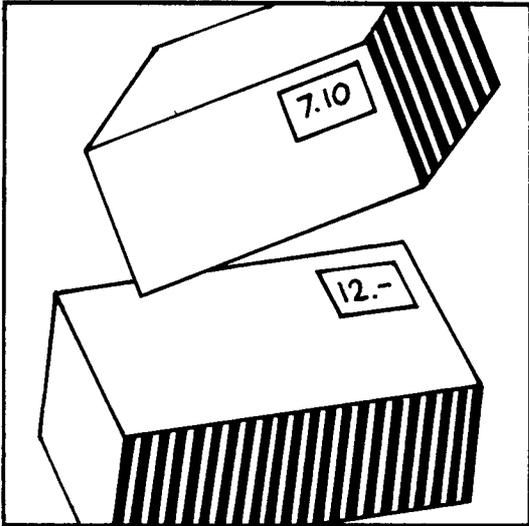
Goods are displayed with the top up. Goods are placed at the check-out with the top up - it is simply natural to handle the goods with the top up. So put the price-mark on top, if possible.

Mark on the bottom the goods that have an irregular shape

Dinnerware and glasses, for example can be better labelled on the bottom.

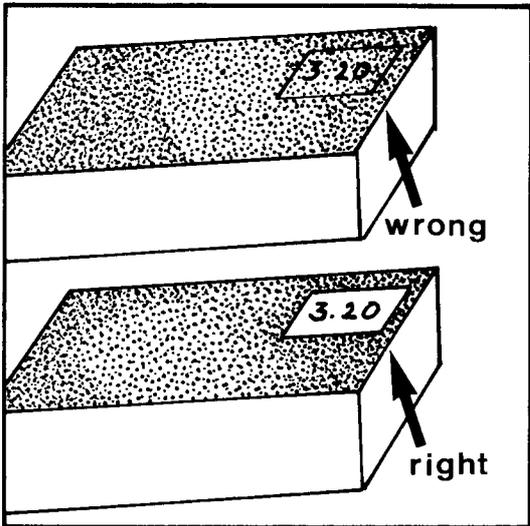
Use the special place

On some goods the manufacturer has made a square or a circle for the price. He has chosen a spot where the price-mark is easy to find and does not damage the package.



The stamp rule

A stamp is usually put at the top right corner of the envelope. It is natural to mark goods that remind one of postal packets or letters in the same way.



Price and background in different colours

If you put a blue stamp on blue paper it will be difficult to see it. Instead, try to make a contrast between the price-mark and the background. Use adhesive labels when rubber stamp or writing cannot be seen clearly.

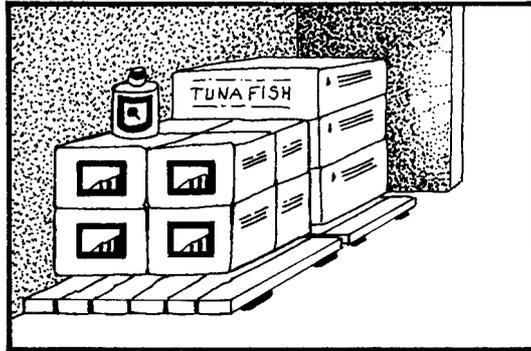
Wherever you will find it useful to place the price-marks on your goods, always put them in the same way on the same type of goods. Do not put the price-marks where they may damage the goods or cover useful information.



Why should goods of the same type be marked in the same place?

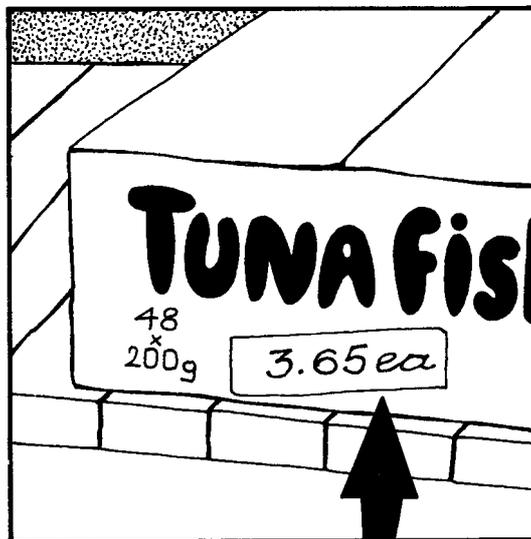
THE PRICE-MARKING PROCEDURE

The goods have been received and checked. The bulk packages are still kept in the special "receiving area" in the storeroom. But they should not stay there. We shall see how they are taken care of.



Marking the selling prices

There is a carton with Tuna Fish. The manager looks in the price list for groceries. "Blue Star, Tuna Fish 200g tin T\$ 3.65". He checks that the brand and the size are the right ones, then he writes the price on the carton so that the assistant who is going to price-mark will know.

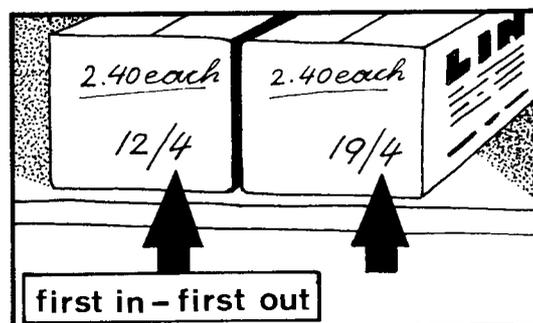


In the same way, all the bulk packages are marked with the selling prices.

Decide what should be stored

Goods which are in great demand are bought in big quantities. There is not enough space to display everything in the selling area, so some of the goods are put on shelves and racks in the storeroom.

Each package is marked with the date of receipt, so that they can be taken out again in the right order. The oldest stock should be taken out and sold first.



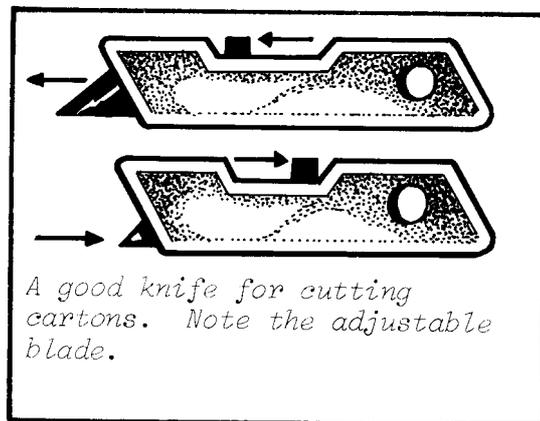
Price-marking and refilling

But most of the goods must not stay in the storeroom. The cartons can be taken direct to the shelves in the selling area where all items must be marked and displayed.

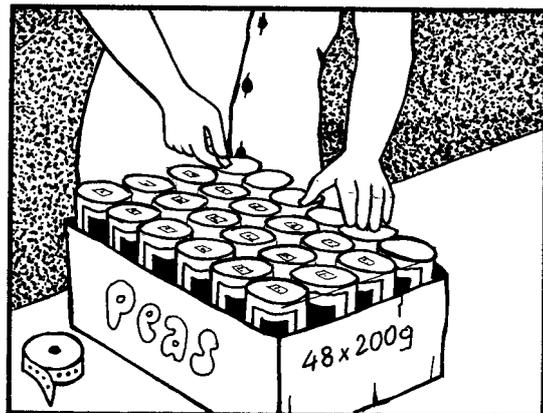
A trolley is useful for carrying the cartons.



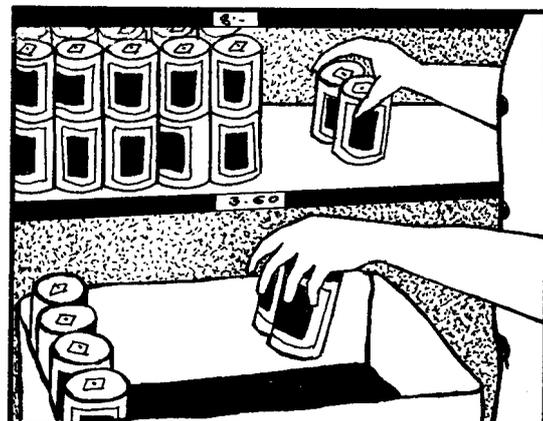
Open the carton. Cut off the top if you do not intend to use the carton again.



Price-mark the top layer of tins or packets.



Put the marked goods on display.



Price-mark the next layer and so on. Be sure that you always price-mark all of the goods in the carton.

You may get stopped in your work by some customers, but this probably means that they need your help to buy something. So by working with the price-marking in the selling area instead of in the storeroom, you can serve the customers better.



If you do your work in this way, you do, in fact, two jobs at the same time - filling of shelves and price-marking. This is the reason why we describe these two jobs in one and the same MATCOM Element.



If you do the filling and the price-marking as described here, you will also get better order and control in the storeroom. Why?

So there are several reasons why you should do the filling of shelves and the price-marking at the same time:

- you save time,
- you spend more of your time in the selling area, where your customers are,
- you can keep better order in the storeroom.

Price-marking and pre-packing

Not all goods can be brought at once into the selling area. Some goods must be handled in other ways. For instance, if you receive a large bag of rice, you may want to pre-pack the rice into smaller bags, and a large piece of fresh meat must be cut into smaller pieces. It is practical to do the price-marking at the same time.

When you pre-pack rice, for instance, you can mark the bags before you fill them, because all the bags will have a fixed quantity and price.



But when you pre-pack meat, fruit and vegetables the situation is different. Each packet will have a different price, so you must pack first, then weigh and price-mark.



When pre-packing sugar into small paper bags, why should you mark the price on the bags before you fill them?

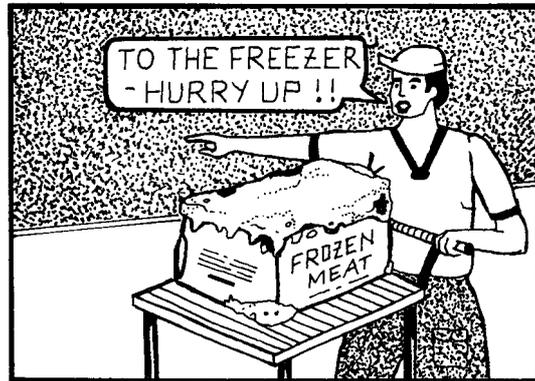
HOW TO RE-FILL SHELVES

We shall now look at the re-filling procedure again, because there are some important details that should not be forgotten.

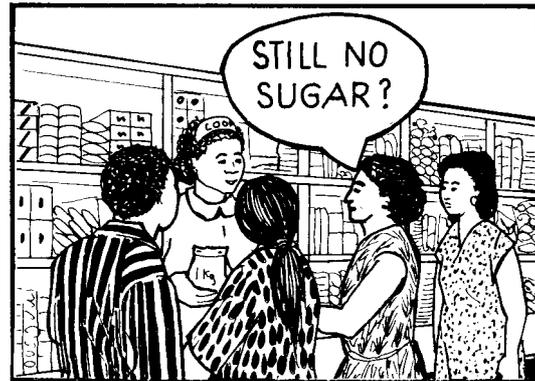
Which goods should be re-filled first?

A lot of goods may arrive together. You cannot take them all into the selling area at once, but there may be reasons for handling certain goods first:

Frozen or fresh food that will spoil quickly if it is not put in a freezer or a fridge.



Goods that your customers are waiting for.



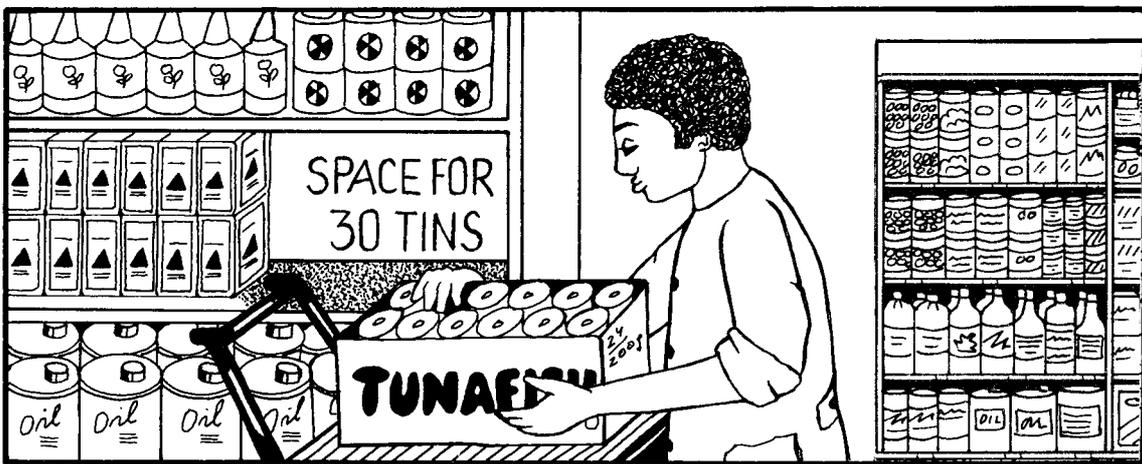
Goods that do not need preparation - like packing, weighing or price-marking - before they are displayed.



What quantities should be displayed?

You must try not to have open bulk packages. As long as the cartons' are full and sealed, it is easy to know what is kept in the storeroom. There will be less risk of leakage, too. (Check your answer to the question on page 16). And it is more practical to bring a whole carton to the selling area than to carry a few tins at a time.

Therefore, there should be enough space in the display for at least one whole bulk package of each article.



If you have ordered the right quantities of goods, and received them at the right time, there should be no problems. There should be enough space to bring most of the goods you have received at once into the selling area.

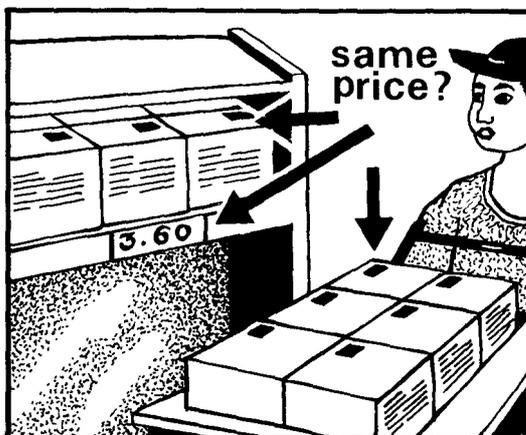
Still, you must check to see if there is enough space for the contents of a whole carton before you bring the carton into the selling area.



Suppose that there is so much of the old stock left that you find space for only half of the contents of the new carton. What do you do then?

Check the prices

You know the price of the new goods. Before re-filling you must check the price-marking of the old stock. Are all prices the same? Is the price that is displayed at the shelf edge the same too?

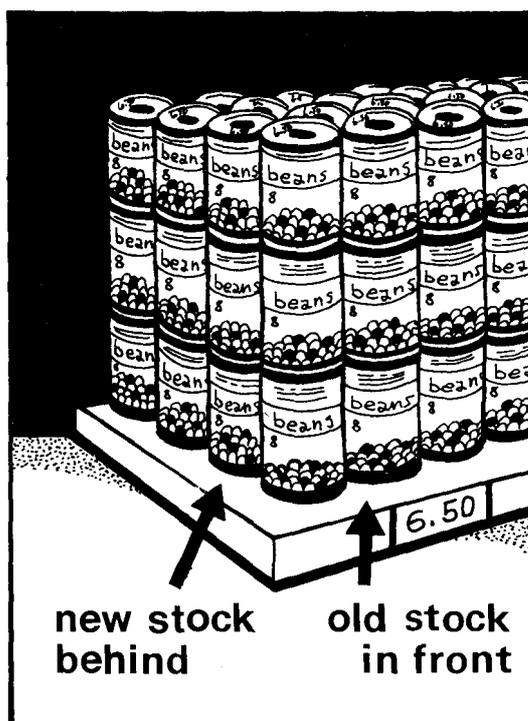


If not, you have to find out which price is correct, and then change all the other prices. If you do not make sure of this, the customers will get confused and feel that they are cheated.

Take care of the old stock first

The oldest goods should be sold first. This will not happen if they do not look as bright and clean as the new goods, or if they remain hidden behind the new goods. So the correct way to do it is:

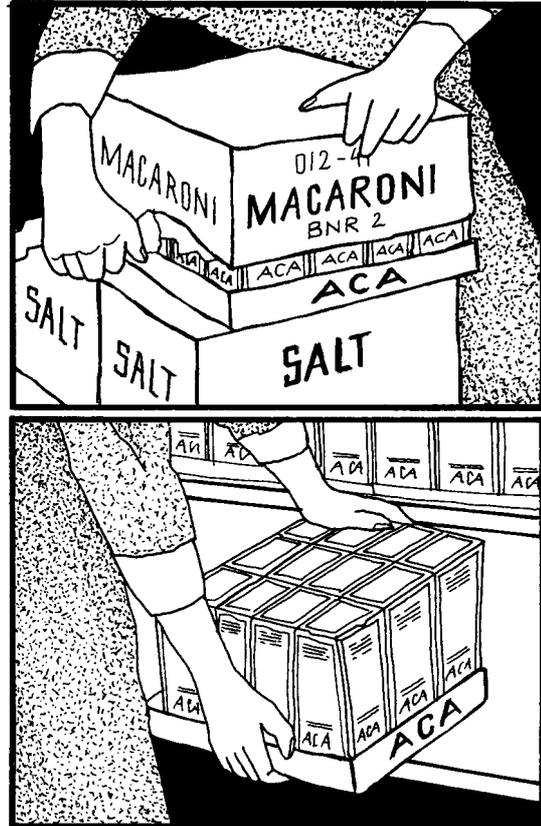
1. Remove the old stock.
2. Clean the shelf.
3. Fill the new stock.
4. Put the old stock in front of the new stock. Clean or re-pack the old packets if necessary.
5. Check if it looks neat and in order.



Display of goods on trays

The top part can be torn off some wholesale cartons. It then looks as if the goods are placed on a tray.

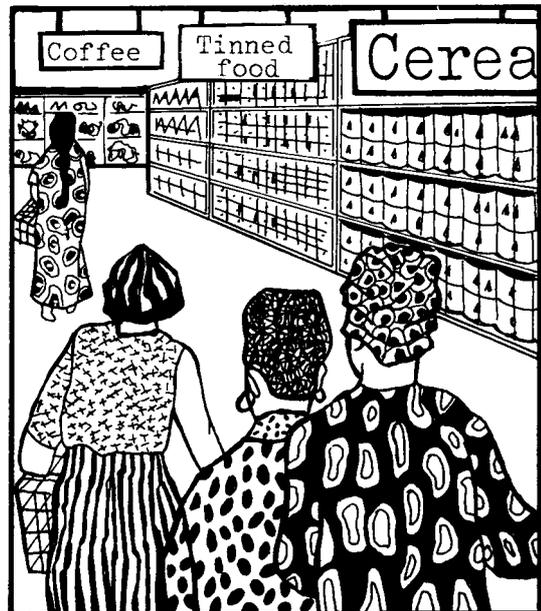
If the bottom part of the carton looks nice, you may make the work easy by displaying the whole tray with goods. (But you do not place the old stock behind, do you?)



When to do the re-filling

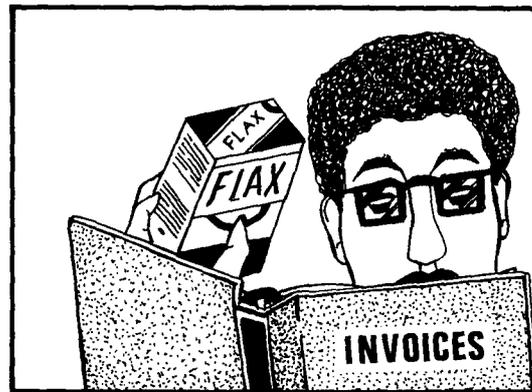
You are not supposed to forget your customers - never! They may need your attention, so you must be prepared to stop your other work. That is, in fact, the main reason why as much as possible of your work should be done in the selling area.

But you should do the re-filling during the "quiet hours". On certain days and hours your shop will be crowded with customers, and you will be very busy with them. By that time the re-filling should be completed, because the customers want to see a shop filled with goods, not a shop filled with boxes and cartons.



RE-PRICING

"The price of Flax washing-powder is up 20c. We'll have to re-price the packets."

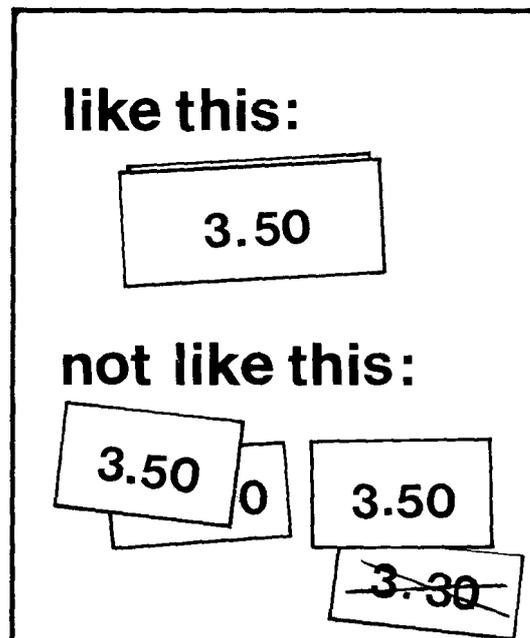


You may think it is wrong to change the prices of the old stock. But there are some good reasons for doing this. For example, the purchase of new stock will cost you more than last time (since both the wholesale and retail prices have increased). You may not be able to buy goods to restock the shop if you do not compensate for the increased wholesale prices.

And you should not display the same goods marked with different prices. Sometimes it will be necessary to remove the old price-mark and fix a new one.

The easiest way to solve the problem is to cover the old price with a new price label.

But the label must be big enough to cover the old price-mark, or it will not look nice. And, what is worse, a customer will not know which price is the correct one.



If you cannot cover the old price properly, you should remove the label or use acetone or similar fluids to dissolve rubber stamp figures, or figures written with felt pens. Be careful not to damage the goods.

Do not forget to change all price-lists, prices displayed on shelf edges, placards and notice-boards at the same time.

Record the price changes

Price changes are usually authorised and ordered on special forms. The assistants who do the job should sign and note the quantity of each article that they have re-priced. It will then be the duty of the manager to check that all price changes have been made, and that stock records have been changed to agree with the new prices.



List here what you will do in order to improve the price-marking and re-filling work in your shop:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.
- 8.
- 9.
- 10.
- 11.

"CHECK OUT"

To prove to yourself that you have fully understood this Element, you should now answer the following questions. Mark what you think is the right answer to each question. If you have problems with a particular question, go back and read again the corresponding chapter. Your teacher will later check your answers.



1. For whom is the price-marking done?
 - a customers only;
 - b staff only;
 - c customers and staff.

2. The main rule is that everything should be price-marked but there are exceptions. Which goods do not need to be price-marked?
 - a goods that are sold in large quantities every day;
 - b goods that arrive during the rush-hour;
 - c goods for which prices are changing very often.

3. Which of the following articles may not need to be price-marked?
 - a tinned fruits;
 - b drinking glasses;
 - c bottles of soda.

4. Which of the following is the best way of marking goods in plastic wrapping?
 - a with a rubber stamp;
 - b with a ball pen;
 - c with an adhesive label.

5. Which of the following goods are suitable for marking with a rubber stamp?
 - a books;
 - b tins;
 - c clothing.

6. A tin of margarine should be price-marked:
 - a on the front;
 - b on the top;
 - c on the bottom.

7. What does the "stamp rule" mean?
 - a mark with a rubber stamp;
 - b mark in the top right corner;
 - c mark on the top.

8. What should be written on cartons which are to be price-marked and re-filled at once after being received?:
 - a wholesale price per carton;
 - b selling price per item;
 - c date of arrival.

9. What is the advantage of price-marking and re-filling at the same time?
 - a you can work quickly without being stopped;
 - b you will be available to serve customers;
 - c you will know the price from the markings on the old stock.

10. The best way to re-fill is to:
 - a wait until the old stock is completely finished before a shelf is re-filled;
 - b re-fill all shelves twice a day;
 - c use a whole carton to re-fill a shelf, as soon as there is enough space.

11. When you re-fill the shelves with new goods, the old stock should
 - a be placed at the back of the shelf;
 - b be placed in the front;
 - c be mixed with the new goods.

12. The best technique for re-pricing is to:
 - a alter the figures with a felt pen;
 - b cover the old price with a new price-label;
 - c cross out the old price and place a new label close to it.

COMPLEMENTARY EXERCISES

To complete your studies of this topic you should take part in some of the following exercises which will be organised by your teacher.



Practical Group Assignments in a Shop

1. Selection of the correct methods

Collect samples of goods made from different materials and of different sizes, as well as all available equipment that might be used for price-marking.

Practise price-marking in different ways and suggest for each article:

- a practical ways of price-marking;
- b where to put the price-mark.

2. Price-marking survey

Study how the goods displayed in the shop are price-marked. Write a report which should include:

- a which goods are not price-marked and the reasons for that;
- b how the cashier and the customers know about prices of non-marked goods;
- c why price-marks are not clearly seen;
- d why price-tags or labels are not properly fixed to the goods;
- e your recommendations for improvements.

3. Practise price-marking and re-filling

Practise price-marking and re-filling of some cartons of groceries; use the methods on pages 14 to 15.