Shopify Online Sales Challenge

PRICING GUIDE

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One-Third Rule

Let's assume your consignment store sells clothing, shoes, and accessories. To build up a base value, you should begin with 1/3 of the item's retail value, at that point include or subtract 10% for subtleties that influence the item's allure (fit, styling, wear and tear, and so forth.). You may need to alter your base value proportion contingent upon the sort of products you sell.

Start by getting an estimate of the item's retail cost. It shouldn't be precise, just ballpark. There are two or three different ways to do this. The easiest is to go to Google Shopping. Type the brand in inside quotes (for example, "American Eagle"), at that point include the style of clothing outside of the quotes (for example, 'shirt' or 'dress'). For most cases, you'll pull up results for both new things just as well as products from other sellers.

Another option, whenever the situation allows, is to go right to the site that sells that item. In our exercise, you would go to americaneagle.com, at that point scan for a comparable item. In either case, you ought to have a rough idea to set up a genuinely reasonable estimation of what your item initially cost.

When you've built up a base value, the next step is reducing the cost of the item based off of imperfections. Is it a popular item? Bring the cost up 10%. Is it something you see constantly? Knock the cost down 10%.

Here's a good example of what we're talking about.

A decorated blouse from Gap sells for around $30 new.

Get your base value (33% of $30): $10.

Be that as it may, this one looks somewhat worn, so subtract 10% ($1) from your base cost .

The style is something you've been getting a great deal of, so subtract another 10% ($1) from the base cost.

The next step is adding in your costs, not including shipping. How much time do you need to spend taking the item and shipping it? If you're selling a lot of items, then you may have someone who's sole responsibility is to ship online.

As you spend more time selling online, you should be able to track that additional cost of time and energy, which should allow you to understand how much more effort goes into shipping something.

With additional overhead of "time spent selling online" let's add another 10%, or another dollar.

This gives us a total cost of $9.

When you've set the cost, ask yourself: would I pay that much for this item online? Does it appear to be reasonably priced?

Again, these examples are based off of clothing, but it should apply to anything you're selling. The online component changes a bit. Clothes are easier to ship than a record, but a record is easier to ship than a lamp. If it takes 20 minutes to pack something safely, then that should be accounted for in your final price.

In the lamp example, let's say you have an employee who is paid $10/hr. If it takes them 20 minutes to package something, you would add $3.33 to your total item cost.

With all of this done, your next step is figuring out your shipping cost. Look for our shipping for help in determining how to ship your items and calculate cost.