Remember what the S stands for in MSRP

by Gabe Trahan

Three years ago while looking for unique items to place on NCPA's Front-End Marketplace, I missed an appointment with a big-name television personality who is a writer and successful businesswoman. I took too long chatting with the company that had bought the rights to the Smith Brother's cough drops. The star was gone, and her representative was not impressed with my tardiness.

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When you are buying any new product, always ask these two questions. What is the high and low retail for this item/line? And who is successfully selling the product at the high MSRP? Sometimes an MSRP is just that, a manufacturer’s suggested retail price. Unfortunately, MSRP can paint a false picture of high profit. At times you should look at an MSRP as the sticker price of a new car.

There are instances that an MSRP may seem too high! Again, do your research and ask the right questions.

Gabe Trahan is NCPA’s senior director of store operations and marketing. Gabe uses more than 40 years of front-end merchandising experience to help NCPA members increase store traffic and improve profits. Visit www.ncpaben.org/feo to watch videos, read tips, and view galleries of photo-examples by Gabe. Follow him on Twitter @NCPAGabe for additional tips.