



## Fork \$27.04

This is an **actual retail price** on an assistance with daily living (ADL) fork that I recently discovered in an independent pharmacy. I've seen a good share of variations on this price point as well. I believe the store cost for the one fork is under eight dollars. A quick look on the Web found the retail price for this fork varies from \$8.99 to \$22.75. The retail pricing for ADL merchandise is all over the board. Very **few wholesalers or distributors offer retail pricing** for ADL items. I suggest you take it into your own hands (the pricing, not the fork) and set a retail margin for your ADL line. Round the new price to the nearest 9.

**I recommend a margin anywhere between a 45% to a 60%.**

Let's talk about **margins** for a minute. Margins can be confusing. Here is a simple way to calculate a margin properly. Let's work with an item that costs **\$8.00 and apply a 45% margin** to it (don't confuse margin with a markup).

\$8.00 + 45% margin:  $8.00 \div 0.55 = 14.55$  (0.55 is the reciprocal of 45; or  $1.00 - 0.45 = 0.55$ )

To test this formula:  $\$14.55 - 45\% = \$8.00$

Here are a few more examples:

\$8.00 with a 60% margin  $\$8.00 \div 0.40 = \$20.00$        $20.00 - 60\% = 8.00$

\$8.00 with a 30% margin  $\$8.00 \div 0.70 = \$11.43$        $11.43 - 30\% = 8.00$

ADL items are not price sensitive; however, that doesn't necessarily give license to gouge.

One more thing: Do not assume that everyone you speak to understands the difference between a margin and a markup. I once asked a room of nearly 200 store owners to raise their hand if they thought they knew the difference. They all raised their hands. I then showed them an example on the slide. When I asked if this is what they were thinking, only four hands went up.

Are you a member of the **Merchandising Overhaul of Fame**? Why not try out? Send your photo to [gabe.trahan@ncpanet.org](mailto:gabe.trahan@ncpanet.org)

Good luck!

Gabe