

## Marketing Tips

### Price (Part 2 of 3)

In the last marketing tips article the idea of market price strategy was introduced. Market price strategy is balancing price to attract and keep customers. This week we will delve a little deeper into the topic.

Every price creates a 'perception of value' in the mind of your customer. A price that is too high or too low can create a problem. Over priced products or services may not have enough 'value' in your customers' mind. A price that is too low could mean poor quality or service.

Both scenarios create a 'perception' problem. An effective market price strategy creates a balance

between value and the maximum sustainable price for goods and services for a particular market segment.



A market price strategy that works well in one market segment, for instance lower 48 customers vs. Alaska customers, may fail in another. You cannot assume, you must know your costs, know your competition's price strategy and test your own with real live customers and then adjust to fit the market segment.

Pricing your product or service to achieve maximum profits and market share is a delicate balance. A common problem faced by many businesses is that many do not have a market price strategy or policy.

In the next marketing tips article, the third part of pricing will be discussed in greater detail: market price strategy - how to set your price. If you have any questions or comments contact AMEP at [info@alaskamep.org](mailto:info@alaskamep.org).



## We Want to Hear From You

AMBIT staff regularly gathers feedback from clients to improve services. We would love to hear from you about what types of impacts our services are having on your business and your community. Please call us at (907) 279.2637 with any comments or questions you have about the AMBIT program.

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## Term of the Week

### Click and mortar

This term refers to businesses that have a physical storefront (mortar) and a virtual storefront (click). Amazon.com and ebay.com are examples of businesses that have no physical storefronts. Businesses are structured differently depending on whether they are have physical, virtual or hybrid (click and mortar) storefronts.



## Tip of the Week

### What is a DUNS number and why should my business have one?

THE D-U-N-S (Data Universal Numbering System) is an international standard for businesses to identify themselves and their subsidiaries to lending institutions, investors and potential customers.

Having a D-U-N-S number is required when applying for certain types of business credit,

loans or grants. Banks and other lending institutions use your company's D-U-N-S number to collect credit history and other information used to determine your eligibility for credit. In addition, most government contracts require a business to have a D-U-N-S number.

The good news is setting up a D-U-N-S number is free. The process takes 30 business days at which point your company is listed in the D&B (Dunn &

Bradstreet) database and you will receive your company's 9-digit D-U-N-S number.

Dunn & Bradstreet is the company that created and maintains the D-U-N-S database. To request a D-U-N-S number for your business, go to [www.dnb.com](http://www.dnb.com) or for more information, visit [www.alaskamep.org](http://www.alaskamep.org).

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