



## 99 : Get Smart On Odd - Even



Selling ads in the economics of today is not only a challenge based on cost but more importantly the perception in many camps that newspaper or print ads are passé. There are so many choices today that didn't even exist 5 or 10 years ago. One might ask if the newspaper industry had been paying attention in the early '90s, they may not have found themselves in the pickle they're in today. But that's a topic best discussed over a couple of beers; moot point as it is since few were paying attention. The only way you ad warriors can win is to prove to the customer that the medium still works and works well. How do you do that? You do that by creating ads the actually work. Translates: Bring in customers who spend money.

Ever wonder why some ads work and others fizzle even though they may appear attractive? The elements or parts of an effective ad are just too numerous to cover in one newsletter.

In the coming issues of Get Juiced I'll give you the best principles that make an ad not only attractive, but also effective.

Many of your customers may be reluctant to advertise prices unless they are putting items on sale and they have a "hot" price that they think will attract attention.

Now everyone is aware of the Wal-Mart practice of ending many prices with "97". That's not news, but do you understand why it works beyond the obvious?

In response to my own curiosity, I researched the basis for this Odd-Even pricing theory and to my wonderment found years of research and experiments have been done globally on the effectiveness of newspaper ads and the role pricing had on readers.

The team of Holdershaw, Gendall, and Garland closely examined fractional pricing in 1997 and they concluded that about 60+% of pricing ended in 9 and the bulk of the rest ended in 5.

### Here are a few things that may not be so obvious:

- Some consumers believe that the odd number indicates the seller has cut the price to the bare minimum.
- Customers see the price of \$4.99 being closer to \$4 than to \$5.
- Some retailers will use the rounded up price to indicate a higher quality, "boutique-y" product, (check out Suzy Shier) not to be mistaken with a lower price and inferior quality. Consumers have a tendency to grade the value of products based on the price. If one shirt is priced 29.99, in some eyes it is of inferior quality than the one priced at \$30. Even if they are identical.
- The odd ending price must appear to lower the price from say \$3 to \$2 by dropping to the 99. If it appears \$3.59 instead of \$3.60 nothing happens because the all-important left digit hasn't changed. There is an encoding process that begins as soon as we see it called the left digit effect and it works. Rounding up takes more mental effort than recognizing and remembering the first digit; and because we are inundated with "product dump", the easiest way is to see and record the far left digit.

Ok, so that seems to blow the ending in 95, 97, 98, and 99 theory out the window in the sense that it is our western culture that teaches us to read from left to right and the first digit we see is far left. Psychological pricing is far more a science than just pulling numbers out of the atmosphere.

As an indispensable marketing professional (or marketer) you now have real secrets behind the odd-even pricing strategies. Help make your customer's ads work by showing them how to effectively use these theories to sell products.

The result is, you win they win. Newspaper advertising still works.

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