



## Build price lists for multiple customer segments

A common pricing strategy is one that maintains separate price lists for each customer segment. In this article a fictitious company, Wingtip Toys, is used to illustrate an example of a multiple price list scenario.



### Price lists based on customer segments

Sales are soaring at Wingtip Toys and the company is exploring several possibilities for even greater expansion. Traditionally, Wingtip Toys has sold beach balls to a single customer segment, which is the retail toy store. However, a new strategy is taking shape that expands the company's customer base and includes adding two new customer segments: government agencies and not-for-profit organizations.

Wingtip Toys knows that government agencies purchase infrequently, but in much greater volume than retail store customers. Similarly, not-for-profit organizations purchase less often but in much greater quantity than retail toy stores, although the quantities are typically less than government agencies.

Ultimately, Wingtip Toys wants to increase sales for these new customer segments because of the great opportunity for increased revenues. Therefore, Wingtip Toys will maintain separate price lists for all three customer segments. The three separate customer segments and price per unit are as follows:

Customer Segment and Pricing		
Customer Segment	Product	Price Per Unit
Retail Toy Stores	Beach Ball	\$1.00
Not-For-Profit Organizations	Beach Ball	\$.95
Government Agencies	Beach Ball	\$.90

Wingtip Toys already has a single price list established for retail toy store customers. Now, the company must create two additional price lists for the new customer segments. To create the price lists, follow these steps.

Note: The procedures in this article assume that the products and units are already established in the product catalog. For more information about how to create the product catalog and add items to it, such as products, units, discounts, and pricing methods, see the Microsoft Dynamics CRM 3.0 Help.

#### Step 1: Create the government agency price list and add the price list Items

1. In the Navigation Pane, click **Settings**.
2. Under **Settings**, click **Settings**. Then, in the Settings area click **Product Catalog**, and then click **Price Lists**.
3. On the **Actions** toolbar, click **New**.

4. In the Price List form, enter the following information:

**Name**

Enter a name with a length of 100 characters or less. The information should be meaningful and unique, such as *Beach Ball Price List for Government Agencies*.

**Start Date**

Enter the beginning date for which this price list is valid. You must enter the date in the format your organization has set for dates.

**End Date**

Enter the end date after which this price list will no longer be valid.

**Description**

Add a description of the price list or notes, for example:

*This is our price list for government agencies that purchase beach balls.*

5. Click **Save**. Leave the Price List form open.

Next, the price list items are added to this price list.

1. In the Price List form, under **Details**, click **Price List Items**, and then click **Add Price List Item**.
2. On the **General** tab, enter the following information:

**Price List**

Microsoft CRM automatically selects the price list that you created in the previous steps.

**Product**

Select a product. For this example, select the *Wingtip Toys Beach Ball* product.

**Unit**

Click **Lookup** to search for and select the unit that you want. For the beach ball product, a unit is selected that represents a single item because the beach balls are most commonly sold individually.

**Discount List**

If a discount list is available, you can select a discount list to apply to this price list. In this example we will not use a discount list.

**Quantity Selling Option**

Select a quantity selling option. This defines the type of quantities in which the product is sold. Because Wingtip Toys does not sell portions or fractions of a beach ball, select **Whole**.

**Pricing Method**

Because Wingtip Toys charges \$.90 per unit to each government agency customer, it uses the currency amount option for the pricing method. Therefore, in the **Pricing Method** list, select **Currency Amount**.

**Amount (\$)**

Enter the base cost that the product will list. For the beach ball product, type .90.

### **Rounding Policy**

If Wingtip Toys used a more sophisticated pricing method, such as percent of list or percent of markup, rounding options would be available to determine a policy for price rounding.

3. Click **Save and Close** to close the Price List Items form.
4. Click **Save and Close** to close the Price List form.

## **Step 2: Create the not-for-profit organization price list and add the price list items**

1. In the Navigation Pane, click **Settings**.
2. Under **Settings**, click **Settings**. Then, in the Settings area click **Product Catalog**, and then click **Price Lists**.
3. On the **Actions** toolbar, click **New**.
4. In the Price List form, enter the following information:

### **Name**

Enter a name with a length of 100 characters or less. The information should be meaningful and unique, such as *Beach Ball Price List for Not-For-Profit Organizations*.

### **Start Date**

Enter the beginning date for which this price list is valid. You must enter the date in the format your organization has set for dates.

### **End Date**

Enter the end date after which this price list will no longer be valid.

### **Description**

Add a description of the price list or notes, for example:

*This is our price list for not-for-profit organizations that purchase beach balls.*

5. Click **Save**. Leave the Price List form open.

Next, the price list items are added to this price list.

1. In the Price List form, under **Details**, click **Price List Items**, and then click **Add Price List Item**.
2. On the **General** tab, enter the following information:

### **Price List**

Microsoft CRM automatically selects the price list that you created in the previous steps.

### **Product**

Select a product. For this example, select the *Wingtip Toys Beach Ball* product.

### **Unit**

Click **Lookup** to search for and select the unit that you want. For the beach ball product, a unit is selected that represents a single item because the beach balls are most commonly sold individually.

### **Discount List**

If a discount list is available, you can select a discount list to apply to this price list. In this example we will not use a discount list.

#### **Quantity Selling Option**

Select a quantity selling option. This defines the type of quantities in which the product is sold. Because Wingtip Toys does not sell portions or fractions of a beach ball, select **Whole**.

#### **Pricing Method**

Because Wingtip Toys charges \$.95 per unit to each not-for-profit organization customer, it uses the currency amount option for the pricing method. Therefore, in the **Pricing Method** list select **Currency Amount**.

#### **Amount (\$)**

Enter the base cost that the product will list. For the beach ball product, type .95.

#### **Rounding Policy**

If Wingtip Toys used a more sophisticated pricing method, such as percent of list or percent of markup, rounding options would be available to determine a policy for price rounding.

3. Click **Save and Close** to close the Price List Items form.
4. Click **Save and Close** to close the Price List form.

The price lists are ready to use to generate quotes, orders, and invoices.