



WASP PROTECT

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QuickStore - What is the difference between Margin and Multiply for pricing calculation?

Max Holden - 2017-04-10 - in FAQs

When setting up your vendors for automatic pricing calculations, you have the option of using Multiply or Margin.

Multiply takes the amount entered and multiplies the cost by that amount to reach the retail price. For example, if you want to have a 50% markup on your items, you would choose Multiply, and enter 1.50 into the box. Your retail would then be cost * 1.50. For an item that costs \$1, this would give a retail price of \$1.50.

Margin pricing allows you to set the percentage of the sale price that is profit. To calculate this, the formula is:

$$\text{retail} = \text{cost} / ((100 - \text{margin}\%) / 100)$$

In the case of the above item with cost \$1.00, if you put in a margin of 50, meaning you wanted 50% of the sale price to be profit, then you would get $\$1.00 / ((100 - 50\%) / 100) = \2.00 retail.

Another way to look at it is that when using Multiply, the profit is a percentage of the cost,

but for Margin, the profit is the percentage of the retail that is left when you subtract the cost.