

Building your Sliding Price Scale

Your sliding price scale should be based on the results of your survey. The “sliding” part of the scale should include percent discounts. It will be your responsibility to justify how you set up your percent discounts by reasoning about your survey results. There is no right answer, but your justification should make sense and be supported by data.

For example, you might argue that 5-day-old bananas will be discounted 40% in your sliding price scale, because:

- 20% of customers would choose these bananas without a discount, and
- 50% more would be convinced to buy these bananas with a 40% discount.

This means 70% of customers would be likely to choose the 5-day-old bananas if you offered a 40% discount.

What Should be Included in a Sliding Price Scale:

Your sliding price scale should include

1. Descriptions of how and when foods are discounted.
2. The percent the foods are discounted.
3. The price after each discount.
4. A justification for how you designed your sliding price scale.

Showing How your Sliding Price Scale Works

It's important to show how your sliding price scale will work using an example. Suppose a grocery store buys 100 pounds (lb.) of bananas at \$0.30/lb. and uses the following sliding price scale:

Amount of Time on Shelf	Discount	Price	Survey Results
0-5 days	Full Price (no discount)	\$0.60/lb.	75% would choose
5-10 days	40% discount	\$0.36/lb.	70% would choose

In the first 5 days, how many pounds of bananas will be purchased by customers, according to the survey results? Show using calculations.

In the next 5 days, how many pounds of bananas will be purchased by customers, according to the survey results? Show using calculations.

After 10 days, how many pounds of bananas will be left over? How does this compare to what would happen if the grocery store didn't have a sliding price scale?

What will be the grocery store's profit?