

## Impact on Sales If Price is Increased

On the other hand, if you adopt a premium pricing strategy, the following table shows the amounts by which your sales would have to decline following a price increase before your gross profit is reduced below its present level. For example, at the same 40% margin, a 10% increase in price could sustain a 20% reduction in sales volume

And you increase your price by:	If your present margin is:									
	20%	25%	30%	35%	40%	45%	50%	55%	60%	
	Your sales could decline by the amount below before your gross profit is reduced:									
2%	9%	7%	6%	5%	5%	4%	4%	4%	3%	
4%	17%	14%	12%	10%	9%	8%	7%	7%	6%	
6%	23%	19%	17%	15%	13%	12%	11%	10%	9%	
8%	29%	24%	21%	19%	17%	15%	14%	13%	12%	
10%	33%	29%	25%	22%	20%	18%	17%	15%	14%	
12%	38%	32%	29%	26%	23%	21%	19%	18%	17%	
14%	41%	36%	32%	29%	26%	24%	22%	20%	19%	
16%	44%	39%	35%	31%	29%	26%	24%	23%	21%	
18%	47%	42%	38%	34%	31%	29%	26%	25%	23%	
20%	50%	44%	40%	36%	33%	31%	29%	27%	25%	
25%	56%	50%	45%	42%	38%	36%	33%	31%	29%	
30%	60%	55%	50%	46%	43%	40%	38%	35%	33%	