

Dual prices make way for one

In July's edition of the *Ring*, we provided information on the anticipated single-pricing system. After months of research, planning and development, Agra wishes to announce that the single-price system will be implemented countrywide at all Agra branches on 24th November 2003.

The primary objective of this initiative is to simplify the administrative tasks of branch personnel, thereby allowing the judicious use of time to improve customer service and focus areas that will benefit all stakeholders.

The single-pricing system is based on the premise that there will only be one effective price per product. To ensure uniform product pricing per region, product price will be determined centrally in the future. However, additional costs, such as transport, will be levied additionally per branch.

Prices will largely also no longer physically appear on products, rather on shelf label tags. The electronically printed price on shelf label tags will correspond with the price at the point of sales. This shift from price tags to electronic pricing entails that products will not be marred by price tags, facilitates more effective exchange of products, realizes cost savings and enables Agra's implementation of technology currently in use in the retail industry.

The use of only one effective price per product furthermore ensures peace of mind for the client as markup percentages can no longer be determined at branch level. Through negotiations at head office, we stipulate the best cost price of products across the board, ensuring that stock is received at the current cost price and that retail prices are relayed to clients on a uniform basis per region.

In addition to the single-price which will apply per product, various discount categories such as contractor and trade discounts, will remain in effect.

Cash discounts, based on financial indicators such as the prime rate, will only be applicable to Agra members. Upon implementation of the single-pricing system, the cash discount is established at 2% of the sale price. Due to bank transaction costs associated with credit card transactions, such sales shall not qualify as cash sales. The sale of petrol shall also not be subject to a cash discount.

Account settlement discounts shall only apply to approved Agra customers with account facilities. Again, the discount shall be determined in relation to the prime rate. A settlement discount of 1% of the outstanding balance shall apply, provided that the account is paid on or before the 15th of the following month. Account payments can be made at any branch, irrespective of the branch at which original account is held. As the date of payment is generated in advance electronically, clients are reminded that late payments cannot be considered for a settlement discount.

With the implementation of this system, Agra looks forward to transferring concrete rewards to its loyal members through discounts. Should you, during the implementation phase of the single-pricing system, have any queries or require further information on the system and its functioning, please do not hesitate to contact the management of your nearest Agra branch who would be delighted to be of assistance.