



Profit Margins on ESP Websites and Company Stores

Tamika C - 2019-10-21 - eCommerce

A profit margin in terms of pricing on your ESP Website or Company Store means the percentage of the sale you would like to receive after all transactions are completed.

For example:

If a product has a supplier catalog price of \$5.00 and a net cost of \$4.00, there is only a 20% profit margin and you would only make \$1 gross profit per item. This means that if you are selling 100 items, you stand to make \$100 total profit on this transaction, which may not be enough to warrant the time and resources you will need to expend for this sale. Therefore, you may want to adjust the profit margin to 40%. The list price will now display as \$5.60, meaning you stand to receive a \$1.60 from each item after paying the supplier, totaling a \$160 profit for 100 items.

Most suppliers provide for a profit margin in the catalog prices, however, you may need to adjust the supplier's suggested pricing. It is important to keep in mind that a profit margin is different from a price markup. Check out the [Profit Margin versus Percentage Increase Reference Guide](#) for more information on how these price adjustments differ.

If you need further assistance calculating a profit margin or gross profit, check out this helpful [margin calculator](#) from www.calculatorsoup.com.

When using the [profit margin option on your ESP Website or Company Store](#), the pricing for all products (including custom products) will be adjusted accordingly. If you adjust the profit margin to lower than the one provided by the supplier, the new (lower) list price will be displayed in its own row labeled "Price".

Quantity 	48	72
Original Price	\$16.99	\$14.49
Price 	\$9.709	\$8.28
Savings	\$7.281	\$6.21