

Psychological Pricing

Marketing

The presentation effects that change perception at the same price.

Documented effects.

Effects

Charm pricing — 9.99 reads well below 10

Anchoring — the first price frames the rest

Decoy — a third option makes one look better

Bundling — hides individual price scrutiny

Partitioning — splitting price and shipping

Cautions

Charm pricing can undercut a premium position

Anchors that are implausible are rejected

Partitioning that hides cost can breach rules

Effects vary by category and culture

Educational reference. Drip pricing and hidden mandatory fees are now restricted or prohibited in several jurisdictions.