What Price Signals

Marketing

Price is a message before it is a number.

What a price communicates.

Reads as

Expected quality, where quality is unclear	Who the product is for
Confidence of the seller	Position against known alternatives

Consequences

Too cheap can reduce demand	Discounting can reduce perceived quality
A premium must be visibly justified	Price changes reset expectations

In categories where quality cannot be assessed before purchase, cutting price can reduce sales rather than increase them.