About   Sections

A Quantity Discount Pricing Model to Increase Vendor Profits

James P. Monahan

Abstract

In this paper, we analyze how a supplier can structure the terms of an optimal quantity discount schedule. The vendor's challenge is to adjust his present pricing schedule to entice his major customer to increase his present order size by a factor of "*K*." Optimal levels for "*K*" and the corresponding price discount are determined in order to maximize the supplier's incremental net profit and cash flow. Implementation issues are discussed and future research needs identified.

Volume 30, Issue 6

Article Information

Metrics

Information

Cite as

Keywords

inventory/production: policies, pricing   marketing: pricing   inventory/production: deterministic models

PDF download

Sign Up for INFORMS Publications Updates and News

SIGN UP

Partners   Atypon   crossref   PORTICO

![INFORMS logo — Smarter Decisions for a Better World]

Institute for Operations Research and the Management Sciences

5521 Research Park Drive, Suite 200
Catonsville, MD 21228 USA

phone 1 **443-757-3500**

phone 2 **800-4INFORMS (800-446-3676)**

fax **443-757-3515**

email **informs@informs.org**

Get the Latest Updates

Discover INFORMS
Explore OR & Analytics
Get Involved
Impact
Join Us

Recognizing Excellence
Professional Development
Resource Center
Meetings & Conferences
Publications
About INFORMS
Communities

PubsOnLine
2024 INFORMS/ALIO/ASOCIO International Conference
Certified Analytics Professional
Career Center
INFORMS Connect

INFORMS Code of Conduct | **Terms of Use** | **Privacy** | **Contact INFORMS** | **Sitemap**

Follow INFORMS on: ■ X **f** Facebook **in** Linked In ■ Bluesky