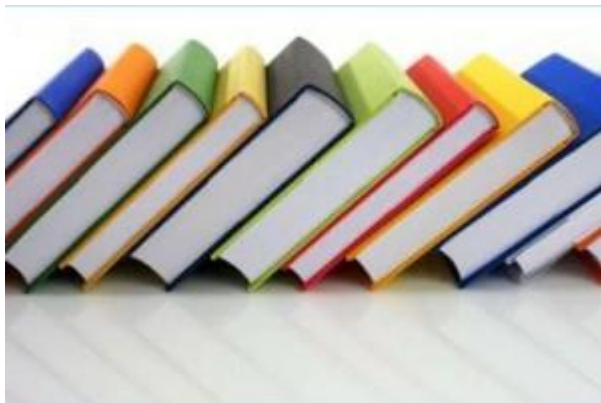


# Dynamic Pricing: Catching the Algorithmic Wave



In the physical world, changing the price of a book requires printing new stickers. In the digital world, it takes a few clicks. This flexibility allows for "Dynamic Pricing"—the strategic adjustment of price points to stimulate demand and manipulate retailer algorithms. Most authors set a price and forget it. Sophisticated **book marketing services** treat price as a fluid tool, moving it up and down to achieve specific goals: visibility, revenue, or rank. Understanding when to drop the price and, crucially, when to raise it, is a high-level skill that can dramatically impact a book's lifecycle.

Retailer algorithms (like Amazon's A9) reward "sales velocity"—the number of units sold in a short period. A massive spike in sales pushes a book up the bestseller charts, which in turn leads to more organic visibility and more sales. Dynamic pricing is the lever used to manufacture this velocity.

## **The "\$0.99 Flash Sale" Strategy**

Dropping a book to \$0.99 is the most common tactic to drive volume. However, it only works if you tell people. Combining a price drop with a paid newsletter slot (like BookBub or Bargain Booksy) creates a concentrated burst of sales.

This propels the book up the charts. The goal isn't profit (at \$0.99, royalties are slim); the goal is visibility. Once the book hits the Top 100 in its category, organic browsers start seeing it. The "halo effect" of this visibility can last for days after the sale ends.

## **The "Price Pulse" and the Bounce Back**

After the flash sale, you don't just leave it at \$0.99. You raise it back up. Some strategists recommend a "stepped" return. Move from \$0.99 to \$2.99, then to \$4.99.

This captures the "tail" of the promotion at a higher margin. Readers who saw the book on the charts but didn't buy immediately might come back a day later. If the price is now \$2.99, it is still a deal, but you make 70% royalty instead of

35%. This "bounce back" period is often where the actual profit is made. The flash sale buys the visibility; the price rise harvests the revenue.

### **Free Runs for Series Lead-Gen**

Making the first book in a series free (\$0.00) is a loss-leader strategy. It sacrifices revenue on Book 1 to drive read-through to Book 2.

This is dynamic because it doesn't have to be permanent. You can make Book 1 free for a week to coincide with the launch of Book 4. This sucks new readers into the funnel just as the hype for the new release is peaking. It revitalises the entire backlist. Rotating which book is on sale keeps the catalogue fresh and gives you a reason to email your list ("Book 1 is free this week only!").

### **International Pricing Strategy**

Pricing isn't just about dollars. A book priced at \$4.99 in the US might automatically convert to an ugly number like ₹412 in India.

Dynamic pricing involves manually optimising prices for purchasing power parity (PPP). Lowering the price significantly in markets like India, Brazil, or South Africa can open up huge volumes of readers who simply cannot afford US prices. While the royalty per unit is lower, the fan base growth is massive. These readers leave reviews and spread the word, boosting the book's global prestige.

### **Conclusion**

Price is a signal and a throttle. By actively managing it—dropping it to create spikes, raising it to capture margin, and adjusting it for global markets—authors can ensure their book remains competitive and visible in a shifting marketplace.

### **Call to Action**

To model a pricing strategy that maximises both rank and revenue, consult our data analysts.

Visit: <https://www.smithpublicity.com/>