



A PRICE COMPARISON FOR IDENTICAL MERCHANDISE AT MANUFACTURERS' RETAIL APPAREL OUTLETS AND TRADITIONAL RETAIL STORES

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Research Question: For identical merchandise does the posted price at outlet centers differ from the posted price at regional malls serving the nearby market?

Findings: Paired t-tests were administered to analyze the data to determine whether there was a significant difference in the posted outlet price of merchandise at outlet centers and the posted retail price of merchandise found at outlet malls. The posted outlet price for the entire sample was 23% lower than the posted retail price; apparel was 20% lower at outlet centers and housewares 26% lower. The only exception was layette products which were 9% higher in price at outlets than at regional malls.

The posted retail price at regional malls was significantly higher than the posted outlet price.

There was no significant difference between the posted outlet price and the posted retail price at regional malls for dresses, shoes, kitchenware or bed and bath linens; however, each of the samples was probably too small to make generalizations about the product categories.

Implications: The general conclusion from this research is that the price gap between manufacturers' outlet stores and department/ specialty stores has narrowed.

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