You can set EQ globally to use markup or margin to calculate your prices.

**Markup**

Markup is a percentage that simply increases your price by a percentage. It is easily calculated with a calculator.

*Example:* A product costing £100 with *50% markup* sells at £150.

**Margin (Gross Profit Margin or GPM)**

Margin shows a percentage of net sales after deducting your costs.

*Example:* A product costing £100 with *50% margin* sells at £200.

A 50% markup is a 100% margin because the price is doubled.

**Comparison between margin and markup values**

<table>
<thead>
<tr>
<th>Margin</th>
<th>Markup</th>
</tr>
</thead>
<tbody>
<tr>
<td>15%</td>
<td>18%</td>
</tr>
<tr>
<td>20%</td>
<td>25%</td>
</tr>
<tr>
<td>25%</td>
<td>33%</td>
</tr>
<tr>
<td>30%</td>
<td>43%</td>
</tr>
<tr>
<td>35%</td>
<td>54%</td>
</tr>
<tr>
<td>40%</td>
<td>67%</td>
</tr>
<tr>
<td>45%</td>
<td>82%</td>
</tr>
<tr>
<td>50%</td>
<td>100%</td>
</tr>
<tr>
<td>55%</td>
<td>122%</td>
</tr>
<tr>
<td>60%</td>
<td>150%</td>
</tr>
<tr>
<td>65%</td>
<td>186%</td>
</tr>
<tr>
<td>70%</td>
<td>233%</td>
</tr>
<tr>
<td>75%</td>
<td>300%</td>
</tr>
<tr>
<td>80%</td>
<td>400%</td>
</tr>
</tbody>
</table>

**Check your prices!**

When you have added an item to a quotation you can quickly view the cost and selling prices and your profit.

Add the product to a quote and right-click the product code and select Pricing Information. This shows:

- **Base price:** The price input into the catalogue.
- **Cost price:** The price with your supplier’s discount applied (if any).
- **Selling price:** Cost price plus your margin or markup.
Detailed Explanation and Calculation

Markup means profit is a percentage of COST price
Margin means profit is a percentage of SELLING price.

Therefore 30% Margin is always going to be more, in pounds, than 30% Markup because selling price should be more than cost price and hence 30% of that should be higher.

To find out if retailers are using Margin or Mark up, put a 30% margin on a product costing £100.

**Markup**
If you multiply 100 by 1.3, or "add" 30%, and the figure you arrive at is £130, then you are using MARKUP, NOT margin.

**Margin**
If you divide 100 by 0.7, then they should arrive at a figure of £142.86. This IS correct as a 30% margin.

- for 10%, divide cost price by 0.9
- for 20%, divide cost price by 0.8
- for 30%, divide cost price by 0.7
- for 40%, divide cost price by 0.6

etc

Retailers cannot make 100% MARGIN unless products are given to them for free.
A 100% markup is a 50% margin, that is doubling the cost price to get to the selling price.

Calculating Margin

To calculate Margin, when the retailer knows their cost & selling price (using £90 as cost & £150 as selling, before VAT), firstly divide Cost by selling price:-
90 / 150 = 0.6

Multiply this figure (0.6) by 100
0.6 x 100 = 60

SUBTRACT this figure (60) from 100
100 - 60 = 40

The figure you end up with, i.e in this instance 40, is the percentage margin. To check it, work it backwards using the method in 3rd paragraph:
90 / 0.6 = 150.