GO-TO-MARKET & PRICING

What is a price corridor? A defensible range before a point price

A price corridor sets a reviewable range before a point price. Declare reference, floor, ceiling, authority, exceptions, and evidence.

Sinan Isoglu, MBA (Quantic)
Commercial growth leader, lecturer and doctoral researcher

PUBLISHED
6 September 2026

READING TIME
4 min

WORDS
795

https://isoglu.com/insights/journal/what-is-a-price-corridor/

CONTENTS

MANAGEMENT SUMMARY

A price corridor is a declared operating range between a protected floor and ceiling, with a reference point, approval authority, exception rule, and review evidence. It is not a universal elasticity interval or a claim that every customer should receive the midpoint. Simon's pricing work shows that a transaction price can contain discounts, terms, services, and rebates beyond a list price. Bruno, Che, and Dutta show why a buyer's reference price can shape both price and quantity in a bounded B2B setting. This article turns those boundaries into a corridor worksheet for deciding when a point price is defensible.

Keywords: Price Corridor · Pricing Architecture · Reference Price · Price Floor · Price Ceiling · Price Authority

A point price can look precise while the organization cannot explain when it is too low, too high, or outside a seller's authority. A corridor makes that hidden decision visible before the quote is issued.

A price corridor is a declared range of acceptable prices for a named offer, unit, segment, time, and commercial context. Its edges are protected constraints, not statistical confidence limits.

The pricing-architecture article owns the connected system around value metric, offer, terms, pocket price, authority, and change. This page owns the narrower pre-quote range and the evidence needed to move from a corridor to a point price.

What is inside a price corridor?

Keep the objects separate:

Table 1 What is inside a price corridor?

Field	Question	Typical evidence
Reference price	What comparison point will the buyer or seller use?	Prior paid price, alternative, list, or declared anchor
Floor	Which economic or strategic boundary may not be crossed?	Cost-to-serve, contribution, capacity, risk, or policy
Centre	Which point is the current working recommendation?	Value evidence, comparable terms, and authority
Ceiling	Which upper bound requires a different explanation or approval?	Buyer value, alternatives, fairness, and market context
Authority	Who may choose a point inside or outside the range?	Role, approval, expiry, and exception rule
Review	Which later evidence can revise the corridor?	Quote response, win-loss, realization, margin, or service outcome

Table from this essay. Sources and interpretation are given in the article.

The corridor is conditional. A range for a standard self-serve offer can be different from a range for a configured enterprise deal because unit, service burden, risk, and buyer process are different.

Why does the reference matter?

Simon describes price as a bundle of dimensions that can include base price, discounts, bundles, services, payment terms, and negotiated elements. The visible list price is therefore not automatically the realized transaction price (Simon, 2015).

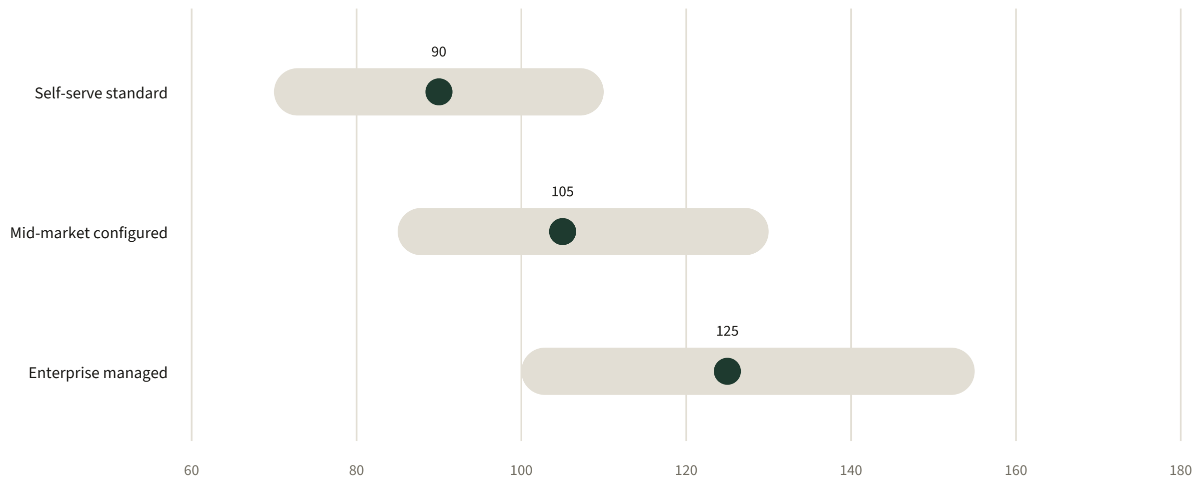
Bruno, Che, and Dutta find reference-price effects on price and quantity in their studied business-to-business setting. The finding does not provide a portable coefficient, but it does establish why a corridor review should ask which comparison point the buyer is carrying into the exchange (Bruno et al., 2012).

A reference can be a prior paid price, a competitor's offer, a procurement target, a published list, or an internal expectation. The team should name which one it means. Saying "market price" without a unit, date, and source leaves the centre of the corridor undefined.

What does a corridor chart look like?

The chart is synthetic. Each band shows a low point, a working reference, and a high point for a different commercial context. It is a sensitivity illustration, not a recommendation, price elasticity, or market observation.

Figure 1 The synthetic price-corridor ranges



Author's synthetic corridor illustration grounded in Simon (2015) and Bruno, Che and Dutta (2012). Low, reference, and high points are illustrative operating fields, not market prices, elasticity intervals, or recommendations.

The enterprise band is wider here because the synthetic context includes configuration and managed service work. That is not an argument for charging more. It is a prompt to name the unit, service, risk, and approval boundary before comparing the point price with a standard offer.

How should a team choose a point price?

1. Name the offer, unit, customer context, currency, and time.
2. Record the reference price and why it is relevant.
3. Set the floor from the declared cost, contribution, capacity, risk, or strategic boundary.
4. Set the ceiling from value evidence, alternatives, fairness, and authority.
5. Choose the point price and preserve the reason for its position inside the corridor.
6. Record exceptions, approver, expiry, and any non-price terms.
7. Reconcile the quote to invoice, pocket price, service burden, and later outcome.

The corridor should not become a hidden discount ladder. If a quote moves below the floor, the exception should be visible. If it moves above the ceiling, the explanation and authority should change with it.

What is a price corridor not?

It is not an optimal-price theorem, a universal market range, a substitute for willingness-to- pay evidence, or a guarantee of margin. It is not the same as a confidence interval or an elasticity estimate. It is an operating control that makes a point-price decision reviewable.

A defensible corridor does not make the price correct. It makes the reference, constraints, authority, exception, and next evidence visible enough to challenge.

The price-realization article shows how a defended range becomes a transaction boundary with deductions and collected-cash questions.

Bruno, H. A., Che, H., & Dutta, S. (2012). Role of reference price on price and quantity: Insights from business-to-business markets. Journal of Marketing Research, 49(5), 640-654. DOI

Simon, H. (2015). Confessions of the pricing man: How price affects everything. Copernicus. DOI

END OF ESSAY

HOW TO CITE THIS ESSAY

Isoglu, S. (2026, September 6). What is a price corridor? A defensible range before a point price. Sinan Isoglu. https://isoglu.com/insights/journal/what-is-a-price-corridor/

KEEP READING

Go-to-market & pricing

What is price adjustment cost? Changing a price changes more than a number

https://isoglu.com/insights/journal/what-is-price-adjustment-cost/

Go-to-market & pricing

What is price fairness? A reference and process problem

https://isoglu.com/insights/journal/what-is-price-fairness/

Go-to-market & pricing

Pricing architecture is a system, not a price list

https://isoglu.com/insights/journal/pricing-architecture-is-a-system-not-a-price-list/

Sinan Isoglu, MBA (Quantic)
Commercial growth leader, lecturer and doctoral researcher

Online version: https://isoglu.com/insights/journal/what-is-a-price-corridor/