

DEPARTMENT OF ECONOMICS
AECOVAC01 - Pricing Strategies

Learning Objectives

In this course students will

- Learn about the different pricing practices
- Learn how to price for profitability
- Become acquainted with pricing in practice

Course Outcomes

At the end of course, the students will be able to

- Apply Basic Economics Principles to reflect on a range of pricing issues
- Compare and Evaluate alternate perspective on price sensitivity analysis
- Understand the responding to price competition like different types of pricing
- Formulate the segmenting by purchase location and Quality
- Analysis the application of pricing strategies in various field trips

Unit 1

Cost in Pricing Decisions Cost as 'Floor' in pricing decisions Incremental costs and pricing Role of opportunity costs Limitations of cost based pricing

Unit 2

Role of Value in pricing Role of value in pricing Economic value analysis in pricing Factors influencing value perceptions: Reference price-switching cost effect-price quality effect-framing effect-fairness effect Price sensitivity analysis

Unit 3

Pricing and Competition -Responding to price competition- Skim pricing.

Penetration pricing. Pricing differentiated products Life cycle pricing.

Unit 4

Segmented pricing Segmenting by buyer identification. Segmenting by purchase location. Segmenting by purchase quality Segmenting by product bundling

Unit 5

Applications (including field trips) Consumer goods Hospitals Online retailing Information on goods

Unit 6

Current Streams of Thought: The Faculty will impart the current developments in the subject during the semester to the Students and this component will not be a part of Examinations.

Text Books:

Thomas T. Nagle and Reed K. Holden The Strategy and Tactics of Pricing a Guide to Profitable Decision Making (3rd ed New Delhi: Pearson Education,2002)

Supplementary Reading:

Business dailies and Magazines.

Information Rules by Hal Variad (Boston: Harvard Press ,2002)

The Art of Pricing: How to find the Hidden Profits to grow your business by Refi Mohammed (New York : Random House,2005)