

When Customers Help Set Prices

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The image depicts a 3D-rendered desk environment for a business meeting, centered around pricing and market analysis. The desk is light blue with dark blue legs. On the desk, there is a laptop displaying a 'Break-even pricing' graph, a monitor showing 'Market Types', and a tablet. A large whiteboard in the background features a central diagram titled 'What is a price?' with arrows pointing to 'Marketing Strategy Objectives Me', 'Market And Competition', and 'Product Costs'. The whiteboard also includes the text 'TheCaseSolutions.com' and 'Customer Perceptions of Value'. To the left of the whiteboard, there is a document titled 'Competitors' and another titled 'Economic Conditions'. On the desk, there are several sticky notes, a stack of colorful folders, and a small calculator. The overall scene is a comprehensive workspace for analyzing pricing strategies and market dynamics.

What is a price?
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Marketing Strategy Objectives Me

Market And Competition

Product Costs

Customer Perceptions of Value

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Market Types

Pure competition

Oligopolistic Competition

Monopolistic Competition

Pure Monopoly

Break-even pricing

Competitors

Economic Conditions

Other pricing considerations

Costs as a Function of Production Quantities

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What is a price?

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The sum of all the values that consumers give up in order to gain the benefits of having or using a product or service.
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Value-Based Pricing

used buyers' perceptions of value, not dollars cost, as the key to pricing.

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Value-Based Pricing

Good Value
Pricing is offering just the right combination of quality and good service at a fair price. In many cases good value pricing includes social responsible issues. Examples include Taco Bell and McDonald's and their "value menus."

Value Added
Pricing is the strategy of attaching value-added features and services to differentiate their offers and thus support higher prices.

Good Value Perceptions

High - Low
pricing involves charging a consistent, everyday low price with the occasional temporary price discounts. Low-price leader? lower prices temporarily on selected items. Retailer



Market Types

Pure competition

The market consists of many buyers and sellers who trade over a range of periods rather than a single market period. In a purely competitive market, buyers do not spend much time on marketing strategy.

Oligopoly

Monopolistic Competition

The market consists of many buyers and sellers who trade over a range of periods rather than a single market period. A range of periods occurs because sellers often differentiate their offers to buyers.



Economic Conditions

Conditions can have a strong impact on the firm's pricing strategies.

What is a price?

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Marketing Strategy
Objectives Mix

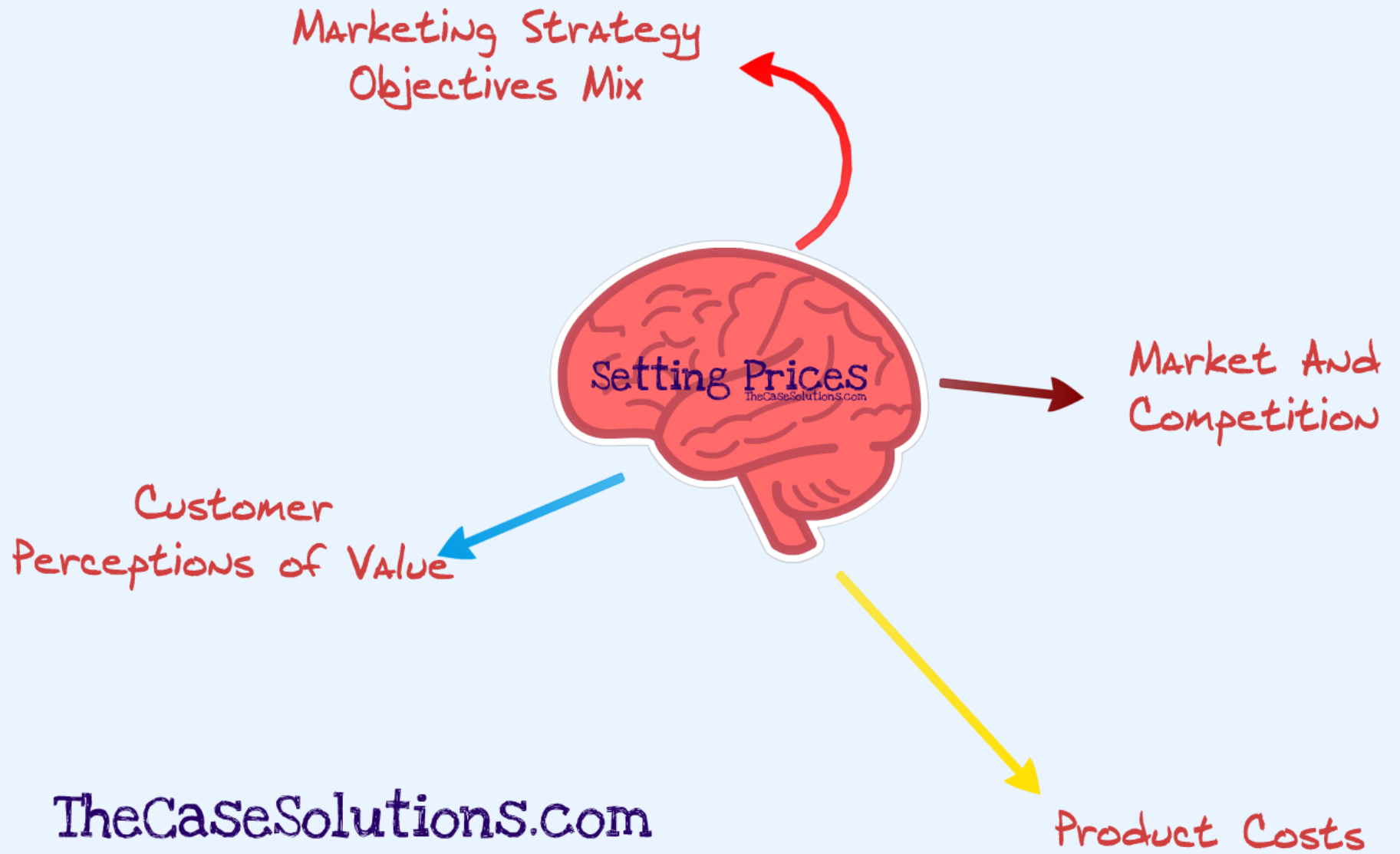
The sum of all the values that consumers give up in order to gain the benefits of having or using a product or service.

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Setting Prices

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Value-Based Pricing



- uses buyers' perceptions of value, not sellers' cost, as the key to pricing

V

Good

Pricing is
the right
of quality

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Cost Based - Pricing

Pricing involves setting prices based on the costs for producing, distributing, and selling the product plus a fair rate of return for its effort and risk.

Cost-based pricing adds a standard markup to the cost of the product.

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