

MARKETING PRISING STRATEGY

Marketing and International Trade Department

Faculty of Agricultural Management

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| Lecturer | Assoc.Prof. Olena Barylovyh |
| Teaching period | academic year 2017/2018 (spring semester) |
| Type subject | Master |
| ECTS credit | 5 |
| Assessment | written and oral |
| Marking scale | 4-point scale |
| Contact hours | 30 |

Objective and general description

Pricing is one of the most important marketing decisions. After this course, students will be able to contribute to the process of formulating pricing strategies for products and services in relation to other components of marketing mix of the firm. This course has an additional focus on the reaction to and by competitors and also pricing psychology of customers. The course begins with the importance of pricing and how it ultimately can affect the bottom line. Then, we consider methods that help decide what is the optimal price for product. Then, we move to price discrimination – how to differentiate depending on the customer segment. Then, we look at pricing psychology and how marketers can manipulate customers in order to drive the highest possible price for product. Finally, we consider the price management process – how to set prices and discounts for products.

Lectures:

1. Importance and Complexity of Pricing
2. Economic Principles of Pricing
3. Price Elasticity and Optimal Prices
4. Determining Willingness to Pay
5. Pricing Approaches
6. Price Discrimination
7. Pricing Psychology
8. Price Management

Seminars:

1. Reading on the importance of pricing and assignment for the next seminar
2. Case study assignment on perfect and imperfect markets, supply and demand curves.
3. Estimation of price elasticity of demand.
4. Reading on a review of methods for measuring willingness-to-pay. The pricing simulation.
5. Case study assignment on cost based pricing.
6. Estimation of break-even point.
7. Reading on pricing psychology of consumers.
8. Case study assignment on price setting process.

Study literature:

1. Macdivitt, H. (2014). *Cambridge Marketing Handbook: Pricing Points*. Kogan Page
2. Smith, T.J. (2011). *Pricing Strategy: Setting Price Levels, Managing Price Discounts and Establishing Price Structures*. South Western Educational Publishing
3. Meehan, J., Simonetto, M, Montan, L, Goodin, C. (2011). *Pricing and Profitability Management: A Practical Guide for Business Leaders*. Wiley
4. Nagle, T. T. , Hogan, J. E. , Zale, J. (2011). *The Strategy and Tactics of Pricing: A Guide to Growing More Profitably*. Prentice Hall