

Pricing Process :- Different steps are →

① Selecting the Pricing Objectives

- * Survival
- * Max. Profit
- * maximum market share
- * max. market skimming etc.

② Determine the Demand

- * In Normal case if Price are high, Demand decreases and in case of Prestigious good, demand curve slopes upward i.e. increase in Price, increase in demand.
- * The process of estimating demand therefore leads to →
 - Estimating Price sensitivity of market
 - Estimating and analyzing demand Curve
 - Determine Price Elasticity of demand

③ Estimating Cost

- * To Price intelligently, management needs to know how its Cost vary with different levels of Production.

④ Analyzing Competitors Price and offers

- * You should also analyse the Competitors Cost, Price and offers before ~~to~~ setting Prices.
- * Acquire Competitors Price list or buy Competitors Product
- * Ask customers how they Perceive Price and quality of Competitors Product and services
- * If your Product is superior to Competitors

Product, then you can charge extra Price or if inferior then low price has to be fixed

⑤ Select Pricing method :-

- (a) Cost plus Pricing method :- Taking into consideration total cost of production and marketing and then decides Price
- (b) Cost plus Profit method :- Consider total cost and add % of Profit you want to earn
- (c) Break even Pricing method :- To fix the Price at that level where company has no profit no loss.
- (d) Competition based Pricing :- To fix the Price of Product after taking into consideration competitors Pricing and offers plus market condition
- (e) Psychological Pricing :- # It is a strategy where Prices are expressed in a way that appeal good to customer
to fix their price which have psychological impact on customers and demand for the Product at that price supposed to stay high or constant eg Price of Bata shoes - 936.99/-

Selecting Final Price :- Pricing methods

narrow the range from which Company must select its final price. In selecting final price, Company must also consider like influence of other marketing mix element on price, Government policy, etc.

Pricing Strategy

* Pricing strategy refers to methods Company use to price their product or services

* It is a tactic that company use to increase sales and maximize profit by selling their price at appropriate price.

Different Pricing Strategies

- (a) Cost plus pricing method
- (b) Cost plus Profit Pricing method
- (c) Break even Pricing method
- (d) Competition based pricing method
- (e) Psychological Pricing method
- (f) Skim the Cream Pricing method :-

* When no or less competition exist

* Charge high price in beginning to skim the cost

* And after some time when competitors increases, lower the prices.