



Pricing

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VALUE
IMPROVE OFFER ECONOMY
TARGET PRICING
BUSINESS SEGMENTATION
PRICE MANAGEMENT
MARKETING STRATEGY
SELL PRICE
RELATIONSHIP
BUSINESS
BRAND SERVICE
DISTRIBUTION
SELL COMMUNICATION
CUSTOMER
OFFER
ADVERTISING
SELL
ANALYTICS
SHARE
PLANNING
RETAIL
DEVELOPMENT
RESEARCH

PRICING

PRODUCT
APPROACH
SALES
CUSTOMER
COMMUNICATION
OPEN
SALES
PLANNING
CUSTOMER
BRANDING
MARKET
VALUE
RESEARCH
BRAND
SEGMENTATION
ACTIVITY
OPERATION
SUCCESS
SERVICE
ANALYTICS
ADVERTISING
PRICE
SELL
RELATIONSHIP
ECONOMY
PRICING
TARGET



What is Price?

- **Price** is the value of money (or its equivalent) placed on a good or service. It is usually expressed in monetary terms.
- **Price** is involved in every marketing exchange.
- **Price** is the actual cost and the methods of increasing the value of the product to the customers.
- The oldest form of pricing is **the barter system**—the exchange of a product or service for another product or service, without the use of money.

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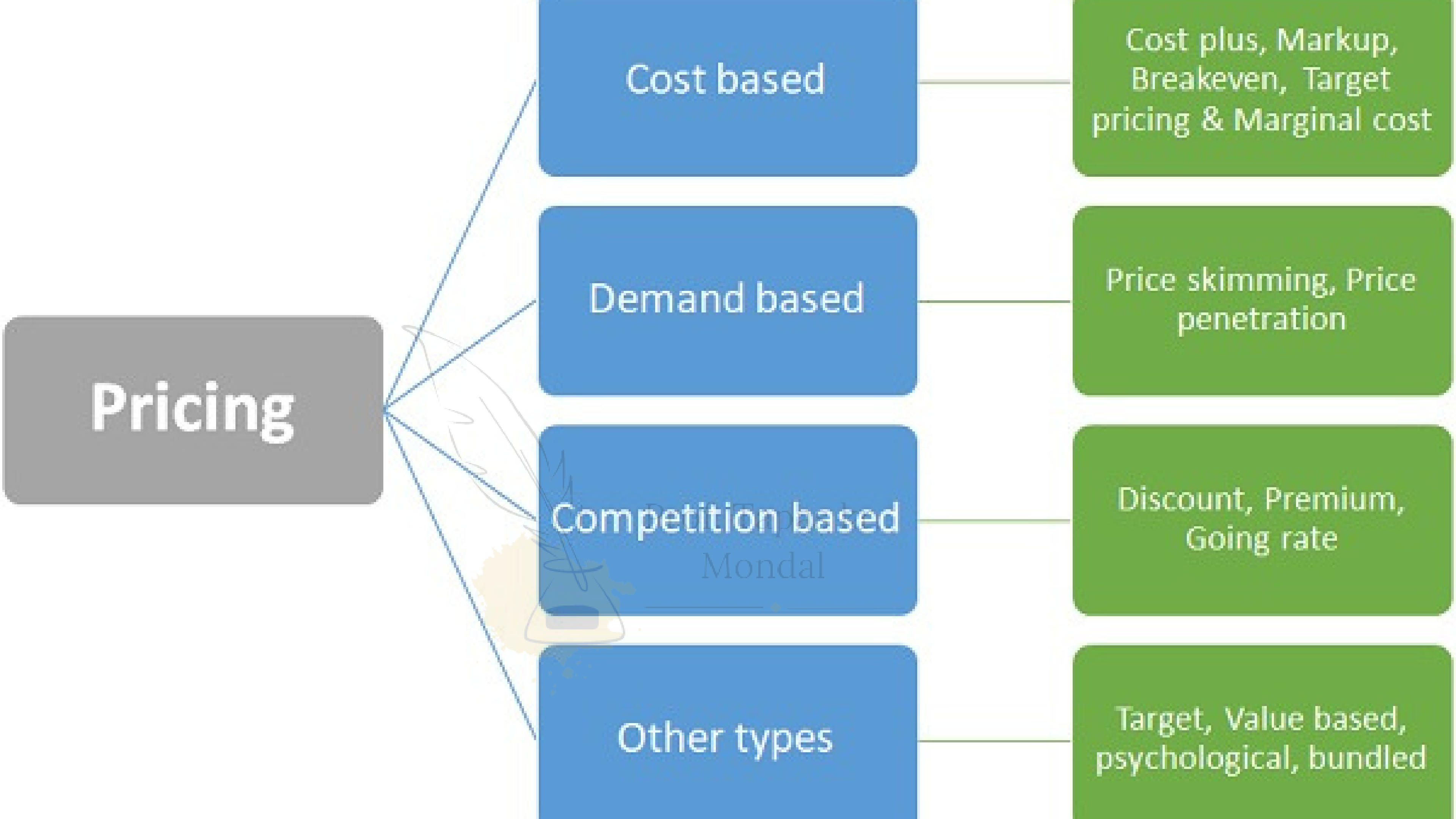
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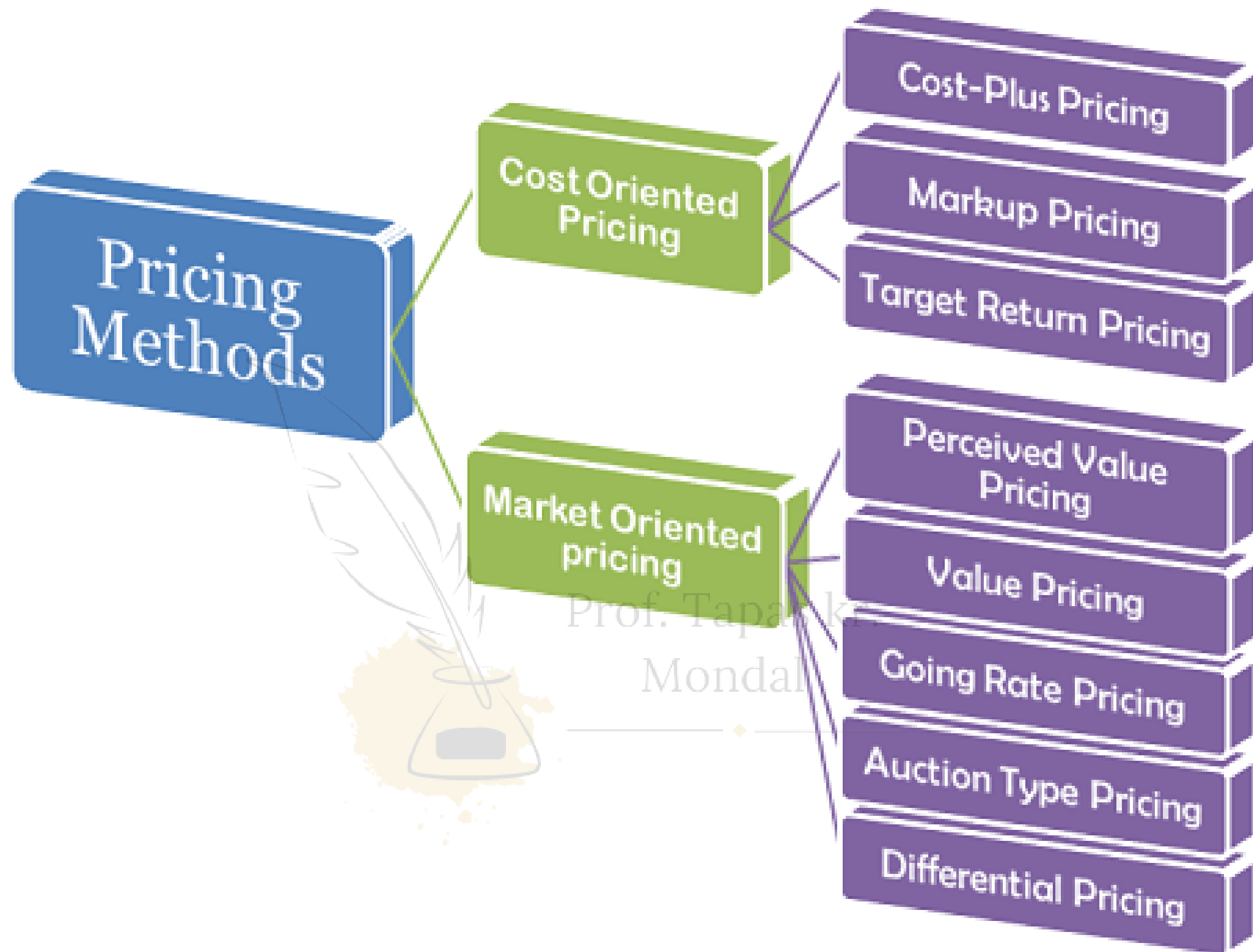
Pricing - Factors affecting the pricing

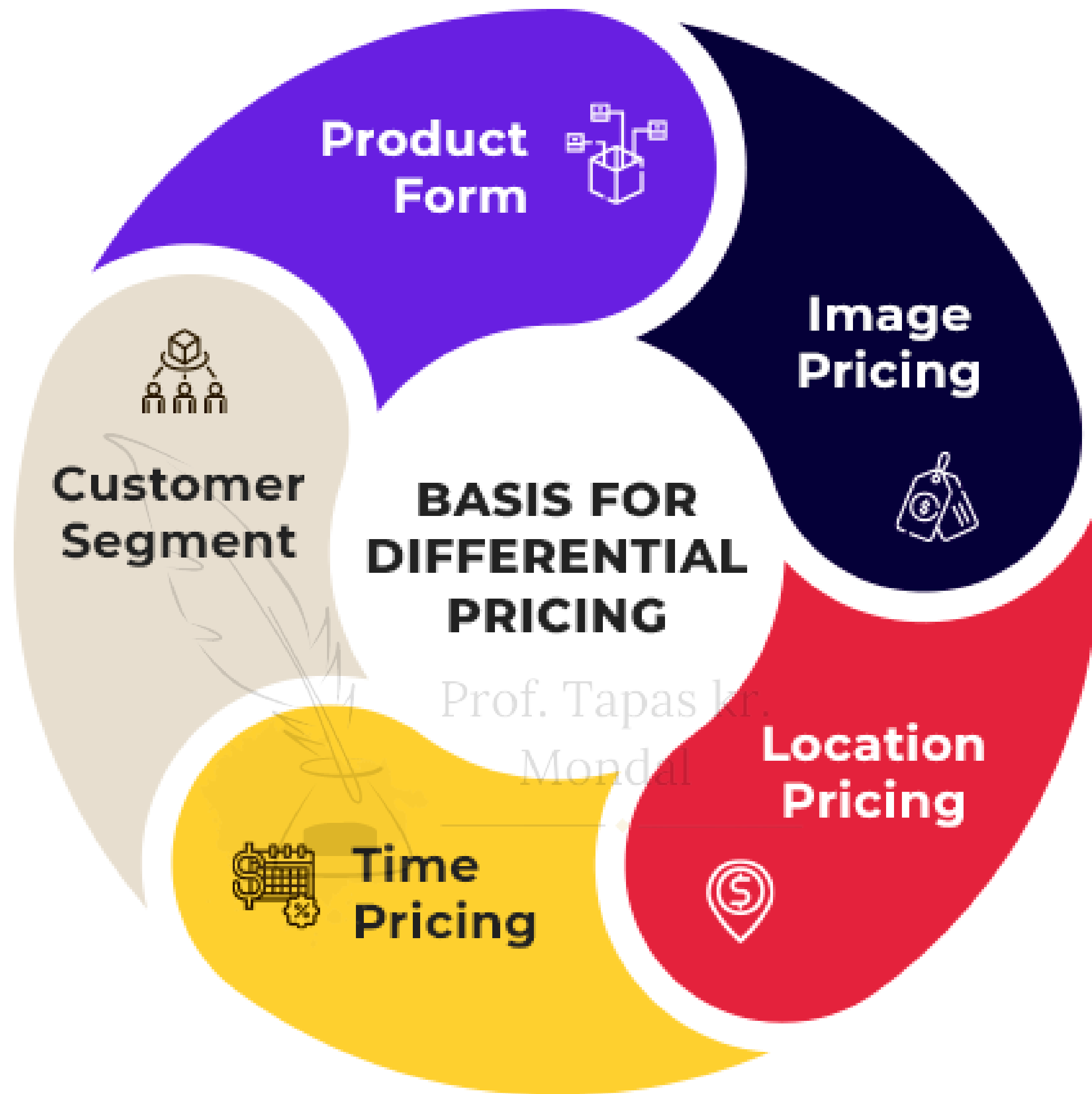
In pricing the price is the exact value of the product by which one party pays to another in exchange for some goods or services.

Factors affecting Pricing











PRICING STRATEGY



PRICING STRATEGIES





Pricing policy: finding the right price

The right price for a product or service is the one that balances the company's cost and desired profit with the market demand and competition. Pricing strategies can include cost-plus pricing, value-based pricing, dynamic pricing, and others. It's important to regularly evaluate and adjust prices based on market conditions and customer feedback.

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MARKETING MIX

WHY IS PRICING
THE MOST IMPORTANT
PILLAR



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Marketing mix- 4P's



Product

Promotion

Price

Place

People

Process

**Physical
evidence**

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The 7Ps

Marketing Mix

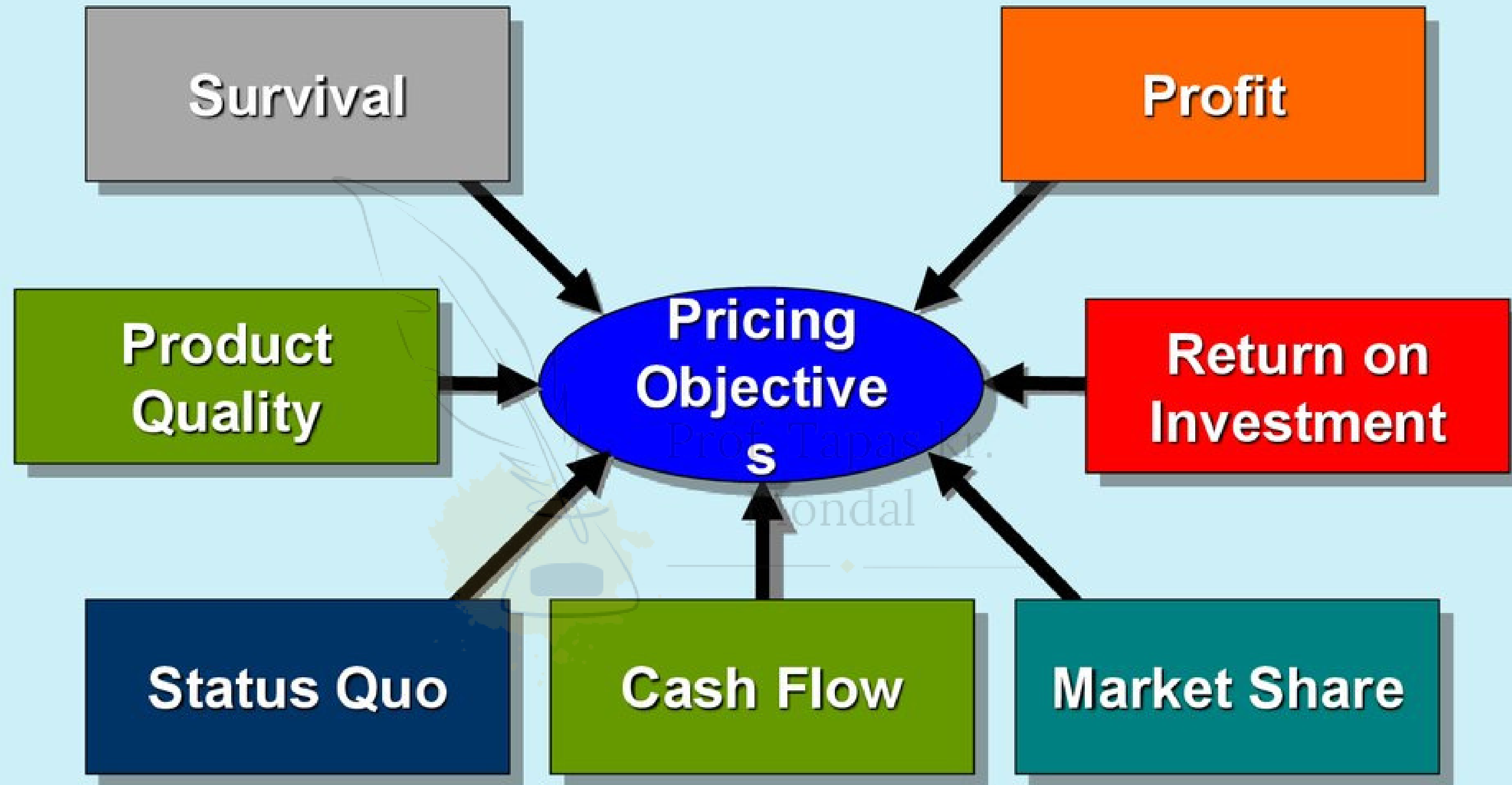
The Importance of Pricing

- Pricing is one of the most vital decisions made by management
 - Price too high and you lose the sale
 - Price too low and you can't make money
- Two fundamental ways to grow revenue
 - raise your price
 - increase the quantity you sell
- Price is the easiest of all marketing variables to influence but among the most complex decisions to make
 - price changes may be implemented immediately

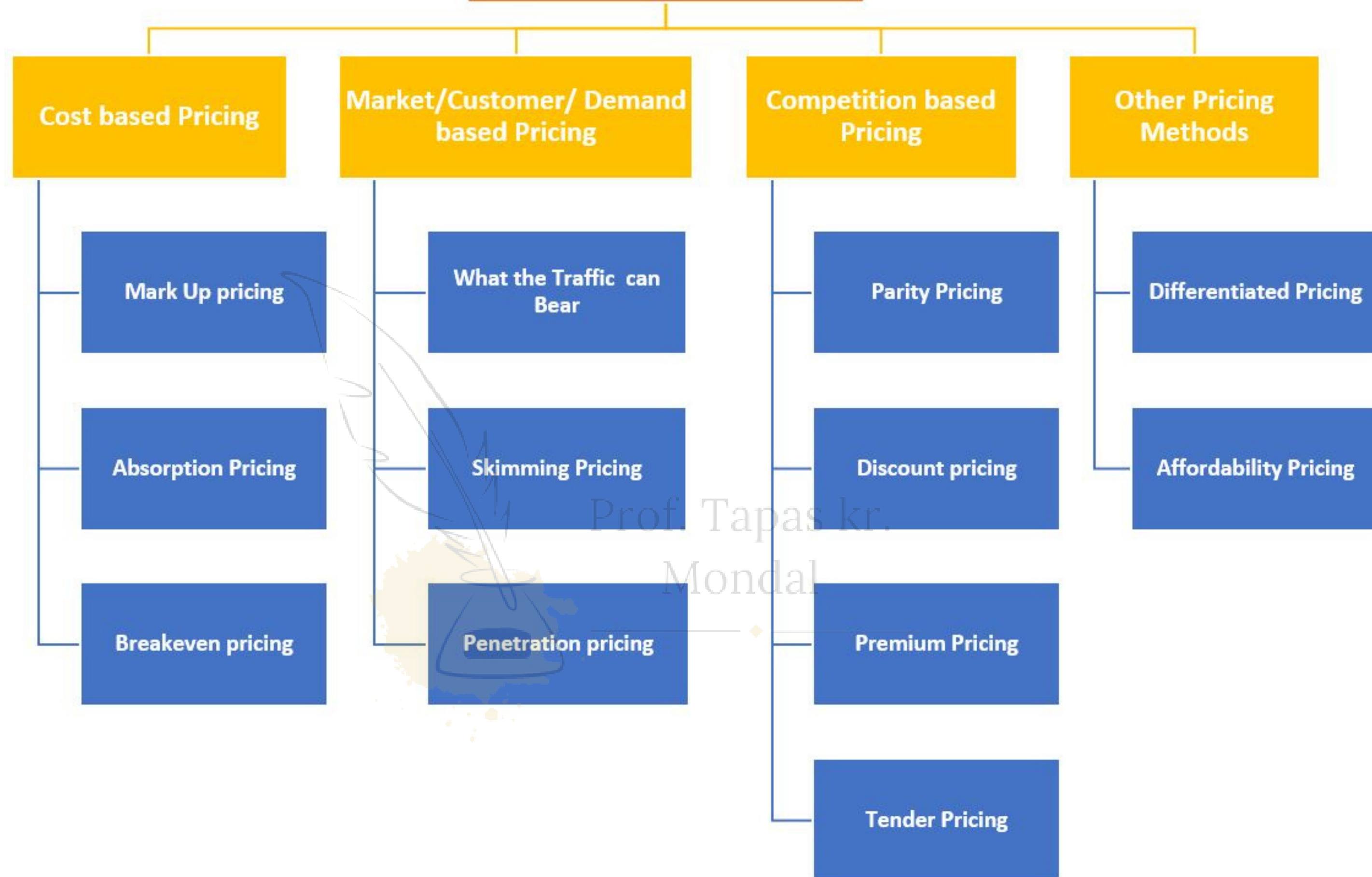


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Development of Pricing Objectives (cont'd)



Pricing Policy



Cost-based pricing and value-based pricing strategies

Cost-based pricing strategy

Cost-based pricing is a pricing strategy where the price of a product is determined by adding a markup to its production cost. This approach takes into account the direct costs of producing a product, such as raw materials, labor, and overhead expenses, and adds a certain percentage to arrive at the final price. The markup can vary based on factors such as competition, target profit margin, and the target market. Cost-based pricing helps ensure that a business covers its costs and makes a profit, but it does not always guarantee the most competitive price or maximum sales.



Value-based pricing strategy

Value-based pricing is a pricing strategy where the price of a product is set based on the perceived value that it offers to the customer, rather than on its production cost. This approach focuses on understanding the customer's needs and preferences, and how they perceive the value of the product compared to similar products in the market. The price is set to reflect the customer's willingness to pay for the product, taking into account factors such as the product's quality, brand reputation, and the customer's budget.



Factors Affecting Pricing Decisions

Internal Factors

Cost

**Stages of Product
Lifecycle**

Objective of Company

Reputation of Firm



External Factors

Customer

Competition

Government Policy

Intermediaries Involved

DISCOUNT

vs

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REBATE

WHAT IS A REBATE?



Cash-back offer



Discount



Free items

A rebate is a discount or reduction in the price of a product or service. It is often offered by the manufacturer or retailer as a way to encourage the purchase of a particular product or to stimulate sales.

Discount

Cash Discount

Trade Discount

Cash Discount Received

Cash Discount Given

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Singal Discount

Multiple Discount

Discount Received

Discount Given



Discount Formulas

$$\text{Discount} = \text{List Price} - \text{Selling Price}$$

$$\text{Discount \%} = \frac{(\text{List Price} - \text{Selling Price})}{\text{List Price}} \times 100$$

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List Price :- The price in the label or tag of an item/product

Selling Price :- The price at which an item is sold

Discount % :- The amount of money reduced from the list price expressed as a percentage.

Thank You



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