Premium pricing
- Higher end pricing
- Often reflects quality in the minds of the consumer - perception. Higher profit margins but lower sales volume.
- Might meet higher income groups

Pricing tactics
- Loss leadership:
  - Very low prices of certain products to encourage purchase of other higher priced products
  - Reduced profit margins rather than a loss
  - Manufacturers - main product at a loss, accessories higher profit margins
- Psychological pricing:
  - intended to give the impression of value
  - £2.99
  - Paintballing - hidden

Product line
- A variety of the same product that a business produces for customers of a particular market

Product Mix
- Describes the variety of different product lines that a business produces

Product range
- Refers to all the product lines of a firm’s product mix

Classification of Products
- Consumer products
  - Fast moving consumer goods (FCMG) - LPM
  - Everyday convenience products sold in retail outlets. low profit margins, high sales volume
  - Consumer perishables - LPM
  - Goods that do not last. May carry a high profit margin but may also be heavily discounted towards end of ‘life’
  - Consumer Durables - HPM
  - Purchased irregularly, last a long time, tend to be expensive. High profit margins, low sales volume. Include soft foods that wear out more quickly

Product
- ‘Product’ refers to the functions and features of a good or service
- Should satisfy the needs of the customer
- May have a Unique Selling Proposition (USP)
- ‘Product’ also includes a range of factors such as packaging, quality, warranties, after-sales service and branding.