Date: 5/10/15

Price

Match the definitions and give an example of a product which might use the pricing strategy.

Penetration pricing Chocolate bars "Freddos"	Setting a **price in comparison with competitors**. Really a firm has three options and these are to price lower, price the same or price higher than competitors.
Cost based pricing Revision books beats by dre headphones	The firms takes into account the **cost of production and distribution**, they then decide on a **mark up** which they would like for profit to come to their final pricing decision.
Skimming pricing Cars	Here the organisation sets a **low price** to **increase sales** and **market share**. Once market share has been captured the firm may well then increase their price.
Competition pricing apple and Samsung phones	The organisation sets an **initial high price** and then **slowly lowers the price** to make the product available to a wider market. The objective is to skim profits of the market layer by layer.