

Used when there's few competitors, High level of newness, customers will pay that price, no other products are in that market i.e. Dyson Hoover was completing new and different only thing like it, no need for repeat sales.

Penetration pricing- when firms want to capture a large part of consumers quickly, low pricing strategy, used when want to gain market share quickly, use price promotion so low price isn't seen as normal, builds brand loyalty and is elastic demand.

Captive pricing- high prices add ons, captured you then next time it costs more. Printer as well need cartridges etc all adds up.

Premium pricing- High prices that people will still pay for

Bait pricing- entice them in with low prices then try to sell them high prices

Price lining

Promotional pricing:

Price leaders- The guys that set the prices, big companies that bought the products in first

Special event pricing- Christmas etc

Comparison discounting- comparing yourself to your competitors to gain advantage undercutting a little could start a price war.

Physiological pricing:

Reference pricing- at what point they will stop paying a certain price

Bundle pricing- get things included with it to ensure the sale, perceived value for a customer

Multiple unit pricing- buy one get one free, lowering the price of unit for the customer

Everyday low prices-

odd-even prices- 99p or round up to £10, perception into making it seem good even tho its just a penny off etc. Even pricing is used to show that something is a little bit more exclusive

Customary pricing-

Pricing decisions:

Cost considerations- lighting in store etc

Market considerations

Service pricing strategies

Cost used pricing- accountants will do this

Demand fluctuation pricing- peak and off peak, summer holidays may increase price

benefit pricing- benefit for customer and can price accordingly, charge more in luxury spa for example

Price bundling- adding extra services so there is a perceived value on it

Direct supply

Advantages to consumer

Shorter communication channels

easier to control marketing

costs

easier to build relationships

understand customer needs better

Disadvantages

harder to establish presence in market

difficult for those who need to deal with large businesses

all responsibility lies with manufacturer

Retailers are involved in marketing

Market research- Tesco club card, buying habits, customer feedback

Promotion- In store POS, Displays, demonstrations, information, sales staff, retailer advertising