## 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
- Paint balling - 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.