b.) **Outline how the business responds to consumer demand [including its use of pricing and non-pricing strategies].**

Next, I will discuss how Sony Ericsson responds to consumer demand. SE are always trying to establish where their place is in the market by ensuring that the quality of their phone products are high so that they can uphold their unique selling point. When it comes to selling their goods, Sony Ericsson charge monopoly prices as it is in an oligopoly market. But either way, they need make certain that their goods and prices are both better than their competitors, and if they are they can gain higher demand from more customers. But more essentially, SE would need to think about providing the goods and services their customer's request, but this wouldn't be as large a concern with their products as they are continuously being updating in technology each year. It is clear that it would be more beneficial to Sony Ericsson to respond because not only will there be higher sales and greater customer loyalty, but they could also come back to SE in the future and purchase more from now on, leaving less business for competitors. Many markets will have customers giving demand for a certain good or service to, and Sony Ericsson would have to consider whether they will benefit by bringing back or providing them with what they want. First they would have to discover what it is that staff would have to offer such as combined packages like headphones being bought with a phone, staff providing more information, or speakers being cut down in price. If its a service demanded, more training is required of staff, if its a product then it must be discussed what the product is and how many units should be purchased of them, otherwise there would be a loss in sales if enough are not bought. In order to respond to customers, SE would need to provide better prices and offers for them, such as reduced costs, offer packages and better contracts. The best way of doing this is to set a certain number of products they are proposing to sell and provide a wide range of pricing strategies to lure their customers into buying. Pricing strategies will give customers a reason to purchase depending on what they prefer. By using pricing strategies to affect the price of their goods, it will attract more customers because of what they can and cannot afford.

Examples of pricing strategies would include penetration pricing, where the business can attempt to gain market share by giving a new product a low price, which will attract more customers for the good price and leading them to demand for more. Another approach would be predatory pricing, which is intended to drive out weaker competitors by making their prices lower and have higher sales due to preferred claims. Skimming the market is a popular strategy, where Sony can give one of their newest phones an initially high price so that quick income can be made. Or instead of driving out competitors, they could use competitive pricing to match the price of an accessory their rivals are selling to have just as much demand as their competitors do.

There are also non – pricing strategies Sony Ericsson could perform to expand demand. Such as customer service, where staff within the business will help with any of their customers needs and wants, including the desire for a product that would be insisting for. Another non – pricing strategy is promotional campaigns where methods are performed to increase people's awareness of any new products or performances initialising. One more non – pricing strategy to respond to demand would be advertising, which informs everyone of Sony Ericssons goods and services, which will let know of what customers would prefer most from the store. The increasing amount of demand leads Sony Ericsson to have choice performances affecting the worth of goods which many people and