

Price is the one element of the marketing mix that produces revenue; the other elements produce costs. Prices are perhaps the easiest element of the marketing program to adjust; adjusting product features, channels and even promotion takes more time. Price also communicates to the market the company's intended value positioning of its product or brand. A well-designed and marketed product can command a price premium and reap big profits.

Pricing decisions are clearly complex and difficult however, and many marketers neglect their pricing strategies. Holistic marketers must take into account many factors in making pricing decision – the company, the customers, the competition and the marketing environment. Pricing decisions must be consistent with the company's marketing strategy and its target markets and brand positioning.

### The Course at a Glance:

Despite the increased role of non-price factors in modern marketing, price remains a critical element of the marketing mix. Price is the only element that produces revenue; the others produce costs.

In setting pricing policy, a company follows a six-step procedure. It selects its pricing objective. It estimates the demand curve, the probable quantities it will sell at each possible price. It estimates how its costs vary at different levels of output, at different levels of accumulated production experience and for differentiated marketing offers. It examines competitors' costs, prices and offers. It selects a pricing method. It selects the final price.

After developing pricing strategies, companies often face situations in which they need to change prices. A price decrease might be brought about by excess plant capacity, declining market share, a desire to dominate the market through lower costs or economic recession. A price increase might be brought about by cost inflation or over-demand. Companies must carefully manage customer perceptions in raising prices.

**What will I achieve from this course?** By the end of this course you will be able to:

- Explain the importance of pricing and how prices can take both monetary and non-monetary forms.
- Understand the pricing objectives that form the basis of pricing strategies.
- Describe how marketers use costs, demand and revenue to make pricing decisions.
- Understand key pricing strategies.
- Explain pricing tactics for single and multiple products and for pricing on the internet.
- Describe the psychological, legal and ethical aspects of pricing.

This course is one of the steps leading to achievement of the following Units of Competency:

BSBMKG501B Identify and Evaluate Marketing Opportunities

BSBMKG502B Establish and adjust marketing mix

BSBMKG602A Develop a Marketing Plan

### How long will this course take?

- This course is delivered over two 4-hour sessions. Please see the course schedule for dates.
- On completion you will receive a Certificate of Participation.

