Unit 7: Using Pricing Strategies to Increase Profits

Content Area: **Business Education**
Course(s): **Entrepreneurship**
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Transfer

Developing an effective price strategy is an important part of a marketing plan.

Enduring Understandings

Developing an effective price strategy is an important part of a marketing plan.

Keeping your price strategy in tune with your market requires ongoing review and revision.

Essential Questions

How do business owners determine the best prices?

How will I know if it's necessary to change my prices?

Content

Vocabulary

Fixed

Variable

Price gouging

Price fixing

Unit pricing

Price skimming

Penetration pricing

Psychological pricing

Prestige pricing

Odd/even pricing

Price lining

Promotional pricing

Multiple-unit pricing

Bundle pricing

Discount pricing

Break-even point

Selling price

Markup

markdown

Learning Objectives

Identify factors that affect price strategy.

Summarize the marketing objectives related to pricing.

Describe the components that go into making price strategy decisions.

Explain how to carry out a break-even analysis.

Calculate markup and markup percentages.

Use markdown formulas to determine sale price.

Explain how to employ formulas used to compute discounts.

List considerations for updating the price strategy.

Standards

CRP.K-12.CRP8.1	Career-ready individuals readily recognize problems in the workplace, understand the nature of the problem, and devise effective plans to solve the problem. They are aware of problems when they occur and take action quickly to address the problem; they thoughtfully investigate the root cause of the problem prior to introducing solutions. They carefully consider the options to solve the problem. Once a solution is agreed upon, they follow through to ensure the problem is solved, whether through their own actions or the actions of others.
CRP.K-12.CRP9.1	Career-ready individuals consistently act in ways that align personal and community-held ideals and principles while employing strategies to positively influence others in the workplace. They have a clear understanding of integrity and act on this understanding in every decision. They use a variety of means to positively impact the directions and actions of a team or organization, and they apply insights into human behavior to change others' action, attitudes and/or beliefs. They recognize the near-term and long-term effects that management's actions and attitudes can have on productivity, morals and organizational culture.
CRP.K-12.CRP10.1	Career-ready individuals take personal ownership of their own education and career goals, and they regularly act on a plan to attain these goals. They understand their own career interests, preferences, goals, and requirements. They have perspective regarding the pathways available to them and the time, effort, experience and other requirements to pursue each, including a path of entrepreneurship. They recognize the value of each step in the education and experiential process, and they recognize that nearly all career paths require ongoing education and experience. They seek counselors, mentors, and other

	experts to assist in the planning and execution of career and personal goals.
PFL.9.1.12.A	Income and Careers
PFL.9.1.12.A.6	Summarize the financial risks and benefits of entrepreneurship as a career choice.
PFL.9.1.12.F.2	Assess the impact of emerging global economic events on financial planning.
PFL.9.1.12.F.3	Analyze how citizen decisions and actions can influence the use of economic resources to achieve societal goals and provide individual services.