Unit 09 Pricing: Understanding and Capturing Customer Value

Content Area: **Business**
Course(s): **Generic Course**
Time Period: **Semester 2**
Length: **2 Weeks**
Status: **Published**

Standards

CAEP.9.2.12.C.1	Review career goals and determine steps necessary for attainment.
CAEP.9.2.12.C.3	Identify transferable career skills and design alternate career plans.
CAEP.9.2.12.C.4	Analyze how economic conditions and societal changes influence employment trends and future education.
CAEP.9.2.12.C.9	Analyze the correlation between personal and financial behavior and employability.

Enduring Understandings

Firms succesful at creating custoemr value with the other marketing mix activities must still capture some of this value in the prices that they earn.

Essential Questions

What is a price?

How do you match the right pricing strategy with the product?

What are the internal and external considerations affecting price decisions?

How does a product mix change pricing strategy?

Knowledge and Skills

1. Identify the three major pricing strategies and discuss the importance of understanding customer-value perceptions, company costs, and competitor strategies when setting prices.

2. Identify and define the other important internal and external factors affecting a firm's pricing decisions

3. Describe the major strategies for pricing new products

4. Explain how companies find a set of prices that maximizes the profits from the total product mix

5. Discuss how companies adjust theri prices to take into account different types of customers and situations

6. Discuss the key issues related to initiating and responding to price changes

Transfer Goals

Each of the three major pricing strategies, customer value-based, cost-based, and compeition based pricing, help determine the answer to the question, what is price?

A higher ticket price does not always end in a higher profit.