Price

Amount of money charged
Too high, can't afford
Too lower, inferior product

Strategies for setting the price

Price Skimming

High price initially
Recoup costs
Reduce price later
Mobile phones

Penetration Pricing

Low price
Persuade customers to buy/switch

Daily Mail €0.30

Price discrimination Strategy

Diff customers different prices for the same products

Irish Times - cheaper on a college campus

Loss leader

Below cost price
Attract customers
Increase sales and profits

Premium Pricing

Highest price possible
Status conscious
Abercrombie and Fitch

Factors that determine price

Cost

At least equal to cost
BEP
Loss Leader

Competitors' Price

Better product, higher price
Inferior price, cheaper price

Consumers Price

Price range related to disposable income
Economic downturn - reduced prices

Legal Regulations

Excuse duty on alcohol dictates the minimum price

€3.48 on a 750ml bottle