

Practice Activity

In this section, I have highlighted various aspects of the sales and marketing related to a product. One of the most important aspect is deciding the product pricing. Product pricing is a critical factor in product management that affects revenue, competitiveness, customer value, profit margins, and market positioning. Pricing decisions require careful analysis and understanding of the interplay between these factors to ensure profitability and success.

You may have noticed that price of product is not a static value now-a-days. It is dynamically changed to extract maximum consumer surplus. In this activity, you will observe the price changes of Apple iPhone over time to try and understand their pricing strategy.

Instructions

You have find historical prices of the Apple iPhone 13. There are many websites which maintain this data. Find such a website and note the following:

1. What is the product launch price?
2. What is the lowest and highest price at which the product was sold?
3. What was the change in price close to launch of iPhone 14?
4. Compare the trend of prices of iPhone 13 with that of iPhone 12. Are there any similarities or differences?

Observations

The values of prices can vary from country-to-country. But you will notice some common things. The product is launched at a premium (think about why the product can be sold at a premium). Another observation is that price drops over time and it also has some relation with the launch of new version of iPhone.

What do you think, is this price decline governed by the market or is this a thought out strategy?

Understanding the pricing strategy of a successful brand like Apple iPhone can provide valuable insights and lessons that can be applied to your own product. This exercise serves as a starting point for understanding the dynamics of pricing and its impact on profitability and success.