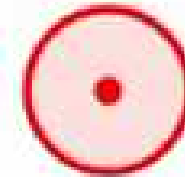


# POLICIES / STRATEGIES / TYPES OF PRICING

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## 1. Demand Based Pricing:-



This pricing method uses consumer demand of a product or services as the main element of setting a price for a product or service.

## 2. Competitive Pricing:-

This pricing method uses the prices set by the other businesses ( i.e competitors ). More or less using competitors price to price your own products.

### 3. Cost Plus Pricing / Mark up Pricing:-

This pricing strategy is a cost based one for setting prices of products and services. When setting cost Plus price, you take the cost of the raw materials/ production and add them to the overhead costs of a product. To this total, you add a markup percentage and this total sum is your cost Plus price.



#### 4. Penetration Pricing:-

This pricing strategy uses low prices to enter a new market, or to launch a new product / services. This pricing strategy is used to entice customers to patronise a certain product.

## 5. Skimming Pricing:-

The firm enter into the market with high priced products and services. This is to gain the most revenue and to get an immediate return on production costs.

## 6. Psychological Pricing:-

This is a common pricing techniques used by the businesses. A minor difference in prices is a huge difference for customers.

Ex:- Rs.99, Rs.499 etc.

## 7. Discount Pricing:-

This pricing strategy offers products and services at a reduced price. Discount prices can come in the form of a seasonal discounts, clearance sales etc.





## 8. Geographic Pricing:-

This pricing strategy is one where different prices are charged in different geographical locations or markets for the exact same products or services.

