

Common Pricing methods

- cost plus: adding a markup % to total ~~price~~ cost of providing prod or service.
- Competitor based: based on the competition
- Value based: based on the \$ value that your product provides to cust.

Note

- People correlate higher price with higher quality with higher price, so sometimes the price being increased price would increase sales.

↳ Ex: Bosky Glasses

Price Elasticity of Demand

- 0: inelastic: fixed quantity at any price
- ∞ : elastic: Quantity only exists at one price.
- $PED = \frac{\Delta Q}{\text{avg}(Q)} / \frac{\Delta P}{\text{avg}(P)}$

Goals of Marketing

- 1] create Awareness
- 2] Provide Knowledge
- 3] create favorable impression
- 4] stay in customer mind
- 5] create Intention to Buy
- 6] MAKE A SALE!