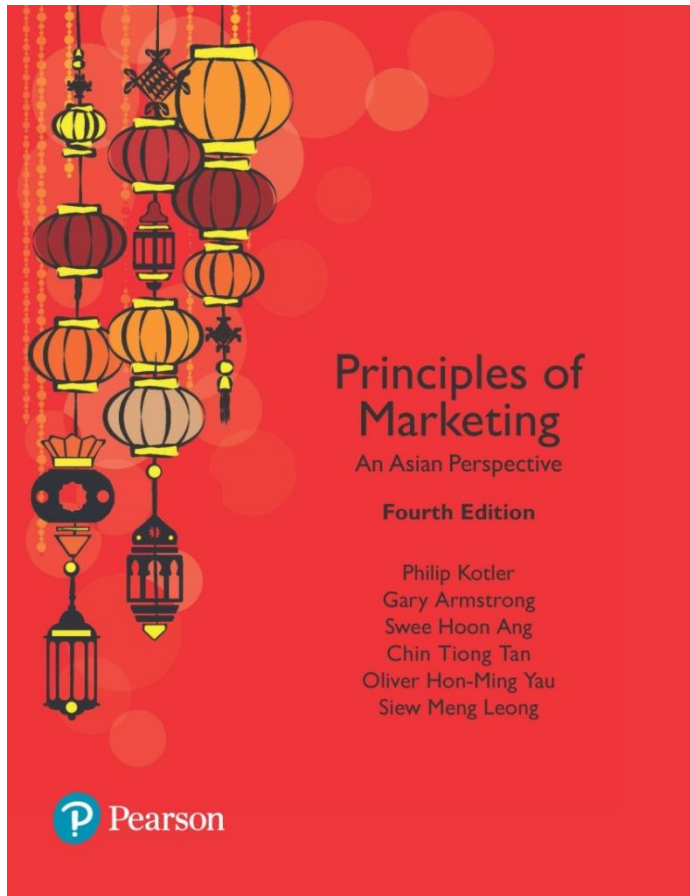


# Principles of Marketing: An Asian Perspective

Fourth Edition



## Chapter 10

### Pricing Products: Understanding and Capturing Customer Value

# Outline

1. What is a Price?
2. Major considerations in setting price
3. Three major pricing strategies
4. Internal and external factors affecting price decisions

# 1. What is a Price?

Price is the amount of money charged for a product or service, or the sum of all the values that customers exchange for the benefits of having or using the product or service.

# Top xe bán chạy tháng 12/2022

1



## Toyota Vios

Doanh số: **2,764**

Khoảng giá: 489 triệu - 641 triệu

2



## VinFast VF 8

Doanh số: **2,730**

Khoảng giá: 1 tỷ 094 triệu - 1 tỷ 263 triệu

3



## Toyota Corolla Cross

Doanh số: **2,479**

Khoảng giá: 755 triệu - 955 triệu

4



## Ford Ranger

Doanh số: **2,424**

Khoảng giá: 659 triệu - 965 triệu

5



## Mitsubishi Xpander

Doanh số: **1,856**

Khoảng giá: 555 triệu - 688 triệu

6



## VinFast VF e34

Doanh số: **1,548**

Khoảng giá: 690 triệu

7



## Toyota Veloz Cross

Doanh số: **1,228**

Khoảng giá: 658 triệu - 698 triệu

8



## Honda City

Doanh số: **1,186**

Khoảng giá: 529 triệu - 599 triệu

## 2. Major considerations in setting price



### 3. Three major pricing strategies

#### Cost-based pricing

Design a  
good product



Determine  
product costs



Set price based  
on cost



Convince buyers  
of product's  
value

#### Value-based pricing

Assess customer  
needs and value  
perceptions



Set target price to  
match customer  
perceived value



Determine costs  
that can be  
incurred



Design product  
to deliver desired  
value at target  
price

#### Competition-based pricing

setting prices based on competitors' strategies,  
costs, prices, and market offerings.



# Cost-based pricing

Cost-based pricing sets prices based on the costs for producing, distributing, and selling the product plus a fair rate of return for effort and risk.

**Fixed costs:** costs that do not vary with production or sales level. E.g., Rent, Heat, Interest, Executive salaries

**Variable costs:** vary directly with the level of production. E.g., Raw materials, Packaging

**Total costs:** sum of the fixed and variable costs for any given level of production.



<https://phedecor.com.vn/tin-tuc/tt-chi-phi-mo-quan-cafe-bao-nhieu-la-du.html>





**HERMÈS**  
Ostrich Birkin 25  
\$35,000.00



**HERMÈS**  
2022 Toile Goeland & Swift Cargo Bir...  
\$40,000.00



**HERMÈS**  
Swift Birkin 25 w/ Tags  
\$21,000.00



**HERMÈS**  
Toile & Evercolor Birkin HAC 40  
\$17,500.00



**HERMÈS**  
Togo Birkin 40  
\$12,500.00



**HERMÈS**  
2022 Epsom Birkin Sellier 30  
\$28,000.00



**HERMÈS**  
2020 Togo Birkin 35  
\$20,000.00



**HERMÈS**  
Epsom Birkin 35  
\$9,200.00



## Information

About Us +

Policies -

Social Media House Rules

Price Beat Guarantee

Parents' Price Promise

Payment Options

Express Pay

Afterpay

Zip

Flypay

Openpay

# Price Beat Guarantee

**At Officeworks, we don't just say low prices we aim to live them.**

Our Price Beat Guarantee (PBG) means that if you find a lower priced identical stocked item that's in stock with a competitor (even if it's on sale), we will not only match it, we'll beat it by 5%.

Don't forget our price guarantee excludes the items listed below under the heading "What items are excluded from the PBG?".



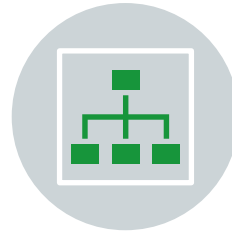
## How do I obtain the 5% reduction?

It's as easy as 1,2,3. You can obtain the PBG by visiting your local Officeworks store or by calling 1300 OFFICE (1300 633 423). You cannot obtain the PBG via our online store.

## 4. Internal and external factors affecting price decisions



Overall Marketing Strategy, Objectives, and Mix



Organizational Considerations



The Market and Demand



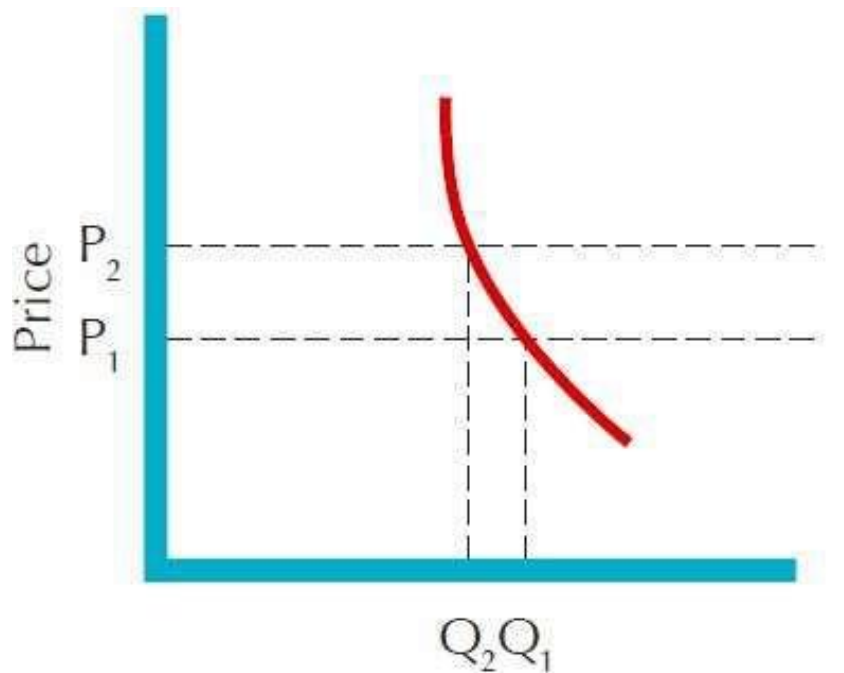
Other External Factors

# Overall Marketing Strategy, Objectives, and Mix



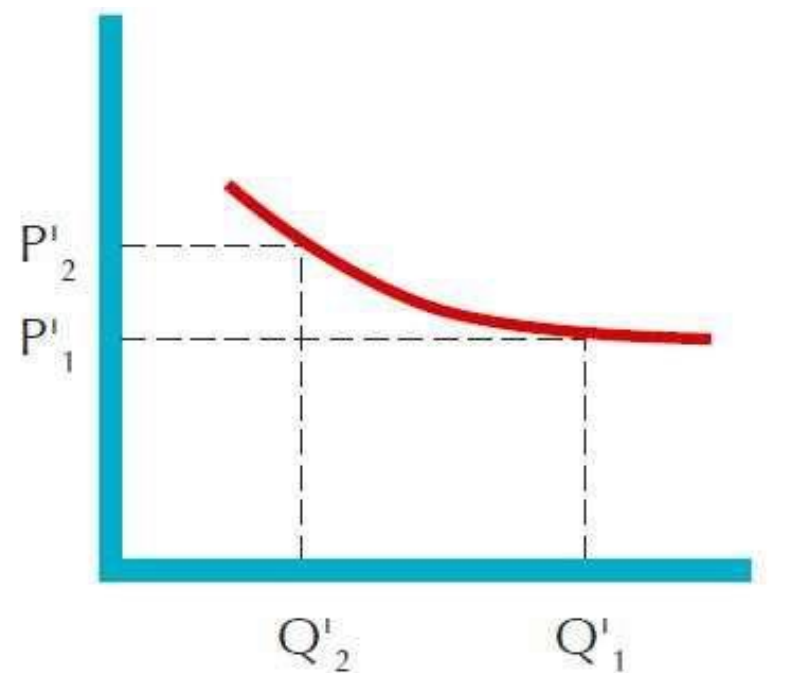


# The Market and Demand



Quantity demanded per period

**A. Inelastic demand**



Quantity demanded per period

**B. Elastic demand**

- **Price elasticity** is a measure of the sensitivity of demand to changes in price.
- **Inelastic demand** is when demand hardly changes with a small change in price.
- **Elastic demand** is when demand changes greatly with a small change in price.

# Organizational Considerations



Small companies

Top management sets prices



Large companies

Divisional or product line manager



Industrial markets

Top management: policy, objectives  
Sales people: negotiate with  
customers within a certain price  
ranges

# Other External Factors

