Kotler|armstrong principles of marketing chapter 10 vocabulary flashcard

ASSIGN BUSTER

PriceThe amount of money charged for a product or service, or the sum of the values that customers exchange for the benefit of having or using the product or service. Customer value-based pricingSetting price based on buyers' perceptions of value rather than on the seller's cost. Good-value pricingOffering just the right combination of quality and good service at a fair price. Value-added pricingAttaching value-added features and services to differentiate a company's offers and charging higher prices. Cost-based pricingSetting prices based on the costs of producing, distributing, and selling the product plus a fair rate of return for effort and risk. Fixed costs (overhead)Costs that do not vary with production or sales level. Variable costsCosts that vary directly with the level of production. Total costsThe sum of the fixed and variable costs for any given level of production. Experience curve (learning curve)The drop in the average per-unit production cost that comes with accumulated production experience. Cost-plus pricing (markup-pricing)Adding a standard markup to the cost of the product. Break-even pricing (target return pricing)Setting price to break even on the costs of making and marketing a product, or setting price to make a target return. Competition-based pricingSetting prices based on competitors' strategies, prices, costs, and market offerings. Target costingPricing that starts with an ideal selling price, then targets costs that will ensure that the price is met. Demand curveA curce that shows the number of units the market will buy in a given time period, at different prices that might be charged. Price elasticityA measure of the sensitivity of demand to changes in price.