

# Pricing strategy for the launch of products in the market

[Business](#), [Marketing](#)



The paper " Pricing Strategy for the Launch of Products in the Market" is a meaty variant of a research proposal on marketing. The paper presents some components of the proposal such as appropriate pricing strategy for the launch of products in the market, planning and operating decisions of the business, current credit markets and the effects of current credit markets on planning and operating decisions.

### Pricing Strategy

The pricing strategy which is most appropriate for launching the movies online in South Africa would be a low price strategy. Low price strategy means that the product is made available to the consumers at lowest prices to the consumers (Business Dictionary. com, 2014). This is the most appropriate one because it will offer the product at the lowest costs to the consumer and the company can capture a big market share. Further, it would be profitable as more and more people will click on the website to download movies resulting in more money for the company. Other than that movies are not differentiated products and companies cannot compete on the prices.

### Planning and Operating Strategy

#### Economic Conditions of South Africa:

South Africa is an emerging economy and it is developing its infrastructure with the progressing time. There are a large number of private institutes operating in the country and its financial markets are quite strong and fully established. The investments in the country are good too and the leading

countries are investing in various projects in the country (SouthAfrica. info, 2014).

#### Planning:

As the costs of the company increase with the launch of the business in South Africa so the company should utilize its resources very strategically such as not focusing on making a brick and motor business in the initial stages and just starting through the virtual business. It would cost a company and the only cost company will bear would be the costs of managing a website.

#### Operating Strategy:

The operating strategy of the company should be customer focus. As (Gustafson, 2014) explains, customer focus means focusing on the needs of the consumers and making the product available to them at affordable prices. Further another operating strategy should be the promotions. A company should focus on aggressive promotions of its website in the new state.

#### Course of Action

The company must not focus on relying on credit markets. Although the credit markets of South Africa are flexible and lenders offer short term to long term loans on different interest rates to the companies (Bertrand, Karlan, Mullainathan, Shafir, & Zinman, 2010). But taking the loans would increase debts of the company's account increasing the costs of the

company.

#### Effects of Credit Market Conditions

The credit market conditions are favorable and they affect the planning process positively. If the company is running short of money then it can include the loan process in its planning part such as taking short term loans from the lenders and setting up the initial operating system in South Africa. The appropriate option for the company currently is to avoid loans and increase in account payables further increases the costs of the company but the company has the option available to it to take loans from the lenders for setting up a business there.