

London

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



s Characteristics of a Good Pricing Strategy: Olympic Games Case Study

Pricing refers to the process of estimating the project worth into monetary value. When pricing a social project, both social cost and usual costs are included to ensure that valuation is not below the cost of the undertaking. Appropriate pricing tactics enables project managers to maximize gains from the project by reducing unnecessary costs and by ensuring proper utilization of the resources which results to economies of scale. The pricing approach chosen by the marketers will influencing the position of the project in terms of profitability, market share, sales volume and sales revenue of the company's product. Project managers should ensure they select tactics, which will work in favor of the organizations' goals and objectives. During the 2012 London Olympic Games, the challenge was to ensure maximum participation and revenue for the organizations responsible for managing the events (President and Fellows of Harvard College, 1).

A good pricing strategy enables organizations to utilize their resources effectively. The organizations are able to achieve this by ensuring that all available capacity is utilized effectively without unnecessary wastage. This reduces the operation cost since the fixed cost decreases with the increase in units of output. In 2012 London Olympic Games, organizers of the event were able to ensure that all capacity was utilized by selling all tickets for available seats to interested individuals and that no seats were left vacant (According to President and Fellows of Harvard College, 2. The sales of tickets accounts for twenty percents of total revenue for Olympic Games organization.

When setting prices for the company's products, marketers should ensure

that their products are accessible to as many people as possible. This will help to make the products and services popular and enable them maximize their market share. They should target clients from different classes by setting different prices for different groups' people. In 2012 London Olympic Games, the organization responsible for coordinating the games tickets at affordable prices to ensure as many people as possible attended the games (President and Fellows of Harvard College, 3). They had estimated a total of 7.9 million people would attend the function, and so they prepared tickets for the estimated group.

Setting prices for the products also requires the company to ensure that their target groups are not locked out of the organizations products. During the London Olympic Games in 2012, organization which was responsible for preparing the event ensured that cheerful fans were able to get the tickets. Having the right group for the right occasion ensures the event is lively and enjoyable (President and Fellows of Harvard College, 4). In such an occasion, the organization should not sell tickets to those who can offer the highest but should involve the right people who will make the event interesting.

Finally, appropriate marketing should tactics ensure society living around the organization is getting the benefit from the organization. This is vital because it makes the society to feel part of the organization and appreciate organizations existence. The organization can achieve this by selling their products at a reduced price to the local citizens in order to encourage their participation. The 2012 London Olympic Games organizers achieved this by selling tickets at a lower than usual price to the local citizens in London (President and Fellows of Harvard College, 9). The organization had

preserved thirty percent of the total seats for the local residents and the rest for other attendants from other places.

During the Olympic Games, it is also essential to ensure the full attendance of the target group. This should be strategized in a way that the organization responsible will maximize their revenue. They should also ensure support from the local community and target cheerful fans who will contribute in making the event lively (President and Fellows of Harvard College, 10). This calls for appropriate pricing approaches for target groups.

Works Cited.

President and Fellows of Harvard College, The London 2012 Olympic Games, (Harvard Business School Publishing, Boston, 2011). 1-10