

Ameriprise financial planning ltd: issues affecting pricing strategies

[Business](#)



The paper " Ameriprise Financial Planning Ltd: Issues Affecting Pricing Strategies" is an excellent example of a business essay. Various factors may influence the type of pricing strategy adopted by a firm or company. The strategy adopted takes into consideration the company's short term and long term goals and objectives (Masterson 362). If the company wishes to increase its market share and sales Volume, penetration pricing will be the most appropriate strategy to use. The firm's products may be priced at lower than usual levels in order to attract more customers to use the services. To supplement this, the firm, Ameriprise, may use personalized pricing whereby different customers enter into a contract with the firm to receive a given service at differentiated prices (Hisrich 46). The firm may implement promotional pricing if it wishes to change the demand for its products (Pride 602). Whether the demand is too high or too low, the loss leader strategy may be implemented as a form of promotional pricing method to correct the situation. Ameriprise may organize a promotion campaign whereby they will sell the loss leader item plus other products not discounted. Such bargains attract customers who end up purchasing other products that are offered by the firm since they are made aware of their existence and availability. The Firm may also need to look at Competitors prices as they develop a pricing policy for their firm. If they are charging more than their competitors, it may be viable to lower their prices to attract more sales. Conversely, if their prices are lower, increasing their prices may earn them more revenue. This method is often referred to as Marketing pricing because the firm chooses their prices depending on those prevailing in the market (Hisrich 46). From the discussion above, we have seen that the major forces that may influence

pricing are the company's strategic goals, demand for its services and competition. The management should be keen to choose the most appropriate method as this will determine to a great extent the success of the business.