

Determination of price



**ASSIGN
BUSTER**

Sony is a company that deals with electronics and related commodities. Sony laptop on the other hand is a branch of Sony that manufactures and sells laptops. As a company among other competing laptop sellers Sony laptop uses the penetration pricing strategy to hit the market. This involves a technique of introducing a commodity in the market at a lower price that will eventually rise to a normal or targeted price. This initial price is targeted to secure the market and brand loyalty before rising to a price that will ensure good profits.

It is also targeted in higher sales rather than emphasizing on profit maximization. As a strategy to compete favorably with other laptop companies whose average pricing eight inch notebook range from about one thousand two hundred US dollars to one thousand seven hundred US dollars, Sony has introduced to the market laptop ranging to a bottom level price of about nine hundred US dollars. This is seen in the Taiwan Sony low price strategy. It also includes some other electronics. In some cases the entry prices have been seen to move to prices even lower than nine hundred.

As a matter of fact in order to survive or retain top positions in the business world, sticking to one pricing technique is suicidal; therefore in this regard Sony laptop has always found it necessary to apply other pricing strategies other than penetration pricing strategy. Merchant wholesaler is an autonomous middleman purchasing and taking designation of commodities and reselling them to other retailers or consumers. Among the many merchant wholesalers in the United States, examples include: JBM marketing and promotions in Columbus, Ohio, ACE traders in San Jose, California, Rocky Duron and Associates in Dallas, Texas.

The above wholesalers deal mostly in stationary. Work cited Estelami, H. The perception of Consumers on the changing price: progress in Consumer Research, 1997. Geoffrey, Kenneth. Impact on Sony pricing to the consumers: purchase of notebooks. Longhorn publication . 2004 . Maurice, K . Pricing strategies and the fluctuation in commodity prices. A focus on softwares longhorn publishers, 22-23. 2006. Stole, Lars A. The Imperfect Competition and determination of price. (2003). retrieved on 10th February 2009 from <http://web.mit.edu/14.271/www/hio-pdic>.