

Pricing review chapter book review sample

[Business](#), [Company](#)



The reading has highlighted basics of pricing and the factors that a company has to consider before reaching a price. This gives us a detailed background of the costs that are incurred by the company in obtaining raw materials and transforming them into finished products and how such costs reflect on the final cost of the product (Schindler, 25). The author mentions that it is necessary for every expense to be accounted for when it comes to producing a product to facilitate a balanced price. The price has to be set in a way that it is fair enough to ensure the company makes profit and at the same time not to exploit consumers.

The most significant themes or concepts of the chapter

Important themes highlighted in the reading are pricing as an element of marketing mix, setting the initial price, the importance of having the consumer in mind and pricing strategies using break-even analysis. These themes take us through some of the technical procedures that are involved in settling on a particular price (Schindler, 45). The most significant feature is fixing the initial price and evaluating it before agreeing on it. Factors such as cost of production, competition and expected profits have been considered key in setting and evaluating prices. Apart from the loyal customers, potential customers of the company also have to be considered to maximize on the market share.

Chapter 5 through 9 mainly talks about price adjustments and the procedures that follow when making changes to the existing prices. The previous chapters were mainly about fixing the initial prices, however as time moves by, the company realizes that there are changes that have to be made considering cost changes and other external factors (Schindler, 102).

This reading helps us realize that apart from what had been initially predicted, there could be some other changes that will have to be implemented. There are also some measurements that have to be considered before settling for the new price.

The most significant themes or concepts of the chapter

The most significant themes mentioned in the literature is developing and utilizing the generalized breakeven formula, cognitive factors of predicting price change and emotional factors that have to be considered. In these chapters, the author factors on price changes and features that will make the company to either reduce or increase on the initial prices that had been set (Schindler, 90). These changes have to do with the market environment and consumers are responding to current price changes. It also requires adequate knowledge on price changes and other competitive factors. There is also need for a market research to be done to ensure that the adjustments are not only short lived but long term.

The most significant themes or concepts of the chapter

Price segmentation in relation to price and place are the main factors that have been highlighted in this section. This requires the company to consider factors such as transport and consumers being targeted. It is also important to put into consideration how the products will be divided into acceptable units depending on how they will be affected (Schindler, 176). In most cases, the company has to have different prices depending on the units to ensure they accommodate a variety of customers. There is also need to consider the cost of packaging materials and how it will affect the ultimate price. s set by

the company. The longer the distance, the more sophisticated the packaging material will be and hence affecting the price at which the goods will be sold.

This last part of the book gives us comprehensive information on the final steps that have to be taken just before setting a price that will be displayed on the shelf. In making such decisions, the company needs to realize that apart from the profits they have to make, there is a likelihood of middlemen who also have to benefit from their business (Schindler, 250). The more the middlemen, the higher the price will be for the final consumer. If the company chooses to set a specific price for its products, then they will have to minimize on the middlemen by arranging for their own distribution channels. This will however depend on the kind of products the company deals in and its size.

The most significant themes or concepts of the chapter

The chapter looks at wider concepts that have to be considered by companies in setting prices. The themes of important consideration are on interactive pricing, the role of the law and ethics in setting prices, and the role of pricing in marketing strategy (Schindler, 210). The author summarizes the literature by telling us some of the factors that are easy to ignore yet affect the pricing strategy. This is to do with government policy where they may require certain products to have similar prices. This means that the company has to check on its overhead expenses to ensure that either the prices set by law or government is fair enough. Issues of negotiations and auction have also been mentioned as necessary and can impart on the price set.

Works cited

Schindler, Robert. Pricing Strategies: A Marketing Approach. London: SAGE Publications, 2011.