

Good example of economics essay

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



United should focus on discontinuing the flights from San Francisco to Washington if the revenue collected does not cater or cover the required costs. In other words the decision should be regarded only if the United flight is short options. The United flight can consider outsourcing for its cost that is it can share the cost with the two other airports. The argument as to why the variable pricing policy is said to increase the sales revenue from the music stores (Apples) is based upon the concept of demand and supply of the market. In this instance, it depends on the market structure for the increase of prices of the Apple's stores. Comparing the variable price and the flat pricing policy there is a clear cut line between the two. A variable pricing policy is likely to increase the Apple's music store sales revenues because it serves as the price makers. It gives the company the power for negotiations thus deterring the partner companies from forcing on Apple to alter or change on its pricing policy. The idea of a variable pricing policy advantage applies and the four music companies in the sense that they realize an increase in their sale revenue because they would be a fixed or substantial price rate for specific music.

Adopting of different prices for particular music as suggest by Apple Company is among the potential policies available for the increase of the sales revenues in the market. In other terms, the Apple Company proposed for the adoption of a pricing policy that takes in the account the variation of prices depending on the demand of the song. It stated that some songs can be sold for an approximate of \$1. 40 whereas other can be sold below the \$. 99. The pricing policy increases the sales revenue of the company through the different ways of collecting the payment per share. That is the music

companies would be able to involve Amazon. com and other affiliate companies in the same industry. In the perspective there arises the issue of market structure depending on the song popularity the companies were able to determine the percentage increase in the sales revenue.

Implementation of sophisticated pricing schemes would result in the collapse of the music company due to the decrease in the sales revenue. This would affect the music company involvement in the entire process thus destabilization of the particular market structure. It would result in the emergence of a monopolistic market. In other words, it means that the sophisticated price policy may tend to favor one of the music companies thus contributing to the creation of a monopolistic market. Apple would not be able to significantly influence the market since the sophisticated price policy would influence the incorporation of the iPod and iTunes in the selling and buying transaction.

Apple's approach to maximization of the revenue received from the selling of the music downloaded music is a major record because it promotes the expansion and stability of the company. The approach would play as the key factor in the market share since it would assist the organization to stand out as a key player in the pricing policy schemes. It means that Apple's maximization of the revenue would influence the iPods and other related software and products that improve the sales of downloaded music thus determine the pricing rates by the music companies.

The ability and capacity of apple's control over the downloaded music is likely to take a twist in the future due to the numerous developments in the industry. A variety of companies are making an entrance in the industries

with more complex software that are purposed to simply the entire process. They come along with favorable pricing policies thus encourage more buyer to do business with hence increasing the chance of eliminating Apple as the major controller of the industry.

Work cited

Cleff, Martinez, C. J. S., & Walter, N. (2011). How Global are Global Brands? An Empirical Brand Awareness and Image Analysis. EDITORIAL REVIEW BOARD MEMBERS, 20, 63-84.