

# Marketing notes assignment

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Affecting Price sensitivity: have to think about price in a context The unique value effect The substitute awareness affect Price comparison effect: made us more price sensitive Business expenditure effect: made us less price sensitive End-benefit effect: I. E. Package travel bundled In less price sensitive The total expenditure effect: the bigger the total expense the more aware The shared cost effect: tend to be less price sensitive when sharing the cost with others The sunk

Investment effect: already sunk In your time so you aren't very price sensitive. The price quality effect: If we believe In the connection between price and quality then we will be less price sensitive. What is a jazz coca-cola worth 1. 29 paying for refrigeration -1. 99 paying for service in restaurant setting -4. 50 paying at a concert because there are no other options cheap flight but being nickel and dimmed for everything customers don't want Cost-plus pricing-I. E. Inn is XX as expensive in restaurants -product, cost, price, alee, customers not a customer focused approach-only works if it generates the forecasted demand. Drawbacks: people see different values in different items. Break-Even analysis and target profit pricing -takes into account Competition based pricing -focus on competitors -monitor " going rate" -Avoid Price wars downside- customer Is not a part of the decision. Value based pricing (turn everything upside down) Customer-value-price-cost-product (Reverse engineer your pricing)

Optional/captive pricing (I. E. Warranty) (I. E. Giving out free razor with 1 blade to try and sell their brand) Bait and switch- they say we have a special deal foos for \$200 but they only have 5 so when you come in they don't have any left so they'll offer you a different special. Promotional Pricing:

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Allowances Advertising allowance- for cooperative advertising Stocking allowance- for shelf space Pushy money allowance- for retail push of certain items Coupons/rebates- trade deals passed onto buyers