

Module Outline

Module Code : MKT4811A
Module Title : Pricing Strategy
Semester : Semester 2, AY 2022/2023
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Overview

Pricing is the highest-leverage item a company has for managing profitability. At the same time, pricing is also critical to shoppers' purchasing decisions and habits. More than 90 percent of buyers marked pricing as the most important factor influencing their final purchasing decision.

Based on providing economic value to your customer, this module introduces students to the fundamentals of "getting price right". We introduce and explore value pricing, which entails a detailed understanding of the true economic value a firm's product creates for a specific customer and then deciding how to divide the value between the firm (providing the firm its incentive to sell) and the customer (providing the customer an incentive to buy). We also cover concepts about customer price sensitivity to price.

Module Objectives

In this module, we seek answers to the question of, "What constitutes a good pricing strategy?"

At the end of the module, students are expected to be able to apply the fundamental techniques of to formulate the pricing strategy for a firm.

General Guide & Reading

[NM] Nagel, T. and Muller, G. (2020) The Strategy and Tactics of Pricing: A Guide to Growing More Profitably. Routledge. [The e-book is available in our library.]

Additional readings will be assigned when necessary.

Assessment

Assessment Components	Weightage
Class Participation (Individual)	15%
Test 1 (Individual)	25%
Test 2 (Individual)	30%
Case Analysis (Individual)	30%
Total	100%

Academic Honesty & Plagiarism

Academic integrity and honesty is essential for the pursuit and acquisition of knowledge. The University and School expect every student to uphold academic integrity & honesty at all times. Academic dishonesty is any misrepresentation with the intent to deceive, or failure to acknowledge the source, or falsification of information, or inaccuracy of statements, or cheating at examinations/tests, or inappropriate use of resources.

Plagiarism is “the practice of taking someone else’s work or ideas and passing them off as one’s own” (The New Oxford Dictionary of English). The University and School will not condone plagiarism. Students should adopt this rule - You have the obligation to make clear to the assessor which is your own work, and which is the work of others. Otherwise, your assessor is entitled to assume that everything being presented for assessment is being presented as entirely your own work. This is a minimum standard. In case of any doubt, you should consult your instructor.

Additional guidance is available at:

- <http://www.nus.edu.sg/registrar/administrative-policies-procedures/acceptance-record#NUSCodeofStudentConduct>
- <http://nus.edu.sg/osa/resources/code-of-student-conduct>

Schedule and Outline

Lesson/Week	Topic
1	Introduction to Pricing
2	Value-based Pricing: Determining Prices Based on Economic Value to the Customer
3	Pricing under Consumer Uncertainty I
4	Pricing under Consumer Uncertainty II: When does Price Signal Quality
5	Measuring Customer Perception of Product Value
6	Test 1
	Recess Week
7	The Role of Price Elasticity in Improving Pricing
8	Price Discrimination and Screening
9	Price Competition 1
10	Price Competition 2
11	Price Negotiation
12	Test 2
13	Summary