

Jazan University– College of Business Administration Department of Marketing and E–Commerce– 2016 Marketing Management MRKT 231 Page 39 of 54 Fig. Describe how can we select a pricing method? 3.6: Break–Even Chart for Determining Target–Return Price and Break– Even Volume Source: Marketing Management, Philip KOTLER, Kevinlane KELLER, Salah HASSAN, Imad BAALBAKI, Hamed SHAMMA, PEARSON education 2012. 3.4: Cost per Unit at Different Levels of Production per Period Marketing Management, Philip KOTLER, Kevinlane KELLER, Salah HASSAN, Imad BAALBAKI, Hamed SHAMMA, PEARSON education 2012. 3.5: The Three Cs Model for Price Setting Marketing Management, Philip KOTLER, Kevinlane KELLER, Salah HASSAN, Imad BAALBAKI, Hamed SHAMMA, PEARSON education 2012. Jazan University– College of Business Administration Department of Marketing and E–Commerce– 2016 Marketing Management MRKT 231 Page 42 of 54 Step 6: Selecting the Final Price In selecting the price, the company must consider additional factors, including o Impact of other marketing activities o Company pricing policies o Gain–and–risk sharing pricing o Impact of price on other parties Chapter questions 1. Jazan University– College of Business Administration Department of Marketing and E–Commerce– 2016 Marketing Management MRKT 231 Page 40 of 54 Step 4: Analyzing Competitors' Costs, Prices, and Offers o The company must take competitors' costs, prices, and possible price reactions into account. Page 385 Jazan University– College of Business Administration Department of Marketing and E–Commerce– 2016 Marketing Management MRKT 231 Page 41 of 54 Three major considerations in price setting are summarized in Fig. Page 384 Target Costing o Costs can also change as a result of a concentrated effort by designers, engineers, and purchasing agents to reduce them through target costing. o The introduction of any price or the change of any existing price can provoke a response from customers, competitors, distributors, suppliers, and even government. 2. 4. 5. 6. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 15. 16. 17. 18.