



Pricing product at a high/premium price in an attempt to make more profit off of each unit sold

# When it's used?

Often is used when a company introduces a new product into a market with little or no competition or to establish the company and its products or services as unique and superior to those of its competitors



#### Example

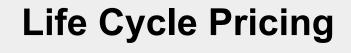
Answers will vary

## **Non-Example**

Using this technique, a company introduces a product at a high price. Then technological advances enable the firm to lower its cost quickly and to reduce the product's price before its competition can.

# When it's used?

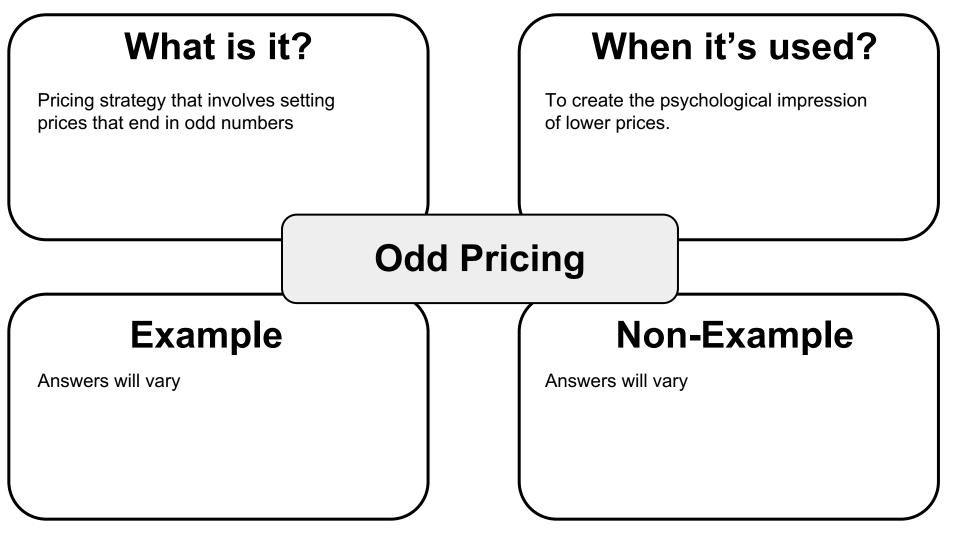
When technology is expected to advance quickly, allowing products to be produced more economically in the future.



#### Example

Answers will vary

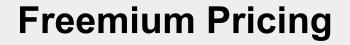
## **Non-Example**



A pricing strategy that involves providing a basic product or service to customers for free but charging a premium for expanded or upgraded versions of the product or service.

# When it's used?

When portions of a product/service can be monetized to provide a better user experience or more user satisfaction



#### Example

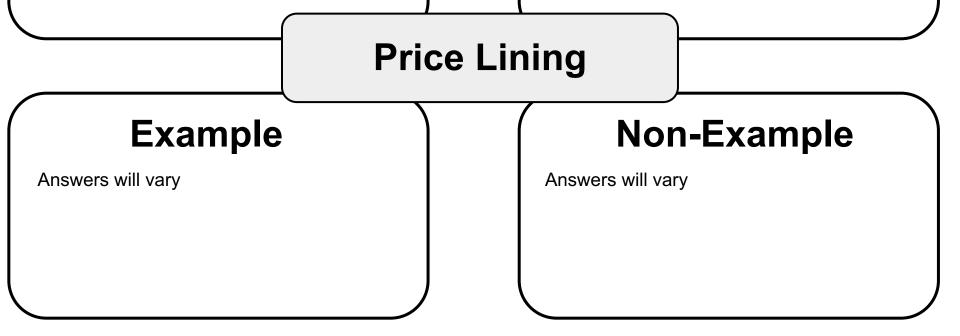
Answers will vary

## **Non-Example**

Pricing strategy that greatly simplifies the pricing function by pricing different products in a product line at different price points, depending on their quality, features, and cost.

# When it's used?

To make goods available to a wide range of shoppers, simplify the purchase decision for customers, and allow them to choose products with prices that fit within their budgets.





The tendency that people have to rely heavily on the first piece of information they receive (the anchor) when faced with a decision and to evaluate subsequent information by comparing it to the anchor.

## When it's used?

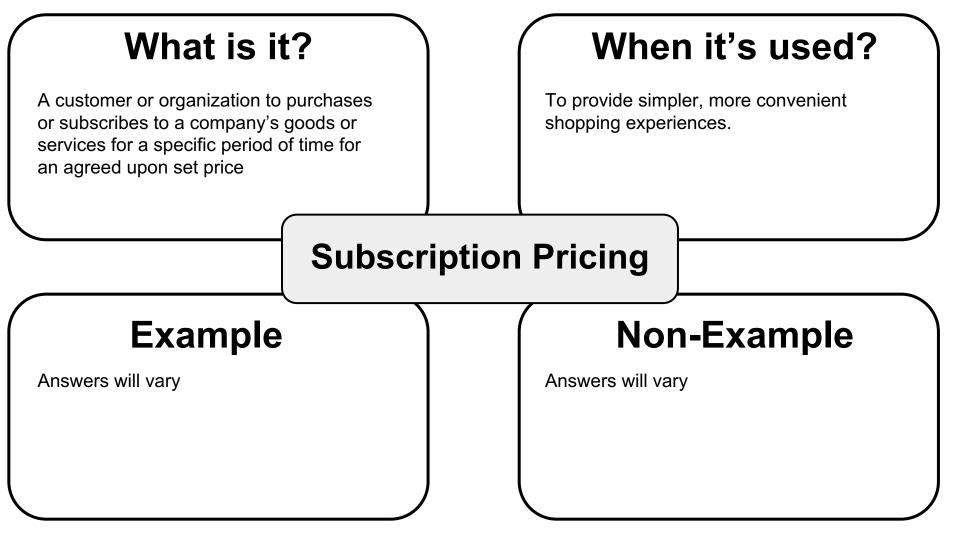
To make more expensive items seem more budget-friendly or to sell more middle-tier products



#### Example

Answers will vary

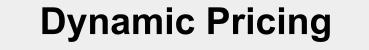
## **Non-Example**



A technique in which a company sets different prices for the same products or services for different customers by using the information collected about the customers.

# When it's used?

When prices of materials OR prices of the goods/services themselves change based on supply and demand



#### Example

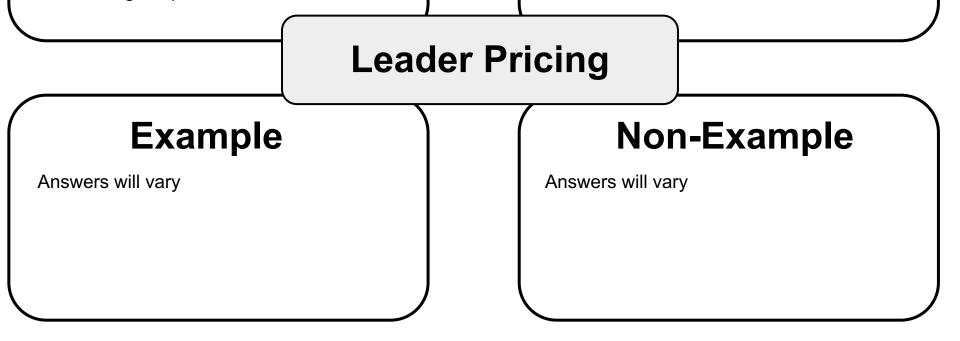
Answers will vary

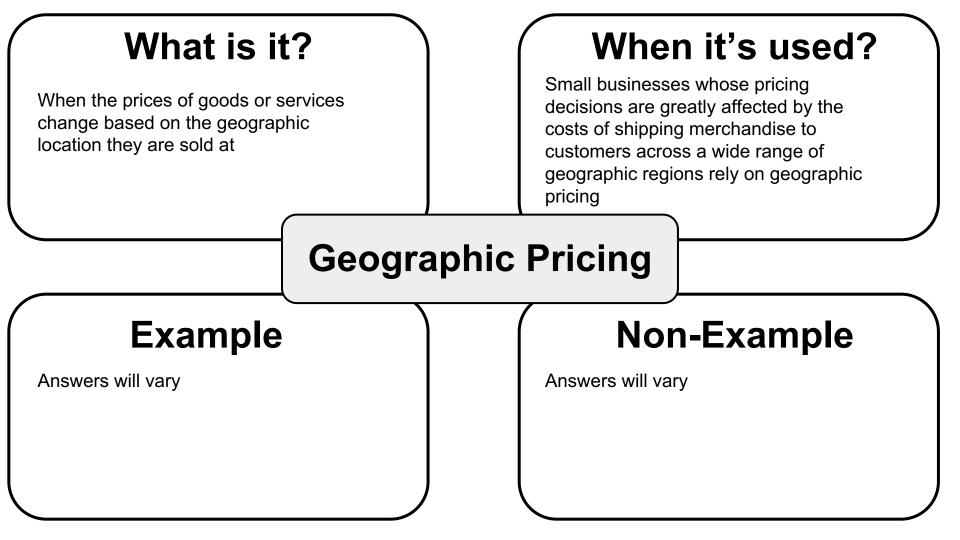
## **Non-Example**

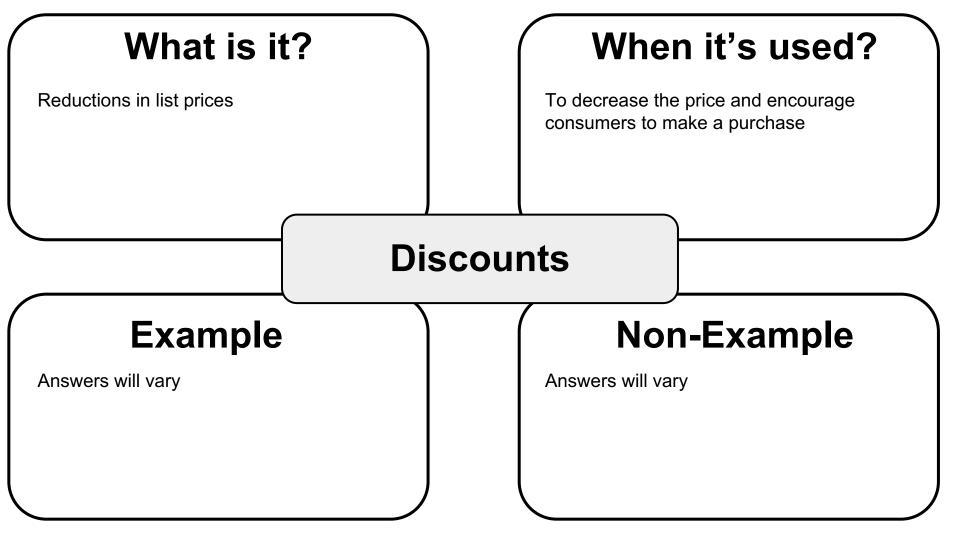
A technique that involves marking down the normal price of a popular item in an attempt to attract more customers who make incidental purchases of other items at regular prices.

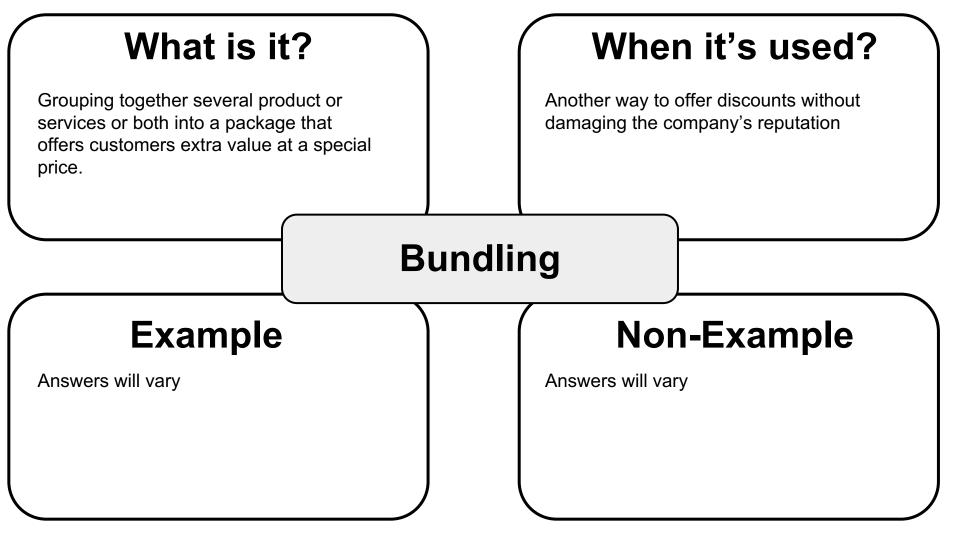
# When it's used?

When the business has a high-demand product and wants to draw people into its store in an attempt to sell them other products while they are there









A technique that involves selling a base product for one price but selling the options or accessories for it at a much higher markup. The base product is still functional.

# When it's used?

To reduce the price of the product itself while attempting to profit off of the optional products customers can add on

#### **Optional-product Pricing**

## Example

Answers will vary

# **Non-Example**

A technique that involves selling a product for a low price and charging a higher price for the accessories that accompany it. The base product is not functional without the accessories.

# When it's used?

To make the base product cheaper while continuing to earn a profit off of the accessories.

**Captive-product Pricing** 

#### Example

Answers will vary

## **Non-Example**

Technique in which a company uses the revenues from the sale of by-products to be more competitive in pricing the main product.

# When it's used?

When the production of a good or service creates an undesirable byproduct, company's attempt to find uses for it to increase their profits.



#### Example

Answers will vary

## **Non-Example**

