24 Lecture - MGT301

Important Subjective

1. **What is the importance of pricing in marketing?**

Answer: Pricing is a critical component of marketing, as it directly affects a company's revenue, profit margins, and market share.

2. **What are the factors that influence pricing decisions?**

Answer: Factors such as production costs, competition, target market, and brand positioning all play a role in pricing decisions.

3. **What is the difference between cost-based pricing and value-based pricing?**

Answer: Cost-based pricing involves setting a price based on the cost of production, while value-based pricing involves setting a price based on the perceived value of the product to the customer.

4. **How do discounts and promotions impact pricing strategies?**

Answer: Discounts and promotions can be used to influence consumer behavior and stimulate sales, but must be carefully managed to avoid damaging brand reputation and profitability.

5. **What is price elasticity of demand?**

Answer: Price elasticity of demand refers to the responsiveness of demand for a product to changes in its price.

6. **How does pricing vary for different types of products and services?**

Answer: Pricing strategies can vary significantly depending on the type of product or service being offered, as well as the target market and competitive landscape.

7. **What are the advantages and disadvantages of a skimming pricing strategy?**

Answer: A skimming pricing strategy involves setting a high price for a new product in order to capitalize on early adopters, but may limit market penetration and alienate more price-sensitive customers.

8. **How can psychological pricing tactics be used to influence consumer behavior?**

Answer: Strategies such as odd pricing, price anchoring, and bundling can be used to influence consumer perceptions of value and drive sales.

9. **How does price discrimination work and what are its benefits and drawbacks?**

Answer: Price discrimination involves charging different prices to different groups of customers based on their willingness to pay, and can help companies capture additional revenue, but may also lead to customer resentment and reduced trust.

10. **How can a company adjust its pricing strategy over time to respond to changing market conditions and customer preferences?**

Answer: Companies must continually monitor and analyze market conditions, competitive dynamics, and consumer behavior to make informed pricing decisions and adjust their strategies as needed.