Course Description

Creating and implementing a sound strategic pricing plan has been shown to be one of the most, if not THE MOST, critical task undertaken by a business, whether that business is a large established multinational or an emerging start-up. This is because pricing has a great effect on the bottom line and one’s competitive position. Unfortunately most firms utilize haphazard approaches and arbitrary rules to set their prices. In this course students will learn useful and innovative concepts, frameworks and techniques for assessing, developing and implementing optimal pricing tactics and strategies within the framework of a company’s/organization’s overall marketing strategy. The course will teach the students how to utilize their knowledge in behavioral science, economics, marketing and finance to develop sound pricing programs. Course topics will include new product pricing, value pricing, segmentation pricing, price discrimination, promotional pricing, retail pricing, product life cycle pricing, product line pricing, use of price fences and ladders and price implementations. Special emphasis will be given to the use of conceptual frameworks and analytical methods that will be used to improve product and price decisions, particularly for new products for emerging companies. The concepts and methods will be applied to real-world case studies.

The course also covers the framework for developing a general marketing plan. In this part of the course, students will learn what should be included in a marketing plan, how the information needed to develop the Plan should be gathered and finally how it should be presented so that it can be easily comprehended by its target audience.

This course has been well received by students majoring or minoring in entrepreneurial studies and anyone who sees themselves immediately after graduation starting a new company or working for a start-up.

Learning Outcomes

Students completing this course will be able to:

- Create a pricing strategy as a component of a marketing plan for a new or existing product
- Analyze pricing strategies employed by competitors
- Implement a pricing strategy
- Develop then present a marketing plan for a new and/or existing product

Prerequisite – BUAD 880
Required Textbooks and cases

Textbooks

Required
Authors: Nagle, Hogan and Zale
Fifth Edition – 2010

Optional
Authors: Lehman and Winer
Seventh Edition - 2008

Cases required
Aqualisa Quartz – Simply a Better Shower HBS 9-502-030
Atlantic Computer: A Bundle of Pricing Options HBS 2076
Beauregard Textile Company – HBS -9-191-058
Culinarian Cookware HBS 4058
Kuerig at Home –Managing a new product launch – Kel021
Metabical: Pricing, Packaging and Demand Forecasting HBS - 4183.

Equipment
Bring an electronic device to class with which you can perform simply mathematical calculations

Office Hours: Available by appointment

CLASS PROCEDURES AND POLICIES

This class will be a combination of case analysis and discussions concerning two major topics, creating a business and/or product plan and establishing prices for new and existing products and product portfolios with the majority of the time/emphasis given to the pricing topic. As will be shown during the class, there is a strong overlap in the approach one takes to accomplish both tasks. Further the class will focus on using these skills to manage new products and/or new businesses. Students will be asked to bring the knowledge gained from reading the text and other relevant business journals before coming to class as well as drawing on their personal experiences in order to actively participate in the discussions. When appropriate, lectures will be presented on technical material however most classes will be taught using the Socratic method of instruction.

CLASS ATTENDANCE & PARTICIPATION
Students are expected to be on time and attend all class sessions. I will follow the college’s policy on attendance that is in the Student Handbook. Class participation is also strongly encouraged. It helps make the class more enjoyable for everyone. Class participation is worth 20% of your grade. It is based on the instructor’s perception of your involvement in class and the insights offered during class discussions.
DURING CLASS
Although, some of you may work part- or full-time, and/or are busy adults, it is important that you come prepared to learn and participate in class. Students will be expected to have read the material before class.

CLASS MATERIALS MISSED
If you cannot attend a class for any reason, it is your responsibility to obtain the class materials. Please have a fellow student collect any extra handouts, articles, and worksheets. Do not contact the instructor if you will be missing a class.

GRADING
A student’s final grade in the course will be based on the following point system:

- Mid-term = 150 points (15%)
- Marketing plan presentation-written* = 200 points (20%)
- Project presentation & critiques - oral* = 50 points (5%)
- Final examination = 200 points (20%)
- Cases = 200 points (20%)
- Class attendance & participation = 200 points (20%)

Total = 1000 points

Students will be required to give a group oral presentation and draft portions of a short Marketing plan that deals with the marketing of a company’s products. Details will be provided at a later date.

The grade you receive in the course is based on the following accumulation of points:

<table>
<thead>
<tr>
<th>Points</th>
<th>Grade</th>
</tr>
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<tbody>
<tr>
<td>900 +</td>
<td>A</td>
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<tr>
<td>800 - 899</td>
<td>B</td>
</tr>
<tr>
<td>700 - 799</td>
<td>C</td>
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<tr>
<td>600 - 699</td>
<td>D</td>
</tr>
<tr>
<td>Below 600</td>
<td>F</td>
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Commitment to Diversity
Students are expected to show respect for their classmates, themselves, and their instructor by conducting themselves with maturity, demonstrating sincere interest in the ideas of others, and employing good manners. Students are expected to show appreciation for the diversity of backgrounds and skills of their classmates.
### OUTLINE OF TOPICS / LEARNING ACTIVITIES
### TEST DATES / CALENDAR EVENTS

<table>
<thead>
<tr>
<th>CLASS</th>
<th>CLASS DATES</th>
<th>TOPIC</th>
<th>CHAPTER</th>
</tr>
</thead>
</table>
| 1     | Feb. 8      | Strategic Pricing - STP (begin)  
Beauregard Textile case  
Class introductions and Goal setting  
In Class exercise | 1 |
| 2     | Feb. 15     | Strategic Pricing – STP (contd)  
Marketing planning – AMP  
Defining the Competitive Set - AMP | 1  
1  
2 |
| 3     | Feb. 22     | Value Creation - STP  
Industry Analysis – AMP | 2  
3 |
| 4     | Mar. 1      | Price Structure – STP  
Competitor Analysis - AMP  
Keurig at Home  Marketing case | 3  
4 |
| 5     | Mar. 8      | Customer Analysis - AMP  
Price Value & Communication – STP  
Keurig at Home case (contd) | 5  
4 |
| 6     | Mar. 15     | Pricing Policy –Managing expectations - STP  
Metabical case | 5 |
| 7     | Mar. 22     | MIDTERM  
Market potential and sales forecasting – AMP | 6 |
| 8     | Apr. 5      | Marketing potential (contd) - AMD  
**Discuss midterm**  
Atlantic Computer case | 6 |
| 9     | Apr. 12     | Price Level – STP  
Developing marketing Strategy – AMP  
Pricing new products  
Culinarian Cookware Case | 6  
7 |
| 10    | Apr. 19     | Pricing over the Product Life Cycle – STP  
Benefits of bundling  
Forecast new product sales  
In-class case  
Know your competition/friend exercise | 7 |
| 11    | Apr.26      | Pricing strategy implication – STP  
Webner Flechher law  
Combating new player who gives product away  
Work on final case  
Discuss final projects & Begin work on Aqualisa Case | 8 |
| 12    | May 3       | Auction pricing  
Implementing a price increase  
Negotiating in a B to B setting  
Real world pricing  
Aqualisa Quartz Case | 9 |
| 13    | May 10      | Career Advancement  
Marketing papers due  
Class presentations  
Wrap-up and final prep | 10 |

**Final**

AMP = Analysis for Marketing Planning  
STP = The Strategy and Tactics of Pricing