

# **Subject-Principle of Marketing**

## **Topic-Pricing and its Policies**

Prepared by:-  
Department of Commerce  
Manohar Memorial P.G. College  
Fatehabad

## Pricing

Pricing is a fundamental aspect of financial Modelling and is one of the four Ps of the marketing mix, the other three aspects being Product, Promotion, and Place.

So, we can say that Pricing is the method of determining the value a producer will get in the exchange of goods and services.



Pricing Objectives

# FACTORS AFFECTING PRICING

- **PRICING OBJECTIVES**
- **PRODUCT DEMAND**
- **PROFIT**
- **COMPETITION LEVEL**
- **COST OF PRODUCTION**

# BASIS OF PRICING POLICY

COST AND  
DEMAND

PRICE  
LEVEL

SPECIALITY

GEOGRAPHICAL  
CONDITION

# ON THE BASIS OF COST AND DEMAND

## **1. COST-ORIENTED PRICING POLICY**

By adding fixed percentage to the unit cost.

## **2. DEMAND-ORIENTED PRICING POLICY**

Prices are decided on the basis of market demand.

# ON THE BASIS OF PRICE-LEVEL

## 1. MEETING COMPETITION POLICY



## 2. UNDER THE MARKET POLICY

Prices are kept less than the market prices

# ON THE BASIS OF SPECIALITY

## 1. SKIMMING PRICING POLICY



## 2. PENETRATION PRICING POLICY





# 3. PRICE LINING POLICY



NESCAFÉ Classic



NESCAFÉ Gold Range



NESCAFÉ Premium Range



NESCAFÉ Decaf



NESCAFÉ Specialties range  
(Cappuccino, Latte Macchiato)



NESCAFÉ Frappé



NESCAFÉ 3in1



NESCAFÉ Espresso

# 4. ODD PRICING POLICY

EXAMPLE-RS.199 INSTEAD OF 200

# ON THE BASIS OF GEOGRAPHICAL CONDITIONS

**1. UNIFORM DELIVERY PRICING  
POLICY**

**2. ZONAL DELIVERY PRICING POLICY**

**3. HOME DELIVERY PRICING POLICY**