



APPLIES TO ACADEMIC YEAR 2005/2006

## GRA 6420 Pricing Strategies and Tactics

### Program

Master of Science in Business, Master of Science in Business and Economics, Master of Science in Marketing (Marketing), Specialization Course

### Responsible for the course

Ragnhild Silkoset

### Department

Marketing

### Term

According to study plan

### ECTS Credits

6

The fastest and most effective way for a company to realize its maximum profit is to get its pricing right. However, pricing is managers' biggest marketing headache. It's where they feel the most pressure to perform and the least certain that they are doing a good job. Yet getting closer to the 'right' price can have a tremendous impact, and slight improvements can yield significant results. The purpose is therefore to gain control over the pricing function.

### Objective

The objective of this course in pricing strategies and tactics is to systematically present factors that have to be considered when setting price, and to show how pricing alternatives can be developed and analyzed. The course is designed to provide the students with an integrative framework for making pricing decisions. The course covers economic aspects of pricing, strategy and tactics of market based pricing, in addition to psychological aspects of price sensitivity and decisions under incomplete information. Together these factors form a basis for analyzing pricing alternatives within legal, organizational, and competitive constraints.

### Prerequisites

Course in marketing management and business economics, or equivalent.

### Compulsory literature

#### Other:

A reading list of articles and cases will be provided in class. .

### Recommended literature

#### Books:

Monroe, Kent. 2003. Pricing: making profitable decisions. 3rd ed. Boston: McGraw Hill/Irwin.

Nagle, Thomas T. and Reed K. Holden.. 2002. The strategy and tactics of pricing: a guide to profitable decision making.. 3rd ed. Upper Saddle River: Prentice Hall

### Course outline

Part 1 - Price management  
Part 2 - Economic foundations of pricing theory  
Part 3 - Understanding customer and buyer behavior for price decisions  
Part 4 - Profitability analysis for pricing decisions  
Part 5 - Developing pricing strategies  
Part 6 - Pricing on the Internet

### Computer-based tools

This course does not require any use of computer resources. Blackboard

### Course structure

The course consists of 36 lecturing hours, divided into 12 lectures. Class time will include lecture, group discussion of problems, and general class discussion. The lectures will further be supplemented with guest lecturers from the industry.

**Evaluation**

Your course grade will be based on the following activities and weights:

Tem papers and cases: 50% of the grade

3 hour written exam: 50% of the grade

**Evaluation code(s)**

GRA64201 Written exam and class participation/discussions/cases, accounts for 100% of the final grade in the course GRA 6420, 6 credits.

**Aids at the examination**

For the 3 hour written exam: bilingual dictionary, simple calculator

**Makeup exam**

Re-takes are only possible at the next time a course will be held. When course evaluation consists of class participation or process elements, the whole course must be re-evaluated when a student wants to retake an exam. Retake examinations entail an extra examination fee.