



APPLIES TO ACADEMIC YEAR 2009/2010

## **GRA 6420 Pricing Strategies: Measuring, Capturing and Retaining Value**

### **Programme**

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

### **Responsible for the course**

### **Department**

Department of Marketing

### **Term**

According to study plan

### **ECTS Credits**

6

### **Language of instruction**

English

### **Introduction**

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.

### **Learning outcome**

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 reading**

#### **Other:**

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

During the course there may be hand-outs and other material on additional topics relevant for the course and the examination.

### **Recommended reading**

#### **Books:**

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

Nagle, Thomas T. and John E. Hogan. 2006. The strategy and tactics of pricing : a guide to growing more profitably. 4th ed. Upper Saddle River, N.J. : Pearson/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**

Blackboard

### **Learning process and workload**

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

Please note that while attendance is not compulsory in all courses, it is the student's own responsibility to obtain any information provided in class that is not included on the course homepage/Blackboard or text book.

### **Examination**

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

Tem papers and/or cases: 30% of the grade (groups of max 3)

Assignment: 30% (groups of max 3)

3 hour written exam: 40% of the grade

Both individual and group assignments have to be passed in order to get a final grade in this course.

Specific information regarding student evaluation beyond the information given in the course description will be provided in class. This information may be relevant for requirements for term papers or other hand-ins, and/or where class participation can be one of several elements of the overall evaluation.

### **Exam code(s)**

GRA64201 accounts for 100% of the final grade in the course GRA 6420.

### **Examination support materials**

A bilingual dictionary and BI-approved exam calculator. Exam aids at written examinations are explained under exam information in our web-based Student handbook. Please note use of calculator and dictionary. <http://www.bi.edu/studenthandbook/examaids>

### **Re-sit examination**

Re-takes are only possible at the next time a course will be held. When the course evaluation has a separate exam code for each part of the evaluation it is possible to retake parts of the evaluation. Otherwise, the whole course must be re-evaluated when a student wants to retake an exam. Retake examinations entail an extra examination fee

### **Additional information**

#### **Honor Code**

Academic honesty and trust are important to all of us as individuals, and represent values that are encouraged and promoted by the honor code system. This is a most significant university tradition. Students are responsible for familiarizing themselves with the ideals of the honor code system, to which the faculty are also deeply committed.

Any violation of the honor code will be dealt with in accordance with BI's procedures for cheating. These issues are a serious matter to everyone associated with the programs at BI and are at the heart of the honor code and academic integrity. If you have any questions about your responsibilities under the honor code, please ask