



APPLIES TO ACADEMIC YEAR 2010/2011

## VHL 3554 Pricestrategy

### Programme

Bachelor in Retail Management (2. year)

### Responsible for the course

### Department

Department of Marketing

### Term

According to study plan

### ECTS Credits

7,5

### Language of instruction

Norwegian

### Introduction

This price course has a marketing approach. This means that the course will teach students basic understanding of how a pricing strategy is linked to corporate value creation and how consumers and competitors in the market react to different prices and numbers. The course includes basic principles and calculations that show how price changes affect a company's sales and profitability.

### Learning outcome

#### Acquired knowledge

Students will be able to organize, summarize and discuss the various theories related to pricing strategy.

#### Acquired skills

After completing the course, students will, on an independently basis, be able to develop and carry out an analysis of an existing company's pricing strategy and come up with conclusions and suggestions for improvements.

#### Reflection

Students in the course pricing strategy will be made aware of and develop behaviour that is consistent with the responsibility companies have to consumers in a market.

### Prerequisites

BØK 3411 Finance and Managerial Accounting I and MRK 2914 Marketing or equivalent courses.

### Compulsory reading

#### Books:

Nagle, Thomas T., John E. Hogan og Joseph Zale. 2011. The Strategy and Tactics of Pricing. A Guide to Growing More Profitability. 5th ed. International Edition. Upper Saddle River: Pearson/Prentice Hall. Utvalgte kapitler

#### Other:

Utdelt materiale

### Recommended reading

#### Books:

Dolan, Robert J. and Hermann Simon. 1996. Power pricing : how managing price transforms the bottom line. London : Free Press

### Course outline

- Identify what value the customers place on a product or service.
- Identify variation in the way customers value the product.
- Identify customers' price sensitivity
- Identify an optimal pricing structure
- Evaluate competitors' reactions
- Monitor prices realized at the transaction level

- Identify customers' emotional response
- Analyze whether the returns are worth the cost to serve.

### Computer-based tools

Excel.

### Learning process and workload

Working with a simulation is central in this course, and it is expected that students will work on this throughout the course. The simulation is to develop a pricing strategy for a specific company. The simulation is based on Harvard Business Publishing and run via the Internet.

The students also develop an assignment that is directly linked to the different parts of the course. This assignment supports and discusses the choices in the simulation. Both the results from the simulation and the assignment will form the basis for evaluating the quality of this work.

At the start of the course the students will receive an overview of the subject that is taught at what times, including the learning objectives covered. Students are also given a schedule for when subtasks in the simulation shall be submitted, and when they will be discussed in the class. The submission of the subtasks in the simulation will be made electronically. Review of the in simulation takes place in class.

The simulation and the assignment are solved individually or in groups of 2-3 students. The assignment will be 3500-4000 words + / - 10%. The assignment will include one section that is designed as a management object, one section that contains a rationale for the choice of decisions and expected output, and one section that contains a separate evaluation of the assignment. The assignment is submitted by the end of the semester. In the assignment, students will demonstrate the extent to which they have acquired knowledge in the discipline, and developed the attitude required.

The course is has a total of 40 hours. Of these are 26 hours lectures, and 14 hours are devoted to the simulation.

Activity	Use of hours
Class participation	26
Simulation	14
Preparation for lectures/reading literature	80
Work on the project paper and simulation	80
<b>Total recommended use of hours</b>	<b>200</b>

### Use of hours

#### Examination

The simulation, which is based on Harvard Business Publishing, must be delivered both in print and electronically via the Internet. The simulation could be solved individually or in groups of 2-3 students.

The assignment should be solved individually or in groups of 2-3 students. The assignment will be 3500-4000 words + / - 10%, excluding the front page, table of contents and reference list. The project will include one section that is designed as a management object, one section that contains a rationale for the choice of decisions and expected output, and one section that contains a separate evaluation of the assignment. The assignment should be submitted both on paper and electronically by the end of the semester through It's Learning. Plagiarism control of all submitted works will be carried out.

#### Examination code(s)

VHL 35541 Hand-in paper (simulation) accounts for 40% of the grade in the course VHL 3554 Price Strategy, 7,5 credits.

VHL 35542 Project Paper accounts for 60% of the grade in the course VHL 3554 Price Strategy, 7,5 credits

#### Examination support materials

All support materials are allowed.

#### Re-sit examination

A re-sit examination will be held in connection with the next course.

#### Additional information

