

Contents

Preface — V

Chapter 1

Objectives for the Pricing Strategy — 1

 Introduction — 1

 Choice of Pricing Strategy — 1

 Pricing Strategy Matrix for New Products — 2

 Different Types of Objectives with the Pricing Policy — 5

 Development of the Company's Pricing Strategy — 6

 Summary — 8

Chapter 2

Value-Based Pricing — 9

 Introduction — 9

 Value, Price, and Quality — 9

 Benefit — 11

 Steps in VTC Analysis — 12

 Mistakes Made in Value-Based Pricing — 15

 Practical Example of VTC Analysis — 16

 Summary — 16

 Attachment: VTC Analysis for the Case

 “Harmony Cottage Village” — 17

Chapter 3

Measure Customers' Reactions to Price Changes — 19

 Introduction — 19

 Measure Price Sensitivity — 19

 Historical Data — 20

 Direct Measurements — 24

 Experiment — 25

 Scenarios — 25

 The Van Westendorp Model for Price Calculations — 26

 Steps in the Development and Implementation of the Van Westendorp Model — 26

 Conjoint Price Analysis — 29

 Steps in the Development and Implementation of Conjoint Analysis — 29

 Summary — 41

 Case: What Should the Price Be on your New Products? — 41

VIII — Contents

Attachment: Excel for Conjoint Analysis of the Fan Example — 44
Attachment: Excel for Conjoint Analysis of the Case “Harmony Cottage Village” — 50

Chapter 4

Different Prices for the Same Products — 59

Introduction — 59
The Buyer — 61
The Location — 62
The Product — 64
The Time — 69
Summary — 71

Chapter 5

Different Prices for the Same Customers — 72

Introduction — 72
Financial Impacts on Customers’ Willingness to Pay — 72
Perceptual Influences on Customers’ Willingness to Pay — 76
Summary — 79

Chapter 6

From Price Competition to Price War! — 80

Introduction — 80
Steps in Dealing with Price Wars — 81
Phases and Reactions in a Price War — 83
The Result of a Price War — 84
How to Win a Price War — 85
Price Wars in the Grocery Industry — 85
Summary — 87

Chapter 7

Unfair Price! — 88

Introduction — 88
Steps in Dealing with Unfair Prices — 88
Pricing Marketing Guidelines — 92
Guidelines for Price Cooperation — 94
Ethics and Legislation — 94
Summary — 95

Chapter 8**Price Tactics, Sales and Promotions — 96**

Introduction — 96

Steps to Determine Tactical Pricing — 96

Price Promotions — 99

Adaptation of Price Tactics According to Customer Value — 104

Price Guarantees — 105

Summary — 105

Chapter 9**Pricing Psychology — 106**

Introduction — 106

How Much You Save Is More Important Than How Much You Pay — 106

Number Magic on e-Commerce Sites — 107

Steps in Psychological Pricing — 109

Summary — 120

Chapter 10**E-commerce and Prices in Digital Markets — 121**

Introduction — 121

Steps in the Development of Prices in e-Commerce and Digital Markets — 121

Online Sales and Global Players — 127

Price Robots and Price Comparisons — 128

Summary — 129

Chapter 11**Prices in the Sharing Economy — 130**

Introduction — 130

Sharing Economy and Sharing Platforms — 130

Differences between Sharing Economy and Traditional Economy — 132

Steps to Set Prices in the Sharing Economy — 133

Circular Economy and Price — 135

Summary — 137

Chapter 12**Pricing Calculations — 138**

Introduction — 138

Significance of Costs — 138

Calculation of Profitability Analysis — 139

X — Contents

Calculation of Price Elasticity and Cross-Price Elasticity — 143
Summary — 146

References — 147

About the Author — 151

List of Figures — 153

List of Tables — 155

Index — 157