

| | | | |
|--------------|-----------------------------------|----------------|----------|
| Title | Discuss pricing strategies | | |
| Level | 5 | Credits | 8 |

| | |
|----------------|--|
| Purpose | <p>This unit standard is for people who seek to make, or provide advice for, product pricing assessments.</p> <p>People credited with this unit standard are able to discuss: market conditions; factors that influence pricing decisions; and pricing strategies and objectives for specific products and target markets.</p> |
|----------------|--|

| | |
|-----------------------|-------------------------------|
| Classification | Marketing > Generic Marketing |
|-----------------------|-------------------------------|

| | |
|------------------------|----------|
| Available grade | Achieved |
|------------------------|----------|

| | |
|---|--|
| Entry information | |
| Recommended skills and knowledge | Unit 2926, <i>Demonstrate knowledge of the principles of marketing</i> , and Unit 2935, <i>Determine the marketing mix</i> , or demonstrate equivalent knowledge and skills. |

Explanatory notes

- 1 Performance of outcomes of this unit standard will require adherence to the New Zealand Marketing Association Codes of Practice, or equivalent codes: <http://www.marketing.org.nz/>.
- 2 Assessment guidance
Assessment can be based on a case study of a product. The product chosen may be either an existing product or one of the candidate's own design.
- 3 Definition
Products encompass both goods and services, and ideas.
- 4 References
Kotler, P. & Armstrong, G. *Principles of Marketing*. Prentice Hall: Various international editions.
Lamb, C.W., Hair, J.F., McDaniel, C., Summers, J., & Gardiner M. (2009) *MKTG*, (1st Asia Pacific Ed.). Cengage Learning: Australia.

- 5 Legislation relevant to this unit standard includes but is not limited to:
Privacy Act 1993
Major Events Management Act 2007
Consumer Guarantees Act 1993
Fair Trading Act 1986
Commerce Act 1986, Part II.
-

Outcomes and evidence requirements

Outcome 1

Discuss market conditions.

Evidence requirements

- 1.1 Market conditions are examined and market demand is estimated in terms of product, price, distribution, and promotion factors.
- 1.2 Market demand estimations take account of price sensitivity and price elasticity of demand.
- 1.3 Price and quality relationships are discussed for specific products and target markets.

Outcome 2

Discuss factors that influence pricing decisions.

Evidence requirements

- 2.1 Costs and pricing factors are identified for specific products and target markets.
- Range fixed costs, variable costs, compliance costs, return on investment, organisational objectives, competitive factors.
- 2.2 Competitors' prices are identified and implications for pricing decisions are assessed for specific products and target markets.
- 2.3 Distribution chain implications are discussed in relation to pricing factors.

Outcome 3

Discuss pricing strategies and objectives for specific products and target markets.

Evidence requirements

- 3.1 Cost based pricing options are discussed for specific products and target markets.
- Range cost plus, breakeven analysis, value-based, target profit pricing.

- 3.2 Pricing strategies are discussed in relation to the product life cycle.
- 3.3 Product pricing options are discussed.
- Range profit objectives, market penetration pricing, comparable product pricing.
- 3.4 Product mix pricing options are discussed for specific products and target markets.
- Range product-line, optional-product, captive-product, by-product, product-bundle strategies.
- 3.5 Price adjustment policies are discussed in relation to discounts and allowances.
- Range cultural perceptions and expectations, geographical considerations, psychographic and socio-economic factors.
- 3.6 Selective and promotional pricing strategies are evaluated for specific market segments.
- 3.7 The monitoring of pricing strategies is discussed in relation to the maintenance of competitive positioning and organisational objectives.

| | |
|----------------------------|------------------|
| Planned review date | 31 December 2019 |
|----------------------------|------------------|

Status information and last date for assessment for superseded versions

| Process | Version | Date | Last Date for Assessment |
|-----------------------|---------|------------------|--------------------------|
| Registration | 1 | 20 March 1995 | 31 December 2016 |
| Revision | 2 | 9 January 1998 | 31 December 2016 |
| Revision | 3 | 16 January 2001 | 31 December 2016 |
| Review | 4 | 19 November 2010 | 31 December 2016 |
| Rollover and Revision | 5 | 16 April 2015 | N/A |

| | |
|--|------|
| Consent and Moderation Requirements (CMR) reference | 0113 |
|--|------|

This CMR can be accessed at <http://www.nzqa.govt.nz/framework/search/index.do>.

Please note

Providers must be granted consent to assess against standards (accredited) by NZQA, before they can report credits from assessment against unit standards or deliver courses of study leading to that assessment.

Industry Training Organisations must be granted consent to assess against standards by NZQA before they can register credits from assessment against unit standards.

Providers and Industry Training Organisations, which have been granted consent and which are assessing against unit standards must engage with the moderation system that applies to those standards.

Requirements for consent to assess and an outline of the moderation system that applies to this standard are outlined in the Consent and Moderation Requirements (CMR). The CMR also includes useful information about special requirements for organisations wishing to develop education and training programmes, such as minimum qualifications for tutors and assessors, and special resource requirements.

Comments on this unit standard

Please contact NZQA National Qualifications Services nqs@nzqa.govt.nz if you wish to suggest changes to the content of this unit standard.