

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>
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Classification	Marketing > Generic Marketing
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Available grade	Achieved
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Guidance Information

- 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.
- 6 Recommended skills and knowledge:
Unit 2926, *Demonstrate knowledge of the principles of marketing*, and Unit 2935, *Determine the marketing mix*, or demonstrate equivalent knowledge and skills.

Outcomes and performance criteria

Outcome 1

Discuss market conditions.

Performance criteria

- 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.

Performance criteria

- 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.

Performance criteria

- 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.

This unit standard is expiring. Assessment against the standard must take place by the last date for assessment set out below.

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	31 December 2022
Review	6	12 December 2019	31 December 2022

Consent and Moderation Requirements (CMR) reference	0113
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This CMR can be accessed at <http://www.nzqa.govt.nz/framework/search/index.do>.