



Business Virtual Learning

HS/Marketing

April 20, 2020



Lesson Topic - Introduction to Pricing

Lesson Objectives:

Date: April 20

Students will...

1. Consider consumer demand as it relates to price (answering the question, “How much are people willing to pay?”)
2. Understand how price influences buying behavior

Lesson Introduction



The **price** is a critical element of the marketing mix. ... Speaking broadly, the price is the sum of all the values that a customer gives up to gain the benefits of having or using a product or service. Thus, customers exchange a certain **value** for having or using the product – a value we call price.

Price impacts customer buying decisions in a variety of ways. Look at the examples on the next slide and think of the decision a customer might make and their rationale in response to each of the following situations. Write your ideas on a sheet of paper or a google doc and email to your teacher.

Pricing Situations

- 1. Marc Thomas Jeans, available exclusively at Bella's Boutique for \$280**
 - a. Why might someone purchase jeans for such a high price?
- 2. McFly's Basic Burger 99 cents every day**
 - a. Why might someone purchase a burger for 99 cents?
- 3. Yummy Brand Yogurt - 10 for \$3.00 with your store card (or 50 cents each)**
 - a. How might someone rationalize buying 10 yogurts when he or she only needs 4?
- 4. Free last-generation smartphone with 2 year contract**
 - a. Why would a company give away phones for free when they could charge a hefty fee for them?
- 5. Scented candles \$7 each or 4 for \$25**
 - a. Why should you buy 4 even if you don't need or want 4?
- 6. 36 rolls of toilet paper for only \$14.99**
 - a. You don't have the storage space for the extra rolls of TP. How do you justify buying so many at once (pre-coronavirus times).
- 7. Free shipping on purchases of \$75 or more from your favorite online store.**
 - a. You have two items in your cart totally \$63. What should/would you do and why?