# Pricing Analysis

**PART 1**

**Pricing Notes:**

Define Break Even Point

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What is one way that companies can justify a higher price than the competition?

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Why do you think companies should drop prices with caution? (What message might it send to customers?)

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Define the 4 pricing strategies

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| Price Skimming | |
| Penetration Pricing | |
| Psychological Pricing | |
| Dynamic Pricing | |

**PART 2**

**Directions:** Below are several scenarios that depict the Pricing Strategies discussed in class. Match the appropriate strategy with the scenarios.

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| Price Skimmer | Penetration Pricing | Psychological Pricing | Dynamic Pricing |

A cable TV provider moves into a new area and needs to achieve a market share.

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Samsung launches a new smartphone. This is a new and innovative product.

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A major automaker introduces a new 100% electric car to the market and needs to recover market introduction costs quickly.

A new potato chip is introduced to the market. It is competing with major name brands. The product is priced 10% less than the competition.

A property management company lists their rental properties for $999 instead of $1,000.

Airline ticket prices from Chicago to Arizona tend to increase in the Winter months and decrease in the Summer months.