PRICING POLICIES

SCHEDULE:
Monday, 18.45-20.00
Tuesday, 15.30-16.45
Wednesday, 18.45-20.00

PRESENTATION

This course will cover the analysis of pricing policies and related topics in consumer behavior. It will provide the tools to develop an effective pricing strategy and a deep understanding of the microeconomic theory behind that strategy. What is expected? Class participation is highly encouraged.

COURSE OUTLINE

PART 1. PRICING DECISIONS
a. Introduction. Pricing and Value
   Pashigian, chapter 9
   Nagle, chapters 2 & 3.
c. Demand Estimation

Case: G.D. Searle: Equal Low-Calorie Sweetener (A) HBS 9-585-010
Dolan & Simon, chapter 3
Nagle, chapter 13

d. Strategic Pricing
Dolan & Simon, chapter 4
Pashigian, chapter 10
Nagle & Holden, chapter 6

e. Behavior, Social Influences and Pricing
Nagle & Holden, chapter 4
Anderson, E. and D. Simester “Mind your Pricing Cues”
HBR Sept. 2003

PART 2. PRICING TECHNIQUES

a. Price Discrimination and Non-linear Pricing
Dolan & Simon, chapter 7.
Pashigian, chapter 12
Wilson (technical material!), chapters 3-5

b. Bundling.
Dolan & Simon, chapter 9
Pashigian, chapter 12
Case: American Repertory Theater HBS 9-580-133
c. Pricing, Quality and the Product Line
   Dolan & Simon, chapter 8
   Pashigian, chapter 14

   Seasonal Sales
   Dolan & Simon, chapters 10-11
   Pashigian, chapter 15
   Case: ZARA HBS case

e. Promotion and Pricing in the Channel
   Nagle & Holden, chapters 10 & 11
   Pashigian, chapter 13

f. Auctions
   Besanko and Breautigam, chapter 15.

REFERENCES

PRICING POLICIES

To pass the course, you need to attend and pass a final exam. If you do not attend the final exam, your grade will be “Not Presented.” In case of passing the final exam (i.e. with a grade of five or higher), the final grade mix will be based on the following criteria:

- Final exam grade 50%
- Midterm exam grade 20%
- Problem sets/written case preparations 30%.

If you attend but fail the final exam, the final grade will be the same grade of your final exam (i.e. the final will count 100%).

The same grading rules apply to the extraordinary September exam. A “pricing project” can be presented, only to improve the grade of the midterm exam.