

UNIVERSITY OF ECONOMICS - VARNA
FACULTY OF ECONOMICS
DEPARTMENT OF INDUSTRIAL BUSINESS AND LOGISTICS

Adopted by the FC (record №/ date): №9/23.04.2020

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ACCEPTED BY:

Dean:

(Assoc. prof. Denka Zlateva, PhD)

SYLLABUS

SUBJECT: STRATEGIES AND TACTICS OF PRICING

DEGREE PROGRAMME: Business and management in English; BACHELOR'S DEGREE

YEAR OF STUDY: 4; SEMESTER: 7

TOTAL STUDENT WORKLOAD: 240 hours; incl. curricular 60 hours

CREDITS: 8

DISTRIBUTION OF STUDENT WORKLOAD ACCORDING TO THE CURRICULUM

<i>TYPE OF STUDY HOURS</i>	WORKLOAD, hours	TEACHING HOURS PER WEEK, hours
CURRICULAR: incl. <ul style="list-style-type: none">• LECTURES• SEMINARS / LAB. EXERCISES	30 30	2 2
EXTRACURRICULAR	180	-

Prepared by:

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I. ANNOTATION

"Strategy and Tactics of Pricing" is applied economic discipline. Its object of study is the prices. The subject is price management in the context of the conditions of the internal and external environment of the organization.

In this course students will gain knowledge on the planning, analysis and control of the activities related to corporate pricing. They will learn about analysis of existing competitive advantages and models of consumer behavior that affect the development of pricing strategies and tactics of organizations.

Content, theses and analyzes covered in the course, enabling students to acquire a system of theoretical knowledge:

- The nature of prices and its relationship with the value;
- Pricing strategies and tactics of organizations;
- The development of pricing policy, as a system of strategies and tactics;
- Costs, customers and competition as factors for the construction of the pricing behavior of organizations from;- анализ и оценка на ценовите конкурентни предимства;
- Models of consumer behavior and pricing;
- Measuring price sensitivity;
- Possible strategies based on segmentation, consumer behavior and product life cycle.

Practical knowledge for overall management and price formation in the companies and their market adaptation and implementation boils down to:

- Identification, analysis and assessment of the limits of internal and external environment in terms of prices;
- Analysis of the cost - value for - full satisfaction of customer needs;
- Establishing a system of strategic and tactical actions for profitable pricing;
- Determining the appropriate price of goods and services for the markets, segments and products.

Formation of new knowledge and skills in the trainees is based on already acquired knowledge and skills in the field of general economic theory, accounting, management, marketing, strategy, technical and operational planning and analysis and others.

II. THEMATIC CONTENT

№	TITLE OF UNIT AND SUBTOPICS	NUMBER OF HOURS		
		L	S	
1	INTRODUCTION: PRICE AND PRICING	2	2	
1.1.	The nature, function and Structure of the Price.			
1.2.	Strategic Pricing and Effectiveness of the Price.			
1.3.	Planning for Profitability Pricing.			
2.	COSTS AND PRICING	3	3	
2.1.	Essence of the Costs and Meaning for the Pricing.			
2.2.	The Logic of Cost-Based Pricing.			
2.3.	Cost Analysis and Profitability Pricing.			
3.	CUSTOMER AND PRICING	2	3	
3.1.	The Role of Value for Pricing.			
3.2.	Factors Affecting Price Sensitivity			
3.3.	Managerial Analysis of Price Sensitivity			
3.4.	Economics of Price Sensitivity			
3.5.	Methods for Measuring Price Sensitivity			
4.	COMPETITION AND PRICING	3	3	

4.1.	Market Structure and Competition Behavior			
4.2.	Collecting, analysis and assessment of information about Competitors and their Behavior.			
4.3.	Allocating Competitive Resources.			
5.	PRICING STRATEGIES	3	3	
5.1.	The Need for Strategic Pricing Programs			
5.2.	The Role of Pricing Objectives			
5.3.	Establishing a Strategy			
5.4.	Developing a Structures of Prices			
5.5.	Determining Price Levels and Related Tactics			
5.6.	Putting the Objectives, Structure, Price Levels and Tactics Together			
5.7.	Linking Pricing Strategy to Marketing Strategy			
6.	PRICING AND LIFE CYCLE OF PRODUCTS: ADAPTING STRATEGY IN A CHANGING ENVIROMENT	3	4	
6.1.	Pricing of New Product Development.			
6.2.	Pricing the New Product for Growth.			
6.3.	Pricing of Established Product in Maturity.			
6.4.	Pricing of Product in Market Decline			
7.	CUSTOMER NEGOTIATION	2	2	
7.1.	Negotiated Versus Fixed-Price Policies			
7.2.	Preparing Competitive Bids			
8.	SEGMENTED PRICING	4	4	
8.1.	Segmenting by Buyer Identification			
8.2.	Segmenting by Purchase Location			
8.3.	Segmenting by Time Purchase			
8.4.	Segmenting by Purchase Quantity			
8.5.	Segmenting by Product Design			
8.6.	Segmenting by Product Bundling			
8.7.	Segmenting by Tie-ins			
8.8.	Importance of Segmented Pricing			
9.	PRICING COMPETITIVE ADVANTAGES	2	2	
9.1.	Competitive Cost Advantages			
9.2.	Competitive Product Advantages			
10.	PRICING PSYCHOLOGY	3	2	
10.1.	Perception of Price Differences			
10.2.	Formulation of Reference Price			
10.3.	Influence of Framing on Price Perception			
10.4.	Pricing Probabilistic Foods			
11.	MARKET PRICING PROFITABILITY ORIENTED	3	2	
11.1.	Breakeven Sales Analysis: The Base Case			
11.2.	Breakeven Sales Incorporating a Change Variable Cost			
11.3.	Breakeven Sales with Incremental Fixed Cost			
11.4.	Calculating Potential Financial Implication			
11.5.	Breakeven Sales Curves			

III. FORMS OF CONTROL:

№	TYPE AND FORM OF CONTROL	Number	extracurricular, hours
1.	Midterm control		
1.1.	Test on separate themes	2	70
	Total midterm control:		
2.	Final term control		
2.1.	Examination (test)	1	110
	Total final term control:	1	110
	Total for all types of control:		180

IV. LITERATURE

REQUIRED (BASIC) LITERATURE:

1. Nagle, T., R. Holden, J. Zale, The Strategy and Tactics of Pricing. Fifth edition, Routledge, 2014.

RECOMMENDED (ADDITIONAL) LITERATURE:

1. McFarlane, B. Pricing Strategy, USA, 2012
2. Dodds, B., Managing Customer Value, University Press of America, 2003
3. Morris, M., G. Morris, Market oriented pricing. Strategies for management, NTC Business book, Illinois, USA, 1992