E-Content

M.Com (Sem. 2)

Paper III - Marketing Management

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Topic - Price Mix.

Price is the value of product expressed in terms of money. price is equal to consumers expectations which constitute product, installation, credit & after sale services.

The Price is important because it ensures decent return on investment, stability, maintaing market share and fighting competition. so pricing policies & decisions are very crucial decision taken by every marketing managers. The variables of pricing mix are -

(i) The Pricing Policies and strategies -

They are the broad framework within which management administers the prices. These policies involve price variation, geographical pricing, price differentials and price leadership. There may be single price policy or multiple price policy.

(ii) Terms of delivery - Timely deliveries of order are vital to sales. so clear policies should be made regarding terms of delivery as quantity, quality time, place and conditions of delivery.

(iii) The terms of credit –
Credit facilities expands the market of the product and is important tool of efficient selling. The business houses grants credit to wholesalers and they in return to retailers and retailers back to consumer.
The credit policies framed depends upon nature of product, its marketability, class of customers, competitors credit facilities and facilities made available by bank and other financial units.

(iv) Margin – Margin is the difference between the final price paid by the customer and the total cost incurred in making the product.
It includes margin of retailer, wholesaler and producer. Articles, particularly consumer durables and non durables need lower margin because of mass consumption and the industrial products requiring higher maintenance and after sale service will need higher margin for intermediaries.