

Worksheet 42: Pricing Considerations (Emkhe, Fulton, Lusk, 2005)

For each pricing consideration, describe the advantages and disadvantages for your product (first column), and describe how your competitors are implementing the price policy (second column).

	Definition	Advantages and Disadvantages	Competitor Use of Pricing Policy
Payment Period	Length of time before payment is received		
Allowance	Price reductions for promotional services (in-store display upkeep)		
Seasonal Allowances	Reductions given to increase sales during slow times		
Product Bundling	Offering products together		
Trade Discounts	Payments to distribution partners for storage, or shelf stocking		
Price Flexibility	Ability to modify price		
Price Differences for Target Groups	Pricing differences between target markets		
Price Differences Based on Locale	Pricing differences among geographic regions		
Volume Discounts	Price reductions for bulk buys		
Cash/Early Payment Discount	Price reductions to encourage cash purchase, or early sales		
Credit Terms	Allowing customers to pay for products on credit		