

Ques-2

what type of pricing strategies is suggested to the newly launched product.

Ans

Pricing strategies tend to change as a product goes through its product life cycle. One stage is particularly challenging, the introductory stage. This is called new-product pricing. When companies bring out the new product, they face the challenge of setting

prices for the very first time.
Two new product pricing strategies are available:
price-skimming and market-penetration pricing.

Price skimming - New product pricing.

The first new product pricing strategy is called price-skimming. It is also referred to as market-skimming pricing. Price skimming calls for setting a high price for a new product to skim maximum revenues layer by layer from those segments willing to pay the high price.

Market penetration pricing - new product pricing.

The opposite new product pricing strategy of price skimming is market penetration pricing. Instead of setting a high initial price to skim off each segment,

Page:

Date: / /

Market penetration pricing refers to setting a low price for a new product to penetrate the market quickly and deeply.