Q.2
Ans

Types of pricing strategy for a newly launced product

i) Penetration Pricing - The price charged for products and services is set artificially low in order to gain market share. Once this is achieved, the price is increased.

ii) Skimming Price - Price skimming sees a company charge a higher price because it has a sustantial competitive adventage. The high price attracts new competitors into the market and the price inevitably falls due to increased supply.

iii) Competition Pricing - Competitive pricing consists of setting the Price at the same level as ones competitors. This method relies on the idea that competitors have already thoroughly worked on their pricing.

iv) Product line Pricing - This approach is used when the marketers wants the consumers to respond on an emotional rather than rational basis.

v) Cost based pricing - this involves setting prices based on the cost for producing, distributing and selling the product.

vi) Optional Product Pricing - Companies will attempt to increase the amount customers spend once they start to by. Optional extras increase the overall price of the product and services.

vii) Premium Pricing - Use a high price where is a unique brand. This approach is used where a substantial competitive advantage exists and the marketer is safe in knowledges that they can charge a relatively higher price.

viii) Bundle Pricing - The act of placing several products or services together in a single package and selling for a lower price than would be charged if the same items were sold separately.