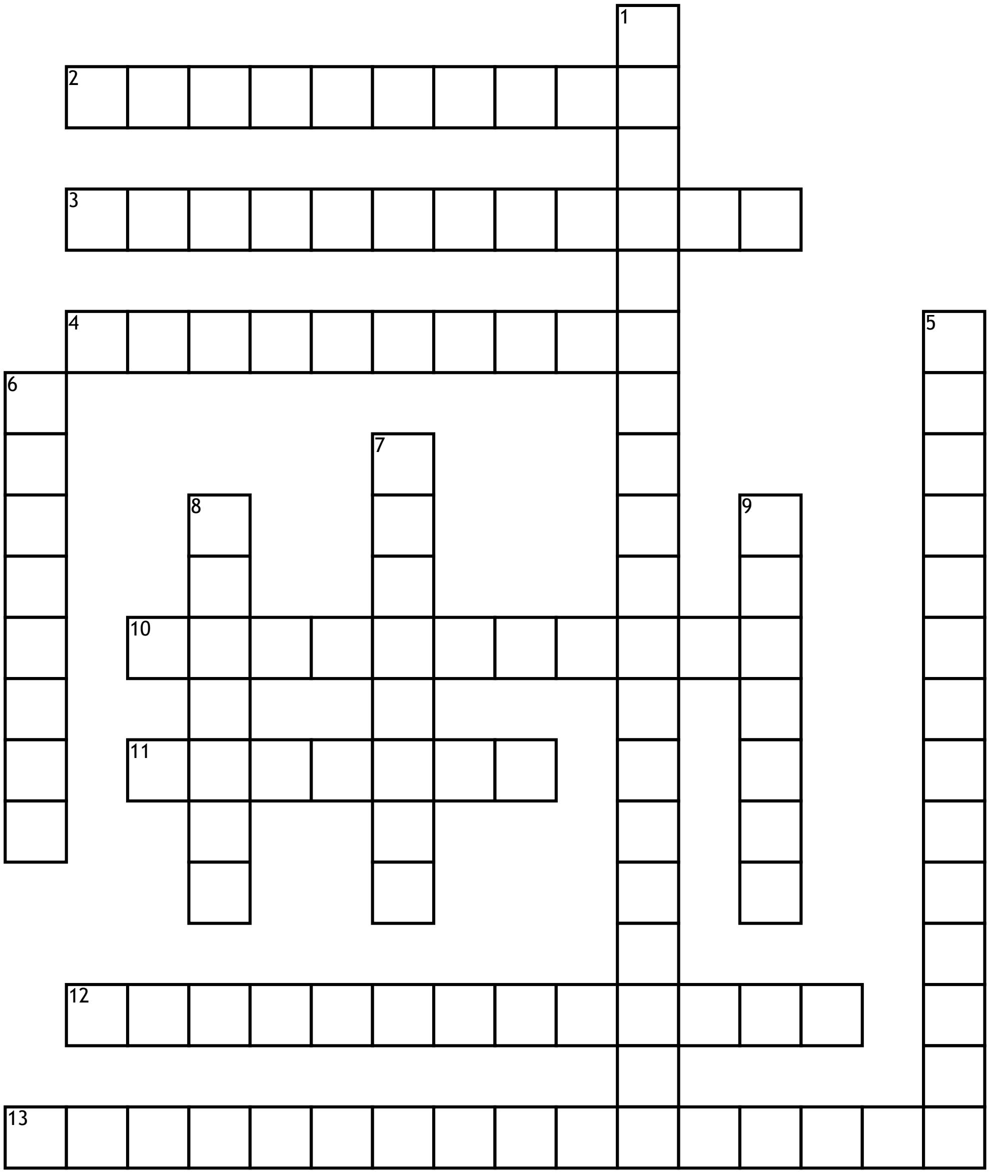
Name: ____ Date: _______

Pricing Strategies



Across

2. A product sold at a low price (at cost or below cost) to stimulate other profitable sales.

3. Price of one product is set high to boost sales of a lower-priced product.

4. Pricing a product based on the perceived value and not on any other factor.

10. Setting the price low in order to attract customers and gain market share. The price will be raised later once this market share is gained.

11. Product is priced higher than competitors, but lower prices are offered on key items or through sales offers.

12. Pricing designed to have a positive psychological impact. For example, selling a product at $3.95 or $3.99, rather than $4.00.

13. Setting the price based on prices of similar competitor products.

Down

1. Setting a different price for the same product in different segments to the market.

5. Setting a price based upon analysis and research compiled from the targeted market.

6. Selling a product at a high price, sacrificing volume of sales in favor of high profit, therefore 'skimming' the market. Commonly used in electronic markets when a new product is introduced.

7. A profit is added to the cost of producing the product; this is the price at which the product is available in the market.

8. Premium pricing is the practice of keeping the price of a product or service artificially high in order to encourage favorable perceptions among buyers, based solely on the price.

9. Prices are adjusted according to a customer's willingness to pay. The airline industry often uses dynamic pricing.