



COURSE UNIT (MODULE) DESCRIPTION

Course unit (module) title	Code
Special Topics in Marketing: Behavioral Pricing	17-01-2022

Lecturer(s)	Department(s) where the course unit (module) is delivered
Coordinator: assist. dr. Indrė Radavičienė Other(s):	Faculty of Economics and Business Administration

Study cycle	Type of the course unit (module)
Second	Compulsory

Mode of delivery	Period when the course unit (module) is delivered	Language(s) of instruction
Classroom/blended/online	Spring semester	English

Requirements for students	
Prerequisites: Marketing (basics), Consumer behaviour (basics)	Additional requirements (if any): Management, Marketing research

Course (module) volume in credits	Total student's workload	Contact hours	Self-study hours
5	130	32	98

Purpose of the course unit (module): programme competences to be developed		
<p>The goal of this course is to develop a comprehensive understanding of how pricing strategies can be developed and executed in a dynamic and competitive global, sustainable, and digital environment. Students will be exposed to the most recent theories and methods, analytical techniques, and current best practices for developing pricing strategies combining with a behavioral or psychological perspective to provide a more realistic understanding of how consumers respond to a companies' pricing decisions.</p> <p>The course develops special abilities directed to apply appropriate statistical methods to analyse marketing and consumer behaviour research data, develop reasonable conclusions, and propose managerial solutions for specific pricing practice (e.g., dynamic pricing, pricing software as service, price promotions, quantity discounts, bundle pricing etc.).</p> <p>The course develops special abilities directed to develop marketing and communication strategy appropriate to the situation and anticipate ways to implement it. Special attention is paid to foreseeing realistic ways of the pricing strategy implementation.</p>		
Learning outcomes of the course unit (module)	Teaching and learning methods	Assessment methods
<p>Will understand and be able to analyse the significance of price in the context of consumer / customer behaviour.</p> <p>Will be able to offer pricing solutions according to marketing strategy and external conditions.</p> <p>Understand the communicative meaning of price in the consumer/customer context.</p> <p>Will be able to apply price management methods depending on the marketing strategy and external environments.</p>	<p>Interactive lectures, discussions, case study, solving tasks, individual studying of the study materials.</p>	<p>Cumulative grade includes the assessment of activeness during seminars, and tests (open-ended and close-ended questions).</p>

Content: breakdown of the topics	Contact hours							Self-study work: time and assignments	
	Lectures	Tutorials	Seminars	Exercises	Laboratory work	Internship/work	Contact hours	Self-study hours	Assignments
1. Understanding customer value: three pricing lenses (economics, customer, competitors)	2						2	10	Literature study, preparation for seminars, exam test.
2. Consumer decision process: Involvement and Visibility and their impact on different pricing decisions	2		2				4	10	Literature study, preparation for seminars, exam test.
3.Differentiating customer value by segment: price differentiation focusing on capturing and transferring customer value. Evaluation of pricing strategies in global markets	4		2				6	14	Literature study, preparation for seminars, exam test.
4.Willingness-to-pay and demand curves: choke price, customer surplus, under-charged customer demand, un-served customer demand	2		2				4	15	Literature study, preparation for seminars, exam test.
5.Value based pricing: price to demand curve. Application: value-based pricing techniques; customer value drivers in B2B context, value-based pricing setting for new products	2						2	10	Literature study, preparation for seminars, exam test.
6.Measuring customer preferences: measurements of customer willingness to pay using models (surveys, conjoint analysis, other data)	4		2				6	17	Literature study, preparation for seminars, exam test.
7.Consumer price perceptions: mental accounting, price framing, gain and loss frames, external and internal reference price, price fairness perception	2		2				4	12	Literature study, preparation for seminars, exam test.
8.Price communication: price presentation techniques, anchoring, price primacy, discounts phenomena, price visualization	4						4	10	Literature study, preparation for seminars, exam test.
Total	22		10				32	98	

Assessment strategy	Weight, %	Deadline	Assessment criteria
Live case building& discussion	40	During the last 3-4 seminars students give the presentation of Live case	<p>The task is to discuss a short case that develops a consumer insight and based on that evaluates a managerial decision. The learning goal is to be able to spot yourself how psychological principles allow you to develop consumer insights and this way inform marketing, pricing decisions.</p> <p>Live case analysis is performed for individual work (1 student). Detailed work requirements are presented in the virtual learning platform (emokymai.vu.lt/en) in the course “Special Topics in Marketing: Pricing”.</p> <p>Live case evaluation strategy:</p> <ol style="list-style-type: none"> 1. A brief description of your chosen brand/product/service (its target, position, and marketing mix elements), if relevant also of the competition – 20% 2. A clear statement describing the managerial decision that you evaluate. The managerial decision has to concern a strategic decision of the pricing 40%

			3. Discussion: this part evaluates the logic behind the decision as you see it, but importantly, also the strengths and weaknesses of the decision and the consumer insight that you assume for both, logic and strengths/weaknesses. The consumer insight is the central part of the analysis. You should also discuss what actionable implications your analysis has for a marketer. For instance, you could propose improvements that address the weaknesses that you have identified. – 40%
Exam Test	60	Exam session	There are 40 closed questions for the exam, each with a value of 1 point. The final assessment of a student's knowledge is the percentage of test, group project and exam assessments. A 10-point scale is applied to the assessment: 90-100% or 10 (excellent); 80-90% or 9 (very good); 70-80% or 8 (good); 60-70% or 7 (average); 50-60% or 6 (low than average); 45-50% or 5 (weak). Less than 45 percent. (unsatisfactory) when minimum requirements: 4, 3, 2, 1.
Strategy of exam retake as an external student: the practical task (Live case analysis & presentation) should be implemented (written project up to 20 pages and its' presentation to the lecturer) and Exam test. In order to get positive final assessment, everyone has to complete mentioned assignment and get at least positive (5 or more) marks.			

Author	Year of publication	Title	Issue of a periodical or volume of a publication	Publishing place and house or web link
Compulsory reading				
Smith G.	2021	Getting Price Right: The Behavioral Economics of Profitable Pricing	978-0231190701	CBS publishing
Haugom E.	2020	Essentials of Pricing Analytics: Tools and Implementation with Excel	978-0367363239	Routledge
Dholakia U.	2019	Priced to Influence, Sell & Satisfy: Lessons from Behavioral Economics for Pricing Success	978-0999186732	Utpal Dholakia
Additional literature				
Diamantstein M.	2020	The age of digital Consumer Behavior	978-1951121426	Shakespeare and Co.
Christopher M. P.	2019	Thirty Essential Secrets of Psychological Pricing: The world's most complete guide to psychological pricing effects and tools	978-1913179038	Quartz Press

Simon H. & Fassnacht M.	2018	Price Management: Strategy, Analysis, Decision, Implementation	978-3319994550	Springer
Husemann-Kopetzky M.	2018	Handbook on the Psychology of Pricing: 100+ effects on persuasion and influence every entrepreneur, marketer and pricing manager needs to know	978-3947897001	Pricing School Press