



COURSE SYLLABUS SUMMARY



STRATEGIC PRICING FOR LONG-TERM SHARED VALUE

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June 6 – June 17 | Monday - Friday (6:00 pm – 9:00 pm)

ON-CAMPUS - PM

DESCRIPTION

Pricing policies have rarely been discussed in depth in business schools, especially because of the difficulty in scientifically determining what price is acceptable to consumers. But in recent years technological advances have managed to overcome this obstacle, and pricing has become more strategic than ever in the shared value equation between the company and its environment.

The course Strategic Dynamic Pricing for Long-term Shared Value focuses on how a firm should set and update pricing decisions in order to better fit customers' willingness-to-pay and thus maximize the value created both for the customers and the company itself.

The objective of the course is to prepare students for addressing strategic and tactical pricing issues across a range of diverse business contexts – goods, services, subscriptions, digital platforms, international activities –.

Dynamic pricing is based on a price discrimination consisting in offering either the same product at different prices (seats on an airline for instance) or similar products at different prices (small, medium, tall cup of coffee at Starbucks for instance!). These sophisticated practices require advanced market segmentation, and some means to discourage discount customers from becoming resellers and, by extension, competitors. The adoption of dynamic pricing has transformed the transportation and hospitality industries, and is increasingly important in retail, telecommunications, entertainment, financial services, health care and manufacturing.

The course establishes robust foundations for effective pricing decisions by teaching key analytical and behavioural concepts associated with costs, customer behaviour and competition. It introduces students to advanced pricing techniques that aim to create long-term shared value, including dynamic pricing, low-cost pricing, customized prices, platforms pricing; and highlights the practical applications of these approaches within a wide array of business contexts.

OBJECTIVES

1. Understanding when, how and why consumers care about prices

We will draw on consumer psychology to understand how consumers perceive, evaluate, and respond to prices. This will help us understand why pricing creates shared value.

2. Learning strategies for maximizing the value of prices both for customers and the company.

The course focuses on the power and limits of price stretching, in different products categories as well as in different countries. The goal is be able to identify pricing opportunities and set revenue optimization decisions.

3. Implement successful pricing strategies

Participants will learn insights and tools that will enable them to understand key pricing concepts including: the impact of constrained capacity, opportunity costs, customer response, demand uncertainty, and market segmentation and revenue optimization.

METHODOLOGY

Teaching methodology emphasizes a practical approach and real-world applications, as well as a focus on best business and industry practices.

This course is taught through a combination of lectures, case studies, readings-based discussions, and team exercises. Student participation in class discussions is encouraged through an interactive online teaching style. Generally speaking, if you read the assigned materials, actively take part in pertinent discussions, listen to others with respect, and communicate your arguments convincingly you will not have any problem. Remember that you are welcome to ask for more information. Simply send me an email.

EVALUATION

In keeping with the course emphasis on rigorous and interactive case-based learning, the grading criteria below focus not only on individual achievement of learning objectives but also on students' performance as part of a team.

The breakdown of the final course grade is the following:

- Individual Assignments: 50%, as follows:
 - a) Final individual exam: 25%
 - b) Class Participation INCLUDING readings: 25%

Every session of the course will involve interaction in the form of a class discussion. I expect each participant to be prepared at all times to comment in any class session. To reinforce this expectation, I may randomly select participants at the beginning of the session to open the class and throughout the ensuing discussion. Class participation is based on three factors:

- Answers to questions about the readings to be prepared for each session including the reading of all the case studies.
- Preparation for the 'current issues in pricing and revenue management' debate taking place at the beginning of each session
- Active participation in the classroom

- Teamwork Assignments: 50%
 - a) Case study 'Hot topic in pricing' analysis, session 6: 25%
 - b) Capstone case study: 25%

The evaluation system can be subject to changes.

PRE-REQUISITES

Marketing Management or Strategic Marketing or Marketing Fundamentals.

Given the uncertainty related to Covid-19, the time schedule and delivery mode of the courses can be subject to changes according to government and institutional regulations.