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COURSE SYLLABUS PROPOSAL

MARKETING THE RIGHT PRICE

Claude Chailan

EM Strasbourg Business School (France)

June 17 - June 29

(9:00 am - 12:00 m)

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DESCRIPTION

The course Dynamic Pricing and Revenue Management focuses on how a firm should set and update pricing and product availability decisions in order to maximize its profitability.

The adoption of Dynamic Pricing and Revenue Management has transformed the transportation and hospitality industries, and is increasingly important in retail, telecommunications, entertainment, financial services, health care and manufacturing.

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). These sophisticated marketing practices require advanced market segmentation, and some means to discourage discount customers from becoming resellers and, by extension, competitors.

Revenue Management derives its justification in a segmentation based on the purchasing power of consumers, their specific characteristics as regards price elasticity, and time sensitivity.

The main objective of Revenue Management is the adjustment by the price, i.e. managing the quantitative supply allocated to each segment according to its price sensitivity through simultaneous action on tariffs and available capacity.

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 value, both for the consumer and for the firm.
2. Learning strategies for maximizing the value of prices.
The course focuses on the power and limits of brand 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

This course is taught through a combination of readings, lectures, case studies, discussions, and individual and team exercise. Teaching methodology emphasizes a practical approach and real-world applications, as well as a focus on best business and industry practices.

Students will be expected to display satisfactory analytical and problem-solving skills, and to present subject matter in novel ways depending on the application of these skills.

The course is split in 10 sessions.

A team-based workshop takes place at each session and a discussion on the Day's Readings as well. One of the teams will be asked to lead the debate after the preparation, ensure key issues are discussed, moderate the discussion between teams, ensure all teams participate and make sure the timing is respected. This approach called Workshop Leadership serves as a basis for teamwork assessment.

EVALUATION

Teamwork Assignments:	50%
Case study:	25%
Workshop Leadership:	25%
Individual Assignments:	50%
Final exam:	25%
Class Participation:	25%

PRE-REQUISITES

Any classical course in marketing (Marketing Management, Operational Marketing ...) or in corporate strategy is welcomed although NOT mandatory.