

MARKETERS AT WORK

Assume you work for a major cereal manufacturer. You plan to adopt a strategy similar to Wheaties, but for either the music or entertainment industry.

Which industry do you choose? Music or entertainment? Why?



Which cereal will you market with endorsers from that industry? Why?

Who will you choose for endorsers? Why?

Produkt
Prise
Plase
Promo



JUSTIN

THE ECONOMICS OF PRICING



The relationship between the quantity of a product that consumers are _____ to purchase is the _____

The relationship between the quantity of products that producers are willing and able to provide and its price is the _____

A balancing act between what producers make and what consumers want?????????

LAW OF SUPPLY AND DEMAND

Law of Demand:

If customers _____
 If it's a _____ product
 If its readily _____

P	Q _d
\$120	0
\$120	5
\$105	10
\$90	15
\$75	20
\$60	25
\$45	30
\$30	35

When Price is _____, Demand is _____

OR

When Price is _____, Demand is _____

LAW OF SUPPLY AND DEMAND

Law of Supply

Producers are in business to make a _____
 They are willing to invest _____

P	Q _s
\$1.00	0
\$1.50	5
\$2.00	10
\$2.50	15
\$3.00	20
\$3.50	25
\$4.00	30

When Price is _____, Supply is _____

OR

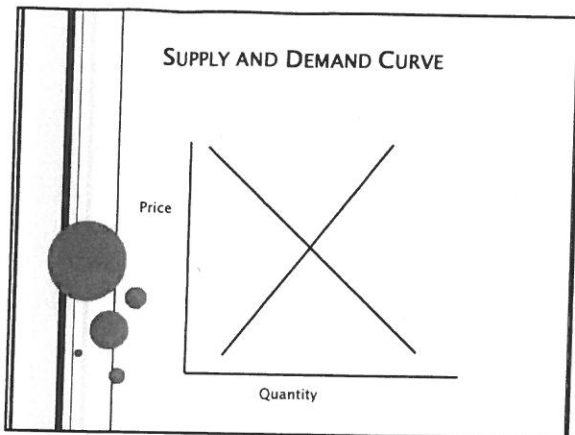
When Price is _____, Supply is _____

SCARCITY

Consumers have limited money to spend on sports and entertainment

Producers are limited resources to use in production

Both producers and consumers deal with the problem of scarcity . . . But for different reasons




RELATE IT . . .

Choose a popular rock concert.

Relate the terms of supply and demand to the factors associated with the pricing of the concert tickets.


The image shows a black and white silhouette of a crowd of people at a concert. Many people have their arms raised in the air, and there are bright light beams or spotlights shining down on the crowd from above.

GOVERNMENT INFLUENCES ON PRICING

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o Encouraged competition with antitrust laws

o Why is competition encouraged?


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o To encourage or discourage

o What do we know about cigarette and alcohol taxes?

o What about the taxation to encourage production?

GOVERNMENT INFLUENCES ON PRICING
ILLEGAL PRICING

Price Fixing 

Bait 'n Switch 

Price Discrimination

