

Chapter 25 Price Planning

Section 25.1 Price Planning Issues

Section Outline with Content and Academic Vocabulary

Section Outline

What Is Price?

Relationship of Product Value

Various Forms of Price

Importance of Price

Goals of Pricing

Earning a Profit

Gaining Market Share

Market Position

Improving Market Share and Market Position

Meeting the Competition

Content Vocabulary

price The value in money or its equivalent placed on a good or service. (p. 585)

return on investment (ROI) A calculation that is used to determine the relative profitability of a product. (p. 587)

market share A company's percentage of the total sales volume generated by all companies that compete in a given market (p. 588)

market position The relative standing a competitor has in a given market in comparison to its other competitors. (p. 588)

Academic Vocabulary

labor Productive work (especially physical work done for wages). (p. 585)

strategy An elaborate and systematic plan of action. (p. 586)