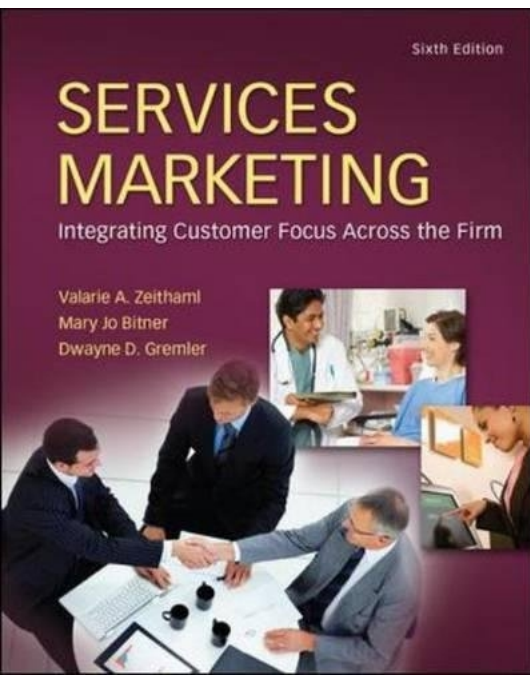


Services Marketing

Mamurjon Rahimov
mrahimov@wiut.uz
mamurjon@gmail.com

Pricing of Services (Chapter 15)



Some Services Which Help with Getting Best Prices



Key Characteristics of Service Pricing

- Customer Knowledge of Service Prices.
- Service Variability Limits Knowledge.
- Providers are unwilling to estimate prices.
- Individual customer needs vary.
- Lack of reference point and price visibility.



Nonmonetary Costs

- Time Costs
- Search Costs
- Convenience Costs
- Psychological Costs



Approaches to Pricing

Cost-Based Pricing (lawyer labour-based services, etc.)



Approaches to Pricing

Competition-Based Pricing (airlines, car rentals, etc.)



Approaches to Pricing

Demand-Based Pricing (cinemas, parks, etc.)



Demand Based Pricing - Value

- Value is low price.
- Value is whatever I want in a Product or Service.
- Value is the quality I get for the price I pay.
- Value is what I get for what I give.



Value is Low Price.



DISCOUNTING



ODD PRICING



SYNCHRO
PRICING



PENETRATION
PRICING

Discounting



Odd Pricing

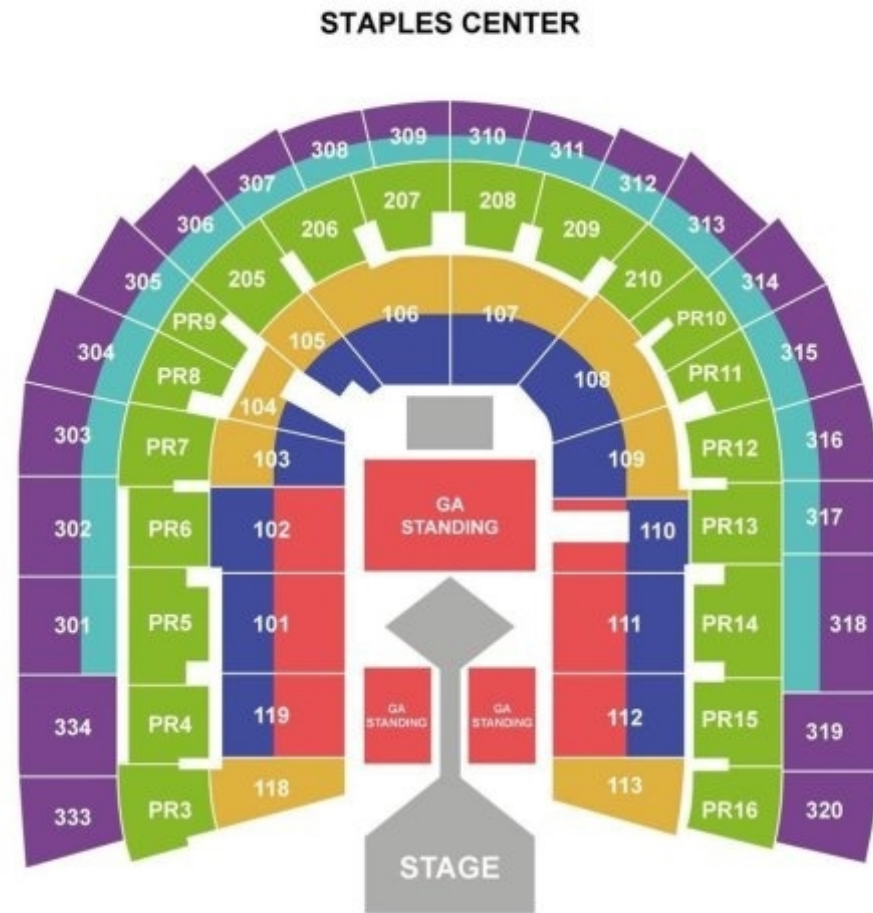


Synchro-Pricing defined

Synchro-pricing: It is the use of price to manage demand for a service or product by capitalizing on customer sensitivity to price.



A type of Synchro-Pricing: Place Differentials



■ P1 : \$250 ■ P2 : \$220 ■ P3 : \$180 ■ P4 : \$140 ■ P5 : \$100 ■ P6 : \$60

ADDITIONAL FEE MAY APPLY.

A type of Synchro-Pricing: Time Differentials



A type of Synchro-Pricing: Quantity Differentials



Which family memberships are worth it?

Value is Everything I Want in a Service.



PRESTIGE PRICING



SKIMMING PRICING

Prestige Pricing



Skimming Pricing



Value is the Quality I Get for the Price I Pay.



VALUE PRICING



MARKET SEGMENTATION
PRICING

Value Pricing



Three red squares

ЛАНЧБОКС

5^{3A} 25000^{СУМ}

Чизбургер, 2 крыла, картофель фри малый, Соса-Сола 0,3л, соус на выбор

The advertisement features a KFC Lunch Box meal. It includes a cheeseburger with a fried chicken patty, a small portion of french fries, two pieces of fried chicken wings, a 0.3L soft drink in a red Coca-Cola cup, and a small white bowl of red sauce. The meal is presented on a wooden table against a background of autumn foliage. The KFC logo is visible on the fries container.

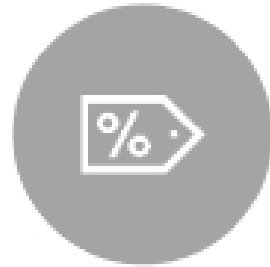
Market Segmentation Pricing



Value is the All That I Get for All That I Give.



PRICE FRAMING



PRICE BUNDLING



COMPLEMENTARY
PRICING – CAPTIVE, TWO
PART, LOSS LEADERSHIP



RESULTS BASED PRICING

Price Framing

Groupon
Collective Buying Power

Visit More Cities • Get Daily Groupon Alerts • Refer Friends, Get \$10 • Contact Us

Daily Deals on the Best in
Dallas

Total dollars saved
\$28,560,798

Total Groupons bought
630,567

Today's Deal • Recent Deals • How Groupon Works • Discussion

Connect • Sign in

Share This Deal: Facebook • Tweet • Quick! Email a friend!

Today's Deal: \$10 for \$20 Worth of Quesa-D-Ya's at Quesa-D-Ya's

\$10 Buy!

Value	Discount	You Save
\$20	50%	\$10

Time Left To Buy
2 days
12 hours
21 minutes

203 bought

The deal is on!
Tipped at 7:21AM with 20 bought

QUESA-D-YA'S
PREPARED FRESH. DELIVERED FAST.

The Fine Print
Expires 05/03/2010
2 per person, 1 per order. Tax & gratuity not included. Delivery available for additional \$1.25 not covered by Groupon. No cash back.

Highlights

- Best Take Out in 2008 by Dallas Observer
- Choose from a variety of stuffings and recipes

Discuss the Deal

I have heard great things about this place since it... more

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4 comments

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Complementary Pricing



Results-Based Pricing



How to Find the Best
Personal Injury Attorney Near Me?

References:

- **Textbook:** Zeithaml, Valarie, Mary Jo Bitner, and Dwayne Gremler (2013), **Services Marketing** 6th International Edition, Irwin/McGraw-Hill Publishing. (Other editions will also work, but you are responsible to compare your edition to the 6th - because the syllabus was written for the 6th edition.)
- Printed cases will be provided each week and also will be posted on the Module Intranet page prior to seminars.

**THANK YOU FOR YOUR
ATTENTION!**



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