COURSE OBJECTIVES:

The course focuses on the strategy and tactics of pricing, with an emphasis on revenue management. Students will learn how to develop pricing strategies that account for changing customer demand, differences across customer segments and markets, competitive pricing strategies, and the role of pricing in loyalty programs, managing product inventory, and price-quality relationships. Students will use analytic tools to apply course concepts to revenue management. This course is directed at students preparing for positions in product and brand management, digital analytics, and consulting.

The goal of this course is to give you an in-depth exposure to the strategy and tactics of pricing. The materials to be used in this course are designed to provide you with a comprehensive guide to making a pricing decision for a product or service. The course will have a marketing focus while drawing on theoretical principles and concepts from economics and psychology.

OPTIONAL COURSE MATERIALS:

Listed below are five textbooks that will significantly add to your learning experience in the course and enable you to become the pricing “go-to person” in your organization should you be interested in seeking (and then accepting) that role. Please consider purchasing them from your preferred online bookstore.
Thomas T. Nagle and Georg Muller (2018)
Routledge – Highly Recommended

Utpal Dholakia (2017)
_How to Price Effectively: A Guide for Managers and Entrepreneurs_
Author Published – Recommended

Reed K. Holden and Mark R. Burton (2008)
_Pricing with Confidence: 10 Ways to Stop Leaving Money on the Table (1st edition)_
Wiley – Recommended

Julie M. Meehan, Michael G. Simonetto, Larry Montan, Jr. and Christopher A. Goodin (2011)
Wiley – Recommended

Tim J. Smith (2012)
_Pricing Strategy: Setting Price Levels, Managing Price Discounts, & Establishing Price Structures (1st edition)_
South-Western – Recommended

REQUIRED COURSE MATERIALS:

**Harvard Business Publishing Course Pack on Pricing Strategy**

The Harvard Business Publishing Course Pack on Pricing Strategy has to be purchased from Harvard Business Publishing (HBP) through the web link shown below for an estimated investment of $24.00. If you have not previously purchased course materials from HBP, you will need to register with them before you can complete your purchase.

Register and Purchase the Course Pack on Pricing Strategy at the following web link:

[https://hbsp.harvard.edu/import/649967](https://hbsp.harvard.edu/import/649967)

*Please complete your purchase by 5:00pm on August 30, 2019*

**Mini Cases:**

Mini cases depicting pricing practices that have recently been reported in the Wall Street Journal in the preceding two years will be used to supplement the above course materials. The 14 mini cases that are being used in the course are listed below.

Airline Pricing
Pricing SUV’s & Pickup Trucks
Wireless Carriers Pricing
Pricing Smartphones
Pricing Consumer Brands
Pricing Rewards & Loyalty Credit Cards
Pricing Luxury Fashion Accessories
Pricing Wine
Pricing High Performance Cars
Traditional Retail Store Pricing
Online Store Pricing
Pricing Groceries
Food Delivery & Meal Kit Pricing
Pricing Pay TV & Streaming Services

The mini cases have been posted on our HuskyCT course website as PDF files. Thus, there are 14 separate PDF files posted on HuskyCT corresponding to the 14 mini cases listed above.

To keep up-to-date on future developments relating to pricing, I would encourage you subscribe to the Wall Street Journal. As a UConn business student you have free access to all WSJ digital products and can activate your subscription at the following web link using your UConn NetID credentials.

https://wsj.business.uconn.edu/

COURSE ASSIGNMENTS:

Mini Case Presentations: Each student will present and act as a discussion leader on a pre-assigned mini case that depicts pricing practices and scenarios that have been reported in the business press. The mini cases have been posted on our HuskyCT course website as PDF files. Thus, there are 14 separate PDF files posted on HuskyCT corresponding to the 14 scheduled mini case presentations listed in the “Schedule of Activities” section of the syllabus.

Mini cases will be assigned to students on a first-come, first-served basis. Please sign-up for your Mini Case Presentation using the discussion board that has been set up for this purpose on our HuskyCT course website at your earliest convenience and no later than 8:00pm on August 30, 2019. While signing-up for your mini case presentation, please make sure that it has not been already selected by another student.

[Deliverable: An 8-12 PPT slide presentation to be made in class in about 12-16 minutes on the day a particular mini case is scheduled to be presented and discussed in class. Please provide me with a printed copy of your slides immediately prior to your presentation and send me an electronic copy after it is over]

Video Presentation: The assignment involves showing a pre-assigned pricing related video (typically 4-5 minutes in length) from the Wall Street Journal to the class and acting as a
discussion leader after it has been viewed. The videos and the web links through which they may accessed are listed at the end of this syllabus.

Please sign-up for your Video Presentation using the discussion board that has been set up for this purpose on our HuskyCT course website at your earliest convenience and no later than 8:00pm on August 30, 2019. While signing-up for your video presentation, please make sure that it has not been already selected by another student.

[Deliverable: A 2 page write-up (double-spaced using a 12 point font) summarizing the content of the video and a brief commentary on the ensuing class discussion sent to me electronically within 48 hours of your presentation]

**Special Pricing Topic Research Assignment:** Each student will research a special pricing topic from the list below and then prepare a PPT presentation slide deck based on that research. Please note that the assignment does not involve making a presentation—only the preparation of a slide deck that you will (hopefully) deliver to an audience of your choice (possibly at your workplace) on your own time and at your own discretion after the conclusion of the course.

Using Pricing Analytics  
Measuring Price Sensitivity  
Revenue Optimization Basics  
Understanding Yield Management  
Designing Price Bundles  
Practicing Price Versioning  
Dynamic Pricing Principles  
Using Pricing Software

[Deliverable: A 12-16 slide PPT slide deck to be sent to me electronically as a single PPT file by 11:00 pm on October 15, 2019]

**Pricing Simulation:** Each student will play a web-based pricing simulation that is intended to provide a real-world learning experience on how to make pricing decisions in in a mature industry while managing costs and being responsive to competitive conditions.

The simulation has three scenarios labeled Scenario’s A (Introductory), B (Intermediate) and C (Advanced). You will only play Scenario’s B (Intermediate) and C (Advanced), while skipping Scenario A (Introductory). For each of these two scenarios you are required to make a minimum of ten runs and limited to a maximum of twenty runs.

[Deliverable: A 3-5 page double-spaced WORD document that reports on the highest cumulative level of profit you attained during Scenario B and Scenario C and an accompanying narrative description of the rationale for the decisions you made while each of these scenarios were in play. Please send me your report electronically by 11:00 pm on October 7, 2019]
Class Participation (individual-based): Due to the intensive nature of the course, you are expected to attend all classes and actively engage in all in-class activities and discussions. A portion of your class participation grade will be based on unannounced in-class assignments. There will be no opportunity to make-up for the grade assigned to an unannounced in-class assignment if you miss it.

EVALUATION:

The evaluation system is designed to encourage advance reading of all assigned material, regular attendance in class, well prepared presentations using attention-getting visuals, active participation in class discussions, and the timely completion of all course assignments (described in the previous section). Due to the intensive nature of the course, you are expected to attend all classes and actively engage in all in-class activities.

Missing class or being consistently late for class could adversely affect your class participation grade. To compensate for such absence or tardiness (and in the interest of fairness to your classmates who attend class regularly and are on time) you may be required to complete additional course assignments at the discretion of the instructor.

GRADING:

The above activities shall be weighted as follows in determining your course grade:

<table>
<thead>
<tr>
<th>Activity</th>
<th>Weight</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mini Case Presentation</td>
<td>20%</td>
</tr>
<tr>
<td>Video Presentation</td>
<td>10%</td>
</tr>
<tr>
<td>Pricing Simulation (Scenario B performance)</td>
<td>15%</td>
</tr>
<tr>
<td>Pricing Simulation (Scenario C performance)</td>
<td>20%</td>
</tr>
<tr>
<td>Special Pricing Topic Research Assignment</td>
<td>20%</td>
</tr>
<tr>
<td>Class Participation</td>
<td>15%</td>
</tr>
</tbody>
</table>

Letter grades will not be assigned to individual course components, because it would not be meaningful to do so (note: no mathematical operations can be performed on alphabetical symbols). Instead, numerical scores will be assigned to each component. The numerical scores for each component will typically range from a high of 89-95 (denotes A level work) to a low of 80-86 (denotes B level work).

The numerical scores for each component will be summed (based on the above component weights) to calculate an overall numerical score. Next, a frequency distribution of the overall numerical scores for the class will be computed and students will be given an overall class rank.
The course grade (i.e., letter grade) will then be based on the individual student’s class rank, numerical score and the statistical properties (i.e., mean, min, max, standard deviation) of the frequency distribution of numerical scores for the class.

SCHEDULE OF ACTIVITIES:

Please note that the schedule below is subject to change at the discretion of the instructor and the consent of students affected by the change. The reason for any potential changes would be (a) better sequencing of course topics, and (b) more effective use of class time. Hence, it is possible that an activity scheduled for a particular session gets re-scheduled to a later time.

Key:
L=Lecture  
MC=Mini Case Presentation  
SM=Simulation  
WSJ=WSJ Video Presentation

Aug 30 (Evening Session)

Introduction to the course

L: Strategic Pricing  
L: Costs  
L: Financial Analysis  

Dinner Break (approx. at 6:25pm for 20 minutes)

Aug 31 (Morning Session)

9:00am – 9:30am In-Class time for preparing/reading mini cases

L: Value Creation & Price Sensitivity  
L: Price Structure & Price Segmentation  

Lunch Break (approx. at 12 noon for 1 hour)

Aug 31 (Afternoon Session)

L: Competition

SM: Introduction to the Universal Rental Car simulation exercise. Scenario B (Intermediate Phase) opens for play
MC: Airline Pricing
MC: Pricing SUV’s & Pickup Trucks

WSJ: Four Things You Need To Know Before Buying Your Next Airline Ticket
WSJ: Tesla Reveals Model Y: Elon Musk’s Big Bet on Electric SUV

Sep 13 (Evening Session)

MC: Wireless Carriers Pricing
MC: Pricing Smartphones

WSJ: How About a Slightly Smart Phone?
WSJ: Five Myths About 5G Debunked

Dinner Break (approx. at 6:25pm for 20 minutes)

Sep 14 (Morning Session)

9:00am – 9:30am In-Class time for preparing/reading mini cases

L: Value Comm. & Pricing Psychology

MC: Pricing Luxury Fashion Accessories
MC: Pricing Wine

WSJ: Affluent Shoppers Want Luxury Bargains
WSJ: Five Ways the Beer Industry is Trying to Bounce Back

Lunch Break (approx. at 12 noon for 1 hour)

Sep 14 (Afternoon Session)

L: Pricing in the Marketing Mix
& Pricing over the Product Life Cycle

MC: Pricing Rewards & Loyalty Credit Cards
MC: Pricing High Performance Cars

WSJ: The Best Credit Card Perk You Don’t Know About
WSJ: Ferrari Peels Back the Canopy on Its ‘Affordable’ Portofino Convertible

Sept 21 (No In-Class Session)

SM: Introduction to the Universal Rental Car simulation exercise. Scenario B (Intermediate
Phase) **closes** for play at 5:00pm and Scenario C (Advanced Phase) **opens** for play at 7:00pm

**Sep 27 (Evening Session)**

MC: Traditional Retail Store Pricing  
MC: Online Store Pricing

WSJ: The Downfall of Sears Told From the Inside (edited)  
WSJ: Why is J. Crew Faltering?

Dinner Break (approx. at 6:25pm for 20-25 minutes)

**Sep 28 (Morning Session)**

L: Pricing Policy  
L: Price Level

MC: Pricing Groceries  
MC: Food Delivery & Meal Kit Pricing

WSJ: How Changing Consumer Tastes Are Shaking Up the Food…  
WSJ: Why Food Delivery Apps Could Leave Restaurants Footing the Bill

Lunch Break (approx. at 12 noon for 1 hour)

**Sep 28 (Afternoon Session)**

L: Ethics & the Law

MC: Pricing Consumer Brands  
MC: Pricing Pay TV & Streaming Services

WSJ: Cutting Cable: Often Smarter, Not Always Cheaper  
WSJ: How to Find the Perfect Streaming Music Service

Special Pricing Research Topic work-in-progress presentations

Discussion of the Simulation Exercise Assignment

SM: Designated In-Class time for working on Universal Rental Car simulation exercise.

Course Evaluations (official UCONN and on [www.ratemyprofessors.com](http://www.ratemyprofessors.com))
COURSE POLICIES:

**Special Needs:** If you are a student who needs academic accommodations due to a disability or for a religious observance, please contact me at your earliest convenience so that appropriate accommodations can be made.

**Professional Integrity:** Students in this course are expected to abide by the highest standards of ethics and personal integrity, and to adhere to all university policies regarding academic honesty. Academic misconduct can result in a failing grade for the course. A student who knowingly assists another student in committing an act of academic misconduct shall be equally accountable for the violation. Issues of academic misconduct are covered in The Student Code, Part IV: Student Conduct Policies and in Appendix A. (see [http://community.uconn.edu/the-student-code/](http://community.uconn.edu/the-student-code/))

**Intellectual Property Protections:** Many of the course materials posted on HuskyCT are protected by US copyright laws. Presentations made by student teams in class and posted on HuskyCT have the same protection. Please protect the intellectual property (IP) of others just as you would like your own IP to be protected.

**Conflict with Course Dates:** You may not concurrently enroll in any other course for which there is a conflict with the scheduled course dates for this course. You may not enroll in the course if you are participating in a university event (e.g., a case competition) or work assignment (e.g., a business trip) or personal event (e.g., a wedding) that requires you to miss multiple class sessions (defined as more than three hours of in-class instruction).

**Course Communications:** Important course announcements will be sent your official UConn (i.e., PeopleSoft) e-mail address only. You are expected to comply with the instructions in these announcements in a timely manner.

**Use of Laptops and Mobile Devices:** Please bring a laptop to all in-class sessions as you will be needing it to work on the Simulation. The use of mobile devices while class is in session is not permitted. If you have to immediately attend to an important message, please exit the classroom to do so.
DETAILS ON THE MINI CASE PRESENTATIONS

The purpose of the mini case presentations is to attempt to relate theoretical pricing concepts to the pricing practices of firms or organizations. The mini cases are based on news reports that have appeared in the Wall Street Journal in the preceding two years. The typical mini case presentation should evaluate the soundness of a particular pricing strategy and provide a basis for discussion that enables the rest of the class to do the same.

Since our analysis is *post-hoc*, and with the benefit of hindsight, there is no assurance that the company or organization used a similar analysis (or any analysis at all). The typical mini-case presentation should use 8-12 PPT slides and be of 12-16 minutes duration.

**Optional content:** please consider including an extra slide in your mini case presentation to introduce yourself to your classmates. What you include in your “introduction slide” is up to you, but students typically include photos (travel, family, pets), logos and insignia (colleges attended, favorite sports teams, companies worked for) and anything else that identifies them as a person (hobbies, non-profit affiliations, favorite social causes).

Mini cases will be assigned to students on a first-come, first-served basis. Please sign-up for your Mini Case Presentation using the discussion board that has been set up for this purpose on our HuskyCT course website *at your earliest convenience and no later than 8:00pm on August 30, 2019*. While signing-up for your mini case presentation, please make sure that it has not been already selected by another student.

[Deliverable: An 8-12 PPT slide presentation to be made in class in about 12-16 minutes on the day a particular mini case is scheduled to be presented and discussed in class. Please provide me with a printed copy of your slides immediately prior to your presentation and send me an electronic copy after it is over. Exclude the “introduction slide” (if you opt to use one) from both documents for privacy reasons]

**GRADING CRITERIA:**

While making your mini case presentation, attempt to relate the pricing practices and examples depicted in the mini case to theories and concepts being covered in the course. Feel free to consult with the instructor if you are unsure about which theoretical concepts apply to your case. Draw attention to the key facts and examples mentioned in the articles using *attention-getting visuals*. Highlight the pricing practices in the mini-case mentioned that you believe would stimulate class discussion.

(negative points for presentations that have a poorly defined scope, do not maintain a logical flow through the entire presentation, are disjointed and unfocussed, and are mainly text)
DETAILS ON THE PRICING SIMULATION

The purpose of the simulation is to apply pricing concepts to a real-world scenario that involves making multi-period pricing decisions. The concepts explored in the simulation are: nature and dynamics of consumer response to price (i.e., price elasticities); importance of understanding differences across customer segments; importance of understanding differences across geographic markets (heterogeneity of demand); importance of accounting for competitive response; impact of price on overall marketplace demand; impact of general economic conditions on the demand function; economics of pricing decisions; and the role of pricing in managing product inventory (e.g., managing excess demand and stock-outs).

The web-based (asynchronous) simulation presents a context in which you develop a pricing strategy for improving performance of a rental car operation in Florida. The simulation involves three regions--Orlando, Tampa, and Miami--which vary in size, market dynamics, and customer mix. The focus is competition between two car rental companies. Each run of the simulation lasts for 12 simulated months. You set weekday and weekend rental prices for each region for each period (a simulated month) and make fleet capacity decisions at several points during the 12 simulated months, which taken together constitute one run of the simulation. Each run of the simulation is independent of the runs that either precede it or follow it.

The simulation has three scenarios labeled Scenario’s A (Introductory), B (Intermediate) and C (Advanced). You will only play Scenario’s B (Intermediate) and C (Advanced), while skipping Scenario A (Introductory). For each of these two scenarios you are required to make a minimum of ten runs and limited to a maximum of twenty runs.

Important Notes: Please note that Scenario B will be play from August 31 (afternoon session) to September 21 (5:00pm), while Scenario C will be play from September 21 (7:00pm) to October 7 (11:00pm).
[Deliverable: A 3-5 page double-spaced WORD document that reports on the highest cumulative level of profit you attained during Scenario B and Scenario C and an accompanying narrative description of the rationale for the decisions you made while each of these scenarios were in play. Please send me your report electronically by 11:00 pm on October 7, 2019]

GRADING CRITERIA:

You performance in Scenario B and Scenario C will be assessed separately. For both Scenario B and Scenario C you will be evaluated on the highest cumulative profit level attained (50 percent weight) and the accompanying narrative description (50 percent weight) that provides a brief rationale for the decision you made while these scenarios were in play.
DETAILS ON THE SPECIAL PRICING TOPIC RESEARCH ASSIGNMENT

The purpose of the special pricing topic research assignment is to enable you to develop high-level expertise in a particular pricing topic (see list below) that goes significantly beyond the pricing concepts and practices covered in the course. As indicated earlier, the assignment involves the preparation of a PPT slide deck for delivery to an audience of your choice after the course is over, on your own time and at your own discretion. Use the Notes feature in PPT to elaborate on slide content and as a memory aid for your use when you deliver the presentation.

Using Pricing Analytics
Measuring Price Sensitivity
Revenue Optimization Basics
Understanding Yield Management
Designing Price Bundles
Practicing Price Versioning
Dynamic Pricing Principles
Using Pricing Software

The assignment involves extensively researching the special pricing topic that you have selected and developing a presentation that starts with course content relating to the topic but goes well beyond such coverage by building on such content. The objective is to develop special knowledge on the topic of your choice. Stay focused in your coverage of the topic and feel free to restrict the scope of your research as appropriate (more depth, less breadth). Develop appropriate titles and sub-titles for your attention getting slides so that it is well organized and each slide is logically connected to those adjacent to it and to the overall theme of the presentation. Make liberal use of infographics and pictures to capture the attention of your intended audience.

[Deliverable: A 12-16 slide PPT slide deck to be sent to me electronically as a single PPT file by 11:00 pm on October 15, 2019]

GRADING CRITERIA:

Demonstration of expertise on the topic selected that extends well beyond coverage of the topic during the class lectures and discussions. Clear definition of the scope of the presentation (i.e., what is included, what is excluded) Proper balance between depth and breadth of coverage of the topic. Good use of product and industry examples to illustrate key points in the presentation slide deck. Appropriate use of attention-getting visuals (infographics, pictures).

(negative points for presentation slide decks that have a poorly defined scope, do not maintain a logical flow through the entire presentation, are disjointed and unfocussed, and are mainly text)
PRICING-RELATED VIDEOS AVAILABLE FOR PRESENTATION

The videos listed below can be accessed through the Wall Street Journal website (WSJ.com) or through YouTube. Please check with the instructor if you have difficulty accessing a particular video that you are interested in viewing and presenting to the class.

Four Things You Need To Know Before Buying Your Next Airline Ticket
Tesla Reveals Model Y: Elon Musk’s Big Bet on Electric SUV
How About a Slightly Smart Phone?
Five Myths About 5G Debunked
The Best Credit Card Perk You Don't Know About
Affluent Shoppers Want Luxury Bargains
Five Ways the Beer Industry is Trying to Bounce Back
Ferrari Peels Back the Canopy on Its ‘Affordable’ Portofino Convertible
The Downfall of Sears Told From the Inside (edited)
Why is J. Crew Faltering?
How Changing Consumer Tastes Are Shaking Up the Food…
Why Food Delivery Apps Could Leave Restaurants Footing the Bill
Cutting Cable: Often Smarter, Not Always Cheaper
How to Find the Perfect Streaming Music Service

Please sign-up for your Video Presentation using the discussion board that has been set up for this purpose on our HuskyCT course website at your earliest convenience and no later than 8:00pm on Aug 30, 2019. While signing-up for your video presentation, please make sure that it has not been already selected by another student.

[Deliverable: A 2 page write-up (double-spaced using a 12 point font) summarizing the content of the video and a brief commentary on the ensuing class discussion sent to me electronically within 48 hours of your presentation]
Warm-up Pricing Quiz

1. In Pricing your product, the single largest factor you consider is:
   a. The cost to manufacture the product;
   b. The cost to develop, manufacture, market, sell and distribute the product;
   c. The value of the product to the customers;
   d. None of the above.

2. When your product comes under competitive price pressure, the best tactic is to:
   a. Match the competitive price;
   b. Drop below the competitive price to discourage future competition;
   c. Differentiate the product and raise the price;
   d. None of the above.

3. The impact of a price change, up or down, on the bottom line is:
   a. The full value of the price change;
   b. The difference between the full value of the price change and the marginal cost of manufacture;
   c. The difference between the full value of the price change and the full cost of manufacture;
   d. None of the above.

4. Price Reductions can always be recovered through increases in volume:
   a. True;
   b. False.

5. Pricing is best managed by:
   a. Sales people;
   b. V.P. Sales and Marketing;
   c. President;
   d. None of the above.

6. Price is most accurately described as:
   a. The cost of making your product and getting it to your customer plus a fair return to your stakeholders;
   b. Cost plus a markup acceptable to management;
   c. The definitive statement about the worth of your product;
   d. The preferred strategy by which to manage the competitive environment;
   e. All of the above.

7. Your price is unfair when:
   a. Never;
   b. You charge more than the antitrust laws define as fair;
   c. You win the order even though you are not the low bidder;
d. Your customer complains that he cannot buy your product anywhere else;
e. All of the above.
8. When technologists take their technology to market they generally undervalue their product:
   a. True;
   b. False.

9. You have a legal right to sell to whomever you want at whatever price you want:
   a. True;
   b. False.

10. You have priced your product properly when the only thing you leave on the table is:
    a. Volume discounts;
    b. Cost reduction promises;
    c. Inflation-indexed pricing;
    d. Performance guarantees;
    e. Fingerprints.