


What are the 4 pricing strategies  
you need to revise for your exam?

Competitive Pricing  
Psychological Pricing  
Price Penetration  
Price Skimming





What are the 6 advertising methods  
you need to revise for your exam?

Leaflets

Social Media

Radio

Newspapers


Magazines

Websites



A business ends all prices in 99p.  
What strategy are they using?

Psychological Pricing



**When businesses decide on a selling price for a product, what do they usually consider?**

Income levels of target customers

Prices of competitors' products

How much the product cost to make



# Give two examples of Sales Promotion Techniques businesses could use...

Discounts

Competitions

Buy one get one free offers

Point of Sale Advertising

Free gifts

Product Trials

Loyalty Schemes


A business always prices new products high and then lowers the price at a later date. What strategy are they using?

Price Skimming



# What is an advantage of using Price Penetration?

Businesses can have some control  
over changing customers' regular  
buying habits



# What is an advantage of using magazines to advertise?

Easy to aim adverts at particular target customer groups

Often kept or passed on by customers so more people see the adverts





What is an advantage of using leaflets to advertise?

They are cheap to make


Customers can keep them for future reference





What types of products are  
loyalty schemes suitable for?

Products that people buy  
frequently, like coffee



A business prices their new product low to get customers used to buying it. They increase it in a few months. What strategy are they using?

Price Penetration



What is an advantage of using  
Price Skimming?

The business makes high revenue  
when the product is launched





In what ways can a business  
offer Customer Service?

Good Product Knowledge  
Customer Engagement  
After sales service



# What is a disadvantage of using Buy One Get One Free Offers?

The business has to give a product away with every purchase / can be expensive for businesses to offer



What is an advantage of using  
Social Media to advertise?

Often cheap

Can target specific groups of  
people





What is an advantage of using  
psychological pricing?

Makes the products appear  
cheaper







What is a disadvantage of using magazines to advertise?

Can be expensive to advertise

Adverts can easily be missed in large magazines





What is a disadvantage of using psychological pricing?

Is less effective if overused





# What is a disadvantage of using Price Skimming?


The initial high price could put  
customers off





What is a disadvantage of using leaflets to advertise?

They are often thrown away without people looking at them



# What is a disadvantage of using Price Penetration?

The initial low price means lower profit; possibly even making losses

# What is After Sales Service?

A method of providing customer service; it's anything a business offers the customer **after** they've made a purchase; like a guarantee or free repairs.



**What is a disadvantage of using  
Social Media to advertise?**

Not everyone uses Social Media,  
particularly older customers

