

## **AECOVAC02 - Pricing Strategies For Information Goods**

### **Learning Objectives**

In this course students will

Learn about the different pricing practices

Learn how to price for profitability

Become acquainted with pricing in practice

### **Course Outcomes**

At the end of course, the students will be able to

- Apply Basic Economics Principles to reflect on a range of pricing issues
- Compare and Evaluate alternate perspective on price sensitivity analysis
- Understand the responding to price competition like different types of pricing
- Formulate the segmenting by purchase location and Quality
- Analysis the application of pricing strategies in various field trips

### **Module 1**

1.1 Importance of information in the modern economy

1.2 Properties of information goods

1.3 Information as experience good: implications for pricing

### **Module 2**

2.1 Role of prices in the economy

2.2 Price as willingness to pay, law of demand and supply

2.3 Price elasticity: types and determinants

### **Module 3**

3.1 Price discrimination: rationale for and types of price discrimination

3.2 Cost of producing information, cost leadership

3.3 Market for information goods: product differentiation

#### **Module 4**

4.1 The concept of versioning

4.2 Designing a product line

4.3 Choosing number of versions

#### **Module 5**

5.1 "Windowing" as price strategy

5.2 Bundling

5.3 "Goldilocks pricing"

#### **Readings:**

Carl Shapiro and Hal Varian: Information Rules: A Strategic Guide to the Network Economy by Carl Shapiro and Hal Varian (Harvard Business School Press, 1999). Available free online

Frank Linde : Pricing Information Goods in Journal of Product & Brand Management , August 2009.