



GENERAL INFORMATION

Instructor: Dr. Jinzhao Du

Email: jinzhao.du@hku.hk

Office: KK 708

Phone: 3917 4478

Consultation times: By appointment

Teaching Assistant:

Ms. Yana LO

Email: yanalo@hku.hk

Office: KK 626

Pre-requisites: MKTG2501 Introduction to Marketing

COURSE DESCRIPTION

Profitable pricing is one of the most critical, but often the least understood managerial decisions. Among all the marketing mix, while all other ingredients represent costs, pricing is the only element that produces revenue. Firms rely on pricing to harvest its effort to create value for consumers, yet managers often make mistakes in their pricing decisions. For example, pricing is too cost-oriented, unresponsive to market change, or inconsistent with the product position.

This course covers both the economic theories of pricing, and the analytical tools for formulating effective pricing strategy. This course also discusses commonly used pricing tactics, including some of the newest pricing practices. The course is highly applied, and prepares students for pursuing a career in marketing, consulting, and finance.

COURSE OBJECTIVES

1. To familiarize students with the principles and tools required for effectively setting prices.
2. To develop students' understanding of the mechanism behind different pricing practices.
3. To provide students with the opportunity to design their own pricing tactics, apply their pricing knowledge to solve business problems, and deliver pricing recommendations with strong and effective communications.

FACULTY LEARNING GOALS (FLGs)		
FLG1: Acquisition and internalization of knowledge of the programme discipline		
FLG2: Application and integration of knowledge		
FLG3: Inculcating professionalism		
FLG4: Developing global outlook		
FLG5: Mastering communication skills		
FLG6: Cultivating leadership		
COURSE LEARNING OUTCOMES		
Course Learning Outcomes	Aligned Faculty Learning Goals (FLGs)	
CLO1: Comprehend key theories, models, concepts, and mechanisms on managerial pricing decision.	Goal 1	
CLO2: Discover sources of information for estimating consumers’ response to price change, and for evaluating a firm’s current pricing strategy.	Goal 1,2	
CLO3: Acquire the necessary analytical and empirical skills for developing successful pricing strategy. Present and defend the proposed pricing strategy with a well-structured presentation.	Goal 1,2, 5	
CLO4: Develop skills of understanding dynamic business environment and accordingly designing new effective pricing tactics	Goal 1,2,4	
CLO5: Develop teamwork skills through multiple group assignments. various group assignments, including case analyses and in-class exercises as well as discussions.	Goal 3,5,6	
CLO6: Demonstrate effective verbal and written communication skills. through extensive in-class discussions and the final course project.	Goal 3,5,6	
COURSE TEACHING AND LEARNING ACTIVITIES		
Course Teaching and Learning Activities	Expected Study hour	Study Load (% of study)
T&L1. Lectures Topics for each week of the course are identified in the syllabus. The instructor will illustrate key concepts and issues. Students are expected to do the assigned readings for the week in advance of the lecture, since activity during the session will build on the text and other reading materials.	36h	26%

<p>T&L2. Case Study and Class Participation</p> <p>The course will use 3 cases to make students employ their learning. The quantity and quality of students' participation in case study discussions are important parts of the learning process. Students are requested to form groups, analyze the case within the group, submit the written case analysis, and actively participate in case discussion in class.</p>		30h	21%
<p>T&L3. Exercise</p> <p>There are 2 exercises in total. Each exercise is required to be done individually, and will help students to develop their conceptual clarity and their ability to solving pricing problems.</p>		26h	19%
<p>T&L4. Final Project</p> <p>The final project is a group assignment. Each group is required to select a firm and apply the concepts from the course to a real pricing problem. The purpose of the project is to develop an in-depth understanding of a pricing method and demonstrate the skill to solve business problems using appropriate pricing methods. Students are will present and defend their recommendations with a well-structured presentation.</p>		48h	34%
		140h	100%
Assessment Methods	Brief Description (Optional)	Weight	Aligned Course Learning Outcomes
A1. Class Participation (Individual)	See "Assessment Rubrics for Each Assessment" for details	15%	CLO 1,2,3,4,6
A2. Case Studies (Group)		20%	CLO 1,2,3,4,5,6
A3. Exercise (Individual)		15%	CLO 1,2,3,4,6
A4. Final Project (Group)		20%	CLO 1,2,3,4,5,6
A5. Final Test (Individual)		30%	CLO 1,2,3,4,5,6
	Total	100%	
STANDARDS FOR ASSESSMENT			
Course Grade Descriptors			
A+, A, A-	The candidate meets course requirements with a superior level of performance, as evidenced by consistently demonstrating a thorough grasp of the key concepts,		

	consistently actively contributing to class discussion, providing all or almost all accurate analysis in each home work assignment, well organizing the final presentation, and effectively and professionally delivering the content and defending the proposals.
B+, B, B-	The candidate meets course requirements with a high level of performance, as evidenced by frequently demonstrating a substantial grasp of the key concepts, actively contributing to class discussion, providing most accurate analysis in each home work assignment, appropriately organizing the final presentation, and effectively and professionally delivering most of the content and defending most of the proposals.
C+, C, C-	The candidate meets course requirements with acceptable performance, as evidenced by occasionally demonstrating a general grasp of the key concepts, contributing to class discussion, providing some accurate analysis in each home work assignment, appropriately organizing the final presentation, and effectively and professionally delivering part of the content and defending some proposals.
D+, D	The candidate meets course requirements with minimally adequate performance, as evidenced by demonstrating a partial grasp of the key concepts, occasionally contributing to class discussion, providing limited accurate analysis in each home work assignment, making an effort in organizing the final presentation, and delivering a minor part the content and defending the a few proposals.
F	The candidate does not meet course requirements, as evidenced by demonstrating a poor grasp of the key concepts, rarely contributing to class discussion, providing flawed and ungrounded analysis in most home work assignments, poorly organizing the final presentation, and failing in delivering most of the content and defending most of the proposals.

Assessment Rubrics for Each Assessment

A1. Class Participation (Individual, 15%)

Class participation is essential. Attendance is expected for all classes. Students are expected to actively participate in class by asking questions and contributing to class discussions. Participation skills are invaluable in a student's career. As a result, participation points are reflected in the grading scheme.

The success of class participation critically depends on the effectiveness of students' communication. When evaluating student's contribution to class discussion, factors such as the following are considered:

- Is the comment accurate and thoughtful?
- Does the comment add insight to one's understanding of the pricing problem?
- Can the student effectively demonstrate his/her critical analysis of the material?

The instructor will take notes of each student's participation, and base on these notes to grade students' participation.

Rubric:

- **A+, A, A-:** Actively contribute to class discussions and activities. Focused, engaged, and without distractions or disruptions. Present and on-time. Consistently provide relevant and helpful analyses and examples, suggest insightful solutions, raise thoughtful questions, and/or synthesize across readings and discussions.
- **B+, B, B-:** Quite actively contribute to class discussions and activities. Focused, engaged, and without distractions or disruptions. Present and on-time. Provide relevant and helpful analyses and examples, suggest insightful solutions, raise thoughtful questions, and/or synthesize across readings and discussions most of the time.
- **C+, C, C-:** Sometimes contribute to class discussions and activities. Focused, engaged, and without distractions or disruptions. Present and on-time. Provide some relevant examples and analyses, suggest some reasonable solutions, raise questions for clarification, and/or sharing ideas only based on limited required readings.
- **D+, D:** Demonstrate a partial grasp of the subject as evidenced by achieving an adequate performance in understanding of brand management theories and methods, critical analysis and synthesis, application of knowledge, formulation of brand building solutions, written and verbal communication and teamwork skills.
- **F:** Rarely contribute to class discussions and activities. Not focused, not engaged, and/or a source of distractions or disruptions. Sometimes present and on-time. Provide irrelevant examples, analyses and solutions, raise questions and share ideas unrelated to the topic being discussed.

A2. Case Studies (Group, 20%)

There will be 3 case analysis assignments. Students are encouraged to use numerical analysis whenever possible, and actively participate in case discussion during the class.

Rubric:

- **A+, A, A-:** The analysis is insightful, critical, thorough, systematic, consistent, with sufficient supports of relevant and helpful facts/data, and effective application of appropriate concepts /techniques/examples which are well integrated to the analysis. Recommendations are well thought-out and well-articulated with logical flow, consistent, feasible, and highly innovative.

- **B+, B, B-:** The analysis is critical, thorough, systematic, and consistent with supports of relevant and helpful facts/data and application of appropriate concepts /techniques/examples. Recommendations are generally clear, logical, consistent, feasible, and innovative.
- **C+, C, C-:** The analysis is systematic, with insufficient elaboration, some inconsistency, supported by relevant facts/data but not directly helpful to the analysis, and application of some appropriate concepts /techniques/examples. Recommendations are logical, consistent, with insufficient depth of thoughts and elaborations, and showing attempts to look for feasible and innovative solutions.
- **D+,D:** The analysis lacks a clear focus, insufficient consistency, largely descriptive, with limited support of helpful and relevant facts/data and application of appropriate concepts/techniques/examples. Recommendations are basically logical, but with insufficient thoughts and elaborations, some inconsistency, and showing only adequate attempt to look for feasible and innovative solutions
- **F:** The analysis is missing or only descriptive with no or little support of relevant facts/data and application of appropriate concepts/techniques/examples. Recommendations are not well thought-out, lack of logical flow, inconsistent, impractical, not innovative, and/or even biased.

A3. Exercise (Individual, 15%)

There will be 2 exercises. Both exercises are required to be done individually.

Rubric:

- **A+, A, A-:** The analysis is insightful, critical, thorough, systematic, consistent, with sufficient supports of relevant and helpful facts/data, and effective application of appropriate concepts /techniques/examples which are well integrated to the analysis.
- **B+, B, B-:** The analysis is critical, thorough, systematic, and consistent with supports of relevant and helpful facts/data and application of appropriate concepts /techniques/examples.
- **C+, C, C-:** The analysis is systematic, with insufficient elaboration, some inconsistency, supported by relevant facts/data but not directly helpful to the analysis, and application of some appropriate concepts /techniques/examples.
- **D+,D:** The analysis lacks a clear focus, insufficient consistency, largely descriptive, with limited support of helpful and relevant facts/data and application of appropriate concepts/techniques/examples.
- **F:** The analysis is missing or only descriptive with no or little support of relevant facts/data and application of appropriate concepts/techniques/examples.

A4. Group Project (Group, 20%)

Specifically, each group is required to

- Pick an industry - e.g., automobiles, airlines, utilities, software, manufacturing, pharmaceuticals (OTC/prescription drugs), cable TV, Internet stores, etc.
- Discuss a specific problem that businesses in the industry face
- Show how pricing can be used to address the issue
- Present the final projects to the class and submit the slides and relevant appendices to the instructor.
- Deliver a presentation that leverages both text and visuals (tables, charts, and other graphics) to effectively communicate with the audience.

Final Project Grade (20%) = Content (14%) + Presentation (6%)

More details and instructions will be provided in class.

Rubric:

- **A+, A, A-:**

The analysis is insightful, critical, thorough, systematic, consistent, with sufficient supports of relevant and helpful facts/data, and effective application of appropriate concepts /techniques/examples which are well integrated to the analysis.

The presentation and written report arouse and maintain interest. They are well organized with clear coherence, a smooth progression of ideas, articulated and polished, show effective use of layout and presentation aids, and appropriate length, pace, and tone.

- **B+, B, B-:**

The analysis is critical, thorough, systematic, and consistent with supports of relevant and helpful facts/data and application of appropriate concepts /techniques/examples.

The presentation and written report are generally able to arouse and maintain interest. They are well organized with coherence, a smooth progression of ideas, articulated and polished, show quite effective use of layout and presentation aids, and appropriate length, pace, and tone.

- **C+, C, C-:** The analysis is systematic, with insufficient elaboration, some inconsistency, supported by relevant facts/data but not directly helpful to the analysis, and application of some appropriate concepts /techniques/examples.

The presentation and written report are sometimes able to arouse and maintain interest. They are organized with some coherence, a progression of ideas, show effective use of layout and presentation aids, and appropriate length, pace, and tone.

- **D+,D:** The analysis lacks a clear focus, insufficient consistency, largely descriptive, with limited support of helpful and relevant facts/data and application of appropriate concepts/techniques/examples.

The presentation and written report demonstrate an adequate attempt to arouse or maintain interest. They are organized but with some lapses in coherence, show an attempt to use layout and presentation aids, and may address appropriate length, pace, and/or tone.

- **F:** The analysis is missing or only descriptive with no or little support of relevant facts/data and application of appropriate concepts/techniques/examples.

The presentation and written report are difficult to follow or understand. They are poorly organized with lapses in coherence, show an insufficient attempt to use layout and presentation aids, and fail to address appropriate length, pace, and/or tone.

A5. Final Test (Individual, 30%)

The test will cover topics discussed in the course. More details on the format of the exam will be provided in class.

Rubric:

- **A+, A, A-:**
All or almost all of the required questions are clearly and accurately responded. All or almost all of the responses are well organized, clear, fluent, and with sufficient elaboration.
- **B+, B, B-:** Most of the required questions are clearly and accurately responded. Most of the responses are well organized, clear, fluent, and with sufficient elaboration
- **C+, C, C-:** Some of the required questions are clearly and accurately responded. Some of the responses are well organized, clear, fluent, and with sufficient elaboration.
- **D+, D:** Few of the required questions are clearly and accurately responded. Few of the responses are well organized, clear, fluent, and with sufficient elaboration
- **F:** Very few of the required questions are clearly and accurately responded. Very few of the responses are well organized, clear, fluent, and with sufficient elaboration.

REQUIRED/RECOMMENDED READINGS & ONLINE MATERIALS (e.g. journals, textbooks, website addresses etc.)

1. Lecture notes and supplementary readings will be handed out in class or uploaded in the course website.
2. (Optional Textbook) *The Strategy and Tactics of Pricing: A Guide to Growing More Profitably*, by Thomas T. Nagle, Georg Müller, Evert Gruyaert, 7th Edition, Routledge, 2023.
3. (Optional Textbook) *Principles of Pricing: An Analytical Approach*, by Rakesh V. Vohra and Lakshman Krishnamurthi.(VK)

COURSE CONTENT AND TENTATIVE TEACHING SCHEDULE

Oral literacy	Written literacy	Both
Week	CIC component	
Class 1: Course Introduction	Class participation – Feedback from the teacher on effectiveness of in-class discussion is provided in this and each subsequent class, which students are to use to continuously improve.	
Class2: Value-based Pricing	Class participation	
Class3: Customer Response to Pricing I	Class participation; Case Study 1 – Students receive feedback from the teacher on their case study regarding both the oral and written communication skills, which they will use to improve their subsequent submissions.	
Class 4: Customer Response to Pricing II	Class participation; Final Project - Presentation structuring, report format, and delivery skill will be taught.	
Class 5: Product Line Pricing	Class participation	
Class 6: Price Customization	Class participation; Case Study 2 – Students receive feedback from the teacher on their case study regarding both the oral and written communication skills, which they will use to improve their subsequent submissions.	
Class 7: Auction	Class participation Final Project - Students will submit proposal on presentation delivery plans for instructor's comments.	
Class 8: Behavioral Pricing	Class participation	
Class 9: Pricing and Competition	Class participation	
Class 10: Pricing of Multi-sided Platforms	Class participation; Case Study 3 – Students receive feedback from the teacher on their case stu	
Class 11: Group Presentation and Course Review	Final Project Presentation Project due date a few days after the project presentation.	
Class 12: Final Test		

MEANS/PROCESSES FOR STUDENT FEEDBACK ON COURSE

- Conducting mid-term survey in addition to SETL around the end of the semester
- Online response via Moodle site

COURSE POLICY (e.g. plagiarism, academic honesty, attendance, etc.)

- Students are expected to maintain the highest level of professionalism. The minimum requirements include (but is not restricted to) arriving at class on time, silencing smartphones, turning off laptops (unless otherwise specified), etc.
- Academic dishonesty, including plagiarism, cheating, prohibited collaboration or consultation, is NOT tolerated. Students are expected to be familiar with the booklet on "What is Plagiarism?" (<http://www.rss.hku.hk/plagiarism/>) and know how to avoid plagiarism.
- Students are expected to submit their own original work. If unsure regarding what is appropriate and what is not, the student should consult the instructor.
- Students are not allowed to share materials related to the cases and assignments outside of this class.

ADDITIONAL COURSE INFORMATION (e.g. e-learning platforms & materials, penalty for late assignments, etc.)

Students are expected to check the course update on Moodle regularly.