

Develop and implement pricing policy

Overview

This standard is about developing and implementing a pricing policy for an organisation's products or services. You specify the pricing policy in accordance with the marketing strategies and objectives and take account of internal and external factors. You monitor the effectiveness of the policy and evaluate it against agreed criteria. You make justified recommendations for changes to the pricing policy with decision makers. The standard is for marketing professionals who develop and implement pricing policy.

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Performance criteria

You must be able to:

1. specify a pricing policy for products or services in accordance with your organisation's overall marketing strategy and objectives
2. check that the pricing policy takes account of internal and external factors
3. agree the pricing policy with decision makers
4. monitor the effectiveness of the pricing policy against agreed criteria
5. develop criteria for measuring the effectiveness of pricing policy
6. agree criteria for measuring the effectiveness of pricing policy with decision makers
7. evaluate the effectiveness of the pricing policy against agreed criteria
8. assess the potential impact of pricing changes on stakeholders and the organisation
9. propose pricing policy changes to decision makers, making justified recommendations
10. follow current legal, regulatory and ethical requirements, codes of practice and organisational policies and procedures when developing and implementing pricing policy

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Knowledge and understanding

You need to know and understand:

1. the pricing policy against your organisation's marketing strategy and objectives
2. how to price products or services
3. the internal and external factors that need to be considered when developing pricing policies
4. the types of cost involved and how these can impact on pricing policy
5. the methods that can be used to monitor pricing policy, when this should be done and how to capture information
6. how to develop and agree criteria for measuring the effectiveness of pricing policy
7. how to evaluate the effectiveness of pricing policy using agreed criteria to analyse information and draw conclusions
8. the situations when you should recommend that prices are increased and decreased
9. the importance of exploring the effects of price policy changes on stakeholders and the organisation
10. how to assess the potential impact of price policy change on the organisation
11. the current legal, regulatory and ethical requirements, codes of practice and organisational policies and procedures when developing and implementing pricing policy

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