# *Pricing*

## *Active Vocabulary*

***(Listen and learn the words)***

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| **extra services** - додаткові послуги<br>**installation services** - послуги за установку<br>**to charge prices** - встановлювати, призначати ціни<br>**price emphasis** - продаж товару за рахунок низької ціни<br>**price de-emphasis** - спроба продажу товару не за рахунок низької ціни, а за рахунок інших чинників<br>**loss-leader item** - товар, який продається за дуже низькою ціною, яка є для залучення покупців | **off-even pricing** - ціна, не доходить до круглої цифри і стимулююча бажання, покупця купити<br>**favorable psychological effect** - сприятливий психологічний ефект<br>**to start with especially low prices** - починати з особливо низьких цін<br>**new brand** - нова марка (товару)<br>**high quality expensive item** - високоякісний дорогий продукт<br>**location** - місце розташування |

## *Task 1. Read and translate the dialogue*

Dialogue

*Dick is introducing a new line of products and is talking to his friend Tom, a business consultant, about it.*

**Dick** It's the first time when I'm in business for myself.

**Tom** Don't worry. The store has always been doing well. It has a great location and as far as your new line of merchandise.

**Dick** That's what I wanted to talk to you about. Can you give some ideas how to charge the prices?

**Tom** With pleasure. Generally, there are two types of pricing policies. There is price emphasis and price deemphasis.

**Dick** What's the difference?

**Tom** The price emphasis policy emphasizes low prices. This encourages sales. But low price doesn't give extra services.

**Dick** So, a really low price means no credit, home delivery, repair, installation and other services.

**Tom** That's what I mean. But many people are interested only in the low price and not in the extra services.

**Dick** Yes, and vice versa. The price which I set determines the number of sales. I must think thoroughly about it.

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**Tom** A good example of price emphasis is "loss leader" pricing. It means that you choose one item - let's say an electric razor - at a price just above the cost. The customers will come to your shop to buy this loss leader item. But since they are inside they can decide to buy a few other things they need.

**Dick** It sounds interesting. What other things can you tell?

**Tom** There is also off-even pricing. Let's say you sell a tape recorder for $69.95 instead of $80.00. Though it is in fact about the same, the low price can produce a favorable psychological effect.

**Dick** What are the other ways to attract the customers?

**Tom** First of all, remember that you are going to compete with well-known products, so you should start with specially low prices. It's important to advertise this. You should use newspaper ads, maybe a radio spot, maybe do a big window and floor display.

**Dick** It makes sense.

**Tom** And you can raise the price after your customers try a new brand get to know it and like it. They will continue to buy it.

**Dick** I see. And what is the price de-emphasis you mentioned before?

**Tom** It concerns high quality expensive items. Price de-emphasis means that you don't call attention to the price at all.

**Dick** I know, it concerns our fine jewelry department or designer fashions.

**Tom** Yes. I see you are going to do very well.

**Dick** Your suggestions seem to be very useful. Don't forget you have a discount on any shopping you do in my shop.

**Tom** In such a case I'll be back tomorrow with my wife.

***Task 2. Translate the following sentences into English using your dictionary.***

1. Цей магазин надає покупцеві вигідні кредитні умови.
2. Товар має низьку ціну. Вона покриє витрати.
3. Ця фірма веде нерозумну ціноутворюючим політику.
4. Перш ніж випускати товар, необхідно ретельно вивчити попит і пропозицію.
5. Держава встановлює ціни на ряд продуктів.
6. Магазин має чудове місце розташування.
7. Супермаркет надає покупцеві багато додаткових послуг: доставку товарів додому, кредит, установку і т.д.
8. Нова марка безсумнівно приверне покупців.
9. Починайте з низької ціни.
10. Продаж за рахунок низької ціни діє при продажу товарів народного споживання.

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