

Activity 4.7

Complete the sentences about the pricing strategies.

Cost-plus pricing Formula $\text{Total cost} \div \text{Output} + \text{Mark-up} = \text{Selling price}$	Competitive pricing 
Premium pricing 	Promotional pricing 

1. _____ is a method used to help businesses make a guaranteed profit on each product. (A **mark-up** is the percentage of profit a business wants to make).

2. _____ is a method used by businesses when they want to increase sales or enter a new market.
(**Discounts, offers**)

3. _____ is a method used by businesses selling luxury products (**Gucci, Prada, Chanel**)

4. _____ is a method used by businesses that are in competition. (**McDonald's, Hardee's, KFC**)