

APPLICATION QUESTIONS

1. When you last introduced a new product or service, how was the price established?
2. Was the pricing decision correct? What additional information could you have used to help you with the pricing decision? What would you do differently given the same circumstances?
3. Describe your pricing strategy for one of your major products. How does it compare with that of your major competitors?
4. Describe how you deal with pricing:
 - in times of high inflation, market stagnation or recession
 - at each phase in the product lifecycle.
5. During the past 10 years, what trends have occurred in margins in your industry? Are these trends acceptable? What policy has your organization got towards these trends?
6. Are trade margins justified? What is your policy towards trade margins?