

Pricing and Revenue Management (F000800)

Course size (nominal values; actual values may depend on programme)
 Credits 6.0 Study time 180 h Contact hrs 45.0 h

Course offerings and teaching methods in academic year 2020-2021

Offering	Language	Teaching Method	Hours
A (semester 1)	English	seminar: coached	5.0 h
		exercises	
		group work	13.75 h
		seminar: practical PC	15.0 h
		room classes	
		microteaching	3.75 h
		lecture	7.5 h

Lecturers in academic year 2020-2021

Benoit, Dries EB23 lecturer-in-charge

Offered in the following programmes in 2020-2021

Programme	crdts	offering
Master of Science in Teaching in Economics (main subject Business Economics)	6	A
Master of Science in Business Economics (main subject Accountancy)	6	A
Master of Science in Business Economics (main subject Corporate Finance)	6	A
Master of Science in Business Engineering (main subject Data Analytics)	6	A
Master of Science in Business Economics (main subject Marketing)	6	A
Master of Science in Business Engineering (main subject Operations Management)	6	A
Exchange programme in Economics and Business Administration	6	A

Teaching languages

English

Keywords

Pricing, price differentiation, price optimization, auctions, revenue management

Position of the course

This course thoroughly investigates the various aspects of pricing within a business context. The focus of the course is on the strategic, technical analysis as well as the organizational aspect. In addition, a brief introduction to the statistical/mathematical software R is given.

Contents

- Pricing theory:
- Strategic pricing
 - Pricing of good versus pricing of services
 - Price differentiation
 - Pricing within the product cycle
 - Incremental costs
 - Competition & pricing
 - Ethics & pricing
 - Psychology of pricing

Price analytics:

- Typed of price-response functions

- Estimating price-response functions
- Price optimization
- Price optimization with constrained supply
- Auctions
- Estimating bid-response functions

Computer labs using the following software:

- R

Initial competences

This course builds on the final competences of the courses “Marketing”, “Research Methods” and “Statistics I and II”. Experience with the statistical/mathematical software R is a plus.

Final competences

- 1 Develop the strategy of a company in terms of pricing
- 2 Set up pricing research using traditional marketing research tools
- 3 Analyse sales data to understand price sensitivity of the customers
- 4 Calculate optimal prices given price sensitivity and specific cost functions
- 5 Be proficient in R to do the calculations

Conditions for credit contract

Access to this course unit via a credit contract is determined after successful competences assessment

Conditions for exam contract

This course unit cannot be taken via an exam contract

Teaching methods

Group work, lecture, microteaching, seminar: coached exercises, seminar: practical PC room classes

Extra information on the teaching methods

- Teaching of the different techniques
- Guest speakers
- Active class discussions of the different techniques with application on existing datasets.
- Team presentations
- Assignments in team en individueel, met coaching en presentaties (schriftelijk en mondeling)

Learning materials and price

A syllabus will be made available.
Estimated cost: €10.

References

Bodega, T. and Ferguson, M. (2012). Pricing Segmentation and Analysis, Business Expert Press, New York, (USA).
Nagle, T., Hogan, J. and Zale, J. (2011). The Strategy and Tactics of Pricing, Prentice Hall, Upper Saddle River, New Jersey (USA).
Phillips, R. (2005). Pricing and Revenue Optimization, Stanford University Press, Stanford (USA)

Course content-related study coaching

Numerous exercises are solved and discussed during the sessions. Moreover, exercises are given that must be resolved in groups. The students receive extensive tutoring and receive collective and individual feedback.

Evaluation methods

end-of-term evaluation and continuous assessment

Examination methods in case of periodic evaluation during the first examination period

Written examination

Examination methods in case of periodic evaluation during the second examination period

Written examination

Examination methods in case of permanent evaluation

Assignment, peer assessment

Possibilities of retake in case of permanent evaluation

examination during the second examination period is not possible

Extra information on the examination methods

The exam project is a comprehensive exercise in a realistic context where the key concepts used in price analysis should be applied. This includes both the strategic and analytical aspect of pricing.

The written exam will investigate whether the student knows and understands the aspects of pricing that were discussed during class. Both theoretical as well as practical exercises will be part of the exam.

Calculation of the examination mark

Total score is a weighted average of:

- Project work (10/20)
- Written exam (10/20)

adjusted by peer-assessment