

Enterprise & Marketing Assignment 4



1. What would a business consider when setting prices for its products and/or services?

2. Explain what psychological pricing is.

3. Explain what price skimming pricing is.

4. Explain what price penetration is.

5. Explain what competitive pricing is.

6. State an appropriate pricing strategy for each of these new products/businesses and explain why you have chosen each strategy.

- a. A new brand of coffee -
- b. The next iPhone -
- c. A café opening in a busy town centre -

7. State and explain **one** disadvantage for a business in using a Buy One Get One Free offer.

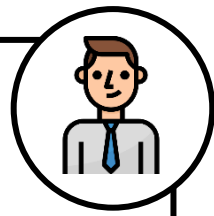
8. Explain, with an example, what Point of Sale Advertising is.

9. State and explain **one** advantage for a business in using leaflets for advertising.

10. State whether each of the below is a method of advertising or a promotion technique.

- Competitions -
- Discounts -
- Magazines -
- Radio -
- Websites -
- Point of Sale Advertising -
- Social Media -
- Free Gifts -

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11. **EXAM PRACTICE!** Sally runs a coffee shop within a train station. She has noticed an increase in customers bringing drinks with them from home and a reduction in her sales so she has decided to use a sales promotion technique, aiming to improve her sales.

Sally is considering using either a Buy One Get One Free offer or launching a Loyalty Scheme. Recommend which sales promotion technique Sally should use to improve coffee sales, justify your answer.