

This questionnaire is adapted from Pricing for Results by John Winkler (Heinemann Professional Publishing)

Questionnaire

- 1** You are the marketing manager of a pharmaceutical company. You make a life support drug called Survive. Once people start using it they must continue with it for the rest of their lives. It has been outdated by a machine which treats new patients, so your market is declining. The drug is costly to produce and you sell only small amounts. There is no national health service, so patients pay for the drug themselves. What pricing policy would you choose?
- a) I would calculate my costs and add a standard percentage for profits.
 - b) I would charge as much as the market would pay.
 - c) I would decide on a morally correct price, which covered my costs and made a profit.
 - d) I would base my price on prices charged for other drugs by other companies.
- 2** You run a shoe shop. You have just bought some new Italian sandals. They are unique in the market and the latest fashion. At your normal margins you would charge £21. How would you price them?
- a) £21
 - b) £20
 - c) £24.95
 - d) £19.95 plus heavy price promotion
 - e) £29.95
- 3** In your shoe shop you sometimes have lines you need to move out in order to get cash to buy a better line. Price promotions could be the solution. What would you do?
- a) I would have price promotions running all the time.
 - b) I would offer special prices to my best customers.
 - c) I would never use price promotions.
 - d) I would use price promotion, but not on my most important products.
 - e) I would use price promotion a little but advertise it a lot.
- 4** If you wanted to use price to take over the major part of a whole market, what discount would you offer?
- a) 10% off competitors' prices
 - b) 150% off competitors' prices
 - c) 20% off competitors' prices
 - d) 30% off competitors' prices
 - e) 40–50% off competitors' prices
- 5** If you measured the average price of a product, where would you expect the brand leader to be positioned?
- a) 10% under the average price
 - b) at or around the average price
 - c) 20% under the average price
 - d) 7% above the average price

Answers

Question 1

- a) - 2 points
- b) - 5 points. They will pay anything to stay alive – but can you live with yourself?
- c) + 5 points
- d) + 1 points

Question 2

- a) + 1 points
- b) 0 points
- c) + 5 points
- d) - 2 points
- e) + 5 points

Question 3

- a) 0 points
- b) + 1 points. You will make your best customers look for bargains all the time.
- c) + 1 points. Too rigid.
- d) + 5 points. Solves the problem as quickly as possible.
- e) + 4 points. Expensive, but it can work well.

Question 4

- a) 0 points
- b) + 1 points
- c) + 2 points
- d) + 3 points
- e) + 5 points

Question 5

- a) 0 points
- b) + 2 points
- c) - 2 points
- d) + 5 points

Score

- above 20: very good
- 14–19: good average
- 8–13: poor
- 7 or less: no comment

Teacher's Notes

Markets and prices

Worksheet

36

ACTIVITY

Groupwork, individual and whole class: reading, speaking

AIM

To discuss ways of pricing products.

GRAMMAR AND FUNCTIONS

Talking about actions and their results
Second conditional

VOCABULARY

pharmaceutical, outdated, costly, a declining market, pricing policy, unique, margin, price promotions (making the price the main selling point of a product), a line (product), to take over a market, average price, brand leader, to position

PREPARATION

Make one copy of the worksheet for each student in the class. Cut off the answers as indicated. Have dictionaries available if possible.

TIME

30-45 minutes

PROCEDURE

- 1 Tell the students that they are going to talk about pricing products.
- 2 Write the following on the board:

You only get what you pay for.
- 3 Ask the students what they think it means and if they agree.
- 4 Ask the students to work in groups of three or four.
- 5 Ask the students to tell each other about bargains they have bought recently, or things they thought were overpriced. Give them a few minutes to chat.
- 6 Give out the first parts of the worksheets.
- 7 Ask the students to read the questions and choose answers.
- 8 When most students have finished, either put them in groups of four or run a class discussion to compare opinions.
- 9 Give out the sheets with the solutions and let the students calculate their scores.
- 10 Ask if anyone got 20 or more.

FOLLOW-UP

Ask the students to talk about pricing policies in their companies.