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Definition of Pricing strategy:

Pricing strategy refers to the approach a company takes to determine the price it should charge for its products and services. it is a key component of company's marketing plan and ca have a significant impact on a company's revenue, profitability, and overall success. pricing strategy takes into consideration various factors such as the price of competitors, the target market and their willingness to pay, the cost of production, and the desired product positioning in the market.

Common pricing strategies:

1. **Cost based pricing:** The price is set by adding a profit margin to the total cost of making the product.
2. **Value based pricing:** The price is based on how much customers are willing to pay, considering the product's perceived value
3. **Pentration pricing :** A company sets a low price at first to attract customers and gain market share, then increases the price later
4. **Skimming pricing:** A high price is set when the product is first launched, targeting early adopters, and then gradually reduced over time.
5. **Freemium model:** The basic version of a product is free, but customers pay for premium features.
6. **Dynamic pricing :** the price changes based on demand, time, or customer behavior.
7. **Geographic pricing:** The price varies depending on the location due to factors like taxes, shipping costs, or demand.

How Pricing Strategies Influence Customer Behavior

Pricing strategies have a direct impact on **how customers perceive a product, their willingness to buy, and their overall satisfaction**.

Psychological Perception: Prices can make a product seem more **affordable, premium, or valuable**.

p**erceived Value and Quality** – Higher prices can create an impression of **better quality**.

Buying Urgency and Demand – Discount strategies can encourage **impulse purchases**.

Competitive Advantage – A well-set price can **attract customers from competitors**.

Customer Loyalty and Trust – Consistently fair pricing can build **long-term relationships** with customers.

Distribution channels :

Distribution in marketing refers to the process of getting a product or service from the manufacturer or supplier to the final consumer. It involves selecting the most effective channels, such as direct selling, retail stores, wholesalers, e-commerce platforms, or third-party distributors. A well-planned distribution strategy ensures that products are available at the right place, at the right time, and in the most convenient way for customers.

Different types of distribution channels:

- **Direct distribution:** The company sells its products **directly to customers** without intermediaries.
- **Indirect distribution:** The company uses **middlemen** like wholesalers, retailers, or distributors to sell products.
- **online Distribution**: Products are sold **through the internet**, either directly on the company's website or via online marketplaces.