

How Pricing Effect Sales?

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Abstract: *From the perspective of a customer, price always represents the product's value. Most of the time, customer's perception of the product value may not necessarily be in line with its price. There are instances in which the product is overpriced when its value perception is lower than the price tag on it, and vice-versa. For a marketer, it is important that products are priced at the right level. Last but not least, the product differentiation is getting blunted. The differentiation among firms on the basis of the product is going to get blunted when technologies get standardized. More products and brands will transcend to a commodity situation. This is an unhealthy sign as commodities are always subject to price fluctuations and price wars. Obviously, at this stage, the only way to differentiate between brands is the price.*

Keywords: *Price, Purchase intentions, Marketing mix*

Introduction

Marketing is the process by which companies create value for customers and build strong customer relationships in order to capture value from customers in return (Ruzanna, Baharin, & Nayan, 2020). The goals of marketing are to attract new customers by promising superior value while keeping and growing current customers by delivering satisfaction (Yusoff & Nayan, 2020). There are two form of marketing which is traditional and contemporary. Traditional marketing is a form by making sales. It also an abundance of products in the nearby shopping centre such as by making sales television and magazine advertisement (Zarifah, Azahari, & Nayan, 2020). Besides, contemporary is another form of marketing. These forms of marketing are satisfying customer needs by reaching customer directly, personally and interactively (Afif, Razak, & Nayan, 2020). For example, imaginative websites and mobile phone applications, blog, online videos and social media.

There are five different core customer and market place concept. First is customer needs, wants and demands (Izarul, Syed, & Nayan, 2020). Human needs are states of felt deprivation and can include physical, social also individual needs. Meanwhile, wants are the form taken by human needs when shaped by culture and individual personality and demands are human wants that are backed by human power (Amirul, Islaini, & Nayan, 2020). Second is market offerings which are combination of products, services and experiences offered to a market to satisfy needs or wants (Rosli & Nayan, 2020). Marketing myopia is paying more attention to company product then underlying needs of consumer. Third is value and satisfaction which is the key building block for customer relationship. Fourth, exchange is the act of obtaining a desired object form on someone by offering something in return (Nur, Wan, Tajuddin, & Nayan, 2020). Lastly, market are the fifth core customer and market place concept. Market is set of all actual and potential buyers of products or service. Marketing involved serving a market of final consumers in the face of competitors.

Advertising can be defined as a non-personal presentation and promotion of ideas, goods and services paid by an identified sponsor (Zarifah et al., 2020). It is non personal mass communication which has become a potent means of education and mass selling (Aminuddin, Don, & Shamsudin, 2020). It consists of all the achievements involved in presenting product information targeting audiences through media such as newspaper, magazines, catalogue, booklets, radios, television and many more.

There are a few characteristics of advertising. First is in the paid form. It is an advertising which requires the advertiser pay to create an advertising message, to buy advertising media slot and to monitor advertising efforts. Second is the tool of promotion. Advertising is an element of the promotion mix of an organization. Third is one-way communication (Mokhtar & Shamsudin, 2020). Advertising is a one-way communication where brands communicate to the customers through different medium. Lastly is personal or non-personal. Advertising can be non-personal as in the case of television, radio, newspaper advertisement or highly personal as in the case of social media and other advertisement.

Advertising activities can be categorized into above the line(ATL), below the line(BTL) (Ilias & Shamsudin, 2020), and through the line advertising according to their level of penetration. Above the line advertising include activities that are largely non-targeted and have a wide reach. Examples of above the line advertising are television, radio, & newspaper advertisements. Below the line advertising include conversion focused activities which are directed towards a specific target group. Examples of below the line advertising are billboards, sponsorship, in-store advertising. Through the line advertising include activities which involve the use of both ATL & BTL strategies simultaneously.

These are directed towards brand building and conversions and make use of targeted advertisement strategies (Hamzah, A. A., Shamsudin, 2020). Examples of through the line advertising are cookie-based advertising, digital marketing strategies. Advertising activities can also be categorized into five types based on the advertisement medium used (Aminuddin et al., 2020). These types of advertisements are print-advertising. The examples are newspaper, magazines, & brochure advertisements. Next is broadcast-advertising such as television and radio advertisements. Moreover, outdoor-advertising such as hoardings, banners, flags, wraps. Therefore, the activities are digital-advertising such as advertisements displayed over the internet and digital devices (Hamzah, A. A., Shamsudin, 2020). Lastly, product or brand integration (Ilyas & Nayan, 2020). These are product placements in entertainment media like TV show, YouTube video and many more.

Advertising can help a business to increase its sales revenue as well as making the business and products well-known in the market (Zamry & Nayan, 2020). This will simultaneously increase the people awareness and attract people by looking to the advertisement to buy the product or services thus will make an increase in the sales revenue.

Conclusion

Overall the role of price is important to both customer and business organizations. Business organizations need to carefully decide on their pricing strategies as customer today have more option and high bargaining power. The setting of price should be based on the customer needs and demand. High price although may lead to high profits but may reduce the number of customer and sales volume.

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