COURSE SYLLABUS

Pricing Strategies

Course code: MKT 420
Semester and year: Fall 2026
Day and time: Mondays, 3 pm to 5:45 pm
Instructor: Dan Ravick Fiala, MBA, PMP, PMI-RMP
Instructor contact: dan.ravick@aauni.edu
Consultation hours: Directly after the lecture

Credits US/ECTS	3/6	**Level**	Bachelor
Length	15 weeks (with mid-term break)	**Pre-requisites**	MKT248, ECO 105
Contact hours	42 hours	**Grading**	Letter grade

1. Course Description

Pricing is one of the most important decisions that businesses make in their efforts for profit maximization. The course is a foundation for effective pricing decisions by teaching key economic, analytical, and behavioral concepts associated with costs, customer behavior and competition. In addition, advanced pricing techniques that aim to create additional value are introduced to the students.

2. Student Learning Outcomes

Upon completion of this course, students should be able to:

- Understand key economic fundamentals as demand and supply.
- Understand the key economic, analytical, and behavioral concepts associated with costs, customer behavior and competition.
- Understand and be able to apply advanced pricing techniques.
- Comprehend and have a clear understanding of pricing strategies of different products, lifecycles, and companies.
- Understand and analyze price strategies of competitors indifferent market situations through case study scenarios.

3. Reading Material

The Strategy and Tactics of Pricing (6th edition), Thomas Nagle and John Hogan, Prentice Hall, 2018

Supplementary Materials:

* *Other supplementary material will also be provided digitally.*

4. Teaching Methodology

The course is divided into 14 lessons, during which a variety of student participation methods are used. Classes will be organized principally – but not exclusively – around presentations. Discussions are encouraged, and case studies may be used to demonstrate students' analytical thinking, creative problem-solving skills and information acquisition. Before each class, each student should be prepared to discuss the session topics (see **Course Schedule** *below*).

5. Course Schedule

Week 1: August 31st	**Topic**: Class Kick-off & Welcoming: expectations, deadlines, and procedures. **Description**: • Quick introduction to the course. • Quick introduction to the instructor, his background and work experiences. • Students' quick introductions. • Expectations, course flow & grading. • Objectives of the course • Pricings' roll in marketing. • Why strategic pricing is more than a technical or mathematical pursuit. **Reading:** none **Assignments/deadlines: Students briefly introduce themselves to the class.**
Week 2 September 7th	**Topic**: Economic Thinking the Key to Strategic Pricing **Description**: • Common destructive myths regarding profits, price stability, price discovery, wage rates, sources of productivity, wealth creation, monopoly power, inflation, interventionism, and capitalism. • First Principles "A Priori" thinking • Empirical analysis vs First Principles thinking • Understanding the key a priori law of human action. • The law of scarcity • The law opportunity costs • The law of demand • The law of supply • The principle of marginal utility • The law of diminishing marginal utility • How to think about equilibrium • Time preference as an axiomatic law • How exchange (free market voluntary) occurs and why it brings value to all entities involved in the exchange • The connection between property rights, exchange, capital re-allocation, productivity and price discovery. • The good, the bad and the ugly -Great thinkers and insights about economics, value determination and price formation. Adam Smith, David Ricardo, Karl Marx, Carl Menger, Friedrich von Hayek, Eugen Böhm von Bawerk, Luwig Von Mises, Murray Rothbard, Milton Friedman, Thorsten Polleit and Per Bylund. **Reading:** Students will be asked to read an article that will be used for class discussion. **Assignments/deadlines:** TBD

Week 3 September 14th	**Topic**: Understanding Value **Description**: • Here we will discuss popular but flawed ideas in how we should assess value • Students will learn that value is subjective from the perspective of the individual. • Understanding that value is subjective – "One man's garbage is another man's gold." • Value must be assessed from an individual perspective using ordinal scales. • Aggregating peoples individual value scales is therefore not possible since people have different value scales with different weights. • We will discuss new methods and approaches to understand and evaluate customer value. **Reading:** Students will be asked to read an article that will be used for class discussion. **Assignments/deadlines:** TBD
Week 4 September 21st	**Topic**: Value Sticks **Description**: • Extend our discussion about exchange • Explanation and proof (with simple algebra) to show that all voluntary exchanges bring value to both parties (buyer and seller) • Introduce the concept of the Value Stick • Understanding WTP • Thinking correctly about costs • Understanding the interdependencies of WTP, Costs, price and profits • How value sticks illustrate profit potential • What profits indicate -the two tests of profit **Topic**: Price & Value Communication **Description:** • Explanation/Discussion of communication strategies for High vs Low search products and when benefits are either more economic or more psychological. • Explanation/Discussion of adapting the message to the purchase context. • Explanation/Discussion of adapting the message to the buying context. **Reading:** Students will be asked to read an article that will be used for class discussion. **Assignments/deadlines:** TBD
September 28th	**State Holiday!** 😊
Week 5	**Topic**: Using Value Sticks to Think Systematically and Empathetically About Value Creation

October 5th	**Description**: • How to approach value creation • Value creation starts by increasing the value gap (WTP - Costs) • Increasing the value gap is not a mechanical process, but should flow a deep empathetic understanding of your target customer. • Using value sticks to assess the competition **Topic**: Analysis of Pricing Structures **Description**: • Explanation/Discussion of what are pricing structures. • Explanation/Discussion of how pricing structures support pricing strategy. • Explanation/Discussion of industries and firms that use pricing structures effectively. • Explanation/Discussion of why pricing structures are often difficult to maintain. **Reading:** Students will be asked to read an article that will be used for class discussion. **Assignments/deadlines:** TBD
Week 6 October 12th	**Topic**: Assessing New Growth Opportunities with Value Sticks **Description**: • Understanding non-customers and the addressable market. • Identifying near customers **Topic**: Complements and Substitutes **Description**: • Understanding complements • Understanding substitutes • Understanding how complements and substitutes affect pricing dynamics • Understanding and appreciating the strategic difficulty in recognizing the trajectory of complements and substitutes **Topic**: Network effects **Description**: • Understanding how network effects affect WTP • Direct network effects • Indirect network effects • Platform network effects • Cross side network effects • Same side network effects **Topic**: Analyzing & Setting Pricing Policy

	Description: • Explanation/Discussion of managing customer pricing expectations. • Explanation/Discussion of strategies to convey needed price increases to customers. • Explanation/Discussion of strategic vs tactical pricing decisions. • Explanation/Discussion of how procurement and sales view the various elements of pricing strategy. **Reading:** Students will be asked to read an article that will be used for class discussion. **Assignments/deadlines:** TBD
Week 7 October 19th	**Topic**: Value Creation for Underdogs **Description**: • Creating customer delight that does not reflect scale **Topic**: Value Creation via Employees **Description**: • Understanding strategies to increase employee satisfaction • Understanding strategies to lower WTS • An even better approach focuses on strategies to increase employee productivity (Thus, increase WTP and lower WTS) **Topic**: Value Creation via Suppliers **Description**: • With the traditional approach companies and suppliers fight over fixed value -gain by one is loss to the other. • With the new approach companies seek to incentivize suppliers with income multipliers and bonuses for meeting productivity and quality targets. **Reading:** Students will be asked to read an article that will be used for class discussion. **Assignments/deadlines:** TBD
October 26	**Mid-term Break Enjoy it! 😊**
Week 8 November 2nd	**Topic**: Value Creation via Productivity and Efficiency Gains **Description**: • Understanding how scale lowers WTS and drives value gap advantages • Fixed and variable costs considerations • MES Minimum efficient scale considerations **Topic**: Value Creation via Learning **Description**: • Understanding how learning lowers cost and WTS to drive profit.

	Topic: Assessing the Competition **Description**: • Utilizing value mapping to understand the competition • Strategic positioning focuses on creating a unique pattern of differences that affect WTP, cost and WTS. • Competing by utilizing only one lever (price) is easier for the competition to copy thus eroding profitability. **Topic**: Setting Price Levels **Topic:** Pricing Over the Product Life Cycle **Description**: • Explanation/Discussion of strategies to find the price window. • Explanation/Discussion of finding price/volume tradeoffs. • Explanation/Discussion of price sensitivity drivers. • Explanation/Discussion of sales, profit, and pricing over the PLC. • Explanation/Discussion of market dynamics and strategic considerations. **Reading:** Students will be asked to read an article that will be used for class discussion. **Assignments/deadlines:** TBD
Week 9 November 9th	***ME: Mid-term Exam***
Week 10 November 16th	**Topic**: Exam Review **Topic**: Key Financial Ratios & Analysis **Description**: • The genesis of financial analysis • Understanding the income, balance sheet and cash flow statements • Contribution margin • Break even analysis • Profitability, liquidity, leverage, efficiency and cash flow ratios • CLV Customer lifetime value analysis as an input to pricing strategy • Unit economic analysis as an input to pricing strategy **Reading:** Students will be asked to read an article that will be used for class discussion. **Assignments/deadlines:** TBD

<table>
<tr><td>Week 11

November 23rd</td><td>Topic: Assembling Talent, Processes and Data to Build Competitive Advantage

Description:
• Understanding the archetypal pricing organizations
• Understanding the pricing structure architypes
• Understanding organization pricing decision rights

Topic: Pricing & Strategy Implementation within the Firm

Description:
• Explanation/Discussion of why firms often struggle to implement and maintain pricing strategies.
• Explanation/Discussion of the foundations to implement effective corporate pricing strategies.
• Explanation/Discussion of corporate pricing roles.
• Explanation/Discussion of corporate pricing structures.
• Explanation/Discussion of pricing decision rights.
• Explanation/Discussion of indicators that corporate pricing is not effective.
• Explanation/Discussion of using customer and process analytics as an input to pricing strategy.
• Explanation/Discussion of using customer profitability maps as an input to pricing strategy.
• Explanation/Discussion of using customer price banding maps as an input to pricing strategy.
• Explanation/Discussion of using customer waterfall maps as an input to pricing strategy

Reading: Students will be asked to read an article that will be used for class discussion.

Assignments/deadlines: TBD</td></tr>
<tr><td>Week 12

November 30th</td><td>Topic: MARKETING METRICS & ANALYTICS

Description:
• Explanation/Discussion of what marketing metrics offer and why this is important.
• Explanation/Discussion of the difference between marketing metrics and analytics.
• Explanation/Discussion of key marketing metrics.
• Utilizing marketing metrics as an input to pricing strategy

Reading: Students will be asked to read an article that will be used for class discussion.

Assignments/deadlines: none</td></tr>
<tr><td>Week 13

December 7th</td><td>Topic: Student Project Presentations

Description:
• Students will present their project analyses and recommendations to the class.
    ○ Using PowerPoint
    ○ With a length of approximately 30 minutes
    ○ Upload: Written report & Presentation to NEO</td></tr>
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	Reading: Students will be asked to read an article that will be used for class discussion. **Assignments/deadlines:** none
Week 14 December 14th	**Topic**: **Student Project Presentations** **Topic**: New frontiers in Pricing **Description**: ● Discuss and introduce new topics and research either based on students' interests or the instructor's selection. **Assignments/deadlines:** none

	Make-up Class Days If I have to cancel a class during the semester, the make-up day will be the day closest to the missed class and the most feasible.

**Please note that the schedule and topics above may be modified; however, any changes will be communicated in class and in the NEO portal.*

- *Deadlines in business are critical.* Each student is responsible for checking the course Website and their specified mailbox regularly, attending every class on time, and completing all assignments on time.

- **NOTE:** Submission of all course work shall be via the AAU NEO eLearning system in the appropriate location within the online course page for this class. Assignments are due BEFORE the next class date, if not otherwise specified. No excuses. If you are late on the assignment, you will earn a '0' for the assignment. Incorrectly named files will be marked down.

6. Course Requirements and Assessment (with estimated workloads)

Assignment	**Workload (hours) (average)**	**Weighting Final Grade**	**Evaluated Course Specific Learning Outcomes**	**Evaluated Institutional Learning Outcomes**
PPP: Participation Professionalism Preparedness (Individual)	42 hrs	15%	*Ability to read, think, and express ideas analytically, critically, and creatively.* *Ability to ask and answer questions relating to subject knowledge.* *Ability to communicate effectively in oral English.*	*1 & 2*

			Ability to identify and summarize key points relating to a topic. *Demonstrate nothing less than a level of professionalism, preparedness, and tact that you would expect of those whose services you would employ.*	
AE: *Application Exercises &/or Quizzes *The exact number of application exercises and quizzes will be determined dynamically based upon a range of factors. *Quizzes may be unannounced	30 hrs	25%	*Application exercises and quizzes are meant to reinforce theoretical knowledge presented during the class and from readings by testing your ability to: 1. Recall 2. Apply and 3. Integrate* *Quizzes may be unannounced and will cover any material from lecture or course readings.* *The goal here is not punitive but to incentivize you to be an active learner throughout the course -not just before the exam.*	*1, 2, 3*
ME: Mid-term Exam *(Individual)* (Individual Effort)	28	25%	Ability to analyze and answer both theoretical and practical questions. Exams are offline (pen-paper).	1,2,3
PSD	10	10%	Project Scope Document Students will create a document that will show/explain the following: • Main project deliverables • Time plan for work of each team member on all major deliverables • Data gathering methods to be used • How the analysis will be conducted *Specifics will be given orally in class.	1,2,3

PP Project Final Presentation In-class presentation of about 30 minutes + Q/A (Group Assignment –Groups will consist of 3 to 5 students.) *The number of students will be considered when marking group work	40	25%	Final Project Presentation Students will present their findings in a clear and crisp presentation. Students will be graded based on the level of analysis as well as on the presentation format, style and delivery Students should approach their project presentation not solely as an analyst but as a business manager. Analysis and presentation of a specific firm's direct marketing strategy along with a recommendation for improvement You should focus on recommendations – what are the risks and how they would implement their recommendations to be most effective. *Specifics will be given orally in class.	1,2,3
TOTAL:	150	100%		

*1 = Critical Thinking; 2 = Effective Communication; 3 = Effective and Responsible Action

7. Detailed description of the course participation and assignment grading

PPP: Participation, Professionalism & Preparedness: • Demonstrate nothing less than a level of professionalism, preparedness, and tact that you would expect of those whose services you would employ.

Assessment breakdown (10% of overall grade)

Assessed area	Percentage
Punctuality	10%
Preparedness	45%
Professionalism	45%

AE: Application Exercises and/or Quizzes • Application exercises and quizzes are meant to reinforce theoretical knowledge presented during the class and from readings by testing your ability to: 1. Recall 2. Apply and 3. Integrate

Assessment breakdown (40% of overall grade)

Assessed area	Percentage
Testing recall	10%
Testing level of understanding	60%
Testing ability to apply knowledge	20%
Testing ability to integrate knowledge with other business areas	10%

ME: Mid-term Exam •Comprehensive assessment of knowledge acquired in the first half of the class.

Assessment breakdown (20% of overall grade)

Assessed area	Percentage
Understanding of fundamentals	50%
Critical Analysis	30%
Articulation and development of well-structured responses	20%

PSD: Project Scope Document • Demonstrate the ability to design your project methodology (not just fill in a template) in a structured, logical and systematic way.

Assessment breakdown (10% of overall grade)

Assessed area	Percentage
Professional formatting and styles	10%
Logical structure and flow	50%
Key scope components included	40%

PP: Project Presentation • Demonstrate ability to clearly and logically articulate the 1. Project objective 2. Hypothesis 3. How/why you approached the project the way you did 4. Structured systematic analysis of used FMTTs 4. Key Insights or Recommendations 5. Responses to Q/A 6. Group coordination and flow during delivery

Assessment breakdown (10% of overall grade)

Assessed area	Percentage
Professional formatting and styles of Presentation	10%
Delivery and team coordination during the delivery	40%
Depth of analysis	40%

Further Assessment breakdown summary for all assignments

Assessed area	Percentage
TITLE, INTRODUCTION, CONCLUSION AND TABLE OF CONTENTS	15
ORGANIZATION AND DEVELOPMENT	10

Structure of the paper, logical coherence (including AAU SBA title page, table of contents, executive summary, introduction, recommendations, conclusion, and works cited)	
CONTENT / QUALITY OF IDEAS Knowledge of methodology, and its application. Evidence of critical thinking. Includes: correct use of supportive material (e.g. charts, diagrams, illustrations, maps, and tables)	50
QUALITY OF RESEARCH Work with sources and literature – includes proper citation	15
CLARITY, FORMAT, READABILITY, AND QUALITY: Writing style, level of English: 5 Formal quality and format of the report: 5	10
PENALTY FOR ERRORS IN SPELLING, USAGE, MECHANICS	Up to -5

Important Formatting Information

Assignments in business report format must, as a minimum, the SBA cover page, a table of contents, an executive summary, an introduction, a conclusion / recommendation, and works cited, as separate pages. The main body of the paper should include a header (title of course, term and name of student) and footer (date and page number). The paper should have normal margins (1” on all sides), be single-sided, 1.5-spaced, **12-point font, Times New Roman.**

8. General Requirements and School Policies

General requirements

All coursework is governed by AAU’s academic rules. Students are expected to be familiar with the academic rules in the Academic Codex and Student Handbook and to maintain the highest standards of honesty and academic integrity in their work. Please see the AAU intranet for a summary of key policies regarding coursework.

Course specific requirements

There are no special requirements or deviations from AAU policies for this course.