

MKT II: PRICING

ETHICS IN PRICING

Price Fixing

- Agreeing with competitors to set basement price level so consumers have no other options but to pay that price
- Illegal due to the Sherman Anti-Trust Act

Price Discrimination

- Selling the same product with different prices to different groups of consumers
- Some circumstances it acceptable to sell at different prices other situations it is not
- Not illegal

Price Skimming

- Setting price very high for new product to maximize margins on consumers who buy product first
- Potential of public relations backlash
- Not illegal