

Specification of Competency Standards of the Retail Industry

**Unit of Competency**

**Functional Area: Sales and Marketing**

Title	Formulate product pricing strategies
Code	105065L5
Range	This unit of competency (UoC) is applicable to staff at the management level of the retail industry. It covers the abilities to critically analyze, re-format, evaluate and consolidate a wide range of information; formulate a competitive product pricing strategies in order to develop the retail business and to increase competitiveness of the organization.
Level	5
Credit	6 (for reference only)
Competency	<p>Performance Requirements</p> <ol style="list-style-type: none"> <li>1. Knowledge of product pricing <ul style="list-style-type: none"> <li>• Understand the overall business strategy of the organization</li> <li>• Understand different submarkets and sales volumes of goods of the organization</li> <li>• Master key information and data for products of the organization, including: <ul style="list-style-type: none"> <li>• Whether the product is from single origin or multi-origins</li> <li>• Whether the supply of product can be adjusted at any time or not</li> <li>• Whether the customer demand for product is seasonal or not</li> <li>• Customer response and sensitivity to product price elasticity</li> <li>• Effect of changes in product price on overall profits of the organization</li> </ul> </li> <li>• Understand the competitive environment faced by the organization's products</li> <li>• Master the procedures of formulating product pricing strategies</li> <li>• Understand government regulation on product pricing, e.g. anti-trust law</li> </ul> </li> <li>2. Formulate product pricing strategies <ul style="list-style-type: none"> <li>• Formulate product pricing strategies according to different submarkets and sales volumes</li> <li>• Analyze the consumption power of different groups of customers in order to set an appropriate price range for product</li> <li>• Evaluate products of competitors in order to set an appropriate price, e.g.: <ul style="list-style-type: none"> <li>• Marketing plan</li> <li>• Sales volume</li> <li>• Product features</li> </ul> </li> <li>• Consult the higher level of business management of the organization to confirm the appropriate pricing policy</li> <li>• Cooperate with the organization's actuary or colleagues responsible for data analysis to decide the structure of interest rate and return for individual products</li> <li>• Set the final price of different kinds of goods</li> <li>• Inform all levels of staff of the formulated/revised product pricing strategies through effective channels of communication</li> <li>• Review the product price, improve and reset the pricing to cope with the market demand/response when necessary in order to increase sales volume</li> </ul> </li> <li>3. Exhibit professionalism <ul style="list-style-type: none"> <li>• Ensure that the product pricing strategies formulated are competitive and can promote the retail business development</li> </ul> </li> </ol>
Assessment Criteria	<p>The integrated outcome requirements of this UoC are the abilities to:</p> <ul style="list-style-type: none"> <li>• Formulate competitive product pricing strategies for the organization; and</li> <li>• Review the product pricing strategies and make improvement suggestions to cope with the market demand or response.</li> </ul>
Remark	