

Specification of Competency Standards
for the Retail Industry
Unit of Competency

Functional Area - Sales, Marketing and Multi-channel Sales Management

Title	Formulate product pricing strategies
Code	111263L5
Range	This unit of competency (UoC) is applicable to staff at the management level of the retail industry. Practitioners have the ability formulate a competitive product pricing strategies in order to develop the retail business and to increase competitiveness of the organisation.
Level	5
Credit	6 (For Reference Only)
Competency	<p>Performance Requirements</p> <p>1. Evaluate the knowledge of product pricing</p> <ul style="list-style-type: none"> • Understand the overall business strategy of the organisation • Understand different submarkets and sales volumes of goods of the organisation • Evaluate the key information and data for products of the organisation, including: <ul style="list-style-type: none"> ○ Whether the product is from single origin or multi-origins ○ Whether the supply of product can be adjusted at any time or not ○ Whether the customer demand for product is seasonal or not ○ Customer response and sensitivity to product price elasticity ○ Effect of changes in product price on overall profits of the organisation • Understand the competitive environment faced by the organisation's products • Master the procedures of formulating product pricing strategies • Understand government regulation on product pricing (e.g. Competition Ordinance) <p>2. Formulate product pricing strategies</p> <ul style="list-style-type: none"> • Formulate product pricing strategies according to different submarkets and sales volumes • Analyse the consumption power of different groups of customers in order to set an appropriate price range for product • Evaluate products of competitors in order to set an appropriate price, e.g.: <ul style="list-style-type: none"> ○ Marketing plan ○ Sales volume ○ Product features • Consult the higher level of business management of the organisation to confirm the appropriate pricing policy • Cooperate with the organisation's actuary or colleagues responsible for data analysis to decide the structure of interest rate and return for individual products • Set the final price of different kinds of goods • Inform all levels of staff of the formulated/revised product pricing strategies through effective channels of communication • Review the product price, improve and reset the pricing to cope with the market demand / response when necessary in order to increase sales volume <p>3. Exhibit professionalism</p> <ul style="list-style-type: none"> • Ensure that the product pricing strategies formulated are competitive and can promote the retail business development
Assessment Criteria	<p>The integrated outcome requirements of this UoC are the abilities to:</p> <ul style="list-style-type: none"> • Formulate competitive product pricing strategies for the organisation; and

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	<ul style="list-style-type: none">Review the product pricing strategies and make improvement suggestions to cope with the market demand or response.
Remark	This UoC is adopted from 105065L5.