

# Pricing

## Winter Term 2024/25

Institute of Information Systems and Marketing  
Marketing & Sales Research Group



# Three lecturers



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# Three topics

## Behavioral pricing



How do individuals process price information?

Key elements:

- Information economics
- Prospect theory
- Mental Accounting
- Behavioral pricing phenomena (e.g., left-digit-effect, price thresholds, price-quality inferences,...)
- Price experiments

Group tasks:

- Presentation: Behavioral pricing paper
- Designing, running, and analyzing a behavioral pricing experiment

## Setting prices



How should we set prices for our products?

Key elements:

- Pricing Basics
- Price setting of list prices (product pricing)
- Price setting of net prices (customer pricing)
- Price execution and monitoring

Group task:

- Case study preparation and presentation

## Negotiating prices



How can we achieve a good price in a negotiation with a customer?

Key elements:

- Negotiation theory
- Best practices in price negotiations

Group task:

- Preparing and conducting a simulated price negotiation

# Concept

- Time and Place
  - Session blocks combining lecture, working session, presentation sessions, and simulated negotiation
  - First session: November 10<sup>th</sup>, 2023; Building 10.11/R213
  - Final session: January 12<sup>th</sup>, 2024; Building 20.21/R115 and Office Rooms
- “Learning by doing”
  - Instead of an exam students apply the methods taught in class to real-world business and research cases
  - Group work
- Implementation:
  - Lecture slides will be provided on ILIAS by chapter
  - Class is managed through ILIAS, forum actively moderated
- Grade:
  - Up to 100 points can be achieved during the class
    - 40 points Workshop 1 Behavioral Pricing: Experimental study presentation (10 min + 5 min Q&A; groups of ~4)
    - 35 points Workshop 2 Pricing Excellence: Case study presentation (20 min + 10 min Q&A; groups of ~4)
    - 25 points Workshop 3 Price Negotiation: Simulated price negotiation (groups of ~2)
  - Final grade determined based on sum of points from the three assignments

# Detailed Timeline

Date	Time	Place	Action
21.10.2024 (Mo)	2.00 pm – 3.30 pm	Building 10.11/R213	<ul style="list-style-type: none"> <li>• Info session (Registration process, Organization and Content of the class)</li> </ul>
08.11.2024 (Fr)	10 am – 5 pm	Building 01.87 / B5.25/26	<ul style="list-style-type: none"> <li>• Lecture Workshop 1: Behavioral Pricing (Martin Klarmann)</li> </ul>
15.11.2024 (Fr)	10 am – 5 pm	Building 01.87 / B5.25/26	<ul style="list-style-type: none"> <li>• Lecture Workshop 1: Behavioral Pricing (Martin Klarmann)</li> <li>• Working Session: Experimental Study (Students, Martin Klarmann)</li> </ul>
02.12.2024 (Mo)	5 pm	n/a	<ul style="list-style-type: none"> <li>• Deadline submission Experimental Study presentation (to tanja.martin@kit.edu)</li> </ul>
03.12.2024 (Tue)	9.30 am – 5 pm	Building 01.87 / B5.25/26	<ul style="list-style-type: none"> <li>• Presentation Session (9.30 am – 11 am): Experimental Study (Students, Martin Klarmann)</li> <li>• Lecture Workshop 2 (14 am – 5 pm): Pricing Excellence (Fabian Bill)</li> </ul>
15.01.2025 (Wed)	5 pm	n/a	<ul style="list-style-type: none"> <li>• Deadline submission Pricing Excellence Case Study presentation (to tanja.martin@kit.edu)</li> </ul>
16.01.2025 (Thu)	10 am – 5 pm	Building 50.20/R104	<ul style="list-style-type: none"> <li>• Presentation Session (10 am – 2.30 pm): Pricing Excellence Case Study (Students, Fabian Bill)</li> <li>• Lecture Workshop 3 (3 pm – 5 pm): Price Negotiation (Mark Schröder)</li> </ul>
17.01.2025 (Fr)	10 am – 5 pm	Building 01.87/ B5.26 and Office Rooms	<ul style="list-style-type: none"> <li>• Simulation Session: Price Negotiation (Students, Mark Schröder)</li> </ul>

# Registration and Groups

- Application time: Monday, October 14, 00:00 am - Sunday, November 03, 11:55 pm.
- Maximum number of participants: 24
- Application procedure:
  - Please use the Wiwi-Portal to apply for „Pricing (WS24/25)“ (<https://portal.wiwi.kit.edu/ys/8233> or via QR Code\*)
  - Please upload your CV as well as your overview of grades (Bachelor & Master)
  - Please further state how many ECTS you have already achieved in Marketing excluding „BWL PM“/“Management and Marketing“
  - Announcement of answers: Monday, November 04
  - **Please confirm your attendance until: Wednesday, November 06, 11:59 pm**
  - In case of any questions please contact: [tanja.martin@kit.edu](mailto:tanja.martin@kit.edu)
- Assignments into groups for individual applications will be based on randomized process

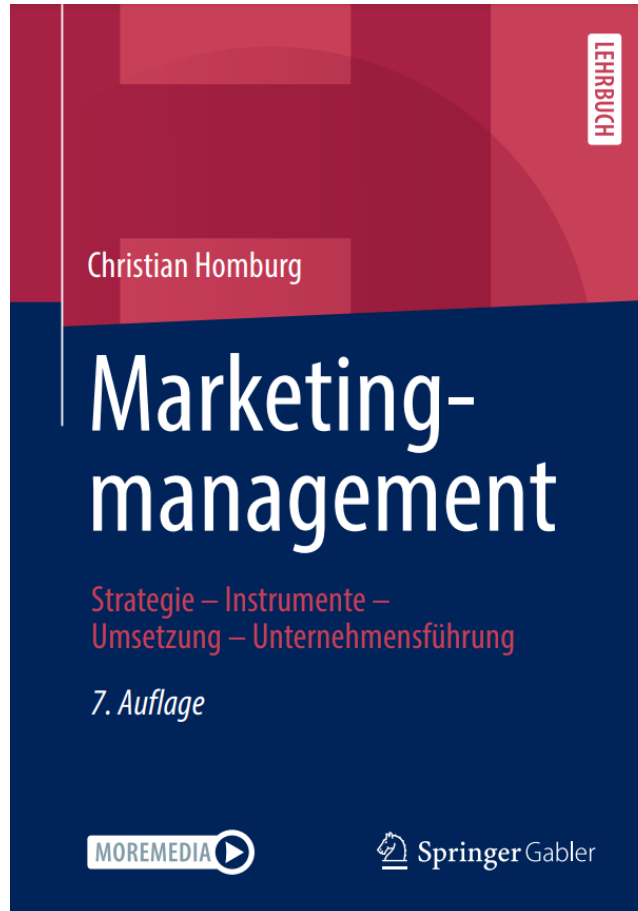


# Organizational Guidelines

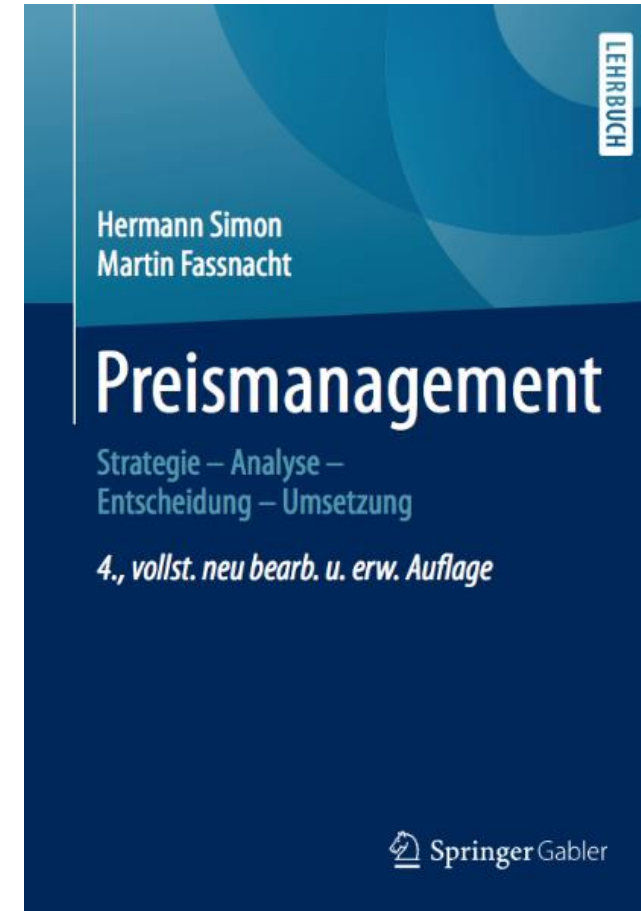
- Latecomers:
  - If you register after 03 November 2024 you need to complete the first workshop alone
  - You will be assigned into a group for the second workshop onwards
  - The deadline for the first workshop does not change
  
- Illnesses etc.:
  - If you miss out on up to one workshop assignment due to illness, you can make up the missing points through an individual case study assignment plus writing an essay in January 2025
  - If you miss more than one assignment due to illness, you need to retake the class next year or forego the points from the assignments you missed
  
- Participation requirements:
  - Pricing cannot be taken if "Pricing Excellence [T-WIWI-111246]" or "Price Negotiations and Sales Presentations [T-WIWI-102891]" have already been completed, because both classes have become part of Pricing
  - No exceptions can be made



# Helpful Literature



<https://link.springer.com/book/10.1007/978-3-658-29636-0>



<https://link.springer.com/book/10.1007/978-3-658-11871-6>