

**A STUDY ON PRICING STRATEGIES WITH REFERENCE TO TAPCO  
PNEUMATICS**

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**ABSTRACT:**

*Pricing can be a manual or automatic process of applying prices to purchase and sales orders, based on factors such as: a fixed amount, quantity break, promotion or sales campaign, specific vendor quote, price prevailing on entry, shipment or invoice date, combination of multiple orders or lines, and many others. Automated systems require more setup and maintenance but may prevent pricing errors. The needs of the consumer can be converted into demand only if the consumer has the willingness and capacity to buy the product. Thus, pricing is the most important concept in the field of marketing, An organization can adopt a number of pricing strategies; the pricing strategy will usually be based on corporate objectives. After selecting a pricing objective you will need to determine a pricing strategy. This will assist you when it comes time to actually price your products. As with the pricing objectives, numerous pricing strategies are available from which to choose. Certain strategies work well with certain objectives, so make sure you have taken your time selecting an objective. Careful selection of a pricing objective should lead you to the appropriate strategies. If the pricing strategy you choose seems to contradict your chosen pricing objective, then you should revisit the questions posed in the introduction and your marketing plan. Organizations can adopt a number of pricing strategies; the pricing strategy will usually be based on corporate objectives. After selecting a pricing objective you will need to determine a pricing strategy.*

**Key Words:** *Vendors, Strategy, Product, consumer etc.*

**INTRODUCTION OF THE STUDY**

Pricing is the process whereby a business sets the price at which it will sell its products and services, and may be part of the business's marketing plan. In setting prices, the business will take into account the price at which it could acquire the goods, the manufacturing cost, the market place, competition, market condition, brand, and quality of product.

Pricing is a fundamental aspect of financial modeling and is one of the four ps of the marketing mix. (The other three aspects are product, promotion, and place) Price is the only revenue generating element amongst the four Ps, the rest being cost centers. However, the other Ps of marketing will contribute to decreasing price elasticity and so enable price increases to drive greater revenue and profits.

Pricing can be a manual or automatic process of applying prices to purchase and sales orders, based on factors such as: a fixed amount, quantity break, promotion or sales campaign, specific vendor quote, price prevailing on entry, shipment or invoice date, combination of multiple orders or lines, and many others. Automated systems require more setup and maintenance but may prevent pricing errors. The needs of the consumer can be converted into demand only if the consumer has the willingness and capacity to buy the product. Thus, pricing is the most important concept in the field of marketing, it is used as a tactical decision in response to comparing market situations. pricing is the amount of money charged for product or services. Price is the total amount that being exchange by the customer to obtain a benefit of the product or services owing. Price is the value that is put to a product or services and is the result of a complex set of calculations, research and understanding and risk taking ability. A pricing strategy takes into account segments, ability to pay, market conditions, competitor actions, trade margins and input costs, amongst others. It is targeted at the defined customers and against competitors.

## **PROBLEM STATEMENT**

The effective and ineffective factors of tapco pneumatics. And to know the current position of tapco pneumatics in manufacturing industry and it can also identify their own strengths and weaknesses, where they stand in comparison of their competitors. They also set their best price for their products. Increasing the amount your customers spend. And attracting a greater amount of customers.

## OBJECTVES OF THE STUDY

- To know the pricing level towards the services of the tapco pneumatics
- To study the post sales services performance
- To know the new area of the improvement
- To determine the buying behavior of the customer towards the tapco pneumatics
- To judge in which way has developed the pricing
- To measure the expectation of customer about TAPCO product

## REVIEW OF LITERATURE:

**Nagle and Holden (1995)** this article, a market economy is coordinated through the price system. Costs of production ultimately, the cost to a worker of working instead of taking a vacation or of working at one job instead of at another, or the cost of using land or some other resource for one purpose and so being unable to use it for another are reflected in the prices for which goods are sold.

**Baye, Morgan, and Scholten (2004)** this article, is an excellent example of a study which used detailed pricing data collected on the web over a period of time, although their focus was not on the firms' repeated game strategies. We, too, have gathered most of our data by scraping firm and pricing data from a price search website for computer components. Furthermore, institutionally, we have a setting amenable to the empirical study of repeated games. In particular, we have identified 47 firms fairly active in selling a particular commodity-type memory module over the internet during one particular year.

**Roth (2007)**this article, Choosing a pricing objective and associated strategy is an important function of the business owner and an integral part of the business plan or planning process. It is more than simply calculating the cost of production and adding a markup. Therefore, assigning product prices is a strategic activity and the price or prices assigned to a product or range of products will have an impact on the extent to which consumers view the firm's products and determine its subsequent purchase.

**Edelman and Ostrovsky (2010) and Zhang (2010):** this article, The price the firm sets to sell its product is like its bid for a favorable rank on the price search engine page and that rank determines the number of customers it receives, just like an advertiser's position on the results page determines click-throughs. We do not, in fact, find Edgeworth cycles in our price series.

**Coulter and Krishnamoorthy (2014)** this article, consider the impact of reference effect on optimal pricing strategies in the competitive environment. They confirm that even with competition, firms optimally price high in the short run to generate a high reference price, and then decrease this price over time. All of these studies use a deterministic demand model with unlimited capacity

## **RESEARCH METHODOLOGY**

### **RESEARCH DESIGN**

A Research design might be described as a series of advance decision that taken together from a specific master plan or the model for the conduct of the investigation. Descriptive research is used in this project.

### **DESCRIPTIVE RESEARCH**

This type of research design is undertaken in many circumstances. When the researcher is interested in knowing the characteristics of certain groups such as age, sex, education level, Occupation or income etc. The Objective of such study is to answer the "Who, What, When, Where, and How" of the subject under investigation, so in this project study comes under descriptive research design.

- **Sampling Size:**

The sample size for this study is 100.

- **Sampling Method:**

Different types of sampling methods are available. In this study the convenience sampling was selected for this research. This sampling method used the principles of non-probability technique.

- **Area Of Sampling:**

The area of sampling was taken in TAPCO PNEUMATICS in Chennai.

## **DATA ANALYSIS AND INTERPRETATION**

### **CHI SQUARE**

To test significant association between age of the respondent & pay more.

Ho: There is no significant association between age of the respondent & pay more

H1: There is significant association between age of the respondent & pay more

#### **Chi square test association between age of the respondent and pay more**

	<b>Age of the respondent</b>	<b>paymore</b>
Pearson chi-square	13.200	25.200
df	3	4
Asymp.sig.	.004	.000

#### **INTERPETATION:**

Since P value is less than 0.5 we rejected Ho. Therefore alternative hypothesis is accepted.

### **CONCLUSIONS**

An organization can adopt a number of pricing strategies; the pricing strategy will usually be based on corporate objectives. After selecting a pricing objective you will need to determine a pricing strategy. This will assist you when it comes time to actually price your products. As with the pricing objectives, numerous pricing strategies are available from which to choose. Certain

strategies work well with certain objectives, so make sure you have taken your time selecting an objective. Careful selection of a pricing objective should lead you to the appropriate strategies. If the pricing strategy you choose seems to contradict your chosen pricing objective, then you should revisit the questions posed in the introduction and your marketing plan. An organizations can adopt a number of pricing strategies, the pricing strategy will usually be based on corporate objectives. After selecting a pricing objective you will need to determine a pricing strategy.

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