

How Important is Price?

In this exercise, you are presented with eight product alternatives, as you would find in a supermarket environment. As you will see, price is simply one aspect of the consumer's perception of value.

Review the following list of pasta sauces, which one would you buy?

Brand	Positioning/Marketing	Price
A	The leading brand name – heavily advertising on TV for 20 years – well known and recognized	\$3.99
B	Imported from Italy – authentic Italian pasta sauce	\$3.99
C	A fairly well-known brand, normally retails at \$3.80 – on special for one week only	\$3.39
D	A well-known brand that gives ALL profits to charity	\$3.25
E	Locally-made pasta sauce – ‘help support the local community’	\$2.99
F	An unknown brand	\$2.49
G	An unknown brand with an unusual flavor of sauce – not offered by the other brands	\$2.99
H	The supermarket (private label) brand	\$2.69

Student Discussion Questions

1. Which one pasta sauce would you purchase? Why
2. How does your selection compare to your fellow students?
3. Therefore, how important was the role of price in the overall purchase decision?
4. Considering the popular choices, what aspects of the product's positioning appears to be the most effective in generating sales?