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Assignment title: Business plan final.

Business Proposal:

MAP mobile solution.

Mission Statement: MAP mobile solution is such a merchant that assist its customers as a trusted ally, supporting them with the devotion of a business companion and the economics of an outside wholesaler. We make certain that our customer receives the latest tech and repairs with maximum efficiency and reliability afforded to them. Our determination of service is mission critical, so we give our customers the assurance that we will always be there when they need us.

In my presentation I would like to talk about pricing strategy of our business.

Price is an important element for any type of business, price also momentous for survival of the business. Proper price selection could bring benefits for any organization. If the price is not selected properly with the proper aim of target market it will have very bad consequences for the products and company's profitability. Pricing can be considered as an important aspect that impacts on the success of an organization. The success of an organization depends among other things on the careful considerations of the elements of the marketing mix, namely product, price, place and promotion (Cant et al.,2016). Price is however very crucial in the survival of the business and if the price is not determined correctly, this could negatively impact on the products and the company's profitability (Hub Pages, 2013). Consumers tend to use the price of a product to evaluate the perceived quality of the product offering therefore, much thoughts need to be placed on the pricing strategy and how goods are priced (Cant et al.,2016). One of the main goals of any organization whether an established entity or a small business enterprise: is to make a profit. This can be done through the efficient management of resources and offerings product or service at the right price (Cant et al.,2016).

Machado (2013) point out that price as "the value of a product or service expressed in terms of cents and cent's; it is the amount of money needed to obtain such a product and benefit or utility which goes with it "coming up with a pricing strategy is an important task within marketing because pricing is the only element of the marketing mix that generates sales profit; the other components generates costs and sales volume(small business development corporation, 2014).

Pricing objective: Three types of pricing objective

- (1) profit oriented
- (2) sales oriented
- (3) status quo oriented

Profit oriented:

Organizations may aim to set prices that will maximize their current profits. In this attempt they evaluate demand and costs accompanying the alternate prices and choose the price that will maximize profits, income or rate of return on investment.

Sales oriented

Sales objectives are essentially expressed in terms of sales volume or market share. The motivation for setting sales volume objectives is to create growth in sales or to sustain current sales levels.

Status oriented quo:

Sales quo objectives are tactical goals that encourage competition on factors other than price. Organizations that base their pricing strategy on this employ such an orientation in order to remain competitive or to avoid price battles with their competitors. Adapted from: Machado (2013: 70 – 71)

What is included in a successful pricing strategy:

An effective pricing strategy reflect a cohesive pricing structure that facilitates the achievement of business objectives by ensuring the value of service offering compared to the value offered by competitors (Meehan, Simonetto, Montan and Goodrn, 2011). A pricing strategy should therefore direct an organization's core behaviors as well as its peripheral communique to the market for all pricing related activates (Meehan et al., 2016).

A pricing strategy must be:

- Based on valid data and fact rather than on narratives and speculations therefore organizations need to evaluate key areas and make an informed decision based on the valid findings of their investigation;
- Lined up with organizational objectives as well as other functional policies and structures and
- Supple, adaptive, reactive and carefully observed.

External and internal influences on the pricing strategy:

When small businesses develop their pricing strategies, they need to be aware of factors that can assists them in their pricing decision. Sometimes small business needs to consider the consumer's willingness and ability to pay for the product offering, if the product with proper quality but high price consumers will be unwilling to buy it because of price (Cant et al.,2016).

External factors on pricing strategy:

(1) Consumer:

Consumer play crucial role while an organization about to set up their product price. Our business would identify which consumers we want to attract and retain them. The consumer's ability and willingness to pay a certain amount for product for product should be considered when determining which price to set.

Demand Curve:

This involves analyzing the relationship between price and demand for the product or service offering that the organization is putting in the market. According to Kotler, Armstrong (not dated) demand and price is normally inversely correlated whereby in cases where prices are high, demand for the products or services is relatively low (Cant et al., 2016).

Competitors:

Our business would be aware what our competitors are doing when setting their prices. Our business would be willing to charge less for any products for first years. SME need to be aware of what their competitors are doing when setting their prices.

Internal influence:

According to Brassington and Pettitt (2103,267) marketing plans and objective have to be developed not only to meet identified customers wants and needs but also to reveal the ambitions and desires of the company. As our business objective is to make profit and serve customer so our business would plan our strategy in that way.

Marketing Objective:

Brassington & Pettitt, (2013: 268) point out an important difference between organizational objectives and marketing objectives is that organizational emphasis more on the operation, welfare, security and temperament of the company while marketing objectives are more centered on the precise target markets and positioning within those markets.

Differentiation:

There has been significant amount of research regarding Porter's general strategies Porter's general strategies. The research has shown that a differentiation strategy if successfully implemented can lead to sustainable competitive advantage as well as allowing business to implement a premium pricing strategy. According to Porter, Business can compete as the low-cost leader, differentiate their products. To implement a low-cost strategy the business will try to minimize costs, which includes a reduction in advertisement and customer service among other cost reduction strategies (Prajogo,2007).

There are benefits for an organization choosing differentiation process. One way the small business owners can differentiate their products is through quality, such as enhanced customer service. When a business can successfully implement a differentiation strategy, they are able to secure enduring business relationship with their customers. This provides a sustainable competitive advantage to the business. In addition, differentiation can also lead to premium pricing, thereby increasing the profit margin. Our business would follow techniques like differentiation and market penetration for obtaining business objective.

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