



SNS B-SPINE

Coimbatore-35
An Autonomous Institution

DEPARTMENT OF MANAGEMENT STUDIES

19BAE752 - Agriculture Marketing Management

II YEAR III SEM

UNIT 2

TOPIC – Determinants of Pricing



Determinants of price

Supply and Demand:

Prices are often determined by the balance between supply and demand. When demand exceeds supply, prices tend to rise, and when supply exceeds demand, prices tend to fall.



Production Costs

The cost of producing a product or providing a service plays a significant role in pricing. This includes factors such as raw material costs, labor costs, and overhead expenses.



Competition

The level of competition in a market can impact pricing. In a competitive market, prices tend to be lower, while in a monopolistic or less competitive market, prices can be higher.



Market Conditions

Economic conditions, consumer sentiment, and overall market conditions can affect pricing. In times of economic growth, prices may rise, while in a recession, prices may fall.



Government Regulations and Taxes

Government policies, regulations, and taxes can have a direct impact on pricing. For example, taxes may be added to the price of certain products, and regulations can affect production costs.



Cost of Distribution

The costs associated with getting a product to market, such as transportation and distribution, can impact pricing.



Thank You