The Power of Pricing

ECTS : 6

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Langue du cours : Français

Volume horaire : 36

Description du contenu de l'enseignement :

Pricing is no longer a narrow technical function.
It is the most powerful, cross-functional lever of value creation in modern organizations.
- CEOs use pricing to articulate strategy and value.
- CFOs improve profitability and valuation through pricing power.
- Marketers use pricing to express positioning and segmentation.
- Product managers orchestrate monetization and tiering.
- Entrepreneurs use pricing to validate business models.
- Sales teams defend price with value, not discounts.
- Data and AI teams design safe, transparent pricing algorithms.
- Consultants and private equity rely on pricing as lever #1 for EBITDA uplift.

In today's world, every business leader must master pricing.
This course provides a complete operating system for modern, strategic, ethical, AI-enabled pricing.
Why this course is especially relevant for French students
France is facing a moment of truth in competitiveness: inflation, tight margins, regulatory constraints, pressure on purchasing power, digital disruption, and intense global competition. In this environment, pricing power, transparency, and value communication have become strategic capabilities for French companies in luxury, retail, tech, industry, energy, mobility, and services.
French managers excel in analysis and engineering, but pricing -- the discipline that unifies strategy, value, finance, and psychology -- is rarely taught in France, despite being central to decision-making in real companies. This course fills a critical gap in French management education: it prepares students to design fair, transparent, value-driven, and competitive pricing models, deal with culturally unique consumer expectations, and operate confidently in high-regulation markets.
For students aiming for careers in consulting, corporate roles, entrepreneurship, or public institutions in France, mastering pricing is now a decisive advantage.
Why international students benefit greatly from this course
For international students, pricing provides a unique lens to understand cultural differences, consumer expectations, and business norms across markets. Prices reveal how societies think about fairness, quality, negotiation, risk, transparency, and trust. Through case studies spanning the US, EU and Asia, students discover how the same product may require different value stories, pricing fences, discount practices, or AI guardrails depending on the local culture.
Pricing also exposes differences in regulation, competition, purchasing power, market maturity, and technology adoption.
Whether you seek careers in global companies, consulting, tech, or international entrepreneurship, this course equips you with the ability to decode markets, adapt strategies globally, and design pricing systems that respect both business logic and cultural context.
The course was one of the most popular offerings in 2025 and was fully booked.
This course explores the strategic, analytical, and behavioral dimensions of pricing. Students will discover how pricing decisions impact profitability, customer perception, market dynamics, and innovation. Combining classical economic models with modern approaches--including digital pricing, behavioral economics, and AI--the course equips students to make pricing a core driver of competitive advantage. Case studies, simulations, and current events will complement theoretical learning.
This course is suitable for future consultants, entrepreneurs, marketing and finance professionals, or anyone aiming to design and manage pricing strategies in a rapidly changing world. This course is on Moodle.
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Session 1 - Introduction to Pricing
Topic: What is Pricing? Definitions, Objectives, and Strategic Role
- History of pricing: barter to AI
- Key terms: price vs. value vs. cost

- The strategic role of pricing in business models
- Overview of pricing methods and when to use them

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Session 2 - Price and Classical Economics

Topic: Elasticity, Monopoly, and Price Discrimination

- Supply and demand curves
- Price elasticity of demand and revenue optimization
- Market structures and pricing power
- Price discrimination

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Session 3 - Strategic Pricing Approaches

Topic: Cost-Based, Competition-Based, and Value-Based Pricing

- Frameworks for each approach
- When each method works--and fails
- Transitioning from one model to another
- The role of internal capabilities and market maturity

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Session 4 - Value Perception and Customer Psychology

Topic: Segmentation, Willingness to Pay, and Perceived Value

- Measuring and influencing willingness to pay
- Psychological pricing, decoy effects, and price perception
- Customer value mapping and persona-based pricing

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Session 5 - Differentiated Pricing and Bundling

Topic: Versioning, Premiumization, and Yield Management

- Designing product versions (Good-Better-Best)
- Unbundling, bundling, and subscription packaging
- Yield and revenue management techniques
- Tiered pricing and customer self-selection

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Session 6 - Pricing and Competition

Topic: Price Wars, Competitor Reactions, and Strategic Defense

- Analyzing competitor moves: game theory and signaling
- Price wars: triggers, costs, and exit strategies
- Defensive pricing tactics and customer retention
- Real-world war stories and what we learn from them

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Session 7 - Pricing for Platforms and SaaS

Topic: Multi-Sided Markets, Network Effects, and Growth Models

- Platform pricing: user subsidies, monetization points
- SaaS metrics
- Tiered pricing for SaaS
- Freemium vs. premium strategies
- Intro to usage-based pricing

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Session 8 - B2B Pricing and Negotiation

Topic: Complex Deals and Performance Pricing

- B2B buyer personas and procurement logic
- Configurable offers and quoting tools (CPQ)
- Value-in-use vs. value-in-exchange

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Session 9 - Behavioral Pricing and Neuroscience

Topic: Anchoring, Loss Aversion, and Perception Biases

- The neuroscience of pricing perception
- Anchoring, decoys, framing, and relativity
- Reference prices and mental accounting
- How behavioral science reshapes pricing decisions

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Session 10 - AI, Ethics, and Sustainability in Pricing

Topic: Dynamic Pricing, Algorithmic Fairness, and the Future

- Machine learning for pricing: what it can and cannot do
- Fairness, transparency, and algorithmic bias
- Legal constraints on automated pricing
- Carbon pricing, eco-conscious consumers, and sustainable value models

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Session 11 - Mock Exam: Full Business Case Walk-Through

Topic: Structure, Reasoning, and Best Practices for Pricing Case Analysis

- How to read and structure a pricing case under time pressure
- Identifying segmentation, value drivers, and pricing problems
- Building a Good-Better-Best structure for the exam case
- Integrating behavioral pricing, fairness, and B2B elements
- Drafting an executive-style pricing recommendation
- Common pitfalls and how to avoid them in the final exam

12 Final Exam

Compétences à acquérir :

By the end of the course, students will be able to:

- Explain the main theories, models, and historical evolution of pricing
- Design pricing strategies adapted to customer segments, product lifecycles, and market structures
- Use analytical tools to evaluate elasticity, profitability, and competitor behavior
- Integrate customer psychology and behavioral insights into pricing tactics
- Apply differentiated pricing models such as bundling, versioning, and yield management
- Understand how AI and sustainability are reshaping pricing in the 21st century
- Make pricing decisions grounded in ethical, strategic, and data-informed perspectives Objectives
- Understand foundational and advanced concepts of pricing across B2C, B2B, SaaS, and platform business models
- Evaluate and apply various pricing approaches: cost-based, competition-based, and value-based
- Analyze customer psychology, segmentation, and willingness to pay
- Address pricing challenges in the digital economy, including AI, algorithms, and sustainability
- Develop frameworks to make ethical, legal, and effective pricing decisions in complex markets

Pré-requis obligatoires

None. No prior coursework in marketing, finance, or economics is required. The course is self-contained and suitable for students from diverse academic backgrounds.

Mode de contrôle des connaissances :

Evaluation

- Class participation - 40%
- Vignette essay - 20%
- Final Exam:
    - o Mutiple Choice - 10%
    - o Pricing strategy for a real or fictional company - 30%

The numerical grade distribution will dictate the final grade. The passing grade for a course is 10/20.

Attendance

Attendance is mandatory. Students are expected to attend all classes, arrive on time, and stay for the entire session. Repeated absences or lateness may affect the final grade.

Class Participation

Active participation is encouraged, as it contributes to making classes more engaging and instructive. Students are expected to come prepared and contribute thoughtfully to discussions. When participation is part of the course assessment, it is evaluated based on the quality of contributions rather than their quantity.

Exam Policy

Students are not allowed to bring any materials into exams, except those explicitly authorized by the instructor. Unexcused absences from exams or failure to submit assigned cases will result in a grade of zero when calculating final averages. All exams must be submitted at the end of the examination period.

Communication and Grading

All questions or concerns regarding grading or course policies must follow the official procedures. No direct negotiation with instructors about grades or assessments is permitted.

Be aware of the rules in Université Paris Dauphine about plagiarism and cheating during exams. All work turned in for this course must be your own work, or that of your own group. Working as part of a group implies that you are an active participant and fully contributed to the output produced by that group.

Bibliographie, lectures recommandées :

Recommended but not compulsory:
- "The Strategy and Tactics of Pricing, a guide to Growing More Profitably" (2021) by Thomas Nagle
and 2 more, 5th or 6th editions are both fine
- "Smart Pricing" (2010) by Raju and Zhang

Augustin Manchon is a global expert in pricing strategy and business model innovation. A graduate of HEC Paris and NYU, he launched and led the pricing consulting practices at both Deloitte and Accenture in North America, becoming Global Head of Pricing in each firm.

Recognized by Slipstream as one of the world's Top 10 Pricing Experts since 2010, Augustin has advised CEOs and executive teams at Microsoft, Carrefour, Walmart, Schneider Electric, Renault, L'Oréal, and several Silicon Valley pioneers.

He is the founder of Manchon & Company, a boutique firm based in Paris and Toronto, and for over 16 years has helped companies develop innovative, profitable, and resilient pricing strategies.

Augustin also serves as a business angel, board advisor, and strategic partner to private equity firms. He is the co-author of Pricing: The New CEO Imperative, the first executive-focused book on pricing strategy.

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