

CHAPTER 13

Price

Sections

13.1 Importance of Price

13.2 Price Influencers

Reading Prep



College
and Career
Readiness

As you read this chapter, take notes on the important points you want to remember. Record key terms and important concepts. Is this helpful in understanding the material?

Check Your Marketing IQ

Before you begin the chapter, see what you already know about marketing by taking the chapter pretest. The pretest is available at www.g-wlearning.com/marketing/.

DECA Emerging Leaders

Food Marketing Series Event, Part 1

Career Cluster: Marketing

Career Pathway: Marketing Management

Instructional Area: Pricing

Knowledge and Skills Developed

- communication and collaboration
- creativity and innovation
- critical thinking and problem solving
- flexibility and adaptability
- information literacy
- initiative and self-direction
- leadership and responsibility
- productivity and accountability
- social and cross-cultural skills

Specific Performance Indicators

- Explain the nature and scope of the pricing function.
- Describe the role of business ethics in pricing.
- Explain the use of technology in the pricing function.
- Describe factors used by marketers to position products/businesses.
- Explain factors affecting pricing decisions.

Purpose

Designed for an individual DECA member, the event measures the member's proficiency in the knowledge, skills, and attitudes in the business administration core and appropriate career cluster and pathway of a given career in a role-play. This

event consists of a 100-question, multiple-choice, cluster exam and two role-play activities in a written scenario.

Participants are not informed in advance of the performance indicators to be evaluated. For the purpose of this textbook, sample performance indicators are given so that you may practice for the competition.

For the purposes of this text, you will be presented with the material for this event in two parts. Part 1 presents the knowledge and skills assessed and an overview of the event's purpose and procedure. Part 2 presents the remaining procedures and the event situation.

Procedure, Part 1

1. For Part 1 in this text, read both Knowledge and Skills Developed and Specific Performance Indicators. Discuss these with your team members.
2. If there are any questions, ask your instructor to clarify.

Critical Thinking

1. List responses to each performance indicator. In what areas do you need additional information?
 2. Anticipate the role you might assume in food marketing based on the performance indicators. What questions might be asked about pricing?
 3. How will you respond to the questions?
- Visit www.deca.org for more information.

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Section 13.1



How does a marketer determine the price of a product?

Importance of Price

Learning Objectives

- LO 13.1-1 Explain price as one of the four Ps of marketing.
LO 13.1-2 Identify two categories of pricing objectives.

Key Terms

pricing objective
volume pricing
gross profit
return on investment (ROI)

net profit
total assets
break-even point

LO
13.1-1

Price

Price is the amount of money requested or exchanged for a product. The pricing function of marketing handles all activities involved in setting acceptable prices for product.

A primary focus of marketing is to set prices that will help the company increase sales and profits. Every business faces the challenge of correctly setting the prices of goods and services. The price of a product:

- must cover the costs of producing and selling the product;
- should generate the desired level of profit for the business; and
- must be what customers are willing to pay for the product.

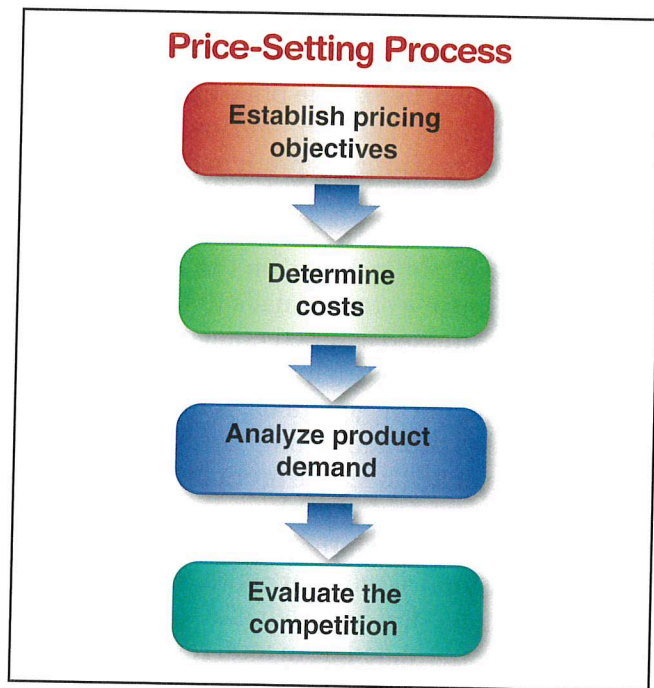
As you learned earlier, the decisions marketers make about a marketing mix influence each other. When a decision is made about one of the four Ps, there is a ripple effect among the other components of the mix. Pricing decisions influence those made about product, place, and promotion. And, the decisions made about product, place, and promotion affect pricing decisions.



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Price is the amount of money requested or exchanged for a product. *How do you evaluate whether the price for a product is reasonable?*

Decisions made about product, place, and promotion can be difficult to change after the marketing mix has been determined. Pricing, however, can be easily changed to meet the competition or address changes in the economy. The setting of prices typically follows the four-step pricing process in Figure 13-1.



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Figure 13-1 Setting prices typically follows these four steps.

LO
13.1-2

Pricing Objectives

An important part of the marketing plan is to create pricing objectives. The price of a product plays a major role in determining whether both the product and the company are successful. **Pricing objectives** are goals defined in the business and marketing plans for the overall pricing policies of the company. Pricing objectives may be based on both short- and long-term company goals.

Pricing objectives often change and are revised regularly. The price must be at a level that encourages customers to purchase the product in addition to generating profits for the business. Pricing objectives typically fall under one of two categories: maximize sales or maximize profit.

Maximize Sales

Maximizing sales is a pricing objective based on offering the lowest price possible to get the



Exploring Marketing Careers

Trade Show Manager

Have you ever been to a trade show or exhibition? These huge gatherings allow companies to show the public—especially prospective customers—their latest products. Companies purchase booth space to showcase and even demonstrate their wares. Organizing these enormous events is the job of the trade show manager. Coordinating everything from the location of the event to the logistics of how to get all the companies' products into the exhibit area, a good trade show manager is critical to the success of the event. Typical job titles for these positions include *trade show manager*, *events manager*, *conference manager*, *conference planner*, and *director of events*.

Some examples of tasks that trade show managers perform include:

- Inspect the event facility to make sure it offers everything needed for the trade show
- Meet with the staff at the chosen location to work out details of the event
- Monitor event activities to make sure they comply with all applicable laws and ordinances
- Ensure the safety and security of the exhibits and all people, including participants, vendors, and the public
- Arrange for any equipment and services needed by the participants, such as electricity, monitors or other display devices, tables, and chairs

Trade show managers need excellent organizational skills. They must be able to understand the requirements for a show or event and coordinate all of the detailed tasks needed to make it successful. In addition, they must have good management skills. In most cases, a four-year bachelor degree is required to be a trade show manager, although a highly experienced applicant may be accepted without a degree. Knowledge and skills related to trade shows may also be required. On-the-job training is sometimes offered. For more information, access the *Occupational Outlook Handbook* online.



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Maximizing sales is based on offering the lowest price possible to get the largest number of customers to buy a product. *What actions have you seen businesses take to try to maximize sales?*

largest number of customers to buy a product. There are different ways this can be accomplished. Two ways are to increase market share and establish volume pricing.

Recall that *market share* is the percentage of total sales in a market held by one business. Increasing market share by gaining more customers is one way to maximize sales. For example, a marketing goal might be to increase market share from 10 percent to 13 percent. In order to increase market share, the company has to find additional customers. A business might lower prices, offer discount coupons, or use other incentives to attract more customers.

Volume pricing is lowering the list price of a product based on a higher number of units purchased at the same time, as shown in Figure 13-2. Lower prices generally lead to increased sales. The strategy behind volume pricing is to give the buyer a price incentive to purchase more at one time and receive the per-item discount.

Maximize Profit

Gross profit is the amount of profit before subtracting the costs of doing business. Maximizing profit is a pricing objective that means

generating as much revenue as possible in relation to total cost. A business charges the highest price customers will pay before the price exceeds the value for customers. The high-end jewelry industry is one in which maximizing profit per sale is the pricing objective.

Return on investment (ROI) is a common measure of profitability based on the amount earned from the investment made in the business. ROI is expressed as a percentage. The better a company is at investing in itself to increase profit, the more profit will be generated. A high ROI typically indicates a profitable company. Marketers are always aware of ROI because profitability is both a corporate and marketing goal.

Simple ROI is determined by dividing net profit after taxes by total assets. **Net profit**, sometimes called *net income*, is what is left after all company expenses are subtracted from total revenue. Everything the company owns is its **total assets**.

$$\text{net profit after taxes} \div \text{total assets} = \text{ROI}$$

For example, if a business has a net profit after taxes of \$50,000 and assets of \$150,000, the ROI is 33 percent.

$$\begin{aligned} \$50,000 \div \$150,000 &= .33 \\ .33 \times 100 &= 33\% \end{aligned}$$

A product starts making profit after the revenue it generates reaches the break-even point. The **break-even point** is the point at which revenue from sales equals the costs. It is often expressed as the number of items that must be sold to recover the money spent to create or buy them. When this point is reached, the company is not losing or making money, it is breaking even. Any revenue made from sales after the break-even

Volume Pricing			
Price per Item	Number Purchased	Total Sale	Volume-Pricing Savings
Up to 12: \$9.99	10	\$99.90	0
13–36: \$8.99	30	\$269.70	\$30.00
37–74: \$7.99	50	\$399.50	\$100.00
75–100: \$6.99	100	\$699.00	\$300.00

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Figure 13-2 Volume pricing is lowering the list price of a product based on a higher number of units purchased at the same time.



Case in Point

Microsoft

Many consumers continue to use their favorite products because the products are familiar and keep the consumers in their comfort zones. In order for a company to keep product sales up, marketers may suggest newer versions of the products. It is up to the marketers to craft campaigns that convince consumers to trade up to the newer version or model of a product they already own.

The Microsoft marketing mix is a good example of how to convince consumers it is time to switch—by making a great introductory offer. Microsoft released a new operating system, Windows 10, in July 2015. To encourage existing Windows users to upgrade right away, Microsoft offered a *promotional price* to grab the attention of PC owners. It offered free upgrade licenses for users currently operating eligible editions of Windows 7 and 8. However, the offer was available to the general public only for one year after the product release. After that time, anyone who wanted to upgrade to Windows 10 would have to pay the retail price of \$119 (Home Edition). Was the promotional offer the key to success? Maybe. It was reported that after nine months of sales, Windows 10 captured 30 percent of the market.

point is profit. The break-even point formula is as follows.

$$\frac{\text{cost} \times \text{number of units}}{\text{selling price}} = \text{break-even point}$$

For example, a business ordered 100 units of the newest-model lawn mower to include in that product line. Each lawn mower costs the business \$140. The pricing plan is to sell the mowers for \$250 each. By following the formula, 56 lawn mowers would need to be sold just to reach the break-even point.

$$\frac{\$140 \text{ cost} \times 100 \text{ units}}{\$250 \text{ selling price}} = 56 \text{ units is the break-even point}$$

Marketers must be able to calculate the break-even point of their products in order to price them correctly, forecast sales, and estimate potential profit. A change in the selling price directly affects the forecasted sales numbers, the break-even analysis, and expected profits.

Section 13.1 Review

Check Your Understanding

1. Describe the pricing function of marketing.
2. What three goals must a price meet if it has been set correctly?
3. Name the two categories that pricing objectives typically fall under.
4. State the formula for return on investment (ROI).
5. State the formula for break-even point.

Build Your Vocabulary

As you progress through this text, develop a personal glossary of key terms. This will help you build your vocabulary and prepare you for a career. Write a definition for each of the following terms and add them to your personal glossary.

break-even point
gross profit
net profit
pricing objective

return on investment (ROI)
total assets
volume pricing

Section 13.2



Why is it important for marketers to understand factors that influence price?

Price Influencers

Learning Objectives

- LO 13.2-1 Summarize the influence of demand on price.
- LO 13.2-2 State the influence of costs on price.
- LO 13.2-3 Explain the influence of competition on price.
- LO 13.2-4 Discuss how customer perception and the product life cycle influence price.

Key Terms

demand-based pricing	variable expense
elastic demand	cost-based pricing
marginal utility	markup
law of diminishing marginal utility	base price
inelastic demand	keystone pricing
fixed expense	competition-based pricing

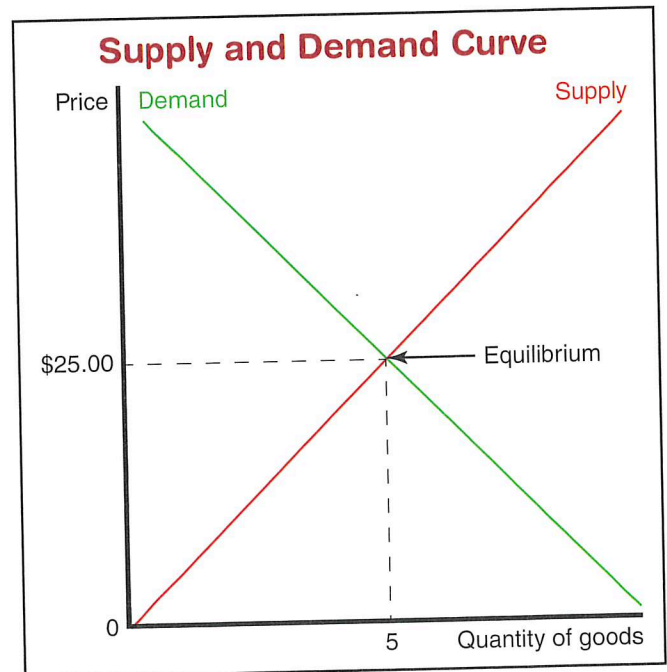
LO
13.2-1

Influence of Demand on Price

The principle of supply and demand is critical to business because it determines the price of goods and services. *Supply* is the quantity of goods available for purchase. *Demand* is the quantity of goods that consumers want to purchase.

The law of supply and demand is tied directly to price, as shown in Figure 13-3. When demand is high and the supply is low, marketers usually raise prices. Customers are willing to pay higher prices for products they really want. When demand is low and supply is high, marketers usually lower prices to increase sales. Customers are often more willing to buy a product when the price is low. *Equilibrium* is the point at which the supply equals the demand for the product.

Demand-based pricing is a pricing strategy based on the amount customers are willing to pay. It is also called *value-based pricing* and reflects customer perceptions of the value of a product. Demand-based pricing is a short-term pricing strategy. It is most effective when the product is unique in the market or the demand is high.



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Figure 13-3 The principle of supply and demand is critical to business because it determines the prices of goods and services.

Employability Skills

Self-Awareness

Self-awareness is a sense of being aware of one's feelings, behaviors, needs, and other elements that make up the whole person. In order to promote yourself to others, you have to be aware of who you are and what your ultimate goal may be in the organization.

For example, perhaps a local boutique is the only business in the area selling a new line of bracelets popular with preteens. The bracelets can be ordered online for \$7 plus \$3 shipping for \$10 total, but they would not arrive for weeks. However, the local business can charge \$12 for the bracelets and earn a higher profit per sale until demand drops.

Price can also affect the demand for some products. Higher prices tend to lower the demand because fewer people can afford the product. In contrast, lower prices tend to raise the demand. For some products, demand is not affected by price. *Demand elasticity* is the degree to which price changes demand. When the demand for products is elastic, the demand changes when the price changes. However, when demand for products tends to remain constant, or is inelastic, demand does *not* change when the price changes.

Elastic Demand

Elastic demand is product demand in which the percent of change in demand is greater than the percent of change in price. Think of a rubber band. A rubber band is elastic; its size changes with the amount of pressure applied. For many products, demand is elastic like a rubber band. The higher the price, the lower the demand.

For example, if the prices of your favorite clothing brand become too high, your demand for that brand will drop. You will buy it less often or not at all. Luxury products that you do not really need tend to have elastic demand. Products that have less expensive substitutes also tend to have elastic demand. For example, if the price of beef goes up, chicken can be substituted. The demand for beef is elastic.

Similarly, when prices of products with elastic demand are lowered, the demand rises. As the price of the product falls, consumers tend to buy more of that product. However, there will come a point at which no matter how low the price, consumers will not buy any more of a product. Even at the lower price, people will not buy any more of the product because they cannot use any more.

Consumers gain satisfaction from a product when it is used. Recall that *utility* defines the characteristics of a product that satisfy human wants and needs. **Marginal utility** is the additional satisfaction gained by using one additional unit of the same product. For example, when you eat an apple, you get satisfaction, or utility. If you eat a second apple, you get a bit more satisfaction, which is its marginal utility. As you continue to eat, you begin to feel full. The second apple does not give you as much satisfaction as the first. If you



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The marginal utility of each apple eaten decreases as the number of apples eaten increases. **When have you experienced the law of diminishing marginal utility?**

LO 13.2-3 Influence of Competition on Price

Researching the product pricing of competitors is an important step in remaining competitive in the market. Marketers understand that price may be the deciding factor for a customer when making a purchase. If the competition offers lower prices, a customer may buy from the competitor because price was the deciding factor. If a business wants to maintain market share, it must be aware of competitor pricing and decide what pricing strategy to use.

Competition-based pricing is a pricing strategy based primarily on what competitors charge. Competition-based pricing does not take into account the cost of producing the product and may not provide enough, or any, profit. The price may be set above, below, or at the competitor's price, depending on the pricing objective. To effectively use a competition-based pricing strategy, marketers monitor the prices of competitors often and propose price adjustments as necessary.

Businesses are always aware of the prices of the competition. A company might decide to match the competition or set prices that are higher or lower than its competitors. The prices of competitors are constantly monitored because



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Competition-based pricing may be set above, below, or at the competitor's price, depending on the pricing objective. *How does competition-based pricing benefit the customer?*

they may change. If a competitor suddenly lowers its prices, that could negatively impact sales for the business if it does not respond in some way.

When local competitors are matching prices, sometimes a price war will begin. During a price war, one company lowers its price. When a competitor sees this, it lowers its price on the same product. The original company will then lower its price even more, and so on.

LO 13.2-4 Other Factors That Influence Price

There are many factors that influence the price of a product. Additional factors include customer perception and product life cycle.

Customer Perception

Customers generally look for prices they consider to be reasonable. However, reasonable to one person may not be reasonable to another. Some companies use price to influence customer perception. A value proposition explains the value of the product over others that are similar. Value may also be a part of the brand promise. Customers may be willing to pay more if they believe in the value of the product or service.

Customers have different perceptions when making a purchase and may perceive price to be an indicator of the quality of a product. Sometimes, customers believe that a higher price means a better-quality product, but that is not always the case. The following are three general quality levels.

- *Premium quality* is the highest level of quality available in products. Premium-quality products usually have the highest prices.
- *Moderate quality* is the middle range of product quality. These products usually combine good-quality materials with moderate prices.
- *Value quality* is an adequate level of product quality. Value-quality products are typically functional, but are not made to last a long time.

Have you ever wondered what was wrong with a product because the price was so low? If you said yes, then the price of a product influenced your perception of its quality. On the other hand, products also can be priced too highly. When the price of a product is too high, customers may not buy



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Premium quality is the highest level and usually has the highest prices. *What factors might help a customer determine a product's level of quality?*

it. Their perception of the product is that it is not worth the money. In this situation, the marketer can lower the price to see if customers will then buy the product.

Customers also look for nonprice factors that may influence the price of a product. Special

services, extended warranties, and other non-price issues can convince a customer not to pay a higher price for added amenities.

Product Life Cycle

The stage in the product life cycle affects the pricing of a product. During the introduction stage, the price of a brand-new product is often high. The manufacturer wants to recover some of the costs required to develop the new product. In addition, only one company is usually making the new product. This causes the supply to be low while demand may be high. Some companies may choose to introduce new products at very low prices so people will try the product. After sales of the new product increase, the prices are usually raised.

During the growth stage, more competitors enter the market, and the price of a high-priced, new product usually falls. This is particularly true for technology products, such as computers and smartphones.

During the maturity and decline phases of a product, prices are usually lowered even further. The lower prices help a declining product generate more sales.



You Do the Math

Exponents

Compound interest is *exponential*. This means that previously earned interest itself earns interest in the future. This can be thought of as *interest on interest*. The future value of a balance with compound interest is calculated by multiplying the present value by one plus the annual interest rate taken to the power of the number of terms.

$$FV = PV \times (1 + r)^n$$

In this equation, *FV* is the future value, *PV* is the present value, *r* is the annual interest rate, and *n* is the period of time over which interest is compounded.

Solve the following problems.

1. Susan has placed \$10,000 in a certificate of deposit (CD) that earns 3.78 percent interest per year. The term of the CD is three years. How much money will she have at the end of the term?
2. A business owner has taken out a small business loan for \$25,000 over a term of five years. The interest rate is 2.9 percent annually. How much interest will have been paid at the end of the loan?
3. A florist needs to purchase a new delivery van. The amount that will be financed is \$36,575. The dealership is offering three financing options: 4.9 percent for 48 months, 1.9 percent for 60 months, and 0.9 percent for 72 months. Which option results in the lowest total interest paid?

Section 13.2 Review

Check Your Understanding

1. What is the difference between elastic demand and inelastic demand?
2. State the formula used to determine base price when using the percentage-markup method.
3. State the formula for the keystone-pricing method.
4. How is a price determined when using competition-based pricing?
5. Name three quality levels that are often associated with price.

Build Your Vocabulary

As you progress through this text, develop a personal glossary of key terms. This will help you build your vocabulary and prepare you for a career. Write a definition for each of the following terms and add them to your personal glossary.

base price
competition-based pricing
cost-based pricing
demand-based pricing
elastic demand
fixed expense

inelastic demand
keystone pricing
law of diminishing marginal utility
marginal utility
markup
variable expense

Chapter Summary

Section 13.1 Importance of Price

LO 13.1-1 Explain price as one of the four Ps of marketing.

As one of the four Ps of marketing, price is the amount of money requested or exchanged for a product. As a function of marketing, businesses set prices that will help the company increase sales and profits.

LO 13.1-2 Identify two categories of pricing objectives.

Two categories of pricing objectives are to maximize sales and maximize profits. Maximizing sales means offering the lowest price possible to get the largest number of customers to buy a product. Maximizing profit means generating as much revenue as possible in relation to total cost.

Section 13.2 Price Influencers

LO 13.2-1 Summarize the influence of demand on price.

When demand is high and the supply is low, marketers usually raise prices. Customers are willing to pay higher prices for products they really want. When demand is low and supply is high, marketers usually lower prices to increase sales. Customers are often more willing to buy a product when the price is low. Demand elasticity is the degree to which price changes demand. Elastic demand changes when price changes. Inelastic demand does *not* change when the price changes.

LO 13.2-2 State the influence of costs on price.

There are expenses related to the creation, marketing, and distribution of all products. In addition, there are many costs related to the daily operations of a business. These costs influence the price that is set for that

product because a profit is made only after all of the expenses are paid.

LO 13.2-3 Explain the influence of competition on price.

Researching the pricing of competitors is an important step in remaining competitive. Marketers understand that price may be the deciding factor for a customer when making a purchase. If the competition offers lower prices, a customer may buy from the competitor. If a business wants to maintain market share, it must be aware of competitor pricing and decide what pricing strategy to use.

LO 13.2-4 Discuss how customer perception and the product life cycle influence price.

Customers may perceive price to be an indicator of the quality of a product. Sometimes, customers believe that a higher price means a better-quality product, but that is not always the case. The stage in the product life cycle also affects the pricing of a product. During introduction, the price of a brand-new product is often high. During growth, more competitors enter the market, and the price usually falls. During maturity and decline, prices are usually lowered even further.

Check Your Marketing IQ

Now that you have completed the chapter, see what you have learned about marketing by taking the chapter posttest. The posttest is available at www.g-wlearning.com/marketing/.

Review Your Knowledge

1. Explain price as one of the four Ps of marketing.
2. Identify two categories of pricing objectives.
3. Summarize the influence of demand on price.
4. What is equilibrium?

5. Explain how some products have both elastic and inelastic demand.
6. State the influence of costs on price.
7. Explain the influence of competition on price.
8. Explain how customer perceptions influence price.
9. What do customers look for in addition to price when deciding what to buy?
10. Discuss how the product life cycle influences price.

Apply Your Knowledge

1. Describe how your company can utilize pricing strategies to maximize return and meet your customers' perception of value.
2. Explain how the other three Ps, product, place, and promotion, might be affected by the pricing decisions made by your business.
3. Assume your company has a pricing objective of maximizing sales by increasing market share. Describe two possible ideas for meeting this objective that relate to the pricing function.
4. Assume your company has a pricing objective of maximizing profit. Describe two possible ideas for meeting this objective that relate to the pricing function.
5. The following factors affect price: company goals, supply and demand, expenses, competition, customer perception, and product life cycle. Critique each factor and explain how you think these factors influence pricing for your products or services.
6. Make a list of the fixed and variable expenses that impact the products or services your business sells.
7. How do you think customers perceive the prices for your products? How does price contribute to your image?
8. How does marginal utility apply to your products?

9. Explain how product, place, and promotion influence the pricing of your products.
10. What nonprice factors of your good or service would entice customers to make a purchase?

Apply Your Math Skills

Emma is a farmer who has begun selling organic honey produced by bees on her farm. She used the following formulas to calculate her profitability.

Percentage-markup pricing:

$$\frac{(\text{cost} \times \text{percentage of markup}) + \text{cost}}{\text{base price}}$$

Keystone pricing:

$$\text{cost} \times 2 = \text{base price}$$

Dollar-markup pricing:

$$\text{cost} + \text{dollar markup} = \text{base price}$$

Return on investment:

$$\frac{\text{net profit after taxes}}{\text{total assets}} = \text{ROI}$$

Break-even point:

$$\frac{\text{cost} \times \text{number of units}}{\text{selling price}} = \text{break-even point}$$

Apply your math skills to solve the following problems.

1. Emma must determine a price for the jars of honey she is going to sell. An 8-oz jar of honey costs \$3 to produce, package, and market. Which pricing method would give Emma the highest price?
 - A. Percentage-markup pricing with a 50-percent markup.
 - B. Keystone pricing.
 - C. Dollar-markup pricing with a \$4 markup.
2. Emma chose to sell jars of honey using the formula with the highest price in question 1. What is the return on investment for her honey business?
3. Emma's bees made enough honey to produce 280, 8-ounce jars. Use the break-even point formula to calculate how many jars of honey she must sell in order to break even.

Communication Skills



**College
and Career
Readiness**

Reading Determine the meaning of the words and phrases used to explain the concepts discussed in this chapter. Different words and phrases might have figurative, connotative, or technical meanings. Analyze the impact of the author's word choices and which

ones have figurative, connotative, or technical meanings.

Writing To persuade someone is to attempt to change that person's behavior or influence a course of action. Apply your writing skills by persuading the vice president of marketing to raise the price of a product line. Write a script in a step-by-step format that presents business reasons for increasing the price.

Speaking Participate in a collaborative classroom discussion about the role of supply and demand on pricing. Ask questions as you participate in the discussion. Contribute comments that connect your ideas to the relevant evidence that has been presented by your classmates.

Internet Research

Pricing Mistakes Conduct an Internet search for *mistakes in setting prices*. Select two of the common pricing mistakes that you uncover in your research. Use what you read in this chapter to evaluate why this is a mistake and how it can be corrected.

Competitive Pricing Using the Internet, search for *how to create a competitive pricing strategy*.

What kind of suggestions did you find? Write a summary of the information.

Customer Perception Theory Research *customer perception theory* using Internet resources. How can this theory be applied to pricing goals?

Teamwork

Working with a team, compare and contrast the three different pricing methods described in this chapter. Create a chart to make your comparisons. Share your chart with the class.

Portfolio Development

Hard Skills Employers review candidates for various positions and colleges are always looking for qualified applicants. When listing your qualifications, you may discuss software programs you know or machines you can operate. These abilities are often called *hard skills*. Make an effort to learn about and develop the hard skills you will need for your chosen career.



**College
and Career
Readiness**

1. Conduct research about hard skills and their value in helping people succeed.
2. Create a Microsoft Word document and list the hard skills that are important for a job or career that currently you possess. Use the heading "Hard Skills" and your name. For each hard skill, write a paragraph that describes your abilities. Provide examples to illustrate your skills. Save the document.
3. Update your master spreadsheet.