

Pricing strategy research paper examples

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Pricing is the most important strategic issue in any organization. In particular, product positioning highly depends on the pricing strategy. Besides, the marketing elements like promotion, channel decisions and product features are both influenced by pricing (Smith, 2011). For the international product launch, the paper introduces the product to the United Kingdom as the preferred international market. It further examines the pricing and channeling strategies for the product launch. The paper basically explores the most appropriate channel and pricing strategy for both international market and domestic market via direct channels of exportation.

The pricing strategy will be applied is linked to the United Kingdom's environmental characteristics, particularly those of the target market, and to the objectives of the company. In the United Kingdom, the company will use differentiated or segmented pricing strategy. This is aimed at fully exploiting the heterogeneity that exists among the UK's consumer markets. For instance, the company will set regular prices at a higher level and occasionally offer temporary price cuts at random points.

Similarly, prestige pricing strategy will be adopted. The prices will be set at higher price and this is typically meant to portray the product as being of superb and higher quality (Friberg, et. al, 2001). Since the product will be branded, possess high quality and be of unimagined standard, prestige pricing will be effective for positioning the product in the international market. However, during the introductory stages into the international market, penetration pricing strategy will be employed. Pricing the product lower than those already existing in the market definitely increase the

market share since consumers will prefer high quality products offered at an affordable price.

Equally, in the domestic market, besides adopting a direct channel of distribution, the company will use a penetration pricing strategy. Basically, the company will use experience curve pricing and introduce the product at a lower price. In fact, this strategy is meant to fully exploit the pioneer benefits. Lower prices will attract and actually capture the market segment which is price sensitive (Gijsbrechts and Campo, 2000). This will also enable the company to establish the economies of experience just before the occurrence of competitive entries.

References

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