



Factors influencing international price



Methods of Pricing

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graph LR; A[Methods of Pricing] --- B[Cost-Oriented Export Pricing Methods]; A --- C[Marginal Cost Pricing]; A --- D[Market-Oriented Export Pricing]
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Cost-Oriented Export Pricing Methods

Marginal Cost Pricing

Market-Oriented Export Pricing

Pricing Strategy

Skimming pricing

Penetration pricing

Probe pricing

Leader follow pricing

Value based pricing

Optional pricing

Cost plus pricing

Psychological pricing

• **Production Cost**

- (a) Cost of production,
- (b) Cost of distribution, and
- (c) Cost of marketing support.

Nature of the Product

- (a) Consumer or Industrial
- (b) Seasonal
- (c) Range of product available
- (d) Demand level
- (e) Supply
- (f) International taxes
- (g) Export incentives
- (h) Price regulations
- (i) Product design
- (j) Delivery time
- (k) Guarantee, and
- (l) After sale service.

Information required for pricing

Market Information

- (a) Competition level
- (b) Market size
- (c) Scope
- (d) Payment terms
- (e) Brand image
- (f) Distribution channel
- (g) Market segmentation
- (h) Advertisement
- (i) Trade agreements
- (j) Market fluctuation
- (k) Financial structure, and
- (l) Credit conditions.

Other information

- (a) Shipping services
- (b) Bilateral agreements
- (c) Political situations
- (d) Company policy
- (e) Export import policy
- (f) Tax policy
- (g) Chances of change in market
- (h) Export packing
- (i) Delivery of goods and penalties, and
- (j) Goods insurance.