

国际贸易实务 (双语版)

Chapter 8

Price of Goods



Chapter 8 Price of Goods

Teaching Plan 1

Teaching Contents

Section One Contents of Price term

- 1. Pricing Strategy**
- 2. Pricing Objectives**
- 3. Pricing principles**
- 4. Consideration of factors affecting the prices**

Teaching time: Two-class hour (90 minutes)

Learning Objectives

- 1. Master pricing strategy**
- 2. Understand pricing objectives**
- 3. Master pricing principles**
- 4. Master the factors affecting the prices**



Chapter 8 Price of Goods

Teaching Plan 1

Important Points:

- 1.Pricing strategy**
- 2.Pricing principles**
- 3.Factors affecting the prices**

Difficult Points:

- 1.Pricing strategy**
- 2.Factors affecting the prices**

Teaching Methodology:

Questions and Answers; Presentation; Group discussion; case analysis

Teaching Aids:

PPT, blackboard, multimedia classroom



In international trade practice, the term of price is one of the most important items of a contract



Section One Contents of Price term

What is price?

Price is the amount of money that is needed to acquire some combination of a product and its accompanying services. Price is also a critical ingredient in consumer evaluation of the product.

What is pricing?

Pricing means a series of techniques relating to a single product or a group of products



Section One Contents of Price term

1.Pricing strategy(定价策略)

1) Penetration pricing (渗透定价法)

It is the pricing technique of setting a relatively low initial entry price, a price that is often lower than the eventual market price. The expectation is that the initial low price will secure market acceptance by breaking down existing brand loyalties. Penetrating pricing is most associated with a marketing objectives: increasing market share or increasing sales volume rather than short term profit maximization.



Section One Contents of Price term

2) Skimming Pricing (撇脂定价法)

This strategy is used when a new product is introduced. It involves setting a high initial price primarily to recoup research and development investments; the price is progressively lowered as time passes and competition sets in. The objective is to maximize short-term profits.

3. Early cash recovery pricing (资金速期回收定价法)

This strategy means companies tend to set a price which will bring in cash at an earlier stage rather than the longer time.

Section One Contents of Price term

2) Skimming Pricing (撇脂定价法)

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Section One Contents of Price term

2.Pricing Objectives

1) Long-term objectives

Long-term objectives are usually concerned with profitability and market share. Firms which consider price as a strategic marketing weapons will devote more attention to long-term price objectives.

2) Short-term objectives

Short-term objectives are usually specified in annual budgets developed by the firm for a number of items including profits, sales volume, and market share.

Section One Contents of Price term

3.Pricing principles

1)The price on the bases of the price in the international market.

2)Prices vary with regions and countries according our foreign policies

3)The price should be set according to the marketing purposes.

4)Watch the change of supply and demand relationship and the trend of rising or falling of the market prices

Section One Contents of Price term

4.Consideration of factors affecting the prices

1)Qualities of the goods

2)Quantity of the goods

3)Distance of transportation

4)Place and terms of delivery

5)Changes of demand according to the seasons

6)Terms of payment and fluctuations of the exchange rates

7)profit

Section One Contents of Price term

8) Cost and expenses

Three aspects: cost and expenses, inland expenses, foreign expenses

(1) Cost of the goods

(2) Inland expenses:

--- packing charge

--- warehousing charges

--- inland transport charges

--- certification charges

--- port charges

--- inspection charges

--- duties and taxes

Section One Contents of Price term

(2) Inland expenses:

- duties and taxes**
 - interest**
 - operating charges**
 - bank charges**
- and so on.**

(3) foreign expenses

- foreign freight**
- insurance premium**
- commission**
- discount**



Thank You !