

## ANALYSIS OF PRICING STRATEGY IN INTERNATIONAL MARKETING

**Resti Hardini<sup>1</sup>, Rahayu Lestari<sup>2</sup>, Suadi Sapta Putra<sup>3</sup>, Kumba Digdowiseiso<sup>4</sup>,  
Azizul Yadi Yaakop<sup>5</sup>**

<sup>1,2,3,4</sup>Faculty of Economics and Business, Universitas Nasional, Jakarta

<sup>5</sup>Faculty of Business, Economics and Social Development, Universiti Malaysia Terengganu

Corresponding E-mail: [resti.hardini@civitas.unas.ac.id](mailto:resti.hardini@civitas.unas.ac.id)

### Abstract

In-depth pricing strategies in international marketing are examined in this literature review in an effort to provide a thorough understanding of the theory, impact, and conceptual framework. The background of the research emphasizes how complex international markets are and how pricing strategies must be modified to account for trade regulations, cultural variances, and market dynamics. By examining the theories of elasticity of demand, purchasing power parity, market penetration, and price differentiation, this research methodology employs a methodical literature review approach. The findings indicate that striking the correct balance between these factors is necessary for a successful pricing strategy. Demand elasticity is essential for adapting prices to the market, and relative price adjustments are guided by purchasing power parity. While price differentiation works well for high-quality products, market penetration strategies can also be beneficial in gaining market share. The talk focuses on the opportunities and new challenges that come with putting this strategy into practice. The study's conclusion highlights the significance of having a thorough understanding of environmental theories and variables when putting responsive pricing strategies into practice in global marketplaces. The ability of the business to consistently adjust to shifting global dynamics is just as important to its success as determining the appropriate prices.

**Keywords:** *Marketing, International Pricing, Strategy*

### 1. INTRODUCTION

In the quickly evolving global business landscape, international marketing is a strategic component. The globalization phenomenon has presented businesses with both opportunities and challenges in terms of expanding their market reach outside of their native countries. Businesses now have easier access to global markets thanks to the increasing connectivity of communications and technology in this era. International marketing encompasses more than just selling goods in other countries; it also requires a thorough awareness of the customs, consumer preferences, and laws governing the market in each target nation (Mulyana, 2021). Understanding and adapting to the dynamics of the global market is essential for success because a marketing strategy that works in one nation may not work in another.

The way businesses interact with customers has also changed as a result of globalization; today, using social media and information technology effectively is crucial for managing relationships with customers across the globe and creating a positive brand image. According to Kencana (2019), international marketing encompasses not only cross-border business transactions but also strategic innovation aimed at addressing cultural disparities and global market dynamics. Recognizing international marketing requires an understanding of the business world's increasingly intricate and profound globalization. The business paradigm has shifted from operating on a national to an international scale due to the economic, social, and political phenomenon known as globalization. The development of international trade agreements and the advancement of communications and transportation technologies have made it easier for businesses to enter international markets. Companies now plan, develop, and market their products and services very

**ANALYSIS OF PRICING STRATEGY IN INTERNATIONAL MARKETING**

*Resti Hardini, Rahayu Lestari, Suadi Sapta Putra, Kumba Digdowiseiso, Azizul Yadi Yaakop*

---

differently as a result of this global market's emergence (Octarinie et al., 2021). Social media and information technology advancements have acted as a catalyst to enable businesses to communicate directly with customers worldwide. Furthermore, consumers' behavior is changing due to increased mobility and global access to information, necessitating strategic marketing adjustments. Businesses that can effectively handle variables like cultural disparities, trade laws, and consumer inclinations across multiple global markets will enjoy a competitive edge. In addition to economic considerations, cultural shifts, technological advancements, and market dynamics that are becoming more interwoven globally are all included in the field of international marketing. Companies that wish to thrive in the face of global market opportunities and challenges must have a thorough understanding of these factors (Zulkarnaen & Amin, 2018).

In international marketing, pricing is a crucial factor that significantly affects a business's approach and success in the worldwide market. This process considers cultural, legal, and political aspects of each destination country in addition to economic factors like production costs and profit targets. Companies must first comprehend the potential cost variations in an international supply chain, including costs associated with production, distribution, and logistics. Furthermore, changes in currency exchange rates have a significant impact on how much products cost in global marketplaces. Dynamic global economic conditions can affect commodity prices and consumer purchasing power, which can then affect the price of products (Semaun & Darwis, 2019). Because consumer preferences for price can differ significantly between countries, cultural factors are also an important factor to take into account. While some markets prioritize product value and quality over price, others might be more price sensitive. Companies also need to be aware of the international trade laws and policies that are relevant in each market, such as export-import tariffs and taxes. Due to all of these factors, businesses must implement flexible pricing strategies that can be tailored to the particulars of every market. In general, pricing in international marketing serves as a tool for both achieving profitability and closely analyzing and meeting the needs of global markets (Saragih, 2015).

It is essential to carry out research into literature studies analyzing pricing strategies in international marketing due to the dynamic and complex nature of the development of international marketing. Globalization has made it easier for businesses to enter international markets, but in order to succeed in the face of intense competition, they must have a solid understanding of how to set their prices for goods and services in various nations. A few factors that affect pricing strategies are changes in consumer preferences, production cost variances, exchange rate fluctuations, and international trade laws (Efendi, 2018). An in-depth grasp of the theories, conceptual frameworks, and empirical findings pertaining to successful pricing strategies in international marketing will be provided by literature study research. This comprehensive analysis will offer practical as well as theoretical insights to help businesses better navigate the dynamics of the global market. Research of this nature is critical to closing knowledge gaps and giving businesses the direction they need to build flexible and aggressive pricing strategies in global markets. As a result, this research advances the field of global marketing science and is pertinent for addressing challenges in international marketing.

**2. IMPLEMENTATION METHOD**

The primary methodology used in this study to gain a thorough understanding of pricing strategies in international marketing is a systematic literature review. This approach was selected because it offers an organized, methodical way to gather, assess, and summarize literature that is pertinent to the area of study. This methodology commences with an exhaustive phase of literature search, succeeded by the implementation of well-defined inclusion and exclusion criteria to ascertain the pertinence and caliber of every information resource. The identified findings are then thoroughly analyzed, enabling examination of broad patterns, discrepancies, and knowledge gaps that may require further research. According to Akhigbe et al. (2017), the systematic literature review method offers a strong framework for presenting the body of existing literature in a

comprehensive manner, developing a solid theoretical foundation, and bolstering the development of arguments and research findings. As a result, this approach not only makes it easier to comprehend pricing strategies in international marketing in depth, but it also adds to the body of academic literature by outlining the advancement of knowledge and suggesting areas for future research.

### 3. RESULTS AND DISCUSSION

Based on the SLR results of 5 journals that match the keywords searched, namely Marketing, International Pricing, and Strategy, the following results were obtained:

No.	Article Title	Writer	Research Findings/Results
1	Analysis of Pricing Strategy in International Marketing	(Siregar & Aslami, 2021)	The conclusion that can be concluded is that pricing strategies have a crucial role in the context of international marketing. If a pricing strategy is not implemented correctly, it can result in low profits or even the potential for greater losses.
2	The Influence of Pricing Strategy on Consumer Satisfaction	(Zulkarnaen & Amin, 2018)	Aspects of pricing strategy have an impact on consumer satisfaction.
3	Implementation of Marketing and Pricing Strategies to Increase Consumer Purchasing Power during the Covid-19 Pandemic	(Amiliana & Chamid, 2022)	When an effective marketing strategy is able to trigger consumer interest in products that are less popular and make them items that are rarely purchased, especially in a pandemic situation.
4	Marketing Strategy and Marketing Mix Optimization in Capturing Potential Consumers of Educational Services	(Dayat, 2019)	Marketing strategies and marketing mix optimization have a significant impact in attracting the attention of potential consumers in the education services sector. Therefore, all marketers should be involved in the design of service processes, as they are often involved in monitoring or being responsible for service quality control.
5	The Effect of Determining Cost of Production and Marketing Strategy on the Income Level of Micro, Small and Medium Enterprises (MSMEs)	(Sony Erstiawan et al., 2021)	Empowerment of MSMEs can be carried out by involving the role of the Government through the implementation of policies both fiscal and non-fiscal in nature. Stakeholders also have an important role in encouraging MSMEs to become more independent and innovative.

Conceptual frameworks that offer a thorough grasp of the elements influencing a company's pricing policies in international markets are included in pricing theories in international marketing. The theory of elasticity of demand is a pertinent theory that considers the degree to which consumers in global markets will react to changes in price when determining prices. In addition, purchasing power parity theory is a crucial factor to take into account, as variations in inflation rates among nations can impact the relative costs of goods (Triwidatin & Aziz, 2020). Theories of discriminatory pricing and market penetration can be used to comprehend how businesses can enter international markets by customizing their prices to fit the demands of

**ANALYSIS OF PRICING STRATEGY IN INTERNATIONAL MARKETING**

*Resti Hardini, Rahayu Lestari, Suadi Sapta Putra, Kumba Digdowiseiso, Azizul Yadi Yaakop*

---

regional markets. Another theory that illustrates how price disparities can influence international trade is price arbitrage. In addition to these theories, one must take into account the information availability theory, which holds that a company's pricing strategy may be impacted by the transparency of market information. To guide businesses in creating efficient and flexible pricing strategies in intricate global marketplaces, a thorough understanding of these diverse pricing theories is crucial (Amiliana & Chamid, 2022).

The previously described theories, which take into account various factors influencing a company's pricing policies in the global market, can serve as the foundation for developing a conceptual framework for determining prices in international marketing. A conceptual framework that can highlight the significance of comprehending how much global markets will react to changes in product prices is the theory of elasticity of demand. Relative demand elasticities across markets are included in this analysis, which enables businesses to set prices that maximize profits and revenue. The conceptual framework of purchasing power parity theory can be used to illustrate how pricing policies are influenced by variations in inflation rates among nations. To maintain a relatively stable purchasing power of their products in global markets, companies must take these factors into account (Siregar & Aslami, 2021).

Meanwhile, the conceptual framework can help explain the tactics businesses can employ to enter overseas markets and increase profits in the theory of market penetration and discriminatory pricing. A pricing strategy may center on the use of aggressive pricing or price differentiation based on the features of the local market. Lastly, it's critical to incorporate the theories of information availability and price arbitrage. Price arbitrage analysis aids businesses in comprehending pricing disparities across global marketplaces, and knowledge of information accessibility can direct pricing strategies according to the degree of market transparency (Kencana, 2019). A thorough comprehension of the previously mentioned elements is necessary for an international marketing pricing strategy to be successful. To find the ideal price point, businesses must first take the elasticity of demand into account in global markets. Revenue and profitability can rise when pricing strategies carefully consider the response of the market (Mulyana, 2021).

It is crucial to put into practice a pricing strategy that complies with the purchasing power parity theory. This involves modifying prices in line with the rates of inflation in different nations to maintain the stable purchasing power of goods on a worldwide scale. This approach can improve the brand's reputation globally in addition to influencing how valuable consumers believe the product to be (Octarinie et al., 2021).

Companies are able to implement pricing policies that are tailored to the specific features of each market with regard to market penetration and discriminatory pricing tactics. Companies can more successfully enter international markets and increase their market share by implementing aggressive pricing or price differentiation based on market segments. In this regard, businesses need to take into account the relative elasticity of demand as well as pricing strategies that can adapt to the dynamics of global market competition (Zulkarnaen & Amin, 2018). Companies can use a variety of pricing strategies in international marketing to maximize their financial performance and position in the global market. Initially, a differentiation pricing strategy enables businesses to modify their product prices in accordance with the features of the local market. This entails implementing price adjustments based on the purchasing power and preferences of customers in various nations. Businesses can provide value that is tailored to the specifics of each market by putting this strategy into practice (Semaun & Darwis, 2019).

Setting comparatively low prices is a key component of market penetration strategies in order to break into foreign markets and increase market share. Companies can increase consumer demand and obtain a competitive edge in the global market by providing competitive prices. Furthermore, premium brands or products with superior quality and a premium image can use a premium pricing strategy. In this situation, businesses raise their prices to correspond with the features and worth of their goods. If the business enjoys a solid reputation and customers in foreign markets are prepared to pay more for superior quality, this tactic may prove successful (Triwidatin

& Aziz, 2020). Pricing tactics have an impact on brand image, perceived value, and global competitiveness in addition to financial considerations in international marketing. In order to maximize value to the company in a global context, selecting the appropriate strategy necessitates a thorough understanding of environmental factors, trade policies, and consumer preferences in various markets (Octarinie et al., 2021).

#### 4. CONCLUSION

The intricacy and variety of the difficulties faced by businesses in the global market are reflected in the findings of the literature review that examined pricing tactics in international marketing. Businesses that want to succeed must comprehend and incorporate a variety of theories and conceptual frameworks when determining how much to charge. Important considerations include price differentiation, market penetration, purchasing power parity, and demand elasticity. Furthermore, pricing strategies need to be modified to account for the unique features of each market, such as the degree of competition, consumer preferences, and prevailing economic conditions. A company's competitiveness, brand image, and profitability in international markets can all be positively impacted by designing an effective pricing strategy that is adaptive and responsive to the dynamics of the global market. Effective international marketing is contingent upon a company's capacity to consistently adjust to the dynamic and intricate global landscape, in addition to determining appropriate pricing strategies.

#### Acknowledgement

This article is a part of joint research and publication between Faculty of Economics and Business, Universitas Nasional, Jakarta and Faculty of Business, Economics, and Social Development, Universiti Malaysia Terengganu.

#### REFERENCES

- Akhigbe, T., Zolnourian, A., & Bulters, D. (2017). Compliance of systematic reviews articles in brain arteriovenous malformation with PRISMA statement guidelines: Review of literature. In *Journal of Clinical Neuroscience* (Vol. 39, pp. 45–48). Churchill Livingstone. <https://doi.org/10.1016/j.jocn.2017.02.016>
- Amiliana, D., & Chamid, A. (2022). Implementation of Marketing and Pricing Strategies to Increase Consumer Purchasing Power During the Covid-19 Pandemic. *Journal of Management and Business Start-Ups*, 7(4).
- Dayat, M. (2019). Marketing Strategy and Marketing Mix Optimization in Capturing Potential Consumers of Educational Services. *Mu'allim Journal*, 1(2).
- Efendi, AR (2018). Analysis of Selling Price Determination Strategy in View of the Cost of Goods Production at the Aliff Catering Company. *PERFORMA: Journal of Management and Business Start-Ups*, 3(3).
- Kencana, S. (2019). SKM.CLOTHING Pricing Strategy Analysis. Management major.
- Mulyana, M. (2021). Pricing Strategy. *Journal of Marketing Management*.
- Octarinie, N., Rasjid, A., Kunci, K., Consumer, K., & Price, S. (2021). Analysis of Pricing Strategy on Consumer Decisions in Purchasing PT Cement Products. Semen Baturaja (Persero) Tbk in Palembang City The Analysis of Price Strategy on Consumer Decisions in Purchasing Cement Products at Semen Baturaja (Persero) Company in Palembang City. *Journal of Applied Economics, Management and Business*, 1 (December). <http://jurnal.polsri.ac.id/index.php/jtiemb>
- Saragih, H. (2015). Analysis of Pricing Strategy and Its Effect on Sales Volume at PT. Nutricia Indonesia Sejahtera Medan. *Methonomy Scientific Journal*, 1(2), 46.

***ANALYSIS OF PRICING STRATEGY IN INTERNATIONAL MARKETING***

*Resti Hardini, Rahayu Lestari, Suadi Sapta Putra, Kumba Digdowiseiso, Azizul Yadi Yaakop*

---

- Semaun, S., & Darwis. (2019). The Influence of Pricing Strategy on Consumer Purchase Interest (Islamic Business Ethics Analysis). *Journal of Sharia Economic Law*.
- Siregar, WS, & Aslami, N. (2021). Analysis of Pricing Strategies in International Marketing. *Journal of Business Economics Management and Accounting (EBMA)*, 2(2).
- Sony Erstiawan, M., Wibowo, J., & Economics, Dinamika University Surabaya, F. (2021). Effectiveness of Marketing Strategy and Financial Management in Bread MSMEs. *Journal of Community Service*, 5(1), 2581–1932.
- Triwidatin, Y., & Aziz, A. (2020). The Effect of Production Prices and Marketing Strategies on Income Level of Micro Small Medium Enterprises (MSMEs). *Journal of Accounting*, 8(1).
- Zulkarnaen, W., & Amin, NN (2018). The Influence of Pricing Strategy on Consumer Satisfaction (Study of Rema Laundry and Simply Fresh Laundry on Jalan Cikutra Bandung). *Journal of Economic Management and Accounting*, 2(1).