

**1. INTRODUCTION**

A company works in numbers. A company needs a large amount of capital, a number of workers, and most importantly, the right pricing for its products and services. Effective pricing is the heart of any company. Effective pricing can amplify the productivity and profitability of each product and service or prevent competitors from entering the market, and effectively expand its share in the market.

**2. COMPANY OVERVIEW**

[SPECIFY THE FULL AND COMPLETE NAME OF THE COMPANY] is organized and existing under the laws of [SPECIFY STATE], [SPECIFY STATE/COUNTRY]. The company has been in the home market for [NUMBER] years. Having a vision to be one of the leaders in the industry, the company chose to conduct this competitive pricing analysis to its pricing strategy to be at par with its major competitors.

**3. MARKET PRICING COMPETITION**

Pricing products or services has never been an easy task. There are a lot of factors to be considered. The following data illustrates the factors in pricing, and the comparison in competitive pricing between the company and its direct and indirect competitors.

**3.1 Direct Competitors**

The company’s direct competitors offer the same products and service. These companies also target the same customers.

The company has identified its top three (3) direct competitors in the home market namely: (1) [SPECIFY NAME OF COMPETITOR 1]; (2) [SPECIFY NAME OF COMPETITOR 2]; and (3) [SPECIFY NAME OF COMPETITOR 3].

The table underneath summarizes the key similarities and differences between the company and its top three (3) direct competitors.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **The Company** | **Competitor 1** | **Competitor 2** | **Competitor 3** |
| Name of Product | Product 1 | Product 2 | Product 3 | Product 4 |
| Features | ⭐ Feature 1  ⭐ Feature 2  ⭐ Feature 3 | ⭐ Feature 1  ⭐ Feature 2  ⭐ Feature 3 | ⭐ Feature 1  ⭐ Feature 2  ⭐ Feature 3 | ⭐ Feature 1  ⭐ Feature 2  ⭐ Feature 3 |
| Similar Component | ✓ Similar Component 1  ✓ Similar Component 2  ✓ Similar Component 3 | ✓ Similar Component 1  ✓ Similar Component 2  ✓ Similar Component 3 | ✓ Similar Component 1  ✓ Similar Component 2  ✓ Similar Component 3 | ✓ Similar Component 1  ✓ Similar Component 2  ✓ Similar Component 3 |
| Key Differences | * Key Differences 1 * Key Differences 2 * Key Differences 3 | * Key Differences 1 * Key Differences 2 * Key Differences 3 | * Key Differences 1 * Key Differences 2 * Key Differences 3 | * Key Differences 1 * Key Differences 2 * Key Differences 3 |
| Price | US$ 10.00 | US$10.00 | US$10.00 | US$10.00 |
| Target Audiences | > Target Audience 1  > Target Audience 2  > Target Audience 3 | > Target Audience 1  > Target Audience 2  > Target Audience 3 | > Target Audience 1  > Target Audience 2  > Target Audience 3 | > Target Audience 1  > Target Audience 2  > Target Audience 3 |

The table underneath illustrates the factors that affect the pricing of the company’s products and services, and how this compares to its three (3) direct competitors in the home market.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Factors** | **The Company** | **Competitor 1** | **Competitor 2** | **Competitor 3** |
| Low Price | ☆☆☆☆☆ | ☆☆☆☆☆ | ☆☆☆☆☆ | ☆☆☆☆☆ |
| Superior Quality | ☆☆☆☆☆ | ☆☆☆☆☆ | ☆☆☆☆☆ | ☆☆☆☆☆ |
| Customizable Products | ☆☆☆☆☆ | ☆☆☆☆☆ | ☆☆☆☆☆ | ☆☆☆☆☆ |
| Unique Features | ☆☆☆☆☆ | ☆☆☆☆☆ | ☆☆☆☆☆ | ☆☆☆☆☆ |
| Rapid Delivery | ☆☆☆☆☆ | ☆☆☆☆☆ | ☆☆☆☆☆ | ☆☆☆☆☆ |

**3.2 Indirect Competitors**

The indirect competitors of the company are those companies that offer high- or low-end versions of the same products and services. However, these companies target completely different customers.

The company has identified its top three (3) indirect competitors in the home market namely: (1) [SPECIFY NAME OF COMPETITOR 1]; (2) [SPECIFY NAME OF COMPETITOR 2]; and (3) [SPECIFY NAME OF COMPETITOR 3].

The table underneath summarizes the key similarities and differences between the company and its top three (3) indirect competitors.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **The Company** | **Competitor 1** | **Competitor 2** | **Competitor 3** |
| Name of Product | Product 1 | Product 2 | Product 3 | Product 4 |
| Features | ⭐ Feature 1  ⭐ Feature 2  ⭐ Feature 3 | ⭐ Feature 1  ⭐ Feature 2  ⭐ Feature 3 | ⭐ Feature 1  ⭐ Feature 2  ⭐ Feature 3 | ⭐ Feature 1  ⭐ Feature 2  ⭐ Feature 3 |
| Similar Component | ✓ Similar Component 1  ✓ Similar Component 2  ✓ Similar Component 3 | ✓ Similar Component 1  ✓ Similar Component 2  ✓ Similar Component 3 | ✓ Similar Component 1  ✓ Similar Component 2  ✓ Similar Component 3 | ✓ Similar Component 1  ✓ Similar Component 2  ✓ Similar Component 3 |
| Key Differences | * Key Differences 1 * Key Differences 2 * Key Differences 3 | * Key Differences 1 * Key Differences 2 * Key Differences 3 | * Key Differences 1 * Key Differences 2 * Key Differences 3 | * Key Differences 1 * Key Differences 2 * Key Differences 3 |
| Price | US$ 10.00 | US$10.00 | US$10.00 | US$10.00 |
| Target Audiences | > Target Audience 1  > Target Audience 2  > Target Audience 3 | > Target Audience 1  > Target Audience 2  > Target Audience 3 | > Target Audience 1  > Target Audience 2  > Target Audience 3 | > Target Audience 1  > Target Audience 2  > Target Audience 3 |

The table underneath illustrates the factors that affect the pricing of the company’s products and services, and how this compares to its three (3) indirect competitors in the home market.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Factors** | **The Company** | **Competitor 1** | **Competitor 2** | **Competitor 3** |
| Low Price | ☆☆☆☆☆ | ☆☆☆☆☆ | ☆☆☆☆☆ | ☆☆☆☆☆ |
| Superior Quality | ☆☆☆☆☆ | ☆☆☆☆☆ | ☆☆☆☆☆ | ☆☆☆☆☆ |
| Customizable Products | ☆☆☆☆☆ | ☆☆☆☆☆ | ☆☆☆☆☆ | ☆☆☆☆☆ |
| Unique Features | ☆☆☆☆☆ | ☆☆☆☆☆ | ☆☆☆☆☆ | ☆☆☆☆☆ |
| Rapid Delivery | ☆☆☆☆☆ | ☆☆☆☆☆ | ☆☆☆☆☆ | ☆☆☆☆☆ |

**4. SWOT ANALYSIS**

This SWOT analysis explores the strengths, weaknesses, opportunities, and threats to the company. This SWOT Analysis shall help the company set the right price by understanding its external and internal competencies.

**4.1 Strengths**

* + The company has proven its expertise in the home market, which guarantees an edge over its competitors.
  + The company creates new and innovative products and services which are worth the high price.
  + The company’s business is located in a highly competitive market geography.
  + The company operates with quality processes and procedures.
  + [ADD MORE STRENGTHS]

**4.2 Weaknesses**

* The marketing expertise of the company is only concentrated within the surrounding geographical locations of the business.
* Due to high competition, the number of products and services in the market are high, and the prices of the products and services drop at substantially low levels.
* In order to manage loss of potential profits due to product low market value caused by tight competition, the company is utilizing low-cost materials and cheaper manufacturing costs in the production of goods, thereby producing poor quality goods and services.
* Following a controversial market incident involving the company, the reputation and goodwill of the company has been affected, thereby reducing the number of customers and clients
* [ADD OTHER WEAKNESSES]

**4.3 Opportunities**

* The Internet is a great avenue for marketing the company’s products and services.
* Strategic alliances, as well as mergers and joint ventures, can greatly help the company to create wider and varied connections in the market.
* The company may consider moving into new segments in the market that offer higher and improved revenues and profits.
* The international market is a vast area waiting to be explored.
* [ADD OTHER OPPORTUNITIES]

**4.4 Threats**

* A new company, offering the same products and services, has joined the home market industry.
* Because of very high competition among various companies offering similar products and services, there is a constant price war among competitors.
* Competitors have superior access to different channels of distribution in the market.
* The company’s products and services are subject to high federal and national tax rates.

**5. CONCLUSION**

Competitive pricing analysis is an important component of the company’s growth. It shall provide the company with the knowledge to leverage its strengths and opportunities, as well as assess its weaknesses and threats to arrive at the right pricing of its products and services.