

ULUSLARARASI PAZARDA FİYATLANDIRMA STRATEJİLERİ VE MALİYET SİSTEMLERİNİN YERİ: MARMARİS TURİZM İŞLETMELERİ ÖRNEĞİ*

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ÖZET

Küreselleşen dünyada işletmeler açısından en önemli kararların başında, fiyatlandırma kararları yer almaktadır. Ürün ve hizmetler açısından fiyatın belirlenmesi, kıtadan kıtaya, ülkeden ülkeye, çoğu zaman şehirden şehre değişmektedir. Bunun yanında, maliyet sistemi seçim kararı işletmenin fiyatlandırma kararlarında stratejik bir rol oynamaktadır. Etkin maliyet sisteminin seçilmesi, işletmelerin karar alma sürecinde maliyetlerini doğru biçimde saptayıp, bu gerçek maliyetler ışığında kendilerini olası zararlardan koruyabilecekleri seviyede fiyat belirlemelerini ya da belirli bir fiyat seviyesini korumak üzere maliyetlerini kısmak için zamanında harekete geçmelerini kolaylaştırmaktadır. Dolayısıyla küresel rekabette işletmelere üstünlük sağlayacak stratejik fiyatlandırma kararlarının alınması, maliyet sistemlerine dayalı etkin politikaların izlenmesiyle mümkün olduğu için, işletmelerin özellikle yeni pazarlara giriş aşamasında alacakları fiyatlandırma kararları maliyet sistemlerinin ne derece etkin analiz edildiğine ve işletildiğine bağlı olarak değişecektir (Durak ve Bulut,2006). Bu çalışmanın amacı, küresel pazarda faaliyet gösteren işletmelerde fiyatlandırma stratejilerinin seçimi ve bu stratejilerin belirlenmesi sırasında işletmelerin maliyet sistemi seçimlerinin rolünün incelenmesidir. Bu amaçla, çalışmada küresel pazarda faaliyet gösteren Marmaris'teki turizm işletmelerinin (tur operatörleri ve seyahat acentelerinin) fiyatlandırma stratejisi seçim kararları ve bu kararlarda işletmenin maliyet sistemlerinin etkisi analiz edilmiştir.

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PRICING STRATEGIES IN INTERNATIONAL MARKET AND THE LOCATION OF COST SYSTEMS: THE CASE OF MARMARIS TOURISM ENTERPRISES

ABSTRACT

In globalizing world pricing is one of the most important decision for enterprises. Price demanded for goods and services differs from continent to continent, country to country and even from city to city. Besides decision of choosing cost system plays an important part in strategic pricing decision. Choosing an efficient cost system helps enterprises to determine accurate costs and incisive price level to protect them against probable loss or to take action about reducing costs for conserving specific price level on time during decision process. Consequently taking a strategic pricing decision to outclass global competition is only possible with following efficient policies based on cost systems and particularly pricing decisions about penetrating new markets may differ from efficiency of analyzing cost systems and operating them (Durak and Bulut,2006). Accordingly the aim of this study is to examine the role of cost system choice in indicating pricing strategies for enterprises operating in international markets. For this purpose, in the study, tourism enterprises (tour operators and travel agencies) in Marmaris operating in global market will be analyzed in the context of pricing strategy selection decision and the effect of cost systems on decisions.

Keywords : International Market, Pricing Strategies, Cost Systems

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1. INTRODUCTION

Increasing competition in the international market requires the companies to be more careful about their marketing strategies and depending on this pricing decisions and the cost of the systems to be planted. Especially, while disappear of the national markets and globalization of the markets provide companies with the less production costs as a result of the technological developments, increasing potential customers and mass

production, it also brings up some disadvantages such as additional costs as a result of the new strategies for the customers with various geographical, demographical, psychological, graphical and behavioral qualifications. Nonetheless, choosing the cost systems plays an important role in the decisions of strategic pricing. Choosing the effective cost systems helps the companies to determine their costs effectively and in the light of these real costs, determine prices which protect them in case of risks or in order to maintain a certain price level, taking the action of restricting their costs on time (Durak and Bulut,2006). Therefore, since taking strategic pricing decisions, which will be advantageous for the companies in global competition, is possible with the effective policies depending on cost systems, pricing decisions of the companies before they enterprise new businesses will vary depending on how effective their cost systems are carried out and analyzed.

In this respect, the aim of this study was to determine the role of cost systems selection of the companies, which are active in global market, during the selection of pricing strategies. In accordance with the aim of the study, the pricing strategies and the cost systems of the tourism agencies (tour operators and travel agencies) in Marmaris, a district of Muğla province, which is active in international market and one of the leaders in national tourism, were analyzed.

2. THE LITERATURE REVIEW

The problems encountered in terms of pricing by the companies started to diversify with the process of globalization. Since the customers of the foreign markets have different cultural and socio – economic features, the quality and the strength of their demands and needs, in other words, their demand structures are variable; therefore, it was stated that the exporters should scrutinize the various factors of the foreign market in order to determine the price and the payment terms suitable for that market (Durak and Bulut,2006; Karafakioğlu, 2000). In this respect, the studies carried out in the literature are summarized in the table below.

Table 1. Literature Review

Researchers	Date	Scope of the Study
Kaplan	1984	He analyzed the relationship between pricing and the cost strategies of the companies.
Jain	1989	He stated the thing that should be carried out by the companies in order to standardize the pricing strategies in international markets.
Ellram	1991	In his study, he stated that the ultimate aim of the supply chain method is that providing the higher quality customer services with lower costs.
Cavusgil and Zou	1994	Their study was intended for the companies who want to maintain their leaderships in international market which they have in national market as well and determine the correct pricing strategies.
Banker and Hughes	1994	They analyzed the relationship between pricing and the cost strategies of the companies.
Salinger	1998	They tried to solve the problem that if international companies should maintain cost – based pricing or price – based costing.
Noble and Gruca	1999	They tried to determine the impact of cost systems in industrial pricing.
Hongren and et.all	2000	They examined the effects of costs systems on determining the pricing strategies.
Porter	2000	From the perspective of competition, the first aim to be achieved is to be the cost leader to be a successful company and the second one is to respond to customers faster.
Ackerman and Heinzerling	2002	They focused on cost – based approaches in determining the pricing strategies.
Cavusgil and et. All	2003	They tried to state which strategies companies should carry out in terms of export – oriented pricing.
Aaker	2005	He examined the relationship between pricing and cost strategies of the companies in terms of international marketing methods.
Stonebraker and Liao	2006	Global companies generally need the assistance of their foreign partners when they are manufacturing their goods. In this way, manufacturing with lower cost can occur and this is reflected to the customers as well. As a result of this; the better supply chain companies have, the more flexible they can react in their pricing decisions and the better prepared they are going to be for the changing conditions of the markets.
Solberg Solberg and et.all	1997 2006	They carried out an inter countries study which aimed to determine the pricing strategies of the companies which are active in international market.

References: Aaker 2005; Ackerman and Heinzerling 2002; Banker and Hughes 1994; Cavusgil and Zou 1994; Cavusgil and et. All 2003; Ellram 1991; Durak and Bulut 2006; Jain 1989; Hongren and et. All 2000; Kaplan 1984; Noble and Gruca 1999; Porter 2000; Salinger 1998; Solberg 1997; Solberg and et.all 2006; Stonebraker and Liao 2006 (Expanded From These References)

As it can be understood from the table above, the strategies of the companies which are active in international markets largely depend on the relationship between their pricing and cost systems. Moreover, the varieties of the demands and the requirements of the international markets, difficulties that can be encountered when shipping the product and choosing the correct shipping canal, plenitude of the factors that should be noticed in terms of choosing suppliers since the variety of the raw materials, technological developments, the presence of the other rivals who reached the economies of scale and additional costs to be afforded to compete with them etc. and many other factors require companies to carry out their businesses in a more complex environment compared to past. However, what is certain is that competition is carried out over product costs because the companies who act with less unit cost have become more advantageous in the market.

3. FINDINGS OF THE STUDY and EVALUATION

3.1. The Aim of the Study

The aim of this study is to determine the role of cost systems selection of the companies, which are active in global market, during the selection of pricing strategies. In accordance with the aim of the study, the pricing strategies and the cost systems of the tourism agencies (tour operators and travel agencies) in Marmaris, are analyzed.

3.2. The Scope of the Study

The scope of this study was consisted of 123 Travel Agencies and 100 Tour Operators; in total 223 tourism agencies based on the information from Provincial Tourism Office. 78 of the Travel Agencies and 85 of the Tour Operators are active in international market. Therefore, the sample size was determined based on 163 tourism agencies.

1.3. The Method of the Study

Questionnaire technique was used for data collection. Before conducting the questionnaire phase, the sample size, which is going to represent the main size of the study in a best way, had been determined. The main size of the study; 78 Travel Agency and 85 Tour Operators were decreased with random sampling method to 24 Travel Agency and 30 Tour Operators and questionnaire were conducted to them. After conducting the questionnaire, obtained data were transformed into statistical data with the help of SPSS 11.01 versioned analyze software, Frequency Distri-

bution appropriate to the aim of the study was carried out and interpretations according to the results of this test were included.

Table 2. Types of Company Activities

	Frequency	Percentage	Total Percentage
Tour Operators	24	45,9	45,9
Travel Agencies	30	54,1	100,0
Total	54	100,0	

45, 9 percent of the companies which were included in the study and are active in international market are Travel Agencies and the rest 54.1 percent are Tour Operators.

Table 3. Activity Location of the Companies

	Frequency	Percentage	Total Percentage
Only International	14	25,9	25,9
Both National and International	40	74,1	100,0
Total	54	100,0	

25.9 percent of the companies which were included in the study are active only in international market; however, 74.1 percent of them are active in both national and international market.

Table 4. The Countries Where the Companies are Active

	Frequency	Percentage	Total Percentage
England	28	51,9	51,9
Netherlands	5	9,3	61,1
Russia – Romania - Serbia	2	3,7	64,8
Finland - German	2	3,7	68,5
England – Netherlands	8	14,8	83,3
England – Russia	5	9,3	92,6
England – Finland – Germany	4	7,4	100,0
Total	54	100,0	

The companies which were included in the study were asked a question about in which country they are active and following results were obtained. 51.9 percent of the companies work largely for England and 14.8 percent of them work for both England and Netherlands. However, there are some companies which are active in Russia, Romania, Finland and Germany. At this point, when the tourist portfolio of Marmaris is considered, it can be said that the city generally hosts English tourists.

Table 5. Duration of the Activities of the Companies

	Frequency	Percent	Total Percent
Only Summer	42	77,8	77,8
Only Winter	2	3,7	81,5
Throughout the Whole Year	10	18,5	100,0
Total	54	100,0	

When the activity durations of the companies are examined, it is understood that 77.8 percent of them are active only in summer time; however, 18.5 percent of them are active throughout the whole year. Only 3.7 percent of them stated that they are active only in winter time

Table 6. Activity Year of the Companies

	Frequency	Percentage	Total Percentage
Less than 1 year	2	3,7	3,7
Between 1 – 5 years	38	70,4	74,1
Between 6 – 10 years	10	18,5	92,6
16 years and over	4	7,4	100,0
Total	54	100,0	

When the foundation years of the companies were considered, it was inferred that 70.4 percent of the companies which were included in the study have been active between 1 and 5 years and 18.5 percent of them have been active between 6 – 10 years. In this case, it is understood that almost all of the companies have been running for a good deal of year; therefore, they are not inexperienced in this sector.

Table 7. Employee Number of the Companies

	Frequency	Percentage	Total Percentage
1-10 people	22	40,7	40,7
11-20 people	26	48,1	88,9
21-50 people	5	9,3	98,1
51 people and over	1	1,9	100,0
Total	54	100,0	

In order to evaluate the size of the companies which were included in the study a question related to their employee number was asked and it was found out that 48.1 percent of them have 11 and 20 employees and 40.7 percent of them have 1 and 10 employees. However, only 1.9 percent of them have 50 and over employees. In this case, when the sizes of the companies are evaluated, it is possible to state that companies included in the

study are small and medium scaled ones. In addition to this, considering the customer portfolios of these companies, it can be inferred that they take almost the equal shares of the same market in Marmaris; therefore, there are very few companies which are dominating the market.

Table 8. Tourism Competition Description of the Companies

	Frequency	Percentage	Total Percentage
Price	50	92,6	92,6
Customer	3	5,6	98,1
Accommodation	1	1,9	100,0
Total	54	100,0	

When the companies included in the study asked to describe what the competition of the tourism sector is, 92.6 percent of them described it in a price – based way. In this case, it can be stated that the other variables such as; the number of the customers and the quality of the accommodation come after price. Competitive superiority of the companies varies depending on their costs and naturally their pricing decisions.

Table 9. Factors Effecting Pricing Decisions of Enterprises

	Frequency	Percent	Total Percent
All	20	37,0	37,0
Cost	1	1,9	38,9
Cost-Product	3	5,6	44,4
Cost- Place	3	5,6	50,0
Demand-Rival	1	1,9	51,9
Opponent-Environment	1	1,9	53,7
Cost-Place-Demand	7	13,0	66,7
Cost-Place-Rival	2	3,7	70,4
Cost-Demand-Rival	3	5,6	75,9
Rival-Law-Environment	1	1,9	77,8
Cost-Product-Place-Demand	6	11,1	88,9
Cost-Product-Place-Currency	1	1,9	90,7
Cost-Product-Rival-Vision	1	1,9	92,6
Cost-Place-Demand-Rival	2	3,7	96,3
Cost-Demand-Rival-Law	1	1,9	98,1
Rival-Law-Environment-Vision	1	1,9	100,0
Total	54	100,0	

Companies participating in this study have been asked following question: **“Which of the factor or the factors below are the factors that are effective on forming pricing decisions?”** And these factors were listed:

- Costs (constant and variable costs)

- Product (A product bought by a tourist means product package. This product package includes travel, accommodation and destination activities.)
- Location and position of the company (Distance from the sea, etc.)
- Demand
- Rivals
- Legal regulations
- Environmental factors (Terrorism, unemployment, strikes, etc.)
- Vision and Policies of the company
- Exchange rate policies
- Various features of your customer portfolio (Primarily income and other factors)

As can be seen obviously from the table above while 37% of the companies chose all of these factors, 13% chose that cost of the company, company's distance to the sea and demand of the customer are effective, 11.1% stated that in addition to the others, travel package is also effective here.

Table 10. The Primary Objectives of the Pricing Decisions of the Companies

	Frequency	Percent	Total Percent
All	24	44,4	44,4
Profit-Goal-Market	1	1,9	46,3
Customer-Continuity	2	3,7	50,0
Market-Competition-Sales	1	1,9	51,9
Sales- Reliability	3	5,6	57,4
Profit-Goal-Competition	2	3,7	61,1
Profit-Market-Reliability-Continuity	1	1,9	63,0
Continuity-Investment	1	1,9	64,8
Goal-Competition	1	1,9	66,7
Goal-Market-Competition	1	1,9	68,5
Goal-Sales-Reliability	1	1,9	70,4
Profit-Market-Continuity	1	1,9	72,2
Profit-Goal-Market	11	20,4	92,6
Profit-Market-Competition	1	1,9	94,4
Profit-Goal-Competition	1	1,9	96,3
Market-Sales-Reliability	1	1,9	98,1
Profit-Goal-Market-Competition	1	1,9	100,0
Total	54	100,0	

Companies participating in this study have been asked following question: **“Which one or the ones are the main purposes in pricing decisions?”** and the following answers were listed:

- To maximize current profits
- To achieve the intended profitability
- To achieve maximum market share
- To provide a competitive advantage
- To provide sales maximization
- To ensure the reliability of prices in terms of customers
- To ensure business continuity
- To accelerate the investment recycling time

As it can be seen obviously in Table 10, while 44.42 percent of the companies stated that they take into account all of these goals, 20.4 percent listed providing sales maximization, achieving the intended profitability, achieving maximum market share as their main purposes in pricing decisions. At this point, it can be said that increasing the level of profit is based on in pricing decisions of the companies.

Table 11. Steps in the Process of Business Pricing

	Frequency	Percent	Total Percent
Estimation of costs	25	46,3	46,3
Set the levels of demand	12	22,2	68,5
Investigation of competitors' price	2	3,7	72,2
Determining the Pricing Method	4	7,4	79,6
Basing the company states	11	20,4	100,0
Total	54	100,0	

In order to define where they started this process while the companies make pricing decisions, they were asked a question and the answers were like following. While 46.3 percent of the companies started pricing decisions predicting costs, 22.2 percent prioritized determining the level of demand, 20.4 percent based on service, distribution channel and policies related to sales efforts of the company.

Table 12. The Methods Companies Use in Pricing Decisions

	Frequency	Percent	Total Percent
Cost-Based Pricing	33	61,1	61,1
Competition based pricing	2	3,7	64,8
Cost and Demand Based	5	9,3	74,1
Cost, demand and competition based	8	14,8	88,9
Cost and Competition Based	6	11,1	100,0
Total	54	100,0	

In order to determine the methods that were used by the companies while they were making pricing decisions, companies were asked a question and their responses are like following: While 61.1 percent of the companies used cost-based pricing, the others stated that 14.8 percent used cost, demand and competition based method, 11.1 percent used cost and competition based method.

Table 13. Cost-Based Pricing Method

	Frequency	Percent	Total Percent
I use this method	2	3,7	3,7
Cost Plus Profit Procedure	43	79,6	83,3
Full Cost Basis	4	7,4	90,7
Variable Cost Basis	1	1,9	92,6
Fixed Profit Target Pricing	4	7,4	100,0
Total	54	100,0	

The companies included in the study, which were using Cost - Based Pricing Method to take pricing decisions, were asked a question to determine which sub - methods they use while using this method and the answers were as follows: While 79.6 percent used Cost Plus Profit Procedure method, 7.4 percent stated that they used Fixed Profit Target Pricing method. At this point, it can be said that companies make a cost-oriented pricing; while making this decision, they take into consider both fixed cost and variable cost.

Table 14. Competition Based Pricing Method

	Frequency	Percent	Total Percent
I don't use this method	36	66,7	66,7
Method Basis to Market Price	15	27,8	94,4
Pricing with Bidding Method	1	1,9	96,3
Pricing with Bargaining Method	2	3,7	100,0
Total	54	100,0	

The companies included in the study, which were using Competition Based Pricing Method to take pricing decisions, were asked a questions to determine which sub - methods they use while using this method and the answers were as follows: While 27.8 percent of the companies that use this method used method based on market price, 3.7 percent used pricing with bargaining method.

Table 15. Pricing Method Based on Demand

	Frequency	Percent	Total Percent
I don't use this method	42	77,8	77,8
Customer Zone Pricing	6	11,1	88,9
Type of Product Pricing	4	7,4	96,3
Place of establishment Pricing	1	1,9	98,1
Time Pricing	1	1,9	100,0
Total	54	100,0	

The companies included in the study, which were using Demand Based Pricing Method to take pricing decisions, were asked a questions to determine which sub - methods they use while using this method and the answers were as follows: 11.1 percent of the ones using this method in their companies base on Customer Zone Pricing, 7.4 percent base on Type of Product Pricing.

Table 16. Pricing Methods Used by Companies

	Frequency	Percent	Total Percent
Yes	40	74,1	74,1
No	14	25,9	100,0
Total	54	100,0	

Companies participated in this research have been asked following question: "Does your company apply just one of the pricing strategies within the time period it operates?" and 74.1 percent of the companies said "yes" to this question. In connection with this question, the reason of using multiple methods were asked and table 17 was made according to the answers.

Table 17. Why do you use multiple methods?

	Frequency	Percent	Total Percent
Ones with answer "No"	14	25,9	25,9
Change in Amount of Demand	3	2,7	29,6
Intense Competitive Environment	2	3,7	33,3
Overall Economic Situation	13	24,1	57,4
Change in Costs	22	42,6	100,0
Total	54	100,0	

As can be seen obviously from the table above, as a reason of using multiple methods in pricing decisions, while 42.6 percent consider changes in costs, 24.1 percent consider overall economic situation.

3. CONCLUSION

In addition that pricing strategy is one of the factors that determine competitiveness of the companies; it is possible to say that choosing a cost system that supports these pricing strategies is as important as the pricing strategy. Especially, companies have to renew their cost systems in order to keep up with the changing global conditions. As it can be seen from the results of empirical research above, companies don't do pricing depending on just one cost system anymore. By using multiple cost system and especially taking advantage of managerial accounting techniques, they try to take advantage in this compete on the global middle. In addition to this, companies use multiple methods instead of adopting just one pricing method. So, they try to harden between both pricing and cost systems. Namely, with the results of the applications carried out, it is possible to say that companies make both cost – based pricing and price – based costing at the same time.

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