

## PRICING FIRE SAFETY EQUIPMENT CROSS-NATIONALLY

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*Jean-Claude Usunier prepared this case solely to provide material for class discussion. The author does not intend to illustrate either effective or ineffective handling of a business situation. The author may have disguised certain names and other identifying information to protect confidentiality.*

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A multinational firm sells fire-safety equipments (fire alarms, detectors, fire extinguishers, etc.) world-wide. Its sales operations are B2B: products are sold to local distributors which then resell to a number of business customers (building companies, factories, hospitals and public facilities, etc.). Describe the possible choices this company has in terms of adapting its prices to local markets versus standardizing them across countries. What are the problems they may encounter if they decide to price differently in neighbouring markets? What international pricing policy would you recommend to this company?

You may take into account the following aspects in your discussion:

- Is the market for fire safety equipment multidomestic or global or a mix of both?
- Attitudes to fire safety issues across European countries: is there any reason for actual differences?

- European standards in the area (see European Norms for fire safety equipment)
- Role played by local norms, traditions, as concerns protection against fires
- Competition (global players like the Swiss Cerberus + local players)
- Which is the role of prescription?
- Are industrial buyers and/or end-users likely to source competitively from different European countries, especially for the same brand?
- To what extent is it possible to lock-in local distributors?

You may Google to get some additional insights on the issues above.