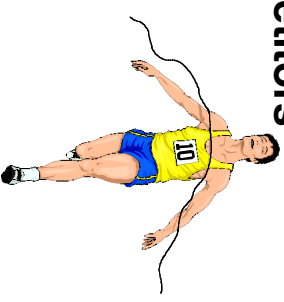


Coping with Aggressive Pricing from Competitors

Before rushing to lower your prices to match your competitors, some issues for you to consider are:

Some strategies that you can adopt when competitors try to buy the market are :



- How large is this competitor? Can they sustain lower prices over a long period of time?
- Improve your service so that it is dramatically superior to the competitors.
- Give better value for money.
- If your competitor is subsidising lower prices in one area with higher prices in another area, you could enter that other area.
- If it is a short term price reduction, just stick with your current prices.
- If your product is better than the competition, make sure your customers know how superior your product or service is. This can be done in your advertising, by and reminding customers when you see them.
- Is your competitor subsidising low prices in your area by higher prices in another area?
- Do you have a competitive advantage that allows you to charge more than your competitors?
- If it looks like a long term battle start to operate in an area or market that is less competitive.
- How long can you last with the lower prices?
- Give better value for money.
- Do you have a competitive advantage that allows you to charge more than your competitors?
- If your competitor is subsidising lower prices in one area with higher prices in another area, you could enter that other area.
- If it is a short term price reduction, just stick with your current prices.
- Is this a desperate effort for your competitor to stay in business a bit longer?