

Enablers of international product positioning strategy – A Swedish SME's case

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Abstract: This study aims to identify the main factors that SMEs need to consider when positioning a premium priced product in the international market. In addition, this study aims to acquire in-depth knowledge regarding the market conditions in Germany. This study follows a qualitative research method, where a Swedish SME Damasteel acts as the case company of the research. In addition to the case company, four of their German distributors were interviewed using semi-structured interviews. The data were processed and presented by dividing the findings into six different categories. The empirical findings suggest that the German kitchen knife market is rather competitive, however, there is still potential for further growth and demand has been growing during the past few years. Personalisation of the products is considered one of the current trends. High quality of a product is often linked with high price, therefore, the main factors justifying premium price are the brand name, origin of the product, and customisation. This study contributes to the existing literature by adding new knowledge regarding product positioning and pricing strategies in the German market from the perspective of a Swedish SME. This study highlights the importance of premium price when positioning a high-quality product, therefore, it suggests that a premium product cannot be targeted to a mass audience. Practical recommendations offer insight to the case company Damasteel of the local market conditions in Germany, by providing an overview of the competition and customers in this segment. The focus of this study was on a niche market without offering any detailed information of the different factors influencing the market itself. Future research could supply an insight into how to better target the final customers of a specific market, and how to market a premium priced product for them. In addition, the pricing methods of the new product planned to be launched by the case company Damasteel and the impact on the current sales could be further investigated.

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