



GO-TO-MARKET & PRICING

A global price is not one price

International pricing evidence supports a price bridge, not a universal order to standardize or localize every market in practice.

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PUBLISHED

25 August 2026

READING TIME

8 min

WORDS

1,827

<https://isoglu.com/insights/journal/a-global-price-is-not-one-price/>

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MANAGEMENT SUMMARY

A single global price can be a consistent policy while producing different economics in different markets. The strongest direct study measured price adaptation at the export-venture level, across discounts, margins, credit, and payment security, in 301 usable responses from Portuguese exporting firms. Its results connect adaptation to environmental difference and to lower export performance in a cross-sectional model. That pattern is a reason to decompose the price object before deciding what a difference means, not a reason to standardize or localize by reflex. This review provides the bridge and the evidence each row still needs.

Keywords: International pricing · Price adaptation · Market entry · Export performance

A company can have one global price policy and still have different economics in every market. The list price may be the same. The currency may move. Tax may be added at a different point. A distributor may keep a different margin. Credit and payment security may alter the deal. The service required to make the offer credible may cost more. Calling all of those differences “local pricing” is as imprecise as calling the one number “the price.”

The useful question is not whether a company should standardize or adapt. It is: which part of the price object is changing, for which market unit, and what observation would show that the change worked?

Why must multinational teams define the price object before setting global rates?

International pricing discussions often start with a comparison table: country A pays 100, country B pays 120. That table is not yet an analysis. It does not tell us whether 100 and 120 are list prices, net invoice prices, realized prices after discounts, or amounts that include the same taxes and channel costs.

The distinction matters because price adaptation is broader than a list-price edit. In the direct export-pricing study used here, Sousa and Bradley measured adaptation through four elements: price discount policy, margins, credit concession, and payment security. A team that changes none of its list prices can still change the economic offer through any of those four levers. A team that changes the list price may be offsetting a currency movement or a regulatory requirement rather than changing its willingness-to-pay strategy.

So the first field in a cross-market comparison should not be “price.” It should be price object:

- list or reference price;
- discount and approval policy;
- seller margin or target contribution;
- credit, payment timing, and security;
- currency and tax treatment;
- channel or distributor economics; and
- the outcome that the comparison is supposed to explain.

Without those labels, a single global price is a clean-looking number with an uncertain meaning.

What does direct empirical research reveal about international price adaptation?

Sousa and Bradley studied international pricing adaptation at the export-venture level. That means a particular product in a particular export market, not a single firm-wide average. Their sample began with 874 exporting firms in Portugal and produced 301 usable questionnaires after two mail waves, an effective response rate of 34.4%. Senior managers responsible for foreign operations answered the questionnaire, and the authors used structural equation modeling.

Their environmental construct included economic and industrial development, marketing and communications infrastructure, technical requirements, and legal regulations. Export performance was measured separately through export sales growth, export profitability, export intensity, meeting expectations, and perceived competitor-rated performance.

That design already improves the question. It does not ask whether “the price” is global. It asks how the pricing elements of a specific export venture relate to a specific market environment and to a separate performance construct.

The result is also resistant to a one-word recommendation. Greater environmental difference was associated with more price adaptation, with a standardized path coefficient of 0.581 and $p < 0.001$. A greater number of export markets was associated with less price adaptation, with a coefficient of -0.181 and $p < 0.05$. Manager international experience was negatively associated with adaptation and positively associated with export performance. Price adaptation itself was negatively associated with export performance in the model, with a coefficient of -0.196 and $p < 0.05$.

Those are associations in a cross-sectional study of Portuguese exporters. They do not mean that localization causes weaker performance. They also do not mean that standardization wins. Adaptation may be a response to difficult environments, a symptom of a complicated route to market, or a choice that works in one configuration and not another. The study gives us a structure for asking which configuration we are looking at. It does not remove the need to identify it.

Table 1 The cross-market price bridge

Bridge row	What to observe	What the evidence can support	What it cannot support yet
Policy	List price, discount, margin, credit, payment security	Price adaptation is a multi-element construct, not only a list price	That an unchanged list price means unchanged economics
Market context	Economic and industrial conditions, marketing and communications infrastructure, technical requirements, legal rules	Environmental difference can be related to adaptation in the export-venture study	A local willingness-to-pay estimate or a universal localization rule
Currency and tax	Currency, tax point, duties, fees, and the conversion date	A visible difference may be an accounting or regulatory layer that needs separate recording	That the difference is a value signal or a performance effect
Channel and terms	Distributor margin, service burden, credit, payment security, and route to customer	The realized offer can differ even under one price policy	A channel or transfer-pricing effect not directly measured by the study
Entry decision	Country unit, local knowledge, relationships, and commitment	Foreign-market knowledge is accumulated with attention to the individual country	That psychic distance predicts a price or willingness to pay
Outcome	Unit, time window, sales, profit, retention, or another defined result	Export performance is a separate construct that needs its own observation	That a cross-market price difference worked

Author's framework grounded in Sousa and Bradley (2008), with internationalization scope from Johanson and Vahlne (1977, 2009). The source study is a cross-sectional survey of Portuguese exporting firms; the bridge is not a universal pricing law.

How can a uniform global price silently transfer margin across borders?

Imagine that a company keeps the same nominal price in two countries. In the first, the buyer pays in the seller's currency, buys directly, and receives standard support. In the second, a distributor holds inventory, the invoice is exposed to a currency movement, tax is collected at a different point, and the customer needs additional service to make the offer usable. The policy is standardized. The economics are not.

That example is an illustration, not a finding from the Sousa and Bradley study. Its value is to show why the bridge comes before the conclusion. If a commercial leader says "we keep one global price," the next questions are operational:

- 1 Is the same price object being compared?
- 2 Are discount, margin, credit, and payment security held constant?

- 3 Is the currency conversion rule explicit and dated?
- 4 Are taxes, duties, fees, and channel margins inside or outside the number?
- 5 Is the market unit a country, a channel, an export venture, or a customer segment?
- 6 What outcome is being measured, over what window, against what comparison?

The questions do not assume that the answer should be local. They make it possible to see what a global policy actually standardizes and what it leaves to the market.

Why is foreign market entry distinct from local willingness-to-pay?

Internationalization research adds an important scope guard. Johanson and Vahlne's 1977 model focuses on the gradual acquisition and use of knowledge about foreign markets and operations, with increasing commitment to the individual foreign country. Their unit of attention is not a floating concept of "international." It is a particular market that the firm learns through involvement.

Their 2009 revision moves the emphasis toward outsidership in relevant networks while retaining the idea that psychic distance is not the whole explanation. This is useful for the bridge because market entry, relationships, and learning can change how much the firm knows about a market. None of those claims is a price estimate. A market that feels close does not automatically reveal local willingness to pay, and a distant market does not automatically require a lower or higher price.

That distinction prevents a common category error. A team can use entry research to decide how to learn a market, use pricing research to define the price object, and use outcome measurement to assess performance. It cannot substitute one layer for another because all three mention "the market."

What can empirical evidence actually prove about pricing adaptation?

The direct study's pattern is most useful as a warning against slogans. Environmental differences are associated with more adaptation. More export markets and more manager experience are associated with less adaptation. Adaptation is negatively associated with export performance in the model. Several stories could produce that pattern.

Perhaps adaptation helps firms respond to difficult environments, but those environments are hard to serve. Perhaps experienced managers standardize more because buyers can compare prices across markets. Perhaps standardized pricing is feasible where scale and comparable infrastructure make it efficient. Perhaps the performance measure and the adaptation measure share unobserved conditions.

The study does not distinguish all of those stories. That is not a weakness to hide. It is the reason to retain the sample, unit, construct, and design beside every coefficient. A number without its configuration becomes a recommendation by accident.

The same discipline applies to taxes, currency, and channels. Sousa and Bradley discuss tariffs, taxes, technical requirements, and foreign-currency fluctuations when interpreting differences between EU and non-EU destinations. The paper does not estimate a standalone tax effect, a currency pass-through coefficient, or a channel-margin effect. Those rows of the bridge are prompts for the next observation, not findings to borrow from the paragraph.

What operational test should precede international price restructuring?

Before changing a price in one market, write the decision as a small evidence object:

- Market unit: Which product, customer type, channel, country, and time period are being compared?
- Price object: Which of list price, discount, margin, credit, payment security, currency, tax, or service burden is changing?
- Reason: Is the change responding to market conditions, regulation, cost, channel economics, positioning, or an entry experiment?
- Expected mechanism: What should the change alter, and for whom?
- Outcome: Which sales, profit, retention, adoption, or margin measure should move?
- Comparison: Compared with what, over what window, and with which other changes held visible?

If the team cannot answer those questions, it may still need to change the price. It just cannot yet call the change a proven adaptation strategy or a performance improvement.

Boundary

International pricing evidence supports a bridge, not a binary. The direct study gives a real method object and a real coefficient pattern: price adaptation is measured across discounts, margins, credit, and payment security at the export-venture level, and its association with performance is not a universal instruction. Internationalization research keeps the market unit and learning boundary in view. The remaining rows, especially tax, currency, channel economics, and outcome, need their own observations.

A global price can be coherent. A local price can be necessary. Neither description is enough by itself. The decision becomes defensible when the price object, market unit, mechanism, and outcome are named before the number is used as evidence.

The pricing bridge belongs beside pricing as positioning and the proven playbook in a new market, where the market object is made explicit before a result is claimed. In corporate groups, remember also that transfer price and market price are different objects, requiring separate tax and commercial justifications.

Evidence base. The analytical frame also draws on these additional sources: Johanson and Vahlne 2009. The links identify the exact works; they support the mechanisms and boundary conditions discussed here, not every claim in isolation.

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END OF ESSAY

HOW TO CITE THIS ESSAY

Isoglu, S. (2026, August 25). A global price is not one price. Sinan Isoglu.
<https://isoglu.com/insights/journal/a-global-price-is-not-one-price/>

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