

Specification of Competency Standards
for the Logistics Industry
Unit of Competency

Functional Area - Sales, Marketing and Customer Services

Title	Formulate courier and express cargo pricing strategy
Code	LOAFSM501B
Range	This unit of competency is applicable to courier and express companies, freight forwarders and logistics companies. Practitioners should be capable to set reasonable courier and express charging standard for the company and formulate strategy
Level	5
Credit	9 (For Reference Only)
Competency	<p>Performance Requirements</p> <p>1. Possess the relevant knowledge of express charges</p> <ul style="list-style-type: none"> • Understand the express cost strategies of different companies in the market, including various types, measurements, tariffs/taxes, etc., cost standards and calculations for each item • Understand the concepts of express charges, charging organisations and types of their services and different industries, products and profitabilities of global customers on cost/revenue distribution and balance • Understand the composition of express delivery prices, the classification and calculation of freight rates, and the ability to grasp the relationship between price and cost • When calculating intermodal transportation prices, understand the charges and operating costs of each operation mode of land, sea and air • Understand charging principles or regulations and laws formulated by the industry • Understand market price analysis methods and concepts, such as market leadership prices, game theory analysis, etc • Understand different price strategies, such as: cost price strategy, flexible price strategy and discount price strategy • Understand the main environmental factors and psychological factors that affect the company's service pricing, such as: socio-economic conditions, currency changes, consumer demand, market structure and competitors' behaviour <p>2. Formulate express charging strategy</p> <ul style="list-style-type: none"> • Select the pricing target according to the supply and demand of the service in the courier and express market, the company's market positioning and other factors • According to the goals set by the company, considering different factors, determine the company's profit cost and select pricing methods • Assess the market and analyse competitors and their reactions to price changes • Formulate guidelines and directions for providing price discounts • Analyse the cost/revenue distribution and balance of global customers involving different industries, products and profitability • Review regularly whether the courier and express pricing strategies can achieve the goals set by the company and adjust accordingly • Compile reports or guidelines to different departments of the company to evaluate the effectiveness of the company's price strategies
Assessment Criteria	<p>The integrated outcome requirements of this unit of competency are:</p> <ul style="list-style-type: none"> • Capable to follow the company's courier and express pricing goals, analyse market factors, evaluate the market and competitors' responses, formulate appropriate express pricing strategies and provide price discount guidelines and directions; and

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	<ul style="list-style-type: none">• Capable to review the express pricing strategy on a regular basis and write reports to evaluate the company's express pricing strategy
Remark	