

Obydiennova Tetiana, Batyrenko Yulia

PRICE MANAGEMENT IN MARKETING

Price in the modern economy is not only an indicator of the ratio of supply and demand, which should focus on the manufacturer, but above all – the most important element of marketing the company. But price competition is being replaced by competition for quality and additional services for the consumer. Price stability and market conditions are more attractive to the firm than the expected benefits of price changes.

Scientific and technical achievements have strengthened the trend of consumer attention to product quality. At the same time, public attention to the environment and the general culture of consumption have increased. As a result, there was a differentiation of demand, which caused a further increase in requirements for quality and customer service.

An important part of marketing is the formation of pricing policy in relation to the market for goods and services. Each entrepreneur sets the price for his product. There are two approaches to market pricing: setting individual or single prices. The individual price is formed on a contractual basis as a result of negotiations between the buyer and the seller, ensuring the coordination of the interests of the parties. The single price is characterized by the fact that all buyers buy the product at the same price. The introduction of uniform prices for all consumers is usually associated with the characteristics of the market for a particular product or with the technical complexity and high costs of price differentiation. Uniform prices are important where the entrepreneur offers the market a standardized mass-produced product. In this situation, it is important that the mass consumer knows the price, compares it with the price of competing products and easily decides to buy.

Price has been and remains the most important criterion for consumer decision-making. For countries with a low standard of living, for the poor, as well as in the case of goods in mass demand, this is typical. But recently, other, non-price factors of competition have been widely developed. However, the price retains its position as a traditional element of competition policy, has a very large impact on the market position and profits of the enterprise.

However, the pricing policy of many firms is often insufficiently qualified. The most common errors are: cost-driven pricing; prices are poorly adapted to changes in the market situation; the price is used without connection with other elements of marketing; prices are insufficiently structured by different product options and market segments. These shortcomings are largely due to the legacy of the planned economy, when prices were determined directly or solely on the basis of costs, lack of knowledge of managers in the field of marketing. Therefore, it seems very important to use the developed marketing approaches.

In conditions of constant competition, the seller must take into account not only its own financial interests, but also the interests of the buyer to keep it and maintain its market share. The choice of general orientation in pricing, approaches to determining prices for new and already released products, services provided to increase sales, turnover, increase production, maximize profits and strengthen market position of the firm is carried out in marketing. Prices are closely related to all components of marketing and the company as a whole. Real commercial results largely depend on prices, and right or wrong pricing policy affects the firm's position in the market. And this can be achieved only by adhering to a pre-designed pricing policy, using all modern developments.