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PRICING POLICY AS AN OBJECT OF MANAGEMENT INFLUENCE IN THE PROCESS OF ENSURING THE COMPETITIVENESS OF AN ENTERPRISE

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Introduction. The effectiveness of entrepreneurial activity is determined by a multitude of factors, both general and specific, that are utilized to address a wide range of tasks faced by a competitive enterprise. Pricing, being one of the criteria for the efficient operation of an enterprise in a market economy, is used for calculating prices as an essential component of the competitiveness of products (works, services) and the organization as a whole.

Price is a fundamental economic category that represents the amount equivalent to a one-time payment at which the seller agrees to sell and the buyer is willing to purchase a unit of goods. Since the price of a certain quantity of goods is its value, it is better to speak of the price as the monetary value of a unit of goods, products, or services (often referred to as tariffs when it comes to providing services).

Analysis of recent research and publications. The issue of competitive struggle has been examined in the works of well-known Western economists such as A. Smith, D. Ricardo, M. Porter, A.A. Thompson, A.J. Strickland, and others. In recent years, there has been a number of publications on this problem, among which the works of L.M. Mykhalina, X.M. Gumby, A.A. Korosteliev, V.N. Stakhanov, and others stand out. Pricing strategies have been studied in the works of L. Hlushchenko, T. Sak; specific issues regarding pricing features are described in the works of T.V. Kostash, A.A. Mykhalkiv, O.S. Shcherbyna. However, at the same time, certain problems related, for example, to pricing policy as an object of managerial influence in the process of ensuring the competitiveness of an enterprise have not been fully explored.

Objectives of the article. The aim of the research is to identify the elements of market management mechanisms that lead to an increase in the competitiveness of products (works, services) as a result of the correct choice of pricing methods.

The main material of the study. In a market economy, enterprises face the necessity of independently regulating their policies regarding prices, goods, product distribution, organization of promotional activities, personnel, and so on. In recent years, there has been an increase in the role of product pricing and a shift in attitudes toward it. The process of developing pricing policy is one of the most complex and responsible areas of management, based on the study of market conditions (levels and dynamics of product prices, forms of price and non-price competition used in this market) and the analysis of the financial indicators of the enterprise's activities.

Effective pricing policy in business should align with market trends and take into account available resources to ensure the achievement of the best possible results. It can be said that the pricing policy of many companies often turns out to be insufficiently qualified. The most common mistakes include: pricing that is overly cost-oriented; product prices poorly adapted to changes in market conditions; and product prices varying depending on different types of products, market segments, etc. [4].

Pricing belongs to one of the most complex and responsible sections of management. Therefore, an incorrect decision regarding product pricing can not only worsen the financial and economic performance of the enterprise but also create a risk of bankruptcy.

The right price for a product offers many advantages to a company. First, unlike most methods used to stimulate demand, setting product prices does not require additional monetary expenses, as in the case of conducting promotional activities, product customization, or career advancement. Second, it is easier for consumers to assess the attractiveness of a product expressed in its price than to consider advertising. Third, even if such stimulation methods as personal sales and advertising organization are primary, the product price can be used as a powerful means of support.

An enterprise must sell its goods at a price acceptable to the consumer, not at a price that seems more attractive to the enterprise itself. Therefore, the price of a product is the most complex element of the market-it links demand and supply. It is a dynamic mechanism that constantly changes and flexibly adapts to market fluctuations. The competitiveness and market position of an enterprise depend on the price level of its products [2].

For developing an effective pricing policy, it is crucial to consider all the determining factors, which can be conveniently divided into external and internal factors. By examining these, two broad categories can be identified: internal and external constraints and opportunities (see Figure 1).

Among the main internal factors that limit the offerings of a specific producer, we can include:

– Characteristics of the production process (small-scale or individual production versus mass production).
– Specifics of the products manufactured (degree of processing, uniqueness, quality).
– Organizational level, degree of utilization of advanced production methods.
– Market strategy and tactics of the producer (orientation towards one or several market segments).

Among the main external factors that limit the demand for a specific manufacturer's product, the following can be mentioned:

– Consumer preferences for this product.
– Buyers' income level.
– Consumer expectations regarding future price changes and their own incomes.
– Prices of related goods (substitutes, complements).
– Prices and non-price incentives of competitors [7].

Factors of pricing policy

Internal	External
1. Market strategy and tactics of the firm. 2. Specifics of manufactured goods. 3. Specifics of the product life cycle. 4. Characteristics of the production process. 5. Flexibility of the production process. 6. Characteristics of the product marketing system. 7. Service organization. 8. Market size and its dynamics. 9. Manufacturer's brand image. 10. Level of management system perfection.	1. Political stability in the country. 2. Economic conditions. 3. Market competition. 4. Consumer behavior. 5. Demand for the product. 6. State of price competition. 7. Government price regulation. 8. Ethics and market behavior culture. 9. Consumer preferences for this product. 10. Buyers' income level. 11. Consumer expectations regarding future price changes and their own incomes. 12. Prices of related goods. 13. Prices and non-price incentives of competitors.

Figure 1. Factors of Pricing Policy

Source: [10]

Many external factors cannot be controlled by the enterprise but can be taken into account in pricing. For example, the financial and credit sphere affects the level and dynamics of prices, while the direct managerial influence on prices comes from changes in the purchasing power of the currency. It is also necessary to consider the fact that the state regulates prices in several main directions: prohibition of horizontal and vertical price fixing, and even prohibition of price discrimination.

The methodology of pricing process includes the following elements:

1. Price policy – the overall outcome that the seller obtains by selling its products at established prices.

2. Pricing strategy – a specific generalized plan for functioning with a set of the most important decisions, as a result of which pricing policy is formed.

The system for determining pricing strategy involves the following:

1. Gathering data on factors that determine the pricing system using all available methods that are lawful. The indicators studied and the results should preferably be presented in the form of tables with numerical data, tests, graphs, questionnaires, and diagrams.

2. Strategic analysis of the obtained data at the following levels:

– At the macroeconomic level, the so-called macro-level within the framework of foreign economic relations and the state.

– At the regional (segmental and zonal) level, i.e., at the meso-level.

– At the seller's level, i.e., at the micro-level [11].

3. Direct coordination of the entire long-term functioning plan from a set of the most important decisions according to the objectives of pricing policy, i.e., determining the pricing strategy for the product.

The main directions of the seller's pricing strategy can be characterized theoretically in three ways:

1. The price is set below the economic value of the product, with the price (P) to value (C) ratio being less than one (P/C < 1).

2. The price is set at the level of the economic value of the product, with the price (P) to value (C) ratio being equal to one (P/C = 1).

3. The price is set above the economic value of the product, with the price (P) to value (C) ratio being greater than one (P/C > 1).

However, the determination of the product's value is somewhat subjective and depends on the individual and human factors [13].

Undoubtedly, when establishing a pricing strategy, the competitive environment has its influence, so the combination of orientations towards both buyers and competitors is unquestionably relevant with the development of market relations. For example, in a developed market with a similar range of products amidst intense competition, the determination of economic value is synonymous with the prices of competitors. Statistics have a wide range of methods for analyzing economic data. These include statistics of random variables, multidimensional statistical analysis, time series statistics, price and pricing statistics, non-parametric statistics, and others.

Different terminology is used in economic literature to define pricing strategies. Often, the use of the term «method» or «approach» describes the logical meaning of pricing strategies outlined in this study.

The possibilities and challenges of forming an effective pricing policy depend on the type of market in which the company sells its products. Consumers have a significant influence on the company's pricing decisions. Therefore, to substantiate an effective pricing policy, it is crucial to consider that the price of a product in market conditions is determined by the mutual pressure of the seller and the buyer, dealing with costs, where consumer value determines whether these costs are socially necessary, i.e., whether the product can satisfy social needs.

Currently, the most important factor affecting the level of prices is competition. The environment in which prices prevail in the markets is characterized not only by the similarity of goods and services but also by a high degree of competition. In such conditions, it is important for firms to set prices correctly.

Inflated prices repel customers and attract them to competing companies, while price reductions do not create conditions for effective production activities. The environment in which prices are controlled by the company is characterized by limited competition and differences in products (services) [10].

There is a close relationship between price and market demand, which is inversely proportional to the price of the product. This relationship is explained by the law of demand elasticity and pricing. The economic demand effect is that when the price of goods increases (all other conditions being equal), demand decreases. Expanding the market niche for this product will lead to a price decrease because, in this case, it will not sell.

The choice of market niche and pricing strategy by a business is determined by the cost structure, buyer motivation to orient in the market, the previously occupied market position, and reputation among customers. Pricing should be determined in close coordination with defining production volumes, cost control, product manufacturing, advertising methods, and marketing. The development of a company's pricing policy and strategy involves three stages:

I. Collection of initial information.

II. Strategic stage.

III. Information formation and strategy analysis [1].

An important step is identifying the list of existing and potential competitors whose activities may most significantly impact the profitability of the company's product sales, determining the level of contract prices for products produced by existing competitors, and assessing how these prices differ from actual transaction prices. For example, it can be argued that the advantages and disadvantages inherent in competitors' products in production and sales affect customer reputation, product quality, product range, etc.

Market segment analysis allows for differentiating prices on the products manufactured by the enterprise to maximally account for differences between market segments in terms of buyer sensitivity to product price levels and the company's production costs [8].

Competitive analysis assesses possible competitor responses to changes in product prices and specific measures that may be taken accordingly. Therefore, considering all factors influencing the company's pricing policy, each business must develop the most effective pricing policy in accordance with its goals and operational characteristics.

Conclusions. One of the most important factors determining the effectiveness of a company's activities is an effective pricing policy. By examining modern approaches to forming a company's pricing policy, it was noted that pricing strategy is the starting point for making decisions on the selling price in each specific transaction. The strategic pricing objectives are calculated for the long term and allow for forecasting profit volumes and market share. The chosen pricing policy has a multifaceted impact on the functioning of the enterprise. The essence of the target pricing policy lies in setting product prices and adjusting them according to market conditions to obtain the maximum possible market share, achieve the planned profit volume, and successfully resolve all strategic and tactical tasks. This fact determines the impact of the pricing policy on the company's competitiveness.

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Olha Raibukha, Postgraduate Student of the Department of Management and Civil Service, Bohdan Khmelnytskyi National University at Cherkasy. **Pricing policy as an object of managerial influence in the process of ensuring the competitiveness of a business entity.**

The article examines the theoretical aspects of the formation of the company's pricing policy, analyzes its formation, and develops measures for its optimization. The economic content of the price policy is disclosed, the internal and external factors affecting the formation of the price policy are characterized. It is noted that the price policy is the most important mechanism that ensures many priorities of the organization's economic development. The article examines such issues as the peculiarities of the formation of the pricing mechanism, the elements of pricing, as well as its principles and tasks in the process of ensuring the competitiveness of the business entity. In the conditions of competition, the creation of a pricing mechanism and the identification of conditions that have a significant impact on setting the price of products are of particular importance. Pricing in a competitive environment should be focused on solving a single problem: to cover the cost of the product and bring sufficient profit, the price should be clear to the buyer and it should be competitive. It is very important to decide which direction will be chosen as part of pricing: costly, purchasing or competitive. Financial stability and competitiveness in the market depend on how correctly the company sets prices for its goods or services. The article examines the key properties of the competitiveness of domestic enterprises.

Key words: price, pricing strategy, pricing policy, economic analysis, pricing, competitiveness.

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Рябуха Ольга Олегівна, аспірант кафедри менеджменту та державної служби, Черкаський національний університет імені Богдана Хмельницького. **Цінова політика як об'єкт управлінського впливу у процесі забезпечення конкурентоспроможності суб'єкта господарювання.**

У статті розглядаються теоретичні аспекти формування цінової політики підприємства, аналізується її формування та розроблено заходи щодо її оптимізації. Розкрито економічний зміст цінової політики, охарактеризовано внутрішні та зовнішні фактори, що впливають на формування цінової політики. Відзначено, що цінова політика є найважливішим механізмом, який забезпечує багато пріоритетів економічного розвитку організації. Це суттєво впливає на масштаби операційної діяльності підприємства, формування його іміджу та рівень фінансового стану в цілому. Дієвим інструментом конкуренції на товарному ринку є цінова політика. В умовах жорсткої конкуренції на етапі розвитку економіки особлива увага приділяється проблемі ціноутворення. У статті досліджено такі питання, як особливості формування механізму ціноутворення, елементи ціноутворення, а також його принципи та завдання в процесі забезпечення конкурентоспроможності суб'єкта господарювання. В умовах конкуренції особливого значення набуває створення механізму ціноутворення та виявлення умов, що мають істотний вплив на встановлення ціни продукції. Одним із основних шляхів підвищення конкурентоспроможності підприємства є оптимальний механізм ціноутворення та визначення факторів, що впливають на визначення ціни за одиницю продукції. В статті підтверджено, що рівень ціни реалізації безпосередньо визначає цінову конкурентоспроможність товару. Ціноутворення в конкурентному середовищі повинно бути орієнтоване на вирішення єдиної задачі: щоб покрити собівартість товару і принести достатній прибуток, ціна повинна бути зрозумілою для покупця і конкурентоспроможною. Дуже важливо визначитися, який напрямок буде обрано в рамках ціноутворення: витратний, закупівельний або конкурентний. Від того, наскільки правильно компанія встановлює ціни на свої товари чи послуги, залежить фінансова стабільність і конкурентоспроможність на ринку. Конкурентні переваги дозволяють конкретизувати характеристики, за якими підприємство отримує переваги над конкурентами. Досліджено основні принципи розробки цінової політики в системі забезпечення конкурентоспроможності підприємства. У статті досліджено ключові властивості конкурентоспроможності вітчизняних підприємств.

Ключові слова: ціна, управління, ціноутворення, стратегія ціноутворення, цінова політика, управлінський вплив, конкурентоспроможність.