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MARKETING STRATEGIES OF PRICING ON WORLD MARKETS

Pricing is an important component of any marketing strategy, and its importance only increases when operating in global markets. The pricing strategy a company chooses can have a significant impact on its market positioning, profitability and long-term sustainability.

In this article, we will examine the different pricing strategies used by companies in the global market and examine their benefits, challenges, and implications.

When entering international markets, companies face different economic, cultural and regulatory environments and need to adopt differentiated pricing approaches. Multiple pricing strategies are often used, each with its own advantages and challenges.

Market-based pricing involves setting prices based on current market conditions, including competitor prices, supply and demand dynamics, and consumer preferences. This strategy enables companies to quickly adapt to fluctuations in global markets, ensuring competitiveness and responsiveness.

However, when multiple competitors adopt similar pricing strategies, challenges such as price wars and commercialization may arise, which may lead to margin erosion and reduced profitability.

Cost-plus pricing calculates production costs and adds a predetermined markup to determine the sales price. This approach brings clarity to pricing decisions and ensures appropriate cost recovery, thereby ensuring profitability.

However, cost-plus pricing may ignore market demand and consumers' willingness to pay, which may result in missed sales opportunities or pricing that does not meet market expectations.

Penetration pricing refers to setting low prices initially to gain market share quickly. This strategy is particularly effective for companies seeking to enter new international markets or expand their operations.

While penetration pricing can stimulate demand and facilitate rapid growth, maintaining profitability over the long term can be challenging, especially if price increases are required as market share is consolidated.

Premium pricing refers to setting a higher price to position a product or service as high quality or valuable. This strategy is often used for luxury or niche products where consumers are willing to pay a premium for exclusivity or superior features.

However, premium prices may limit market penetration as price-sensitive consumers may choose cheaper alternatives, especially in emerging markets or during recessions.

Dynamic pricing adjusts prices in real time based on various factors such as demand fluctuations, purchase timing, or consumer demographics. This strategy uses data analysis and technology to optimize prices for maximum profits.

Although dynamic pricing has potential benefits in maximizing sales and adapting to market dynamics, it requires complex pricing algorithms and careful monitoring to avoid consumer backlash or accusations of price discrimination [1].

TNCs need to set appropriate prices for each market to ensure product sales and profitability. Geographical variations, transfer pricing, emerging markets, and pricing for low-income consumers are all factors to consider. However, deceptive pricing, predatory pricing, and price discrimination should be considered as illegal and unethical practices that should be avoided [4]. Another factor, that should be considered is impact of the COVID-19 pandemic and geopolitical events, as ongoing

Russo-Ukrainian war. This could be important in changes in demand for commodities, like ores and metals [5].

Table.

The main types of pricing strategy depending on the characteristics of the product [2, 3]

Characteristics of goods	Type of pricing strategies	Pricing strategies
Newly created goods	Setting the highest price	Setting initially high prices that significantly exceed costs, and then gradually reducing them
	Setting satisfactory prices	The formation of high prices, focused on market segments that pay special attention to the quality of the product, the brand, and also respond sensitively to the prestige factor
	Orientation to the price of the market leader	Correlation of the level of prices for a specific product with changes and the nature of prices of the market leader
	Market entry	Setting prices at a lower than usual level
	Cost-recovery pricing	Pricing based on actual costs and average profit
Modernized goods	Variable falling price	Setting the price depending on supply and demand, its gradual decrease as the market becomes saturated
	Prices of a separate segment	Formation of different prices for homogeneous types of goods intended for various groups of consumers
	Keeping the price level	Unchanged prices with an increase in consumer value or product quality
	Linked pricing	The formation of relatively low prices for basic goods at the same time high prices for related goods
Traditional goods	Flexible prices	Setting the price level depending on the market conditions formed at a certain point in time
	Preferential prices	The formation of high prices, focused on market segments that pay special attention to the quality of the product, the brand, and also respond sensitively to the prestige factor
	Reduction of prices for complementary goods	It is used when selling complementary goods: normal prices are set for some goods, and reduced prices for others that come in a set with them
	Contract prices	Provision of various discounts by the manufacturer to the buyer

Pricing strategies in global markets vary and depend on a variety of factors, including market conditions, competitive landscape, and consumer behavior.

Companies must adopt a flexible and adaptable pricing approach that integrates insights from market research, data analysis and consumer feedback. By aligning pricing strategies with broader marketing objectives and global market d ynamics, companies can improve competitiveness, drive sustainable growth and creat e value for consumers and shareholders.

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INCLUSIVE SOCIETY AS AN INTEGRAL PART OF WORLD-FAMOUS BRANDS

In today's world, the business environment is constantly changing, and brands have already abandoned the idea of simple profitability in favour of a deeper and