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3. Prerequisites for forming the company's price policy in a real and digital environment

3.1 Theoretical foundations of pricing

Price is a monetary expression of the value of a product, the amount of money paid or received for a unit of a product or service. At the same time, the price reflects the consumer properties (utility) of the product, the purchasing power of the monetary unit, the degree of rarity of the product, the strength of competition, state control, the economic behavior of market subjects and other subjective points. The economic essence of the price is manifested, first of all, through its performance of certain functions.

The price function is an external manifestation of its properties in a certain system of relations. Understanding and clearly defining the functions of the price makes it possible to better understand its role and significance in economic management, as well as outline the range of economic tasks that can be solved with the help of prices.

The following price functions are usually distinguished:

1. Accounting and measurement function. Prices show how much it costs society to satisfy a specific need for a particular product, that is, they measure the amount of labor, raw materials, materials, components, etc. spent on the production of the product.

Price also measures the amount of money a buyer must pay and a seller receive for a particular product. The price of labor determines the salary of employees at the enterprise. Knowing the prices of various goods allows you to divide them into expensive and cheap ones.

In marketing, the price accounting and measurement function allows you to measure costs and production results, assess the market situation, coordinate the assortment policy with the general price level of the enterprise, etc.

2. The regulatory function consists in balancing supply and demand and implies that prices are used to link production and consumption. With the help of prices, the

relationship between production and consumption, supply and demand is carried out. The essence of this function is that a change in price leads, on the one hand, to a change in consumption, and on the other hand, to a change in the production volume of a certain product.

Demand expresses the need for the product from the side the buyer if he has the opportunity to buy the goods. This is manifested in establishing an inverse relationship between demand and price. All other things being equal, the quantity of goods purchased by consumers depends on their price level: when the price increases, the quantity of goods purchased by the consumer decreases. As a result, the volume of production of these goods also decreases. When the price decreases, the reverse process occurs. And vice versa: when demand changes, for example when it increases, when there is a shortage of goods, their prices also increase. This, in turn, stimulates an increase in the production of these goods, that is, an increase in supply.

3. Stimulating function. Price encourages or restrains the production and consumption of various goods. The stimulating function means that with the help of the price system, the interests of all participants in extended reproduction and society in general are realized. Through the price system, the increase in the volume of production, the improvement of the quality parameters of goods, the renewal of the assortment, the improvement of the structure of consumption, the reduction of circulation time, the reduction of non- ¬national transportation, and the efficient use of vehicles are stimulated. The stimulating function plays an important role in solving social problems, when favorable conditions are created for the consumption of essential goods due to the minimum prices for them.

4. Distribution function. With the help of prices, the national income is distributed and redistributed between economic sectors, forms of ownership, regions, the accumulation fund and the consumption fund, and various social groups of the population.

This price function also involves taking into account in the budgets different levels of value-added tax, excise tax on certain groups of goods and other forms of centralized net income, which are included in the prices of enterprise products. As a result, social tasks of society are solved with the help of this price function.

As a means of redistribution, this function is manifested in state-regulated prices. The use of prices as a means of redistribution is justified when it is necessary to drastically change the proportions in the national economy. If the main task is to raise the standard of living of a certain part of the population, then a financial and credit system is used, which operates the monetary income of the population or tax rates.

Price functions are interdependent and form a single system, although their action largely overlaps with each other, which explains the difficulties of practical pricing.

The process of determining prices for goods or services, known as pricing methodology, is an important component of business strategy. This methodology is based on the analysis of various factors and takes into account the competitive environment, costs, consumer psychology and other factors that affect the price setting process.

The main approaches to pricing methodology include:

- Cost approach: Determination of prices based on the costs of production, development and delivery of the product or service, as well as the additional profit that the company seeks to obtain. This approach involves determining a "break-even" price that covers all costs and adding a margin to it.
- Competitive approach: Setting prices based on analysis of competitors' prices. This can be aimed at a lower level, a similar level, or even higher, depending on the company's strategy.
- Price differentiation: Setting different prices for different market segments, taking into account different levels of ability to pay or other characteristics of consumers.
- Top-down and bottom-up pricing strategy: In a top-down approach, the company first determines the desired price based on the product's benefits and uniqueness, and then develops production and cost. The bottom-up approach is to

determine the price based on the cost of production, and then determine the branding strategy.

− Value-Based Pricing: Pricing based on how much a product or service is worth to the consumer. This approach involves analyzing consumer behavior and identifying how much consumers are willing to pay for a given product or service.

− Dynamic Pricing: Setting prices that can change based on demand, time, customer loyalty, etc.

Each approach has its advantages and disadvantages and can be used depending on the specific situation of the company and its strategy. Pricing methodology is a complex process that requires careful analysis of market conditions and consumer behavior to achieve optimal results.

The principles of pricing are the main provisions (rules, laws) that are constantly in force, characteristic of the entire price system and are contained in its basis. Pricing principles can be implemented only when developing and implementing appropriate methods.

The most important principles of market pricing are [26]:

1. The principle of scientific justification.

2. The principle of target direction.

3. The principle of continuous process.

4. The principle of the unity of the pricing process and price compliance control.

5. The principle of connection of pricing with the general policy of the enterprise and the market situation.

The principle of scientific justification of prices is based on the need to understand and use objective economic laws of market economy development, and above all, the law of value, laws of supply and demand, in pricing. Scientific price justification is based on a thorough analysis of market conditions, all market factors, etc. Therefore, the scientific nature of price justification largely depends on the completeness of information support for the price setting process and requires extensive and reliable information.

The principle of target direction means the need to clearly define the problems to be solved with the help of prices (e.g., problems of social protection of the population, orientation of prices towards the development of advanced products - for this purpose, high prices are assumed to be set for a certain period of time in order to obtain monopoly profits).

The principle of a continuous process of pricing - it is necessary to constantly make changes and additions to the current prices in connection with the withdrawal of obsolete goods from production and the development of new ones, with changes in tax legislation, etc. With the development of market relations and increased competition, this process becomes more dynamic.

The principle of the unity of the pricing process and price compliance control-government agencies are obliged to control the setting of prices primarily for the products of monopoly enterprises (gas, electricity, transportation services, etc.). The state also has to control free-priced goods to verify the correct application of the pricing principles established by law and common to all entities.

The principle of connection of pricing with the general policy of the enterprise and the market situation means that any decision regarding the setting of the price should not contradict either the strategic goal or the tactical goals of the company, and should also take into account the peculiarities of the current state of the market environment (behavior of competitors and suppliers, consumer requests, etc.).

The analyzed principles are the basis of price policy, because they emphasize the need to take into account both external factors and the internal state of the enterprise. As part of the marketing approach to pricing, it is necessary to adhere to the above principles, include any consistent combinations of them.

Pricing is different in real and virtual environments, as these two contexts have important differences that affect the ways goods and services are priced. Some key aspects of pricing in both environments are described below.

Real environment:

− Physical costs. In the real world, it is important to consider the physical costs of producing, transporting, storing and delivering goods. These costs can have a significant impact on pricing.

− Location and competition. The location of your business can affect prices due to the level of competition in the area. Competition may force you to adjust your prices to retain customers.

− Auxiliary services. In the real world, additional services such as consulting, after-sales service, warranties, etc. may be provided. The cost of these services may be reflected in the prices.

Virtual environment:

− Low costs. One of the key advantages of the virtual environment is the absence of physical costs associated with the storage and transportation of goods. This can allow for more flexible pricing.

− Global access. The Internet makes it possible to attract customers from different countries, which can affect pricing. You can set prices depending on the specifics of the markets of different countries.

− Dynamic pricing. The virtual environment allows more flexibility in changing prices in real time depending on demand and other factors.

− Personalization options. Since customer data is easier to collect and analyze in an online environment, it can help you offer customized offers and pricing.

Each of these environments has its own advantages and challenges that should be considered when pricing goods and services. It is important to adapt your pricing strategy to the specific conditions of your business and market realities.

3.2 Principles and features of pricing in electronic commerce

Characteristic features of electronic commerce also make pricing mechanisms for goods and services that are sold online more specific. After all, the market price is formed by the demand from Internet users who are interested in buying goods via the Internet, and the supply of goods (services) offered by online stores. Those enterprises are considered to be effective, where the price policy is correctly developed and implemented, which is adjusted in a timely manner depending on changes in the market.

Let's consider the essence of traditional commerce and compare it with e-commerce. A typical trading cycle has several stages. In order to meet the needs of the market, companies develop and produce new products (regardless of what they are - a thing, a service or information), enter the market with it, distribute it and provide after-sales support, creating for themselves sources of income throughout the chain.

Buyers first determine their need for products, then get acquainted with information about them, look for a place where they can make a purchase, compare all possible options (price, level of service, reputation of the manufacturer, etc.) and only then buy. The sales process may also include negotiating price, quantity, delivery time, or service delivery, but the sales cycle does not end there. Customer support brings additional benefits to both parties: the buyer receives what he needs for normal use of the product, and the supplier receives new information about market needs. Banks and other financial institutions move money between buyers and sellers, whether they are private individuals or large multinational corporations.

The development of e-business leads to significant changes in the economy, due to the use of new business methods. Table 1 shows the comparative characteristics of tools and methods of conducting traditional and electronic commercial activities.

Table 1

Tools and methods of commercial activity in the traditional and electronic environment

Traditional commerce	***E-commerce***
1	2
Paper document circulation	Electronic document management
Phone connection	Use of computer networks for communication
Use of local computers only in the field of accounting and document management	Computer equipment used in business activities is connected to the Internet through its own web and servers. This eliminates the influence of the geographical factor on obtaining information, managing financial, material and information flows

Cont. of table 1

Wet stamp and signature	An electronic digital signature that does not require the physical presence of parties of the transaction in one place when drawing up a purchase contract
Use of cash and traditional non-cash bank transfers	Use of Client-Bank, Internet-Bank, electronic money, electronic checks , etc. systems
Consumer segmentation, mass customer orientation	Orientation to the individual needs of each specific consumer
Union of employees within local offices, retail outlets	The use of mechanisms of electronic robots (responses to customer SMS, etc.), mobile commerce and the creation of virtual enterprises
Professional knowledge and experience	Continuous learning process
Reliance on security and stability	Mobility, willingness to take risks, tendency to continuous improvement
Orientation to preserve old jobs	Orientation to create new jobs
Implementation of all business processes within the enterprise	Outsourcing
Capital -, energy -, material intensity	Knowledge and intellectual capital, indicator - information capacity. Capital becomes more of a working tool, a factor of production
Traditional enterprises owning IT assets	Virtual enterprises that receive access (for example, on leases) to IT assets
The concept of "win-lose" (one of the parties gains more than the other from the transaction) and "zero balance" (both parties seek to reduce their losses to zero)	The concept of "win-win", when each party of the transaction receives a clear benefit from the transaction

Source: [27].

The analysis of the table demonstrates the advantages of e-business compared to traditional business. E-commerce allows you to respond more quickly to market demands and create a more convenient and comfortable business environment for both sides of the transaction

The effectiveness of methods and tools used in e-commerce is influenced by a number of factors (Table 2.).

Table 2

Cost reduction factors when using e-commerce

The direction of cost reduction	Impact on e-commerce
1	2
To receive marketing information	The Internet is the cheapest source of commercial information. To use such methods of marketing research as surveys, experiments, questionnaires, there is no need to personally meet respondents
For advertising	On the Internet, the cost of creating and maintaining advertising is much lower, and the audience of an advertising activity is usually much closer to the target audience than when using a traditional advertising medium
For internal communications	Saving working time and, accordingly, reducing labor costs due to reducing the number and duration of meetings, business trips, telephone conversations, as well as saving time for searching for the necessary information
For external communications	Automated collection and processing of orders, access through the website to information about the status of the order, terms of its fulfillment reduce the workload of office managers. By posting answers to standard questions on the website, and by offering to ask questions by e- mail, for example, companies reduce the need for telephone lines and service personnel. In the presence of regional offices or representatives of partners in other cities (countries), savings are made on long-distance (international) calls and trips
For rent of office spaces, organization of workplaces	Many employees can work remotely
For the workforce	Reducing costs by using the work of workers living in regions with lower wages
For the purchase of goods / services	The use of e-commerce makes it possible to conduct purchases in automatic or semi-automatic modes

Source: [27].

The development of e-commerce has a stabilizing effect on the development of economy for the following reasons:

– acceleration of the pace of creation of a single information space: mechanisms of information interaction of almost all subjects of the world market are being developed;

– decentralization of resources, stimulating independent development of market entities;

– acceleration of the turnover of monetary resources through the use of electronic payment systems;

– decrease in the volume of speculative capital (of intermediaries who are not producers) and, therefore, increase in the volume of investments in the production sphere;

– creation of conditions for open competition in the markets of goods and services; acceleration of the process of promoting new goods or services to the market and bringing them to the consumer in a convenient form.

E-commerce is a new virtual sales channel for goods and services that significantly reduces net trading costs. Attractive price policy and a wide range of services for the delivery of goods by trading companies change depending on the market situation. Thus, business entities that use electronic commerce focus on low prices, prices of competitors and set different prices for certain categories of consumers.

The use of a system of price discounts allows enterprise to actively influence the volume of sales of goods, use the positive and limit the negative consequences of fluctuations in demand, manage the speed of receipt of funds to the company's account and the volume of the formation of payables and receivables [28]. In the case when the number of electronic stores that sell the same goods is constantly growing, there is a need for differentiation and the creation of additional services to provide goods with greater value. In our opinion, in general, in the e-commerce market, this is due to advantages in the formation of demand and supply (Table 3).

Table 3

Advantages in the formation of supply and demand in the e-commerce market

No. z/p	Advantages of running an e-business	Benefits for consumers
1	Expands market boundaries. Even with a small capital, the company can serve customers on a global scale	Round-the-clock service at any time convenient for the consumer, without breaks or weekends
2	Reduces the cost of obtaining, processing and storing information, thereby reducing administrative costs	Expanding the selection of products, suppliers, prices, quality and other parameters
3	Allows companies to carry out narrow specialization	Ability to receive detailed and timely information
4	Allows to significantly reduce overhead costs due to the reduction of stocks	Ability to compare offers and exchange information with other consumers
5	Customization of e-business (customer orientation) makes production to order possible, thereby strengthening the company's competitive advantages	Electronic business has certain benefits for society as a whole: - the ability to work from home, to shop from home can reduce traffic flows and related problems; - the possibility of purchasing goods at lower prices increases the quality of life of citizens; - residents of remote areas have equal access to goods, services and information with residents of large cities; - e-business provides access to various public services, such as education
b	Acceleration of business processes allows to significantly increase the productivity of all company employees	
7	The possibility of real-time interactivity and interoperability	
8	Electronic business technologies make it possible to increase the efficiency of interaction with customers, provide the opportunity to work simultaneously with a large number of customers, as well as parallel communication with customers	
9	Expanding the possibility of partnerships , establishing long-term relationships with suppliers and customers, as well as access to information, etc.	

Source: [28].

The advantages of trade should also include new methods of interaction between producers, intermediaries, consumers, as well as innovative methods of promoting goods on the market, which at the same time does not negate the traditional forms of interaction of economic subjects and ways of movement of material goods and services, but complements them, although sometimes displaces them. This, in turn, forms the infrastructural environment that provides business processes.

Pricing in electronic commerce is a set of measures aimed at determining the optimal methods of pricing goods and services that are implemented by enterprises using Internet technologies and provide enterprises with an increase in sales potential in order to achieve their goals.

The rapid development of Internet technologies makes it urgent to study the peculiarities of pricing methods and principles in electronic commerce. Daniel Aymor offers some approaches to pricing in Internet trade (Table 4).

Table 4

Approaches to pricing in Internet trade according to D. Aymor

Approach	Essence
1. The price of the product is below the cost price	The approach is based on the fact that the company receives profit from additional services and therefore has the opportunity to sell goods at a price that may be lower than or equal to the cost price
2. Price varies depending on demand	The pricing approach is based on the fact that the price is set depending on demand, but not lower than its cost price
3. Transaction price	The approach is based on transaction cost. Some goods or services are quite expensive, and the need to use them does not arise so often that it is profitable for the consumer to buy this product

Source: [28].

Some researchers call these approaches principles, but, according to another opinion [28], it is not correct and the following pricing principles are the most acceptable for electronic trade:

– the principle of target orientation of the pricing process. Means a clear definition of the problem, in the solution of which prices should be taken into account;

– the principle of scientific substantiation of prices and adaptability. It is based on the expediency of comparing and justifying the price levels at which it is appropriate to sell goods or services under the influence of various factors;

– the principle of efficiency, i.e. the need to quickly make changes to the price policy;

– the principle of the sequence of pricing stages. We consider the following to be the main factors affecting consumers' price sensitivity: the value of the product or service for the consumer; the quality of the product (for the corresponding quality - the corresponding price) and the features of the product; comparability of prices for identical goods.

More fair and correct pricing requires reliable information. The importance of information for decision-making does not require any special justification. The degree of awareness can be characterized by the level of completeness, availability, reliability and availability of information. The greatest difficulty is characterized by the availability of information. Gaining access to information is associated with costs, the volume of which should be smaller than the benefits that can be provided by the possession of such information. It should be noted that benefits from possessing information may turn out to be significantly lower than expected due to unreliability of information. Reliability of information is determined by its reliability and relevance. It is worth noting that the development of information technologies and the intensification of globalization processes are significant catalysts for the loss of relevance and, therefore, value of information [28].

A number of parameters for goods are also distinguished in order for the goods to be acceptable for Internet trade:

– ease of delivery to the buyer;
– the price in a regular store is higher than in an online store;
– long shelf life and high transportability;
– a rich assortment of goods, which creates the possibility of choice;
– status significance for buyers;
– high frequency of purchases to replace the product with a new model;
– no need for an urgent purchase.

Communication on the Internet is two-way, occurs in real time and is ensured by the compatibility of information systems, which is fundamentally important for making marketing decisions. These properties allow the marketer to solve many problems (such as pricing) in real time.

At the same time, there are factors limiting the development of online trade, among them:

– the problem of confidentiality of information when making purchases;

– most buyers use online stores only to compare prices;

– there is a barrier of free access to the product, which affects the increase in price sensitivity of buyers [28].

Online trading is changing the perception of standard pricing strategies, making markets more competitive, giving buyers the ability to compare sellers' offers worldwide and receive real-time information. Differentiated pricing strategies are particularly attractive to sellers of all types of goods and services.

The factor of setting group prices deserves special attention. Many information goods (electronic versions of rare scientific journals, databases, etc.) are used by consumers irregularly, and often only a couple of times. And for this rare use, most consumers are not ready to pay the market price. Under such conditions, joint use of goods is relevant, when an institutional buyer acquires access to a large number of information resources, providing the opportunity for individual consumers to use these goods on a point-by-point basis. At the same time, the producer's profit not only does not decrease due to the switching of consumers to the use of goods through an institutional intermediary, but can also increase due to the rather high willingness of the latter to pay companies that buy software - as a rule, it is more profitable to purchase it at once for all employees [28].

The advent of e-commerce has brought some adjustments to pricing methodology. E-commerce has all the characteristics of entrepreneurial (commercial) activity with the caveat that it is conducted using the Internet or other networks. Electronic commerce has a number of advantages and disadvantages, but, taking into account the changes in the economic situation and the capabilities of business entities in the trade sphere, Internet trade should become an important element of the sales system, which will ensure the effective use of the potential of trade enterprises and maintain stable relations with existing buyers. In modern Internet trade, the emphasis is shifting from traditional methods of pricing to innovative ones. They cannot be called completely new, since they were also used in the traditional economy, but they are innovative in nature. There are also peculiarities in the formation of price mechanisms under the influence of factors of the online environment. The main influencing factor is information, its availability and price [28].

3.3 Stages of the pricing process in a traditional environment

Before proceeding to the analysis of the stages of the pricing process, it should be noted that the content and sequence of these stages depend, first of all, on the pricing model used by the enterprise. Cost and value approaches are considered among the most common [29].

In the expense approaches the starting point for pricing is the average costs for the production and sale of a unit of goods, to which the value of the desired (most often, normative) profit is added**.** The scheme of the cost approach to price setting is shown in fig. 1.

Production → Cost → Price → Value → Consumer

Fig. 1. Scheme of the cost approach to pricing

According to this approach, an enterprise that owns certain resources, at the request of design services and technologists, makes a decision on the production of a certain product. Next, the financial service of the enterprise estimates the total amount of expenses and necessary investments. Based on this information, the price of the product is formed. The true value of the product for the consumer is determined already after the product has gone on sale and the employees of the sales department have made an attempt to sell the product at the set price, convincing buyers that the offered price reflects the main properties and quality level of the product.

However, even if the company's product will be in demand, in the case of using this approach, there is a danger of not receiving a part of the profit in case of setting a price that is either too low or too high compared to the consumer value of the product.

Considering this, the cost model is recommended to be used in industries with stable demand and competition. In other cases, it can only be the basis for determining the base price, which allows you to understand whether it is worth going to the market with the product at all.

In the conditions of a market economy, the value approach is more suitable, which assumes that the basis of price setting is the perception of the product by the buyer (Fig. 2).

Consumer → Value → Price → Cost → Production

Fig. 2. Scheme of the value approach to price formation

The main advantage of the value approach is that the process of price formation does not start from the sphere of production, but from the sphere of circulation, that is, the price, first of all, reflects the needs, requests and preferences of the consumer. Accordingly, the price calculation process is also different from the cost approach.

Although companies approach the issue of pricing in different ways, the general algorithm of the price calculation method when using the value approach can be presented in the following sequence of actions:

1. Setting pricing goals.
2. Determination of demand and the price level acceptable to the consumer.
3. Cost estimation.
4. Analysis of competitors' prices and costs.
5. Choice of pricing strategy and method.
6. Setting the final price.

1. Setting pricing goals

First of all, the company must decide what goals it aims to achieve with the help of a specific product. There are a significant number of pricing policy goals, but the most common are:

- ensuring survival (existence of the firm in the markets) becomes the main goal of the firm in those cases when there are too many producers on the market and fierce competition prevails or the needs of customers change dramatically. In this case, the enterprise sets the minimum acceptable prices for its products;

- maximization of current profit. When implementing this goal (goals), they focus on the short-term expectation of profit and do not take into account the long-term perspective.

- optimal sales expansion. Optimum expansion of the sales volume, as a rule, leads to a decrease in costs per unit of production and an increase in profit. Focusing on market opportunities, companies set the lowest possible price, which contributes to increasing market share and, accordingly, reducing costs per product unit.

- leadership in quality. The company, which has a reputation as a leader in product quality, sets a high price that allows it to cover the costs of achieving high quality and conducting expensive research and development works.

2. Determination of demand and the price level acceptable to the consumer

In the conditions of a market economy, one of the main factors that determines the price of a product is demand. That is why one of the first stages of the pricing process is the assessment of demand for the product, which involves determining:

- dependencies between price and sales volume;
- elasticity of demand;
- tangible value of this product for the consumer;
- the maximum acceptable price that the consumer is willing to pay for the product.

The main characteristic of demand is its elasticity, that is, the sensitivity of consumers to price changes for this product. Demand is called elastic, if a percentage decrease in price causes the same percentage increase in the volume of sales of goods.

The general formula for calculating the coefficient of price elasticity of demand has the following form:

$$E_d = \frac{\Delta Q}{\Delta P};$$

where ΔQ is the change in sales volumes, %;

ΔP - price change, %.

Table 5

Variants of elasticity of demand

Value of elasticity of demand	Definition	Essence
$E_d \to \infty$	Absolutely elastic	The value of the elasticity coefficient goes to infinity. Even a small increase in price can cause any demand to disappear.
$E_d > 1$	Elastic	The percentage change in the sales volume of the product exceeds the percentage change in the price. If the price increases, the demand quickly decreases.
$E_d = 1$	Unit elasticity	The percentage change in the quantity of the product is equal to the percentage change in the price. A decrease in demand is directly proportional to an increase in price
$E_d < 1$	Inelastic	The percentage change in sales volume is less than the percentage change in price. Demand decreases more slowly than price increases
$E_d = 0$	Absolutely inelastic	The value of the price elasticity coefficient is zero. Demand does not change at any price.

Source: [29].

Due to the fact that demand decreases as prices rise, elasticity is measured by negative values. However, to simplify calculations, elasticity is most often defined in positive numbers.

The level of elasticity of demand for goods is influenced by the following factors:

- The number and availability of substitute goods, i.e. the possibility of choosing the cheapest among many similar goods;
- The importance and urgency of the need that this product satisfies;
- Availability of the necessary additions to the product (tennis rackets and balls, camera and memory card);
- Volumes of goods consumed;
- The level of monetary income and expenses of consumers;
- Presence of competitors;
- Use of sales promotion measures.

Knowledge of price elasticity of demand is very important in pricing and is used for [29]:

• detection of buyers' reactions to price changes;

• choosing the direction of influence on the price in order to increase sales revenue or profit;

• identification of trademarks that are sensitive or, conversely, not very sensitive to price increases;

• effective modification of prices within the assortment;

• forecasting the switching of demand from one brand to another.

Along with the price elasticity of demand, the economic value of the product for the consumer is an important guideline in pricing. The economic value of the product is the price of the best of the alternative products available to the buyer (the price of indifference) plus the value for him of those properties of this product that distinguish it from this better alternative. Therefore, in the process of forming the price of the product, it is necessary to clearly understand what is the economic value of the product for the consumer and what economic profit the consumer can get by making a purchase.

Considering the demand as a starting point in determining the price, it should be taken into account that, in addition to the price, it may be affected by other factors, for example, an increase in advertising or a change in consumer behavior.

So, depending on the orientation of purchases, consumers can be divided into four types:

• thrifty buyers who are highly sensitive to prices, quality and assortment of goods;

• personalized buyers who pay less attention to prices and react more sensitively to the "image" of the product, service and attitude of the seller;

• ethical buyers who are willing to sacrifice low prices and a wide - assortment to support small firms;

• apathetic buyers who pay the main attention to convenience, comfort regardless of prices.

All these features should be taken into account by the marketing service, which is engaged in determining market demand. The simplest way to determine the amount of demand is to multiply the number of possible consumers by the time of consumption of the product.

3. Cost estimation

The minimum price is determined by the firm's costs. The company strives not to set such a price for the product that would fully cover all costs of its production, distribution and sale, as well as allow obtaining the planned amount of profit. Therefore, in the process of developing a price policy, the process of forming the forecast value of the expendable part of the price becomes important. It is possible to simplify the implementation of this process by using the results of a strategic analysis of the cost of production. During such an analysis, each expense component of the cost price is forecasted, its forecast levels are analyzed, and measures are planned to reduce the company's costs for the production and sale of products in the forecast period.

The cost of production is a monetary expression of the costs of its production. The cost of production (works, services) of the enterprise consists of costs associated with the use in the production process of products, natural resources, raw materials, fuel, energy, fixed assets, as well as other costs.

A firm engaged in production activities determines production costs, and a firm engaged in sales, supply, trade and intermediary activities – circulation costs.

The specific composition of costs that can be attributed to the costs of production and circulation is regulated by law in almost all countries of the world.

The production cost of products (works, services) includes:

- direct material costs;
- direct labor costs;
- other direct costs;
- total expenditures.

According to the method of inclusion in the cost price, costs are divided into direct and indirect. Costs for the production of a specific type of product, which are directly included in its cost price on the basis of primary documents, are called direct.

Direct costs include those that can be directly attributed to a specific cost object, namely:

— raw materials and materials, purchased semi-finished products and -component products, other material costs;

— labor costs: wages and other payments to workers employed in the production of products, performance of works or provision of services;

— other production costs: deductions for social events, equipment rental, depreciation.

Indirect costs are production costs that cannot be attributed directly to a specific cost object in an economically expedient way and therefore need to be allocated.

General production costs are indirect and include production management costs, depreciation of fixed assets and intangible assets of general production purpose (shop, district, line); expenses for maintenance, repair, insurance, operating lease of fixed assets, other non-current assets of general production purpose; costs for improving technologies and production organization; for the maintenance of industrial premises; for maintenance of the production process; on labor protection, safety technology and environmental protection; losses due to defects, payment of downtime.

According to the degree of dependence on the volume of activity, costs are divided into variable and fixed. Variable costs change along with changes in production volume. Fixed costs are costs whose absolute value remains constant or changes with a decrease or increase in the volume of production of products that are produced in a small amount. Almost all direct costs are variable except for depreciation of special equipment, rent and some other direct costs.

3. Analysis of competitors' prices and products

The price that the company must set for its products is in the interval, the minimum limit of which is determined by the costs of its production, and the maximum limit is determined by the level of demand and the purchasing power of the consumer. The firm's establishment of the average range of prices in this interval is influenced by the prices and quality of competitors' goods and their market reactions. Therefore, in order to successfully determine the price of one's own product, it is necessary to know the prices and quality of the products of one's competitors. To carry out such an analysis, the company can use one of the following methods:

1) make comparative purchases in order to compare the prices and quality of goods among themselves;

2) analyze competitors' prices based on their price lists;

3) conduct a survey of buyers about how they perceive the prices and quality of competitors' goods;

4) in order to assess the structure of production costs, purchase competitors' models, disassemble them and evaluate them from the point of view of the costs incurred for the manufacture of individual components.

The implementation of this stage is essentially one of the elements of competitive benchmarking. Benchmarking is an activity of the enterprise regarding the research of technologies, technological processes and methods of organizing production and sales of products at the best enterprises of partners and competitors in order to improve the efficiency of one's own company. The result of benchmarking is the improvement of the company's activities, the reduction of production costs, the cost of labor and time, and, accordingly, the increase of opportunities in the management of the company's price policy.

Therefore, knowledge about the prices, costs and quality of competitors' goods is the starting point in setting prices for one's own goods. If the firm's products are similar to the main competitor's, then its prices will be close to the competitor's prices or even slightly lower if the firm has lower production and sales costs. That is, knowledge of market prices can be used to position one's own products. From the point of view of pricing policy, product positioning on the market is the determination of such a price for a product that will ensure its proper competitiveness, taking into account the quality and price of competitors' products.

4. Choice of pricing strategy and method

Knowing the demand, costs and prices of competitors, the company is ready to choose the price of its own product. The price will be roughly somewhere between too low, which does not provide a profit, and too high, which prevents the formation of demand.

The firm hopes that the chosen method allows for the correct calculation of a specific price. Therefore, the management of the company at this stage must decide which methods will be used in determining the price of the product – cost or marketing, and what exactly will be the decisive factor in setting the price – demand, competition, the life cycle of the product, the state policy of pricing in this market or its own costs.

The initial decision at this stage is the selection of a pricing strategy – that is, the selection of the possible dynamics of changes in the initial price of the product in market conditions, which would correspond to the company's goals.

The strategic goals of the price policy, which are focused on the profit from the sale of products, include profit maximization and achievement of the specified rate of return on invested capital.

One of the main strategies that allows to maximize profits is the “skimming strategy”. This type of strategy is used when it is necessary to bring a new product to the market and at the same time quickly achieve significant financial income. It involves setting the maximum possible price when introducing a new product to the market, and then gradually lowering it. Thus, the product, moving through the stages of its life cycle, passes through different segments of the market, and the company receives significant amounts of profit.

Certain prerequisites must exist for the application of this strategy:

- goods introduced to the market must be new and protected by patents;
- the product must have undeniable attractive features;
- market demand must significantly exceed supply;
- elasticity of demand should be low;
- the initial price should appear too high for competing firms;
- consumers should perceive a high price rather as a guarantee of high product quality.

A variant of premium pricing is the tiered premium strategy. The strategy of tiered premiums is the setting of prices with the value of the premium allowance, which gradually decreases, that makes it possible to ensure sales in market segments with high elasticity of demand. That is, first the firm sets a price with the highest possible premium for a segment with inelastic demand. Then, when the potential of this segment is exhausted, it reduces the value of the premium (and, accordingly, prices) to the level acceptable in the segment with higher elasticity of demand, etc.

Achieving a given rate of return on invested capital is possible when using a strategy of target prices or target profit, which involves receiving a certain amount of profit or a certain percentage of profit on invested capital.

Goals that involve increasing the volume of sales of products on the market are aimed at obtaining the maximum amount of sales or, most often, winning a significant share of the market. This can be achieved when there is a sufficient growth rate of sales. The market share increases as much as possible when the enterprise uses a lower price compared to the prices of competitors. At the same time, sales volumes are growing rapidly, thereby increasing the company's market share.

Achieving this goal is facilitated by the use of a penetration strategy. Its essence lies in the fact that an enterprise focused on expanding market share sets low prices when entering the market with a new product. This allows it to stimulate sales, eliminate competitors, expand production and stabilize the market share of sales. Later, when the intended share of the market is reached, the firm can raise the price of the product.

For the successful use of this strategy, the following prerequisites must exist:

- availability of the necessary amount of goods, which allows to achieve large volumes of turnover, that are sufficient to overcome the break-even point;
- high elasticity of demand;
- reduction of costs for the production and sale of goods by increasing the volume of production and sales;
- the unattractiveness of a low price for competitors.

The price strategy in the ratio "price — promotion of the product to the market" takes into account the dependence of the price on the costs associated with bringing new products to the market. At the same time, four varieties of this strategy are considered (Table 6) [29].

Table 6

The price strategy in the ratio "price — promotion of the product to the market"

Price	Promotional expenses	
	High level	Low level
High level	Quick skimming	Slow skimming
Low level	Fast penetration	Slow penetration

– In the case of “rapid skimming”, high prices are supported by high costs of promoting the product, thanks to which high consumer awareness of the new product is achieved.

– In the case of “slow skimming”, high costs are not considered absolutely necessary. This usually applies to new products of manufacturers of well-known prestigious brands. The expediency of a certain "restraint " in setting prices when introducing a new product is also explained by the fact that loud advertising can cause significant damage to the brand's image.

A low price level can also be accompanied by significant or, on the contrary, insignificant promotion costs.:

– In the first option, the goal of quickly gaining market share is achieved — the strategy of rapid penetration.

– In the case of using a slow penetration strategy the firm, on the one hand, takes into account the fact that there is a category of consumers on the market that is very sensitive to prices, and on the other hand, that demand is characterized by low elasticity with respect to advertising costs. Therefore, it is more reliable to attract consumers to the consumption of a new product at a low price. Sometimes, due to lack of funds for advertising, this strategy is forced.

Neutral pricing strategy involves setting prices at a level that the majority of buyers perceive as generally corresponding to the economic value of the product. That is, the product in terms of the "price - value" ratio corresponds to the majority of similar products available on the market. At the same time, the role of price as a tool of the company's marketing policy is reduced to a minimum, that is, the company does not use price policy to increase the captured market segment.

Quite common reasons for using a neutral pricing strategy are the following:

– the firm can achieve its goals with the help of other marketing tools, especially since it requires lower costs than the development and implementation of price manipulations;

– there are no conditions for the implementation of other strategies - a premium strategy or penetration strategy.

The strategic goals of the price policy, which are oriented towards competition, can be aimed at stabilizing the price level or at occupying a certain position by the enterprise in relation to competitors. It is important to take into account the characteristics of the competitive market when choosing the goals of the price strategy.

Among the competition-oriented strategies, the most common are:

- price leader strategy;
- the strategy of imitating the leader;
- prevailing pricing strategy.

Strategy of the price leader is a characteristic of oligopoly markets and assumes that one leading firm initiates price changes in the market (including price increases), and other firms follow it. Such a strategy becomes possible due to the position of the firm in the market or its size.

There are several types of leadership:

• leadership of the dominant firm holding the largest market share. In order to force other firms to accept the price set by them, the leader must be strong enough and strive to maintain a high price;

• anticipatory leadership, which consists in initiating the desired increase or decrease in price based on a change in the level of costs or on the evolution of demand;

• leadership by mutual consent, when one of the firms is recognized as the leader without any formal consent (which would be illegal). It can become, in particular, the most prominent firm, for example, a technological leader.

The strategy of imitating a leader assumes that the firm is guided by the price of the leader firm in determining the price. This strategy allows to get a "fair" return on invested capital. It is attractive enough to ensure stable activity of the firm on the market. But taking into account certain risks associated with the use of this strategy (an unsuccessfully chosen strategy by a competitor, an attempt by a competitor to change prices, misleading rivals, etc.), some firms consider a flexible pricing strategy, which involves changing the price depending on the buyer's bargaining power.

Preferential pricing strategy provides setting slightly lower prices for the product than competitors. This allows firms that are less well-known and have a smaller market share than their competitors to retain their customers and attract others for whom even such a small price difference is significant. The basis of the strategy is lower costs than those of competitors.

Enterprises that form a pricing strategy based on the "experience curve" get a certain advantage in the market due to lower costs than those of competitors. In this case, buyers who buy from a company with a lot of experience receive savings compared to buyers who buy from its competitors, whose experience is insignificant and costs, and therefore prices, are higher.

Sometimes, in order to capture a larger share of the market, manufacturers resort to price wars. In this case, the manufacturer tries to set the lowest price on the market. If a competitor lowers the price accordingly, the manufacturer enters into a price war in order not to lose customers.

Competitive pricing strategies can also include strategiy for signaling prices, which is based on the firm's use of the buyer's trust in the pricing mechanism created by competing firms. For example, if in a certain industry firms can produce goods of different quality levels at different prices within a certain range – then buyers will make purchase decisions based on this range. In such conditions, some firms can sell a low-quality product at high prices, assuming that there will be buyers who will not be able to accurately determine the quality.

Among price strategies in the "price-quality" ratio, this variant of price behavior corresponds to the "robbery" sub-strategy (Table 7) [29].

– substrategy No. 1 "Premium markups" is aimed at consumers with high incomes and involves "rewarding" the buyer with high quality, and the seller with a high price of the product;

– substrategy No. 2 "Deep penetration into the market", which makes it possible to interest consumers thanks to the high quality of the product and the average price;

– substrategy No. 3 "Increased value significance" – high quality at a low price for the product is extremely beneficial for the buyer and allows large enterprises to solve two problems: conquering the market, increasing market share;

Table 5

Price strategies in the "price-quality" ratio

Price / Quality	High	Medium	Low
High	Premium markups	Deep penetration into the market	Increased value significance
Medium	Overpriced	Medium level	Good quality
Low	Robbery	Showy brilliance	Low value significance

– substrategy No. 4 "Showy brilliance" - average price for low-quality goods;

– substrategy No. 5 "Medium level", which provides for the establishment of average prices for goods of average quality;

– substrategy No. 6 "Good quality" (average quality), which involves determining the price taking into account the quality of the product and can be considered within the range of products and competitive strategies depending on the level of product quality compared to other models or similar competitive products;

– substrategy No. 7 "Robbery" – a high price for a low quality product. The sub-strategy carries the threat of losing consumer loyalty to the brand in the future.

– substrategy No. 8 "Overpriced" (average quality - high price), which allows the company to minimize costs at the implementation stage, but hides a certain risk (a high price can harm demand);

– substrategy No. 9 "Low value significance", which involves setting a low price for low-quality goods.

Other pricing strategies used by firms on the market can be focused on image, product quality, geographic factor, product range, product sales to different consumer segments, etc.

After choosing a pricing strategy, it is advisable to proceed to the selection of the appropriate pricing method in order to determine the base price level, which is adjusted at the next stage of the pricing process.

7. Setting the final price

The goal of all pricing methods is narrowing of the price range in which the final price of the product will be chosen. At the same time, the price established by the firm based on cost-, demand-, or competition-oriented pricing methods is subject to adjustment and clarification.

In order to adjust prices, the company can use one of the following price policy directions:

- pricing within the product range;
- setting prices according to the geographical principle;
- policy of unrounded prices;
- price promotion of sales;
- providing discounts;

When pricing within the product range the firm seeks to develop a pricing system that would ensure maximum profit for the entire range in general.

Setting prices according to the geographical principle involves making a decision about setting different prices by the firm for consumers located in different geographical points of the same country or abroad. That is, prices according to this principle are set taking into account the costs of transporting products.

The policy of unrounded prices takes into account the psychological characteristics of consumers when setting prices for goods. A price set below the rounded level is believed to be perceived by consumers as significantly lower (e.g., 4.95 instead of 5.00; 49.50 instead of 50.00, etc.) and, furthermore, gives the impression that it corresponds to the real costs of the manufacturer.

Price promotion of sales is manifested in the implementation of special measures to encourage intermediaries and end consumers to purchase the company's goods. Such measures include the provision of preferential lending rates, the creation of favorable warranty conditions, the establishment of temporary prices in connection with certain events, the establishment of decoy prices, the provision of bonuses, free samples, coupons, sales of goods, etc.

Discounts are provided by the company to its final consumers or intermediaries either when they perform certain stipulated actions (purchase of a certain amount of goods, making a purchase within a set period, payment in cash, etc.), or when the company carries out certain measures to stimulate sales (sale of goods during the period of absence demand for it, discounts on the last unit of the product, discounts during sales, etc.).

This stage completes the process of determining the price of a product or service. The price set in this way is further adjusted depending on the current situation on the market, the actions of competitors, changes in the cost structure or changes in the company's pricing goals.

3.4 Peculiarities of pricing in the digital environment

Today, digital technologies are rapidly changing business processes, and pricing is no exception. In the past, businesses relied on manual pricing processes. However, thanks to digital technology, companies can now automate pricing with data analytics and pricing models built into sales tools. This allows businesses to approach pricing more strategically and better understand its impact on profits.

Digital pricing solutions have a number of advantages over traditional methods. They can help reduce costs, speed up decision-making and improve accuracy. In addition, digital solutions offer greater flexibility and transparency, which can help build customer trust.

Pricing in Internet marketing differs from traditional pricing methods due to the peculiarities of the digital environment. Among the main features of pricing in online marketing, the following can be distinguished [30]:

— ability to quickly respond to changes in supply and demand. Automated systems allow you to dynamically adapt prices in real time, taking into account various factors;

— the possibility of setting prices according to the individual characteristics of customers, their purchase history and online behavior. This helps to increase the level of customer satisfaction and sales efficiency;

— using analytics and big data to forecast demand, competitiveness and effectiveness of different pricing strategies. The use of these tools allows enterprises to make informed decisions about pricing;

— high competition on the Internet requires constant study of competitors' prices and adaptation of own strategies. Customers can easily compare prices and find optimal offers, which forces businesses to be more flexible in pricing;

— using various electronic coupons, promotional codes and discounts to stimulate sales and attract new customers. This allows businesses to create flexible and dynamic price offers.

— the weight of reviews and ratings in the online environment. Negative reviews can significantly affect the perception of goods and services, so it is important to set adequate prices to avoid negative reactions from consumers.

These features make the company's pricing policy in Internet marketing a more complex and dynamic process compared to traditional forms of business. But the very process of price formation is subject to the same algorithm as in traditional marketing.

First of all, the goals of pricing should be defined. There can be a significant number of such goals, depending on which the company is aiming for in the process of setting the price: market penetration, increasing profitability, expanding market share, ensuring stable sales, gaining market leadership, maintaining the existing position, etc.

In general, there are three main groups of pricing objectives that a firm can focus on:

- profit-oriented (ensure maximum or satisfactory profit, investment income, quick cash flow);
- sales-oriented (ensure a certain volume of sales, increase market share);
- related to competition — to ensure stabilization of prices for competing goods, a significant fluctuation of which can provoke a negative reaction from consumers. Another goal of this group is product positioning in relation to competitors.

Setting the goal of their pricing policy to maximize current profit, enterprises, as a rule, do not analyze possible strategic consequences. They can arise as a result of well-thought-out appropriate actions of competitors, as well as the influence of other market factors. The goal of maximizing current profit is quite common in conditions when:

- the company offers unique products that are not available from competitors;
- the demand for certain goods significantly exceeds the supply. However, setting goals to maximize current profits without taking into account the likely reaction of the market can negatively affect the company's activities in the future.

In conditions of high market saturation, a situation may arise when the company will be interested in selling its goods at any price in order to maintain its position in the market. Under such a coincidence of circumstances, enterprises often do not consider the structure of their costs at all and in some cases sell goods even at a loss. However, this approach cannot be followed for a long time. It is necessary to carefully analyze the structure of costs and determine the goals of pricing so as to ensure not only the preservation of one's market position, but also the receipt of at least a small profit.

The goals of the new policy, designed to gain and maintain market leadership, are implemented at the earliest stages of the life cycle of new products. Based on an accurate calculation of the cost structure, such prices are calculated that allow the enterprise to work for a long time with a sufficient profit, are affordable to consumers and do not cause competitors to compete for the leading positions in the market.

Choosing the goals of pricing policy aimed at achieving leadership in product quality, enterprises strive to surpass competitors by maximizing the quality characteristics of products. An improvement in the quality of goods means an increase in their price. And if such an increase is considered by consumers as quite acceptable, then the company can successfully withdraw from the competition.

The analysis of demand factors involves an assessment of the consumer properties and quality of the product, the value of the product for the consumer, the level of demand and market capacity. An important characteristic of demand, which should also be carefully analyzed, is its price elasticity. At the same time, the sensitivity of the consumer to the price will be influenced by the uniqueness of the trade offer, awareness of the presence of substitutes, the possibility of comparing goods and their characteristics, the ratio of price and quality of goods [30].

In order to form a price strategy, in addition to the assessment of own costs and demand factors, an analysis of the competitive environment should also be carried out. First of all, the formation of price policy is influenced by the type of competitive structure of the market, its saturation, market shares of competitors, the price-quality ratio of their goods, the chosen price strategy and positioning.

Monitoring competitors' prices is one of the key tasks of business. Using software to monitor prices on competitors' websites allows online stores and offline companies to create the most attractive offers for customers and remain competitive. Price monitoring allows companies to conduct a flexible and dynamic pricing policy that responds to the smallest changes in market trends. Services with extended functionality, in addition to competitors' prices, also allow you to monitor other parameters, such as promotions, reviews, product descriptions or unique offers [30].

After a careful analysis of pricing factors and price risks, you can proceed to the formation of a price strategy. In internet marketing, there are a number of pricing strategies that businesses can use to achieve their business goals.

When making decisions on pricing, the management of the organization deliberately expands the functional areas of activity and conducts complex analytical work on the selection of the target market. At the same time, special attention is paid to the analysis of the reasons and motives for entering specific markets, the study of external and internal environmental factors, the study of the system of state regulation of economic activity, the development of strategic and tactical price programs, etc.

Pricing strategies on the Internet are almost identical to traditional pricing strategies in marketing. Let's consider their main options [30].

1. The "price skimming" strategy is focused on the fact that the market entity, using powerful advertising, achieves high financial results due to the sale of its goods at relatively high prices, significantly higher than the production prices. As a rule, this strategy is used for market novelty goods in conditions where the manufacturer is confident in the high purchasing power of the selected sales segment on the market. That is, it is the sale of new products at high prices in order to attract the most innovative part of users, which is the majority on the Internet. The price policy of "price skimming" has the advantage that the company gets the opportunity to recoup its marketing costs in the foreign market in a short period of time and, if possible, in the future to use the mechanism of price reduction for the well-thought-out stimulation of the sale of its products to partners (buyers).

2. The "penetration" strategy involves the company entering the market with a product at relatively low prices in order to capture a large share of the market in a fairly short period of time. This strategy is sometimes called a "breakout" strategy. It is typical for goods of wide use and products of industrial and technical purpose of simple technology. After a market breakthrough, the price usually rises to a normal level. The disadvantage of this strategy is that after entering the market, the company

has to make efforts to bring its own prices closer to the average market prices for a long time, since buyers have already managed to get used to the initial low prices.

3. The strategy "policy of crowding out" is often used by market participants and implies the use of extremely low prices, practically excluding the possibility of the appearance of similar goods from other sellers. Such a price strategy can be afforded by large industrial firms, companies that seek to sell modified mass-produced goods of fairly high quality. In its original form, this product is usually close to the end of its life cycle on the market.

4. The strategy of the price leader uses the pricing mechanism of the leading firm, the manufacturing company, that is, this strategy involves setting the lowest price for the product in this category.

5. The strategy of "differentiated prices". This strategy allows to stimulate or restrain the sale of different goods in different parts of the market at different prices. This strategy involves setting prices for a given segment, a given area or a given product and is attractive because it can take into account the peculiarities of the sale of so-called digitized goods and is easily implemented in online commerce. For example, software manufacturers use this strategy when selling their products to educational institutions. Thereby, they resist "piracy" and create loyalty to their products among future specialists. Companies that sell their goods both through traditional retail outlets and through electronic stores use this strategy, assigning them different prices.

6. Promotion pricing. This strategy is aimed at incentivizing a first purchase, incentivizing repeat purchases, or buying during a sale. Studies have shown that using this strategy on the Internet has its advantages: promotion can be clearly targeted at a specific segment of consumers, on the one hand, they are more receptive to innovations, and on the other hand, they are more loyal than traditional buyers in the real market. They are willing to continue to buy from a merchant they trust rather than give their credit card information to a new merchant.

7. Contract pricing. In many countries, you can trade not only in markets, but also in stores. Online auctions provide buyers with a great opportunity to bargain. In the B2B market, contractual prices and auction trade make it possible to get rid of

excess goods at the market price.

8. Dynamic pricing. XML and other technologies make dynamic web page maintenance possible. Marketers can quickly update databases as new products appear, their improvements or price changes. Dynamic pricing means that users receive new pricing information with each request. This information may change depending on the time of the request or the username. For example, some transport companies vary the prices of their services depending on the volume of transportation, so each user receives his price for his individual request.

9. Blended pricing, or pricing for product bundles and subscriptions. Bundle pricing is setting a single price for several different items packaged together. The components of the set can be sold separately from the set. Such a strategy is called mixed. For example, Microsoft uses this strategy when selling its programs Word, Excel, PowerPoint, Outlook separately or in the Microsoft Office suite. If a set consists of several units of the same product and the price of the set differs from the price of one unit multiplied by the number of units, this pricing is called quantity pricing. This is how computer disks, video, audio disks, etc. are sold. Due to the fact that electronic commerce technologies allow consumers to choose any number of goods or services, the use of set pricing becomes unprofitable for some consumers.

Subscription is used in various mass media, including their Internet counterparts, as well as in means of communication. Often, the subscription price is fixed, and there is no control over the use of the product. Subscription pricing is generally preferred by consumers over hourly billing if they cannot plan how often they will use the product or service.

When choosing a price strategy, other forms are taken into account, including those aimed at forming the price policy of competitors, the instability of the market situation, etc.

When entering the market, it is interesting to implement such a strategy as price discrimination, which implies the simultaneous establishment of different selling prices for the same product (service), regardless of the total costs of production and circulation. Implementation of this price policy is possible when the seller has the opportunity to divide the market into separate groups of buyers who have different price elasticity of demand. Under these conditions, the seller assigns a higher price to those buyers who consider it acceptable for themselves, and a lower price to those who do not agree to buy the product at a higher price. At the same time, it is desirable to implement a set of measures to isolate groups of relevant buyers operating in different market segments from each other. At the same time, it is very important that the seller knows how to identify and use effective methods of limiting competition.

Some of the specific pricing strategies in internet marketing include [30]:

— Fixed price. Setting a fixed price for a product or service. This can be effective when supply and demand are stable and competition is not very high.

— Dynamic pricing. Real-time price changes based on a variety of factors such as demand, time of day, weather, competition, and more. This can improve competitiveness and ensure optimal levels of income.

— Systems of discounts and promotions. Use of various forms of discounts, promotional codes, promotions and special offers to attract new customers, increase sales and maintain consumer loyalty.

— Free model (Freemium). Providing basic services or products for free, but charging for additional features or premium versions. This strategy is often used in software, online services and games.

— Differentiated pricing. Setting different prices for different market segments or groups of customers based on their characteristics, demand and willingness to pay.

— Dynamic auction model. Sale of goods or services through auctions with the possibility of competition between buyers for the best price. This is often used on e-commerce platforms and online auctions.

— Subscription system (Subscription Model). Establishing a monthly or annual fee for access to a product or service. This allows businesses to stabilize revenue streams and ensure customer loyalty.

— Pricing based on consumer data. Using personalized customer data for personalized pricing based on their purchases, preferences and brand interaction history.

— Group purchases. Providing discounts or special conditions to customers if they buy a product or service together with other users or share the offer on social networks.

— Pricing based on partnership. Collaborating with other companies to create joint offers and packages that can effectively reduce overall costs.

The choice of a pricing strategy depends on the specifics of business, the target audience, the competitive environment and the strategic goals of the enterprise. The chosen price strategy is specified in the form of pricing methods, calculation of the base price and its adaptation and adjustment depending on market conditions.

The formation of the price policy of enterprises in modern conditions is largely influenced by the development of technologies. Technological innovation in internet marketing pricing is evolving rapidly, allowing businesses to use a variety of tools and techniques to optimize their pricing strategies.

One of the key recent trends is the use of artificial intelligence and machine learning to forecast demand, optimize prices in real time, personalize pricing and determine optimal strategies.

AI-based pricing means using artificial intelligence algorithms to analyze large volumes of data and make pricing decisions based on that analysis. This type of pricing uses data-driven statistics and predictive analytics to determine the best price for products or services. The goal of AI-based pricing is to maximize revenue and profitability while taking into account factors such as customer behavior, market trends, and competition [30]. Let's consider the main areas of involvement of artificial intelligence in the pricing process:

— Dynamic pricing using predictive analytics based on artificial intelligence involves real-time price adjustments based on market demand, product supply levels, competitor prices, substitute product prices, inventory levels, logistics and marketing costs, and other factors. This approach ensures that brands are always aware of changes in the market and can quickly adjust prices to optimize profits. Using dynamic pricing, brands can offer discounts during periods of low demand or raise prices when demand is high, maximizing their profits.

Dynamic pricing is successfully used in such areas as e-commerce, hotel business and tourism, entertainment industry, purchase of air tickets, taxi services. At the same time, different variants of dynamic pricing can be used: segmented pricing – different prices are offered for different market segments; pricing taking into account the urgency of the purchase - the more urgent the purchase and service, the higher the price; pricing taking into account conjunctural reactivity – the price changes depending on changes in the conjuncture; pricing based on consumption in peak periods – price change depending on a point surge of excessive demand [30].

The implementation of dynamic pricing requires the existence of certain prerequisites: the availability of technological capabilities, information systems with artificial intelligence, which allow the creation of personalized offers in real time; forming a client base based on consumer data flows; formation of clients' beliefs that the price offered on the basis of dynamic pricing is fair, that is, adequate to the expected value [30].

— Price optimization involves the use of algorithms that analyze real-time market data, competitor prices, and customer behavior to determine the best pricing strategy. With the help of artificial intelligence algorithms, companies can process large amounts of data to determine the most appropriate price for their products or services at any given moment.

Retail brands can use AI algorithms to optimize prices for popular items based on real-time market data and competitor pricing. Software companies can use AI algorithms to optimize the pricing of their products based on real-time market data and customer behavior, ensuring they offer the best prices.

— Personalized pricing involves offering individual prices to each customer based on their preferences, needs, consumer habits and purchasing power. AI-powered analytics can help brands analyze customer data such as purchase history, demographics and online behavior to create a personalized pricing strategy for each customer. This approach can increase customer loyalty and increase sales by offering prices that meet each customer's unique needs and willingness to pay. Using AI-powered analytics, brands can build stronger relationships with customers and increase customer satisfaction.

For example, e-commerce companies can use AI-based analytics to analyze customer data and offer personalized pricing based on individual consumer preferences and habits. They can use artificial intelligence to analyze a customer's browsing history and offer personalized discounts on products they've previously been interested in.

CPQ solutions (configure-price-quote) have recently gained significant popularity for companies that sell digital or other complex products. CPQ allows the sales force to create customized offers for different products based on customer needs and preferences. This leads to more accurate quotations and fewer errors in pricing [30]. CPQ also provides powerful features for discounts and promotions. It allows to easily set up different discount levels based on the number of customers or other criteria, offer bulk discounts or targeted promotions.

For CPQ software to be effective, it usually works in integration with CRM, ERP, billing platforms, payment solutions, where each component is responsible for its own task. With close integration, such systems provide automation of the entire process, starting with the search for potential customers, turning them into real consumers, and ending with tracking the balance, bills and payments. In this way, all processes are organized and tracked - from the creation of a commercial proposal to the execution of orders, receiving payments and recording income, which greatly simplifies the work of the sales department.

So, in the digital environment, where the speed of change exceeds the ability of enterprises to adapt, pricing policy becomes a key element of success. The ability to effectively manage pricing with these changes in mind determines competitiveness, customer acquisition and maintaining profitability.

Analyzing the highly dynamic nature of the market and the growing role of digital marketing, several key conclusions can be drawn. First, pricing strategies become more flexible and effective, taking into account the interests of both enterprises and consumers, and real-time demand analysis is an integral part of successful pricing policy. Second, personalizing prices based on customer behavior and preferences is becoming increasingly important to ensure a personalized approach and increase profitability. Thirdly, the development of artificial intelligence and machine learning makes it possible to analyze large volumes of data and make effective management decisions in the field of price policy.

However, there are also certain challenges that require attention. Thus, a change in the competitive environment, the instability of consumer preferences or negative feedback from consumers in the network can negatively affect the implementation of even the best strategies. Addressing these challenges and being flexible in pricing is key to sustainable success in the digital environment.

Therefore, the price policy in digital marketing is a powerful strategic tool that determines the interaction of the enterprise with the market and consumers. Only an understanding and effective consideration of all factors can ensure sustainable success for businesses in the digital era of marketing.