DEVELOPMENT AND IMPROVEMENT OF THE PRICING STRATEGY OF THE JOINT-STOCK COMPANY "UZBEKISTAN RAIL WAYS"

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We all know that, the prices for the sale of services of JOINT-STOCK COMPANY UZBEKISTAN RAIL WAYS are freight and passenger transportation tariffs. The difference between passenger transportation and freight transportation is that cargo transportation is carried out for industrial or commercial companies. Passenger transportation is conducted for the mobility of the population. In this regard, freight tariffs are wholesale, while passenger transportation tariffs remain retail.

When setting railway transport tariffs, the administration of the republic and the joint-stock company "UZBEKISTAN RAIL WAYS " develop a certain pricing policy. At the same time, the joint-stock company "UZBEKISTAN RAIL WAYS " adheres to its principles when setting prices for its services.Pricing tactics are current measures to implement pricing policy.

For a long time, freight rates were set at reduced rates. Which was the reason for the redistribution of funds in favor of cargo carriers. The tariffs used in the transportation of passengers are twice as high as the cost of cargo transportation. This is directly related to the high social burden.

Having identified all the shortcomings in pricing in the joint-stock company "UZBEKISTAN RAIL WAYS " and having considered the methods by which these shortcomings are neutralized, we will proceed to the direct development of the pricing strategy of the joint-stock company "UZBEKISTAN RAIL WAYS ", Changing the pricing policy in freight transportation, when making the wrong decision, will entail big problems associated with loss of profit, due to with this, we shouldn't make big changes.

You should not use the strategy of high prices, despite the fact that they would bring profit to the joint-stock company "UZBEKISTAN RAIL WAYS " for a certain time, until other companies engaged in transportation take advantage of the situation, i.e. regular customers of the joint-stock company "UZBEKISTAN RAIL WAYS " will switch to another type of transport and start looking for more profitable options for yourself.

For the company of the joint-stock company "UZBEKISTAN RAIL WAYS ", we will consider a cost reduction strategy.

The component of the pricing policy complex is developed taking into account:

• company goals;
• external and internal factors affecting pricing;
• the nature of demand (in particular, the degree of elasticity of demand for prices);
• perceived and real value of services;
• competitors' policies, etc.
• the development of pricing policy includes:
• setting the initial price for services;
• timely adjustment of prices in order to bring them in line with changing market conditions, the company's capabilities, its strategic goals and objectives, and the actions of competitors.

Among the environmental factors affecting the pricing policy of the company, the main ones are: the actions of the government, the participants of sales channels, the reaction of consumers, the policy of competitors.

The government can exert influence within the framework of anti-dumping and antitrust laws, impose fines or other types of penalties for price fixing (both horizontal and vertical), for deception in price advertising, etc.

With a high degree of competition, prices are regulated by the market, price wars drive weak companies out of the market.

If competition is limited, then the degree of firm control over prices increases and the influence of the market decreases. Consumers have an impact both in terms of price elasticity of demand and behavioral characteristics.

Among the internal factors, costs prevail, and not all of their components can be controlled by the company: (raw material prices, transportation costs, advertising costs). When costs increase, other components of the marketing mix can help the price policy: narrowing the assortment due to non-profitable services or their individual modifications; modernization of goods; repositioning them; reducing the degree of differentiation. Cost reduction does not always have a favorable effect on pricing policy. Thus, when sugar prices fall, it is unprofitable for confectionery producers to position them as cheap goods. There may also be support from the commodity policy (increasing the weight of a box of chocolates without changing the price).

Setting the initial price. The establishment of the initial price can be based on the following models.

Determination of the final price. The determination of the final price may be related to the purpose of sales promotion. Examples of such prices can be:

* the price of the "stripped" model - in advertising, to stimulate the desire to buy, indicate the price of the product without additional devices. But this should not be a deception in price advertising: models equipped with new additions (for example, cars) are also displayed at the point of sale, which, as a rule, turn out to be more attractive to buyers (the "luring and switching" technique);

* the price of the "unprofitable leader" is the establishment of a reduced price for the main product and an overestimation of prices for mandatory accessories (camera and film, spare parts for automotive equipment, etc.). Some firms achieve large profits due to the prices of accessories (especially typical for the spare parts market), but this can also be the cause of "piracy";

* prices for special occasions (reduced prices after holiday sales for "tired" buyers);

* the price for a set that is offered at a lower price than the sum of the prices of individual items;

* discounts from the price, exchange offset and margins. There are many types of discounts. Here are some examples: discount for the quantity of purchased goods (progressive);-special discount (for a buyer who is of particular interest to the seller); hidden (providing free samples); seasonal, functional (for resellers for advertising goods and other types of additional work); bonus (for increasing the turnover of a wholesaler or retailer), etc.

Having chosen a pricing strategy, the firm at the same time should be ready to increase or decrease prices under the influence of factors of the external marketing environment (proactive price change). Thus, the underutilization of production capacities due to the fault of sub-suppliers, the reduction of market share under the pressure of competitors force the company to lower prices in order to maintain its positions or strengthen them.

The emergence of excessive demand, inflationary processes force firms to raise prices. Price changes may cause an undesirable reaction of consumers and competitors for the company. Therefore, price regulation takes the form of reducing the number of discounts, applying sliding prices (with payment of inflation compensation at the time of purchase), determining the final price at the time of delivery, etc. In a situation of increasing costs, cheaper initial components are sought, the weight of the goods in the package is reduced, the design of products is revised, etc.

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