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Regional aspects of the pricing specificity in tourist services

The tourist enterprises unlike industrial or trading enterprises face a serious problem in the organization of a communications complex. It consists of services that have no material form, and hence, its not visible to consumers. In this connection special value is given by the price which not only describes a degree of service which will be received by the client, but also is one of the basic parties of marketing activity and carries out the important function – co-ordinates interests of the tourist enterprise and the client.

The price is a term of goods and services cost. Achievement of complex result depends on the price, and correctly chosen price strategy that often renders long-term and of crucial importance competitiveness of regional tourist products.

Formation of price strategy assumes the number of some prominent features which influence process pricing in tourism and recreation sphere:

- high elasticity of the prices in different segments;
- rupture in time between the moment of an establishment of the price and the moment of purchase and sale of a product;
- inability of services to preservation;
- high degree of influence of competitors;
- seasonal differentiation of the prices;
- high degree of orientation to socially-psychological features of consumers as the price of round or a regional tourist product is connected with the social status of the client.

The given features predetermine pricings at two levels:

1. Set of the prices which are subject to obligatory publication. At the moment of price establishment at this level the firm is based on the

general strategy of pricing. Long-term profits on the invested capital pay off. The top and bottom borders, in which limits probably change the prices are regulated.

2. The prices on which sales, proceeding from a concrete situation in region (change of weather conditions, carrying out of scale actions, an economic situation are conducted).

Standard process of development of price strategy consists of following stages:

1. Revealing of the external factors influencing the prices of firm (a supply and demand parity, level and dynamics of the competing prices, consumers of services, state regulation).

2. Statement of the purposes of pricing (maximization of current profit, deduction of positions in the market, leadership as products, leadership in the market).

3. A choice of a method of pricing. The most simple method – pricing on the basis of costs. This method is based on accounting of production costs, service, an overhead charge, and desirable profit. The price limit below which it should not fall is indicated. The price is established by addition to the cost price of production of the certain margins characterizing expenses, taxes and rates of return on a way of movement of a tourist product from the manufacturer to the consumer. But the given approach is not capable to consider a level of demand on products, sensitivity of clients to a price level, a price level of competitors.

Pricing with orientation to competition level – formation of the price on the basis of the information on potential competitors. Usage of the information about the prices of competitors gives the opportunity for 'price war' realization, when a struggle against competitors for mastering of seller's markets services is being led as a result of increase or drop in prices.

Pricing with orientation to demand – studying of desires of consumers and the price-fixing, comprehensible to a target market. This method is applied, if the price is a determinative in product acquisition. The price ceiling – a maximum amount which the consumer is ready to pay is allocated. The prices are based on studying of the information on the demand, received by realization of interrogations, questioning. Demand is predicted, then comprehensible production costs are advanced.

These methods should be used in their interrelation. However the finalised price can essentially differ from assumed in advance. It is caused by a choice of price strategy.

Price strategy – a choice of possible dynamics of change of an initial quotation of a product in the market conditions, in the best way answering purpose of the enterprise. Definition of price strategy depends on, where, when and on which product the price is established: on new service or on a product of the generated seller's market.

For successful advancement of new service use some price strategy. So, for an exit on the new market strategy of 'removal of cream' (product sale under heavy prices), market penetrations (bases on purposely low price level for the purpose influence rendering on larger number of consumers), the prestigious prices (a high bid for attraction of consumers which are more disturbed by quality of a product and its uniqueness or the status, than the price), following strategy for the leader (correlation by firm of the prices for the products with movement and character of the prices of the leader in the given market) are used. For products of the generated seller's market use the strategy of a sliding falling market (logic continuation of 'removals of cream' strategy), strategy of the primary price (continuation of early-bid prices strategy), strategy of the price of a market segment (the decision on price formation should consider expectations and inquiries of consumers, and also desire and possibility to pay the determinate sum for services).

In the conditions of the competitive market the price is formed under the influence of the factors developing in region, and in many cases is for the enterprise set. In the course of formation of price strategy on tourist it is necessary for product to consider its regional features:

1. Image of region.
2. Presence of services-substitutes at regions-competitors.
3. Quality of a regional tourist product.
4. Regional characteristics of environment.
5. Presence of illnesses and epidemics in region.
6. Fluctuations of rates of exchange in region.
7. Affinity to the various tourist resources which are not a main objective of travel.
8. Presence of certificates of ecological crisis.
9. Interest of local authorities in tourism development.
10. Availability of various vehicles to realization of the minor purposes of visiting.

In summary it is necessary to notice that the described strategy and conditions of change of the prices include necessity of the constant control of actual dynamics of the prices. For acceptance of timely and

adequate decisions in the field of pricing it is necessary to possess the exact information on a course of realization of a tourist product of region and its basic competitors. The necessary data for the control of the prices are:

1. Dynamics of a sales volume in natural and cost measuring instruments: in comparison with previous year; in comparison with various segments of the market and distribution channels.
2. Changes of the prices of competitors on various groups of goods.
3. A sales volume for reduced prices: measured as percent from the general sale; measured as percent from sale for all-round prices.
4. A segment of the tourists receiving a higher prize from reduction of prices.
5. Dynamics of expenses for marketing.
6. Opinions of potential buyers concerning offered services.
7. Discontent with the offered price: from outside consumers; from outside trading personnel.
8. Change of a position of consumers concerning region-competitor and its prices.
9. Quantity of the lost consumers in comparison with the previous period.

The main result of the analysis of the information on the prices, from independent sources and processed by means of various toolkit, increase of efficiency of a price policy at the expense of reduction of the losses caused by price factors should be received.

Sources

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