



THE ROLE OF PRICES IN THE MARKETING SYSTEM AND THE FEATURES OF THEIR FORMATION

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Abstract: Today, marketing is known as a mix of cutting-edge strategy and technology, but it wasn't always that way. The history of marketing as we know it began with simply trying to sell goods and services. Attempts to achieve this may be as old as civilization itself. Some believe that it began as an attempt to display goods in a certain way for trade. The desire to develop reliable communications for the sale of goods and services dates back to the times of ancient China and India. This activity may not have been recognized as a marketing business at the time, but it was from this period that the idea of marketing began to evolve.

Keywords: Marketing ideas, as understood in the modern era, began during the Industrial Revolution.

This period covered the end of the XXIII century and lasted until the XIX century. It was a period of rapid social change due to innovations in scientific and technological fields.

It was during the Industrial Revolution that it became easier for consumers to buy goods than to make them themselves. Mass production led to the creation of many industries doing the same thing to serve the needs of a growing consumer market. In this regard, it can be mentioned that they are occupying transport, mass media and other various infrastructures. The creation of such opportunities has created a more sophisticated approach for manufacturers to find the best ways to develop products that customers need and to inform them of these goods.

Research shows that from the beginning of the twentieth century to the end of the 1940s, competition in the business world intensified. This in turn has led to the need to increase sales using marketing techniques becoming an important part of being competitive, developing a brand and marketing it appropriately to increase its value.

Competition has also created the need to increase production volumes and market shares in all industries, which has led to further improvements in marketing distribution methods and types of communication with consumers. Its purpose is to make consumers believe that the goods and services offered by one company are better than those of other companies offering the same thing.

Since the 1960s, many industrial markets have become saturated with competition, and the need to attract and retain customers now requires direct marketing professionals. During this period, companies began to separate all areas of their business solely for the purpose of marketing the company's products or services. Also, with marketing management becoming an integral part of business success, marketing managers began to engage in strategic planning. Their input was important in determining pricing, how to communicate product and service information to consumers, and more.

The world of marketing changed in the 1990s when a rapid product or service was created and commoditized. As a result, businesses began to realize that they could focus on selling more quality products and building a good brand for them. Businesses experienced an improvement in their margins, which led to an increase in their reputation. Also, some companies with private brands were



able to improve their market share by more than 49 percent due to increased awareness of the brand they created.

With the development of the Internet, websites have become an important tool for commercialization. In the late 20th century, simple text-based business websites began to develop. Initially, they were used to provide information about the company's products or services.

The first company to run an online marketing campaign was Bristol-Myers Squibb, which advertised Excedrin. The campaign was successful and Bristol-Myers Squibb was able to add tens of thousands of brands to its customer list. Today, hundreds of billions of dollars are spent annually on the marketing business.

Over the past 25 years, the importance of using the web and search engines for marketing has increased dramatically. Initially, it was inefficient to carry out operations on goods without information on web search engines. It also didn't rank well with the search engine, and it was difficult to change the search engine results and the quality of the results was poor.

Search engines have changed their algorithms over time to ensure the best quality results. The aim was to validate the linked sites to ensure the quality of the results provided by the search engine. Now it is almost impossible to manipulate search engine optimization (SEO) rankings. Attempting to do so puts the business at risk of having its brand removed from search engine results.

The emergence of modern blogs has created many opportunities in marketing. Blogs were originally developed as online diaries where individuals reported on their personal lives on a daily basis. In the late 1990s, blogs became an important part of marketing. In 1999, there were approximately 23 active blogs, but according to research, there are now more than 150 million active blogs.

Blogs are now part of most content marketing businesses. They are used to provide information, build customer relationships, generate sales leads, increase brand awareness, obtain customer feedback, as well as public marketing and more. In addition, it is used to inform the enterprise, develop internal and external networks. Nowadays, it is possible to get information on the desired goods from this search engine not only on certain sites, but also from certain bots created through Telegram applications.

It follows that marketing is used regardless of the level of development of market relations, because it works as a real system that connects the internal and external activities of enterprises, as well as coordinates the interactions of all entities included in the marketing system.

The concept of the marketing system defines the specificity of the general concept of the system. At this point, it is appropriate to understand what the concept of "system" means, a system is a set of subsystems, elements, components and their characteristics, the interaction between them and the environment determines the formation of a qualitatively new whole.

The marketing system is a set of socio-economic subjects of the market environment, each of which has independence and integrity, is related to the formation and development of demand for goods and services in order to obtain profit and satisfy the needs of partners in the existing chain of their relations.

The marketing system includes elements such as various suppliers, competitors, intermediaries, consumers and research activities. The formation and operation of the marketing system is carried out in a certain environment created under the influence of the factors and conditions of the market space and the disruption of socio-economic, political, cultural, demographic and



environmental factors. A developed market environment is a necessary condition for the effective operation of the marketing system.

When looking at the marketing system within one enterprise, the following marketing systems are distinguished by marketing information system, marketing tools system (marketing complex) and marketing management system.

Marketing information system - a set of structures, procedures and methods designed for systematic collection and analysis of the use of internal and external marketing information of the enterprise.

The system of marketing tools (marketing complex) is a set of techniques and methods, a specific set of tools that the enterprise uses to achieve its goal, to solve the relevant market problems in the conditions of maximum satisfaction of the needs of the target markets.

The marketing management system includes three interrelated elements such as marketing planning, marketing service organization and marketing control. Marketing activities are carried out in several stages.

The internal environment of marketing is the entities, forces and situational factors that exist in the firm itself and are controlled by it, and the scope of the firm's activity, which is controlled by the top management of the enterprise; the objectives of the firm; organizational structure and the role of marketing service in it; corporate culture factors include.

Selection of target markets determined and controlled by the marketing department of the enterprise, setting marketing goals, organization of marketing activities and marketing management constitute internal environmental factors.

The external environment of marketing is the entities, forces and situational factors that affect the company's marketing activities from the outside, which are not controlled by the top management of the firm or its marketing department. The external environment, in turn, is divided into the environment of direct and indirect influence.

The direct impact environment combines elements that directly affect the firm's activities and experience its attitude towards itself. The elements of the direct influencing tool are the suppliers; competitors; consumers; intermediaries; state bodies regulating the economy; consists of communication audiences.

In a direct influence environment, consumers are key. The marketing activities of the enterprise must always respond to changes in consumer behavior and their causes, take into account the nature, types and factors of consumer demand, and rely on knowledge about the purchase decision-making process of buyers.

Competitors, as subjects of the external environment, determine the criteria of the company's economic activity, which should not only be achieved, but also exceeded. Only in this case, the company can count on success in the market.

Suppliers can also significantly influence a firm's marketing efforts, for example through joint advertising or sales promotion activities.

Intermediaries connect the producer of goods with consumers and thus facilitate the promotion of the product through distribution channels.

Contact audiences are usually represented by any organization (enterprise) that is interested in a particular firm and is able to influence it.



The environment of indirect influence combines elements, the presence of which affects the marketing activities of the company, but does not directly and immediately affect it.

The purpose of implementing the stages of marketing activity is grouped into a number of the following groups:

market (market share, market capture, identification of prospective markets);

marketing (creating an enterprise image, public opinion formation measures, sales, profit, competition);

structural and management (improvement of management structure);

supply (price policy, sales promotion, consumer characteristics of goods, parameters of commodity turnover);

It can be seen from the stages of marketing activity that it consists of capturing the market, creating the image of the enterprise, selling, ensuring the turnover of goods, carrying out the price policy for the product and properly managing them, in which it is important to set the right price for the manufactured products and to determine the customer.

Price is the value paid for a good or service or idea, the amount for which the good, service or idea is exchanged or offered for sale to a potential buyer regardless of its value or value. There is no marketing in society without a price. The producer price reflects the amount of money (or goods and services in barter trade) received by the firm or seller. For the buyer, this represents a sacrifice and therefore requires him to have an understanding of the value of the product.

In general, price is a component of an exchange or transaction that occurs between two parties, and refers to what must be given by one party (i.e., the buyer) in order to receive what is offered by the other party (i.e., the seller). Nevertheless, this view of price allows for a somewhat limited explanation of what it means to the participants in the transaction.

In fact, price means different things to different market participants. In particular, for buyers, such as end customers, price means what must be given up in order to make a profit. In most cases, financial consideration (such as money) is given in exchange for the possession of goods or services. But the buyer does not always give up financial attention.

Sometimes in the case of barter, the buyer can buy the product by giving up his product. In addition, buyers may give up other things to obtain the benefits of the product that are not direct financial payments (eg, time to learn how to use the product).

For sellers in a transaction, the price reflects the revenue earned for each product sold and is thus an important factor in determining profit. For marketing organizations, price also serves as a marketing tool and is the main element of the marketing system.

Many executives and economists argue that the market, not prices, determines prices. While true in theory, this rarely happens in practice. Almost all companies set prices on a plus-plus basis. They rely on a traditional labor-based cost accounting system for pricing.

One of the most important factors determining the efficiency of the enterprise is the price policy in commodity markets. Prices provide the enterprise with planned profit, competitiveness of products, demand for it. Through prices, the final commercial goals are realized, the efficiency of all links of the production and sales structure of the enterprise is determined.

If a certain level of profitability is not included in the price of the product, then at each subsequent stage of capital circulation, the enterprise will have less and less money, which will ultimately affect both the volume of production and the financial condition of the enterprise. At the

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same time, in a competitive environment, it is sometimes accepted to use unprofitable prices to capture new sales markets, squeeze out competing firms, and attract new customers. In order to enter new markets, a company sometimes deliberately chooses to reduce the revenue from the sale of a product to compensate for the loss due to the redirection of demand for its product.

In general, prices help manage the overall economic system - the enterprise uses various factors of production, such as natural resources, labor and capital, and their relative prices. Higher wage rates may cause a firm to adopt labor-saving measures. Similarly, high interest rates may cause management to decide against new capital expenditures. The prices and volume of products sold determine the income received by the enterprise and affect its profit. Yet few businesses regularly think about their pricing strategies or have the confidence to use pricing strategies to capture maximum value.

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