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**Pricing Policy and Competitiveness of Automotive Companies in
International markets**

Student: DARYNA YANCHUK

Supervisor Associate Professor, Doctor of Economic Science Savych Oleksandr

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Program Associate Professor, PhD in

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МЕТАДАНИ

Заголовок

GLOBALISATION AND SECURE ECONOMIC DEVELOPMENT

Автор

Daryna Yanchuk

Науковий керівник

Savych Oleksandr

підрозділ

кафедра маркетингу ім. А.Ф. Павленка

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1	http://www.economy.in.ua/pdf/10_2016/8.pdf	35	0.20 %
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**ACADEMIC SUPERVISOR'S REVIEW
OF MASTER THESIS**

by the student of the Faculty of International Economics and Management
MBA program "Global Business"

DARYNA YANCHUK

**Pricing Policy and Competitiveness of Automotive Companies in
International market**

1. Evidence of learning in accordance with the objectives of the assignments
(0-5 points) 5 points
2. Depth of critical analysis (0-10 points) 6 points
3. Effectiveness of argumentation/analysis (0-10 points) 8 points
4. Accurate and coherent use of quantitative tools and language (0-20 points)
14 points
5. Compliance with master thesis written requirements (0-5 points) 2 points
6. Compliance with writing master thesis's schedule (0-5 points) 2 points
7. Attendance (0-5 points) 2 points
8. Published research work/Thesis (0-10 points) 8 points
9. Positive aspects of the thesis: *The master thesis is written on acceptable quality level. Theoretical researches have been made deep and at the high level. The detailed and qualitative analysis of marketing environment has been made at the thesis.*
10. Negative aspects of the paper. *The main drawback is that only some elements of proposed recommendation are practical and could be used. Proposal for competitiveness level increase of the company are disputable and have not been worked out properly.*
11. Total Supervisor's Grade of Master Thesis: 47 points

Academic Supervisor

Doctor of Economics, Associate Professor

Savych

Oleksandr

"23" January 2023.



External Review of Master Thesis

DARYNA YANCHUK

Title

“Pricing policy and the competitiveness of automotive companies on the international market”

Master Thesis of Daryna Yanchuk highlights main issues of automotive market in the context of pricing policy and links with competitiveness level on the international automotive market.

This work is rated as practical interesting, since it studies pricing policy of car makers and particularly competitiveness model of Toyota Motor Corporation. Moreover, some elements of practical recommendations of the author could be interesting and useful for business application.

The scientific novelty and practical importance of this work for the company is determined by the fact that the author have analyzed the current status of automotive market, its environment, main customer values and pricing policy of market leaders. Thus, the author has offered own vision how to improve the pricing policy of Toyota Motor Corporation and its interdependence with competitiveness level and specifically for electric cars.

The theme of this paper is recommended to be examined in more detail within the frameworks of the thesis, since the work meets minimum regulatory requirements. The master Thesis is recommended for the defense and deserves an “acceptable” grade.

Reviewer

Brigider Kirill

K.Brigider

Director Deputy

“23” January 2023

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INTRODUCTION

The relevance of the subject: is that the current economic situation in the world is becoming more complicated, the level of uncertainty is increasing, the number, properties, and importance of factors affecting the price are multiplying and changing unpredictably. In such conditions, enterprises need a price adaptation mechanism that will allow them to quickly and immediately adapt to the changing market situation. The increase in the level of competition in the international market of automobile companies actualizes the development of new approaches to the pricing of enterprises in this market.

The purpose: of the work is to study the pricing policy and competitiveness of automobile companies on the international market (based on the materials of Toyota Motor Corporation).

The specified goal necessitates the solution of the following tasks:

- 1) Determination, classification, tasks of influencing factors of the enterprise's price policy;
- 2) Study of modern theories of business competitiveness and their roles in the formation of effective marketing policy;
- 3) Determination of the ratio of marketing price policy and the level of competitiveness of the enterprise;
- 4) Assessment of the level of competitiveness of the main global car manufacturers;
- 5) Research of marketing strategies of pricing in the world automobile market;
- 6) Assessment of global sales leadership of Toyota Motor Corporation as a result of effective pricing policy and high level of competitiveness;
- 7) Modification of the marketing price policy due to the impact of the crisis;
- 8) Construction of an updated Toyota Motor Corporation competitiveness system;
- 9) Modeling of the economic efficiency of the implementation of the marketing price strategy and the system of competitiveness of the enterprise.

The object of the work is the pricing policy of Toyota Motor Corporation.

The subject of the study is the methods of pricing in Toyota Motor Corporation on the international market of automobile companies.

Research methods: content analysis of scientific periodicals on the research topic; comparative analysis of existing pricing approaches and methods; statistical methods of data analysis (descriptive statistics, calculation of relative indicators, study of dynamic series); economic analysis of the company's activities.

The work consists of an introduction, three chapters, conclusions and a list of used sources. The work is laid out on 84 pages, contains 12 tables, 11 figures.

CHAPTER 1. THEORETICAL AND METHODOLOGICAL

1.1 Definition, classification, objectives affecting factors of price policy of the company.

The formation of the enterprise's price policy is one of the most important elements of the competitiveness mechanism today. That is why enterprise managers try to pay attention to the process of developing and applying price policy.

A pricing policy, like any other policy, is a conscious guide to a company's pricing activities. The price policy consists in the logical interconnection of the goals, capabilities, and resources of the managing agent [1].

Pricing policy can be considered as a set of relations regarding the formation of its main principles, the selection of effective pricing methods, to achieve the maximum financial result and to solve marketing tasks [3].

That is, price policy from the point of view of the marketing concept can be considered as a process of formation of prices and ways of manipulating them depending on the prevailing market conditions and the position of the firm on the market.

According to M.A. Aucklander, pricing policy is a set of principles that a company follows in the process of forming prices for goods or services [3].

An example of the price policy of a managing agent can be, for example, maintaining the price at a lower level compared to competitors, in order to ensure an accelerated pace of sales and expansion of the market segment.

From the point of view of M.I. Kareby, under any conditions, a business entity cannot set prices without an objective analysis of the market situation and the possible consequences of each of the options of the adopted decision. Based on the experience of advanced firms, it is advisable to develop a clear price policy and pricing strategy [4]. Thus, the essence of the price policy of any company consists in the formation and maintenance of the optimal level and structure of prices, in their adaptation to the changing market situation, in order to achieve the maximum possible financial result [5]. The main task of pricing policy for any firm is to

manage the competitiveness of products in order to stimulate demand and achieve maximum profit. In literary sources, there are different approaches to determining the main goals of price policy. We will summarize the most common of them:

- ▶ ensuring sales or survival. This goal is faced by enterprises operating in the conditions of a developed competitive market;
- ▶ profit maximization. This target setting follows from the main purpose of functioning of any commercial company. Achieving this goal, the firm studies the market situation, the behavior of suppliers, determines costs and chooses a price that maximizes the difference between it and costs;
- ▶ maintaining a position above the market - creating favorable conditions for maintaining a market position and achieving competitive advantages by a business entity [6].

The above goals of the price policy can be considered long-term, calculated for the long term. At the same time, when implementing the price policy, the company can set short-term goals, which include the following [7] :

- ▶ preservation of leadership in prices;
- ▶ limitation of potential competition;
- ▶ increasing the attractiveness of the enterprise or product;
- ▶ taking measures to stimulate the sale of products, etc.

Other authors see the short-term goals of price policy in the following [8 , 9] :

- ▶ increase in sales profitability;
- ▶ increase in profitability of own capital;
- ▶ increasing the profitability of the business entity's assets;
- ▶ preservation and expansion of market share. This goal is especially important for business agents whose demand for products is highly elastic;
- ▶ achieving the highest sales growth rates.

The pricing policy has a specific character for individual companies, which is due to the nature of the goals and tasks facing them: the larger, more diverse and more difficult to achieve the general corporate goals and strategic settings, the more complicated the goals and tasks of the pricing policy, which, in addition, depends on the size of the firm, the level of production diversification, industry ownership.

The development of a price policy is an extremely important tool for increasing the efficiency of a managing agent, however, economically and methodologically unfounded decisions in this field are associated with the risk of obtaining negative results in terms of their economic consequences. At the same time, the absence of a price policy at the enterprise can also lead to the loss of market positions and even bankruptcy.

A pricing strategy can be defined as a set of methods by which pricing policy is practically implemented. The stages of development and implementation of the company's price policy are schematically presented in fig. 1.1 From the point of view of marketing management, active and passive pricing policies are distinguished [10]. The first of them involves the use of prices as a tool for the realization of all market opportunities and flexible response to the price behavior of competitors. When implementing an active policy, price appears as a significant element of marketing management, because with the help of prices, a business entity can increase the market segment of the fight against competitors, therefore, expand sales volumes and increase the amount of profit received.

Passive pricing policy is not considered in the context of marketing management. The economic agent, in this case, fears the reaction of competitors to price changes, and chooses the position of following the price leader. In this case, the company has been unable to increase its market share for a long time.



Figure 1.1 Stages of development and implementation of the company's price policy [10]

For a more complete description of the enterprise's price policy, we consider it necessary to consider the main factors influencing the enterprise's price policy. The main factor that is subject to regulation, control and planning by the manufacturer is the selling price, or the manufacturer's price. Other factors are regulated by the state or the market.

The following factors can influence pricing:

- Internal (quality of materials, production conditions, cost of equipment);
- External (prices of manufacturers' competitors);
- State (this factor can include political risks of the enterprise, such as duties, benefits, taxes, etc.)

In the existing harsh conditions of competition, some enterprises are forced to set prices at the level of the average market, while lower than the cost price of the product. This approach leads to direct losses for the organization. Only large

enterprises with a balanced pricing policy can afford to set prices below the level of total costs incurred, when the losses incurred from the sale of one type of product are covered by the profit of another [11].

Currently, there are two methods of pricing: market and settlement. The market finds a balance between the ask price and the offer price and becomes the real price. Estimated is a system of cost and parametric pricing methods [12].

Of all the pricing methods used, the cost pricing method is the least time-consuming, which does not require large costs for market research, since the manufacturer knows the lower price limit that will be effective in the market. But this method does not take into account the factors of competition, without which it is impossible to establish the optimal size of prices, capable of bringing the optimal size of prices, capable of bringing the maximum profit and volume of revenue with this method, technological innovations are impossible, because they involve large costs. It is not possible to issue new products.

In modern conditions, the method of determining the price based on reduced cost is preferable. This method is quite common in our modern conditions of market competition [13]. The essence of this method is to calculate the producer's price level based on variable (direct) costs. The main criterion for the allocation of direct and indirect costs is their dependence on the volume of production. This method differs from the method of full costs in that the cost price is determined taking into account variable costs, indirect costs are not allocated for each type of production, but are taken into account in general in accounting.

The pricing policy of the enterprise is the definition of prices that ensure the survival of the enterprise in market conditions; includes the choice of a pricing method, the development of the company's price system, the choice of price market strategies, etc. There are three main objectives of pricing policy:

- ensuring the survival of the enterprise
- profit maximization
- maintaining the market [14].

The complexity of pricing depends on many factors. Such as political, economic, psychological and social. Today the price may depend on the cost factor, and tomorrow its level may depend on the psychology of buyer behavior. At the same time, it is difficult to clearly and correctly develop a pricing policy. The market economy is based on independent, economically sound producers of goods, and for them, prices are a decisive factor in the results of the company's production and financial activities. The market dictates the conditions of survival. Therefore, a correctly chosen pricing policy, competent price formation tactics, and economically proven pricing methods are the basis of any enterprise's successful activity.

Attention should be paid to the complexity of forming the firm's pricing policy, since a large number of trade and trade-intermediary organizations are involved in price formation throughout the product's path from the producer to the consumer. Firms that seek to form a competent pricing policy must solve a number of the following tasks throughout the entire life cycle:

- obtaining the maximum profit;
- conquering the sales market;
- reduction of production costs;
- struggle with competitive products;
- increase in sales volume;
- increase in production volume.

In the modern economy, there are two approaches to market pricing: setting uniform or individual prices. Individual prices for the product are formed by means of a contract as a result of negotiations between the buyer and the seller, which in turn ensures coordination between the interests of the parties. Uniform prices are characterized by the fact that all customers who buy a product receive it at a single price. Usually, the use of uniform prices for all categories of consumers directly with the specifics of the market of a certain product, equipped with technical complexity and high costs when differentiating product prices. Uniform prices are important when an entrepreneur offers a standardized mass-produced product to the market. It is important that the mass consumer is aware of the price of the product, compares

it with the price of competitors and makes a purchase decision [15]. Table 1.1 shows the factors affecting the formation of the company's pricing policy.

Table 1.2 Factors influencing the formation of price policy [17]

Internal factors	External factors
Demand for products	Market type
Disadvantages of production and implementation	State regulation of prices
Distribution factor	Price competition with other enterprises
Other factors (sales promotion, service, etc.)	Participants of promotional channels
	Consumers
	Other factors (taxes, state duties, etc.)

Internal factors also include demand for these products, costs, and others. External factors include price competition, sales market, taxes, inflation. Thus, price competition is able to determine the maximum and minimum price threshold. The maximum threshold is determined by demand, the minimum by costs, the establishment of an average price range is influenced by the prices of competitors.

The influence of the consumer's price finds its expression in setting the appropriate level. The price, in itself, is perceived as one of the integral indicators of the product. The most frequently used pricing strategies are:

- ◉ Skimming strategy. With this strategy, the price is set at a higher level than most buyers think the product might be worth. With this strategy, the company receives the maximum benefit and higher profit from sales. Usually, such a strategy operates in a narrow segment of the market. Businesses using this strategy expect quick financial success because this strategy has short-term goals. Such a strategy works for goods in high demand. A high price supports the image of the product.

- Penetration (growing) strategy. Such a strategy is characterized by setting the price at a lower level than in the opinion of buyers, the company receives profit due to an increase in the volume of sales and capture of market share. The strategy can ensure the expansion of the circle of potential buyers due to the reduction of opportunities to sell goods with a high amount of specific profit.
- Following strategy. This strategy involves setting prices based on the ratio of price and value of the product, which corresponds to most other similar products sold on the market. When a company adopts such a strategy, it sets prices at the level perceived by the majority of buyers as the appropriate economic value of the product [18].

We can come to the disappointing conclusion that the company's choice of one of the pricing strategies is determined by the structure of costs, motives that are guided by buyers and the market, and even the won position on the market and reputation among customers. Let's consider the price from the point of view of the financial aspect. The financial result is an indicator of the analysis and evaluation of the effectiveness of the entity's activity at certain stages of its formation. A positive financial result indicates the appropriate use of the company's working capital and assets. Profit is the result of the financial component of activity of a positive nature. The loss has a negative nature of the financial component of the activity. Based on the obtained data, it can be concluded that the main components of the price are profit and production costs. By adjusting one of the components, we can obtain certain financial results, as well as influence the final cost of the product.

1.2 Modern theories of business competitiveness and its role in efficient marketing policy formation.

In the modern world, competitiveness has become one of the key concepts that determine the success of a business entity in the foreign market, however, modern world economic science has not yet provided a single, generally accepted

interpretation of the content of the category "competitiveness", and a single, generally accepted approach to methods of its assessment and formation .

In scientific articles and monographs, the concept of "competitiveness" is quite widespread and actively used, but a precise and unambiguous definition has not yet been formed, therefore, in the new conditions of the digital and innovative economy, the problems of developing a research methodology and a meaningful interpretation of competitiveness are multifaceted and ambiguous and very popular. The research of scientists (I.O. Dragan) in terms of the "competitiveness" category is related to the position of meaningful analysis from the following 6 aspects: economic, social, philosophical, market, legal, psychological [19].

In economic terms, competitiveness acts as a platform and guarantor of the functioning of a business entity. Market positions are based on emphasizing the value of confrontation, rivalry of subjects and counterparties in the market [20]. The philosophical content of competitiveness reflects the entire breadth of positions on stimulating the development of the productive forces of society and industrial relations. The legal entity provides an assessment of competitiveness in accordance with legislative acts, regulations and criteria. The social content includes the compliance of the enterprise in terms of market behavior and manufactured goods with the requirements of social development of society (quality of life, environmental safety) at the level of firms, regions and countries. The psychological definition reflects the need of the firm for the goods sold to meet the psychological comfort, needs and expectations of consumers [20].

In scientific studies, most scientists consider the competitiveness of business entities as a stable process of creating added value (value chain) [21, 22]. In the work of I.M. Dashko's competitiveness of a business entity is characterized in the framework of "the ability to bring profit on invested capital in the short-term period not lower than the specified one, or the actual excess of the average statistical profit in the relevant field of business" [23].

A new approach to determining competitiveness was the use in management practice of the provisions of the theory of key competencies that create sustainable sources of competitive advantage [24]. Scientists define a key competence as sustainable when it represents a significant value to consumers compared to the offers of competitors; very difficult to reproduce by competitors or third parties, which creates competitive barriers to market entry, and opens the enterprise access to markets, very diverse and externally unrelated to each other, with the help of combining basic skills and technologies [24].

The modern essence and meaning of competitiveness is related to the ability, opportunity and goal-setting for the preservation and sustainable development of business, the extension of life cycles and the construction of guaranteed development prospects [25]. Competitiveness, as a dynamic and relative characteristic, does not exclude the independent development path of the enterprise, the choice of the vector of building relations with customers and going beyond the framework of the market and competition [25].

A number of factors affect the competitiveness of the enterprise:

- Dynamics of the scale of long-term demand. An increase or decrease in long-term demand is an important factor in making investment decisions to increase the productive capacity of an enterprise. A rise in long-term demand attracts new enterprises to the market, and a fall in demand, on the contrary, causes an outflow of enterprises;
- Dynamics of the demand structure. These changes are the cause of changes in consumer requirements for service, creation of new sales channels, changes in the assortment of new products, product renewal of the industry is the key driving force - it affects production methods, effective scale of production, marketing costs, distribution channels;
- Technological innovations. Frequent technological innovations in production methods and the size of investments make it possible to increase the value of the effect of the life cycle of the product. This may cause significant changes in the

requirements for the size and number of enterprises successfully operating on the market;

- Marketing innovations. Periodically, companies offer their products to the market, using new ways and methods, trying to increase purchasing interest, stimulate demand, and reduce unit costs. Thus, they drive new forces that change the conditions of competition and the positions of rival firms;
- Dynamics of leadership. Means entry into competition and entry from it of large firms. That is, a new round of competition: redistribution of roles and selection of new key players, change of market structure;
- Diffusion of achievements. If the new technology becomes known to rivals, suppliers, distributors, consumers, the barriers to entering the industry are lowered;
- Dynamics of efficiency. As new efficient production scales emerge in the industry that will reduce unit costs, large firms can force other firms into "fixed growth" strategies;
- Buyer preferences. Often, a growing number of buyers decide that low-priced consumer goods satisfy their preferences and preferences just as well as higher-priced goods that provide choice;
- State regulation of the market. Actions of the state through its institutions, including regulation of economic relations, as well as changes in state policy, can affect the market and competitive conditions;
- Growth of determination. Means a reduction in uncertainty and risk. New industries are characterized by great uncertainty of information about potential market opportunities.

Thus, the rapidly changing environment and emerging business risks increase the importance of using scientific developments to manage a company in an increasingly competitive environment. The modern understanding of competitiveness is related not only to the ability of the enterprise to resist competitors and external stimuli and obstacles on the way to the market and the customer, but to actively use information, communication, digital and competent resources for effective positioning during all life cycles of the company, to increase

financial stability and independence, increasing efficiency and customer loyalty. Effective use of resources is achieved if competitive advantages are correctly defined. All the variety of competitive advantages can be reduced to four main types (Fig. 2).

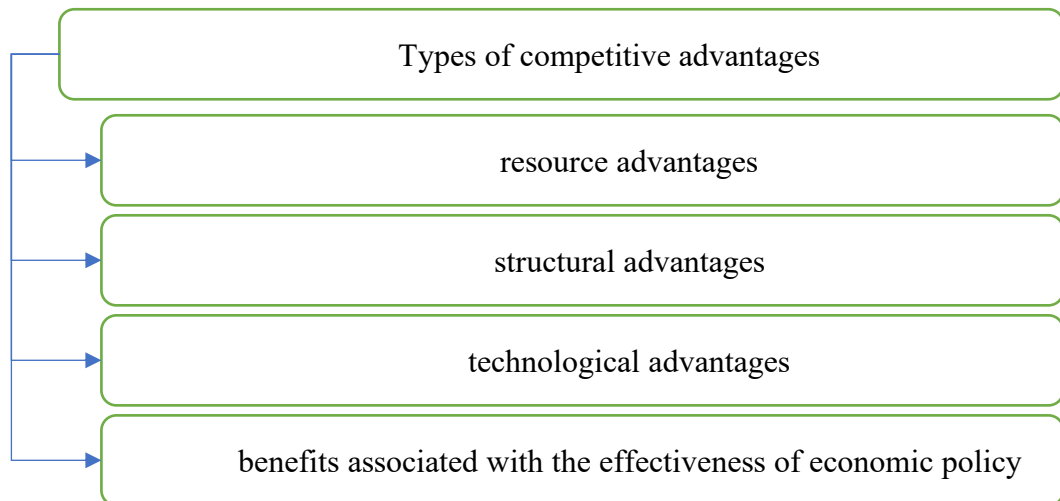


Figure 1.2. Types of competitive advantages

The competitiveness of modern highly developed companies is based mainly on technological advantages. The analysis of modern theories and concepts of competitiveness showed that the presence of diversity in approaches to defining the concept, its criteria and factors can be explained by the fact that the authors considered it in different temporal and spatial planes. That is, when analyzing competitiveness, it should be taken into account that competitiveness is not a static, but a dynamic concept, and it tends to change over time.

In general, the clarification of the essence and the clarification of the interpretation of the competitiveness of the enterprise contribute to the answers to the questions: what reasons, factors and conditions caused the emergence of the enterprise's properties, abilities and quality of competitiveness; what can be called the factors determining the level of competitiveness of the enterprise; what are the goals of the company's competitiveness or why does the company need to have competitiveness; which qualitative and quantitative characteristics (criteria, parameters) reflect the competitiveness of the enterprise; how the interrelationship

of the enterprise's competitiveness with competition, the competitiveness of products, the industry and the entire economy is manifested.

1.3. Correlation of marketing pricing policy and competitiveness level of the company.

An important factor in ensuring product competitiveness is the company's pricing policy. A purposeful pricing policy in marketing consists in setting such prices for the company's goods and changing them in such a way, depending on the position in the market, in order to master a certain share of it, obtain the intended amount of profit and solve other current or prospective tasks, including achieving optimal realization product at each stage of its life cycle, respond to the actions of competitors, take into account the state influence on the price, etc.

The marketing policy of prices includes the solution of three basic tasks: to determine the strategy of pricing, to choose a method of price calculation and to predict proactive price changes taking into account the specific market situation. With a certain amount of conventionality, we can talk about three variants of the price policy strategy (Fig. 1.3).

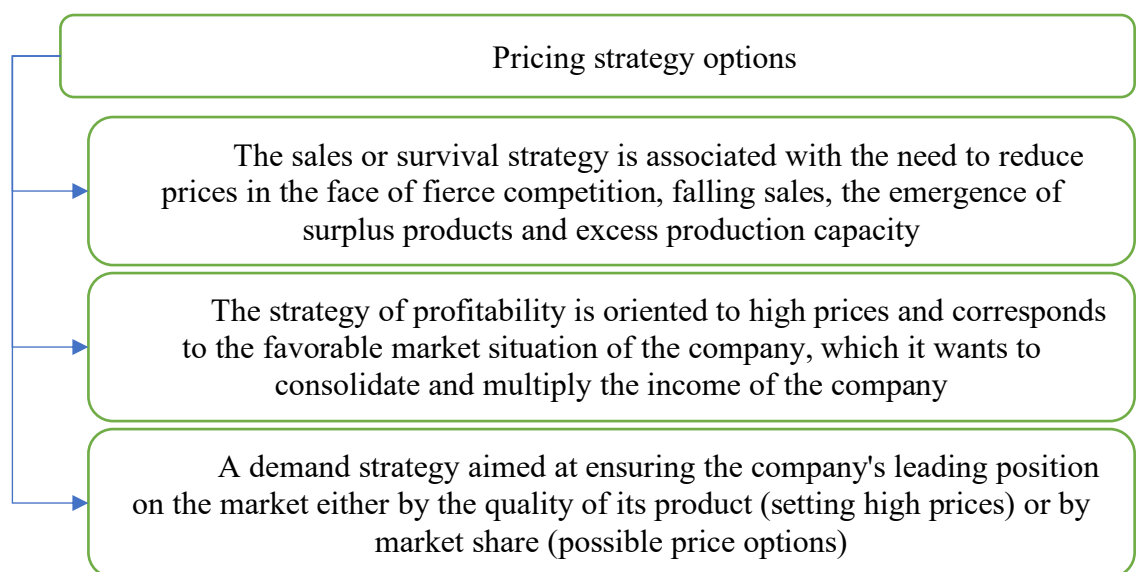


Figure 1.3 Variants of the price policy strategy

Consumption price is one of the main factors of competitiveness of goods and services. The price of consumption may or may not suit the buyer, depending on the level of income he has and how he perceives a specific price. As a rule, competitiveness increases due to the sale of goods and services at lower prices, which differ by several percent from the prices of goods and services of competitors.

Pricing is influenced by several groups of factors:

- factors managed by the enterprise (pricing depending on the life cycle, positioning of goods and services operated by trademarks);
- market factors (factors of the external competitive environment)
- consumer-driven factors (consumer requirements taking into account profitability, utility of goods and services, conditions of distribution channels).

The main influence on the pricing strategy is competition. Economic and political conditions, geographical location of the producer and consumer also have a significant impact. "In the most general form, the prices of goods and services can be lower than those of competitors (overt or covert dumping), approximately the same (latent marketing) or higher (targeting a certain market segment). A low price for a product or service usually increases demand. The dependence of demand on the price level can be seen as a curve on the graph. The curve will show how many goods or services will be sold during a certain period of time at different prices. For most goods and services, the higher the price, the lower the demand, and vice versa. This is explained by the desire of consumers to satisfy their needs in the most economical way" [27].

When choosing a product or service, the consumer collects information about the points of sale, assortment, consumer properties and prices of the goods and services he needs, then compares the properties and prices and chooses the most rational way to purchase them. "The limits of pricing for new goods and services are: as the lower limit of the price - the cost price, as the upper limit - the consumption price. Upper and lower price limits are determined by quality indicators and market demand. When the price approaches the upper limit, the enterprise increases its profit, but reduces the economic attractiveness of goods and

services for buyers" [27]. It is safe to say that the consumer's price is a tool for evaluating the economic effect of using the product throughout its lifetime.

Hence, the competitiveness of goods and services is determined by the ratio of prices and utility, as well as the ratio of prices and reference prices. For a number of goods, demand is inelastic to prices. Such goods can include goods of daily demand that are bought automatically, goods that are highly addictive, for example, alcohol, tobacco. Sellers of such goods form a standard traditional buying behavior, get used to buying goods from one and the same company. Getting used to buying the same product in the same store is created by issuing coupons for a certain amount, the accumulation of which allows you to get the product at a discount or for free.

The competitiveness of the product is affected by the price increase, which can be perceived by buyers in different ways: the product has become particularly popular and it is worth buying it before it becomes unavailable; the product has a special value and significance. In some cases, the high price of goods and services makes them more competitive. "This phenomenon is called the "Veblen effect" or demonstrative consumption. Demonstrative consumption is characteristic of consumers with a high level of income" [28]. In other cases, buyers consider price as an indicator that emphasizes high quality. "This phenomenon is especially noticeable when selling cosmetic and perfume products, cars, watches, i.e. infrequently purchased goods. The principle of purchase perception "the higher the price, the higher the quality" is characteristic of many groups of non-food products" [28].

In addition to the purchase price, the costs of operation, repair, maintenance and disposal of the product are important for consumers. When assessing competitiveness, the consumption price of the product is taken into account, which, as mentioned earlier, consists of the retail price, costs for operation, maintenance and disposal. The main price methods of increasing the competitiveness of goods and services include the use of the following types of prices:

"Sliding falling price. It is set depending on the ratio of supply and demand, which gradually decreases as the market becomes saturated. This approach is usually applied to goods in mass demand - stationery, household chemicals. The competitiveness of these goods is highly sensitive, demand is elastic to price changes. Price reduction increases competitiveness "[29].

"A long-lasting price. It is installed on a product or service in advance and does not change much over a long period of time. A significant reduction in price is inappropriate, as it increases demand and competitiveness" [29].

"The price of the consumer segment of the market. It is established taking into account the fact that consumers with different incomes are able to pay different prices for the same goods and services. The prices of more creditworthy buyers imply a higher level of sales service" [29].

"Flexible price. Able to quickly respond to changes in supply and demand on the market, both upward and downward, depending on the market situation" [29].

"Preferred price. It can be reduced by an enterprise that occupies a dominant position over the market and is able to significantly reduce production costs due to increased sales volumes and savings on the costs of selling goods or services. The main goal of the enterprise in this case is to make it difficult for new competitors to enter the market. Such a price is effective only for goods and services that are already highly competitive and have a large number of potential consumers" [29].

"The price of a product that has been discontinued, but is needed by a limited group of buyers. The consumer value of an exclusive product is high, the price is significantly overestimated, as, for example, spare parts for old car models" [29].

"The price is lower than that of most competitors in the market, as a rule, it is set for complementary goods and services that can be sold at regular prices in a set with goods and services for which prices have been reduced. Therefore, the enterprise increases the competitiveness of the main product or service" [29].

"Negotiable price. A certain group of goods or services is established, guarantees a significant discount against the usual price of the same goods or services and during a number of purchase conditions by the consumer" [29].

Thus, the price of consumption is a complex component of competitiveness and requires skillful handling from manufacturers and sellers, the result of which will be an increase in the competitiveness of sold goods and services. Summarizing, we can say that the main components of the price are profit and production costs. By adjusting one of the components, we can obtain certain financial results, as well as influence the final cost of the product. The rapidly changing environment and the emerging business risks increase the importance of using scientific developments to manage a company in an increasingly competitive environment. The modern understanding of competitiveness is related not only to the ability of the enterprise to resist competitors and external stimuli and obstacles on the way to the market and the customer, but to actively use information, communication, digital and competent resources for effective positioning during all life cycles of the company, to increase financial stability and independence, increasing efficiency and customer loyalty.

Within the framework of the research, in general, the clarification of the essence and clarification of the interpretation of the competitiveness of the enterprise contribute to the answers to the questions: what reasons, factors and conditions caused the emergence of the properties, abilities and quality of competitiveness in the enterprise; what can be called the factors determining the level of competitiveness of the enterprise; what are the goals of the company's competitiveness or why does the company need to have competitiveness; which qualitative and quantitative characteristics (criteria, parameters) reflect the competitiveness of the enterprise; how the interrelationship of the enterprise's competitiveness with competition, the competitiveness of products, the industry and the entire economy is manifested. We can state that the price of consumption is a complex component of competitiveness and requires a skillful approach from manufacturers and sellers, which will result in an increase in the competitiveness of sold goods and services.

CHAPTER 2. ANALYSIS OF COMPETITIVENESS LEVELS AND MARKETING PRICES POLICY OF THE GLOBAL AUTOMOTIVE PRODUCERS.

2.1 Competitiveness level assessment of the main global car producers.

The history of the development of the automobile market begins with the production of the first car. Karl Benz and Gottlieb Daimler are generally considered to be the founders of the automobile market and the creators of the first cars, and Germany is the birthplace of automobile manufacturing. Let's consider the state of the automobile market over the last decade in relation to the dynamics of production and sales of cars in the world, as well as indicate the reasons for the decline in production and sales. Production in the automobile market has mostly positive dynamics from 2010 to 2018 (Fig. 2.1).

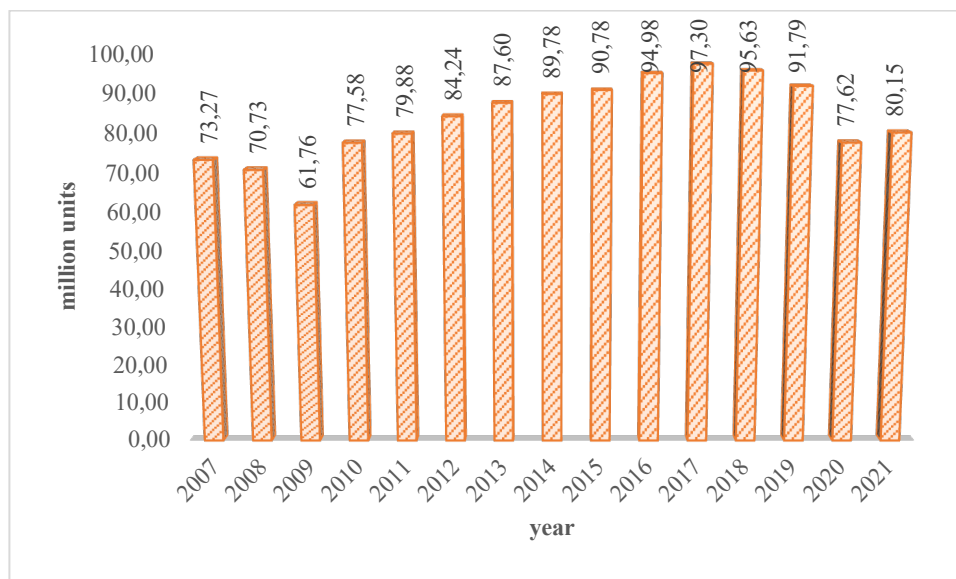


Figure 2.1 World production of cars

The highest figures are for 2017 (97.3 million units). A sharp decline is noticeable in 2019-2021, which is associated with the global economic crisis. Moreover, the automobile markets of all countries suffered heavy losses, except for the Chinese market, which was able to increase its sphere of influence. The automotive industry plays an important role in the economy of both a single country

and the world as a whole. Accordingly, significant changes taking place on the world stage are reflected in the production and sales of cars in the world.

If we consider the leaders in terms of the volume of car production for 2021, this group includes China, the USA, Japan, India and South Korea (Fig. 2.2).

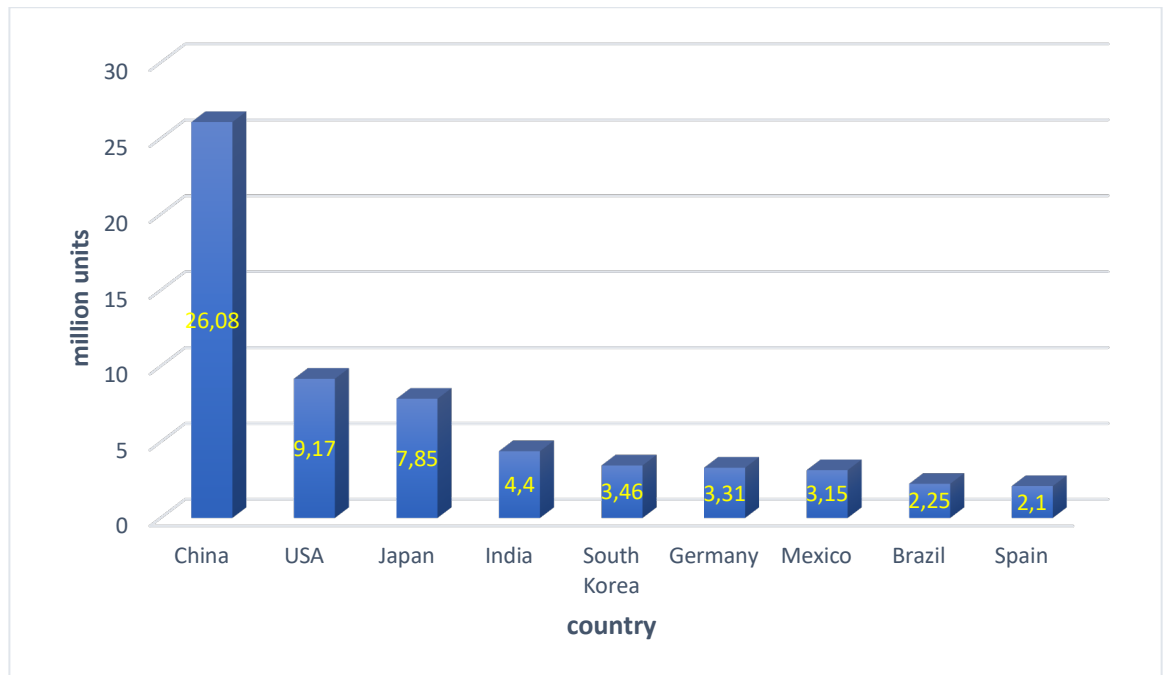


Figure 2.2 Car production by country in 2021

Moreover, the Indian automobile market is considered one of the fastest growing in the world. China is the absolute leader, its production volume in 2021 was 26.08 million units. The USA, which is in second place, lags far behind its competitor in terms of indicators. Their production volume was 9.17 million units. in 2021. The leading global manufacturers are Volkswagen Group, Toyota Group, Renault-Nissan Alliance, Hyundai-Kia, General Motors, Ford Group, Honda Motor, FCA (Fiat Chrysler Automobiles), PS. (Peugeot Society Anonymous).

Large automobile concerns include several brands specializing in products of different classes and different price categories. Brands aimed at a certain consumer compete both within one concern and in the conditions of the entire market. According to statistics for 2021, the leading positions are occupied by the following brands (Fig. 6): Toyota (10.5 million units), Volkswagen (6.4 million units), Ford

(5.0 million units), Honda (5.3 million units).), Nissan (4.6 million units), Hyundai (4.7 million units), Chevrolet (4.4 million units), Suzuki (2.7 million units), Mercedes-Benz (3.0 million units .) .), Kia (3.6 million units).

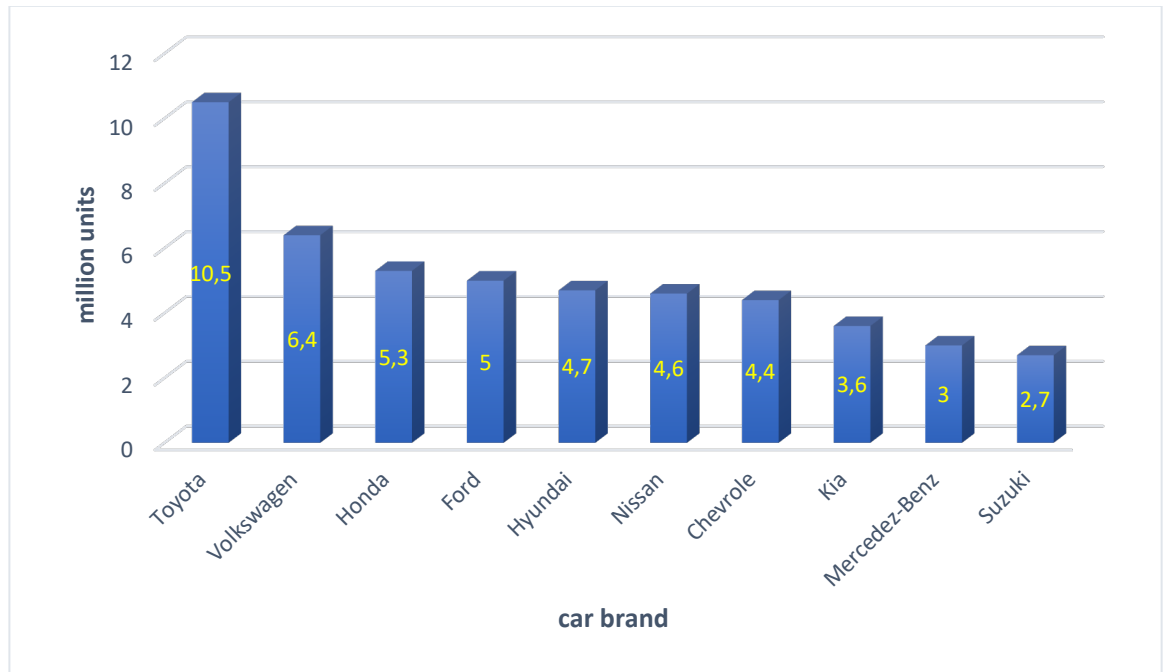


Figure 2.3 Volume of car sales by brand for 2021

Moreover, it is important to note that the leadership of car brands and concerns to which they belong differs significantly. So, for example, the Ford brand is among the "three" leaders in sales, while the company to which it belongs occupies only 6th place in the overall ranking of automobile companies. One of the main tasks of assessing the level of competitiveness of global car manufacturers is the assessment of market capacity and market indicators of sales volumes, competitiveness of goods and prices. These indicators demonstrate an important opportunity for car manufacturers to work on the international market.

Market capacity is the potentially possible volume of goods sold on it during a certain period of time (usually a year) [33]. The market capacity is calculated in terms of value (the amount of revenue from goods in monetary units) [34]. Knowing the capacity of the market and the trends of its change, automakers get the opportunity to assess the prospects of a particular segment of the international

market for themselves. It makes no sense to work in a segment of the international market, the capacity of which is insignificant compared to the capabilities of automakers: the costs of introducing the market and working on it may not pay off.

However, it should be remembered that the largest capacity of the segment of the international market always means the best opportunities for its development. In such a market, there may be: strong competition, a high level of consumer satisfaction with competitors' goods and services, and other factors that should be taken into account when making a decision to choose one or another segment of the international market for further work on it.

To estimate the market capacity of global automakers, we calculate the market share coefficient [33]:

$$MS (\%) = \frac{\textit{Company Sales}}{\textit{Total Market Sales}} \quad (1)$$

where **MS** – market share ratio;

Company Sales –the volume of sales of the car manufacturer's goods);

Total Market Sales – the total volume of sales in the target segment of the international market.

Values of sales volumes and market share ratios of global automakers are presented in Table 2.1

Table 2.1 The value of sales volumes and market share ratios of world car manufacturers in 2021

№	Company name	Annual income, million dollars. USA	Market share coefficient	Place
1	Volkswagen	266,90	0,145	1
2	Toyota	210,00	0,114	2
3	Mercedez-Benz Group AG	142,87	0,078	3
4	Ford	136,34	0,074	4
5	General Motors	127,00	0,069	5
6	Honda	97,52	0,053	6
7	Hyundai	90,78	0,049	7
8	Nissan	58,22	0,032	8
9	Kia Corp	53,93	0,029	9
10	Suzuki Motor Corp	26,39	0,014	10

The sales leader is the company with the largest market share ratio - Volkswagen and Toyota.

Next, we will calculate the coefficient of change in the volume of sales of services and goods. The coefficient shows the increase or decrease in the competitiveness of car manufacturers due to the increase in the volume of sales:

$$SVR = \frac{SVEP}{SVBP} \quad (2)$$

де **SVR** – sales volume ratio.

SVEP – sales volume at the end of the reporting period;

SVBP – sales volume at the beginning of the reporting period;

The values of the coefficients of change in the volume of sales of world car manufacturers are presented in Table 2.2. According to the calculations, in 2021 the coefficient of change in the volume of sales is more than one for such companies as Toyota (1.05), Honda (1.13) and Nissan (1.26), which indicates a decrease in the revenues of these companies.

Table 2.2 – The value of the coefficients of change in the volume of sales of global car manufacturers in 2021

№	Company name	Annual income, million dollars. USA			Coefficient of change in sales volume	
		2019	2020	2021	2019/2020	2020/2021
1	Volkswagen	269,49	237,76	266,90	1,13	0,89
2	Toyota	223,31	220,65	210,00	1,01	1,05
3	Mercedes-Benz Group AG	184,33	129,94	142,87	1,42	0,91
4	Ford	155,90	127,14	136,34	1,23	0,93
5	General Motors	137,24	122,49	127,00	1,12	0,96
6	Honda	117,65	110,56	97,52	1,06	1,13
7	Hyundai	81,63	80,28	90,78	1,02	0,88
8	Nissan	85,70	73,15	58,22	1,17	1,26
9	Kia Corp	44,88	45,67	53,93	0,98	0,85
10	Suzuki Motor Corp	25,80	23,51	26,39	1,10	0,89

In 2021, of the 10 largest automakers by sales volume, 4 companies are based in Japan, 2 in the USA, 2 in Germany, and 2 in the Republic of Korea (Table 2.3).

Table 2.3 Revenue and regional structure of sales of global car manufacturers in 2021

№	Company	Country	Revenue in 2021, million dollars USA	Regional sales structure, %			
				USA	Europe	Asia	Others
1	Volkswagen	Germany	266,90	14	38	45	3
2	Toyota	Japan	210,00	14	25	59	2
3	Mercedes-Benz Group AG	Germany	142,87	17	49	30	4
4	Ford	USA	136,34	39	29	29	3
5	General Motors	CHIA	127,00	44	28	19	9
6	Honda	Japan	97,52	18	41	39	2
7	Hyundai	South Korea	90,78	20	14	62	4
8	Nissan	Japan	58,22	23	36	37	4
9	Kia Corp	South Korea	53,93	18	38	39	5
10	Suzuki Motor Corp	Japan	26,39	11	28	59	2

It is also necessary to calculate such an indicator as Customer perceived value (CPV). It is an indicator of the perceived difference between the total benefit of the client and the total costs of the client. Therefore, CPV can be expressed as:

$$CPV = \frac{\text{Total customer benefit}}{\text{Total costs}} \quad (3)$$

Intermediate calculations are given in table. A.1 (Appendix A), CPV indicators for each selected car are shown in fig. 2.4

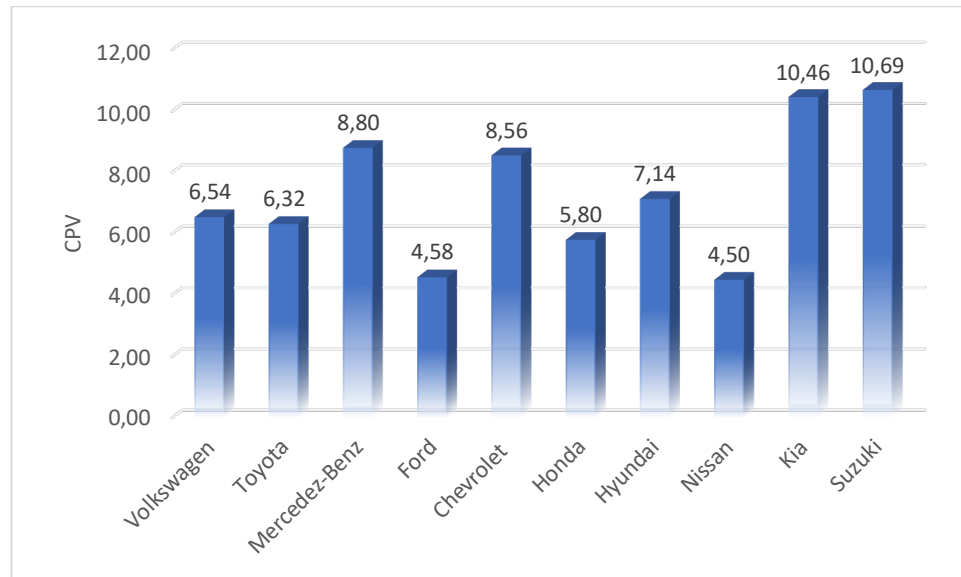


Figure 2.4 CPV indicators

Based on the research of the global automotive market, the following conclusions can be drawn: The development of the automobile industry is the most important indicator of the state of the national economy. This industry plays an extremely important role in the organization of the transport complex, production and circulation of products, industrial and agricultural sectors. The countries with the most developed automobile markets are China, the USA, Japan, India and South Korea. Moreover, they are gaining leadership in both production and consumption of cars. 50% of the market is concentrated in the hands of five leading companies: Volkswagen Group, Toyota Group, Renault-Nissan Alliance, Hyundai-Kia, General Motors. The rest of the market is divided among many small companies. The automotive market is characterized by mergers and acquisitions of companies, as this method of integration allows companies to cope with financial difficulties, strengthen and improve their competitive positions.

2.2 Marketing pricing strategies on the global automotive market

Price is a component of brand image, which, in turn, determines the price range. The price of the product and the volume of purchases are directly interrelated. The higher the price, the less the product sold.

A car brand communicates clear arguments about its brand even more than other products. For example, brands such as Aston Martin, Ferrari or Porsche, due to their exclusivity rarely seen on the streets. This marked by their production power, especially the handcrafting of these machines, which is one of the reasons for their rarity, but the main reason for their exclusivity is their price. This leads to even greater exclusivity, as only a few groups of consumers can afford these car brands. If the high price maintained for a long time, then exclusivity caused by a component of the brand image. The owners of such cars belong to an exclusive circle and they embody exclusivity. The reverse argument can also applied: the long-term perspective of low price positioning leads to high sales and low exclusivity. There are brands such as Opel, Ford, Renault and Toyota that avoid exclusive bells and whistles and try to reach a high volume market by lowering prices.

Both high price and low price strategies can be successful, as in the cases of Ferrari, Porsche and Toyota. All brands show a high level of brand-price match. Several components in the pricing cycle in the global car market it must take into account are show in Fig. 2.5 Automakers sometimes use price wars and multiple discounts in an attempt to boost sales. The consequences of such a strategy are unfavorable for long-term profits and brand image. High discounts can undermine the brand image.

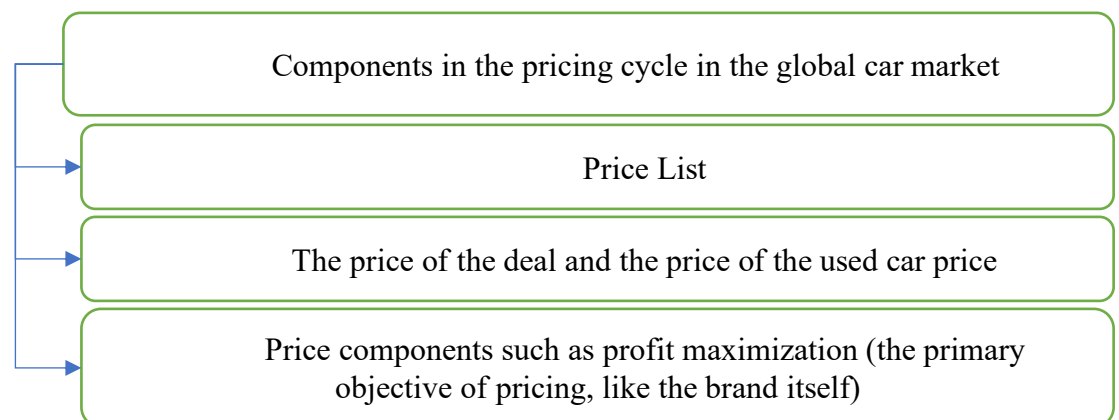


Figure 2.5 Components in the pricing cycle on the world car market

In order to correctly set the price of a car, you need to take into account the balance between the price of the car and its brand. For this, you should pay attention to the following factors:

- ▶ Make sure that the price and the brand match in the long run. For this, it is necessary to know that the growth of sales volumes is not the final factor of the current profit component; Sometimes it can even jeopardize the brand's exclusivity. Moreover, prices aimed at maximizing volume are usually profit-optimal;
- ▶ Use branding consistently in your pricing process. Manufacturers must systematically calculate premiums as brand values fluctuate;
- ▶ Carefully manage the price cycle: Used car deals and prices affect profits and brand image.

Pricing in car dealerships depends on many factors. Strong fluctuations in the value of the car depend on the dealer. If the dealer is unofficial, the value of the car can change dramatically. This is due to the fact that unofficial dealers buy a large batch of cars and set prices for them independently. In addition, they cooperate with credit organizations, and the final value of the car on credit can vary greatly. Cases when the declared price of the car was one, but the final payment was different, are not uncommon.

Official dealers adhere to the prices set by the car manufacturer. Sometimes such strict regulation causes many large dealers to refuse to sell cars of this brand. After all, they earn almost nothing there and rarely come to service such cars. Profit consists only of sales, but recently there has been a decline in the new car market. In the car showroom, cars are already equipped with additional equipment: alarm system, parking sensor, music, etc. The cost of such cars increases significantly. Cars can sell at cost to sell off a model range. Moreover, it is during this period that you can look for the best price. Such a sale may last several months until all cars are sold. Car prices can depend on several sources, and car dealers can display prices in hundreds of ways, which can include calculations of many costs. These prices may sometimes be in the way of state regulations or "OEM" compliance standards. For

example, Texas dealers are technically not allowed to use phrases like "Internet Price" or "Get e-Price," which is against recent laws set forth by the Texas Automobile Dealers Association. Most of the guidelines of the "Original Equipment Manufacturer" indicate that dealers should not "accumulate" unnecessary benefits and incentives in the price, but should clearly and objectively treat the customer regarding discounts. To solve the above problems in car pricing, a special site was created, which shows the settings of car parts, this is exactly what was invented for the dealer selling on the Internet. Pricing in the vehicle market is mainly related to the cost and exchange characteristics of cars and consists of the price of new cars, as initial pricing, which includes the following elements:

- provision of reimbursement of all costs of the manufacturer and the seller;
- ensuring profit;
- ensuring the creation of a sales market and prices for used cars, which include such factors as: determining the technical condition of the vehicle, determining the total wear and tear, determining the advantages and disadvantages of different cars, their characteristics, trading, etc.

Comparing cars by country, it can be argued that European models are considered the most expensive, and both city and racing models. This is caused by the fact that European manufacturers make large investments in R&D, as described earlier, and build many innovations into cars, which significantly increases their price. The second and third places in terms of value are taken by American and Japanese cars, respectively. American cars also use modern technologies. However, they are inferior to European cars in this regard. In addition, American cars have high fuel consumption, which also affected the price. Japanese cars are on average cheaper than American or European cars. This can be explained by the fact that metal is purchased in Japan and it is not very strong, which reduces the cost of Japanese cars. Undoubtedly, modern conveniences and technologies are present in these cars, as well as in American and European ones, but to a much lesser extent.

In the work of Savych Oleksandr "Marketing in the global market of passenger cars" established that successful companies, currently, must be global, innovative and horizontally integrated, produce a mass product with relatively low costs, stay ahead of competitors in the latest marketing technologies, take care of brand value and be present geographically scattered markets (Table 2.4).

Table 2.4 Marketing strategies of the world's car manufacturers

Strategy	Manufacturers
Regional strategies	
Global strategy	TOYOTA, VAG, FORD, GM, NISSAN, HYUINDAI-KIA, HONDA, FIAT, PSA, RENAULT
Regional strategy	Chinese car manufacturers, SSANGYONG, DAIHATSU
Internal strategy	Wuling, DongFeng, ABTOBA3
Marketing and financial strategies	
Differentiation strategy	BMW, VAG (AUDI, PORSCHE), VOLVO, ROLLSROYCE, MERCEDES
Low cost strategy	RENAULT-DACIA, KIA, HYUINDAI, VW- SKODA, Chinese car manufacturers.
Production and marketing strategies	
Diversification strategy	RENAULT, HYUINDAI, KIA, MITSUBISHI
Concentration strategy	SSANG YONG, ROLLS ROYCE, SMART, MINI, BENTLEY, FERARRI
Innovation and research	TOYOTA, VAG
Vertical integration strategy	mitsubishi, HYUINDAI, VAG
Horizontal integration	RENAULT, DAIMLER, VOLVO, FORD, BMW, PEUGEOT, HYUINDAI, NISSAN

Lean production	TOYOTA, MITSUBISHI, HONDA
Partnership	RENAULT-NISSAN, DAIMLER-MITSUBISHI, PEGEOUT-FIAT-RENAULT
Sales and competitive strategies	
Mass and offensive strategy	FORD, GM, RENAULT, FIAT, VAG
Creating brand value	TOYOTA, VW, DAIMLER, BMW, AUDI
Trendy strategy	BMW, MINI, PORSCHE (VAG), BENTLEY, MASERATI, FERARI
Anticipation strategy	TOYOTA, VAG, RENAULT
Intermediary-importer strategy	Chinese car manufacturers, SSANG YONG
Strategy of direct presence of the manufacturer	Most automobile concerns
Market positioning strategies	
Leadership strategies	TOYOTA, GM, FORD та VAG.
Defense strategy	TOYOTA
Strategies of applicants	RENAULT, HYUINDAI, PSA
Guerrilla Attack Niche Strategy	SUZUKI, MINI, DAIHATSU

Savych Oleksandr argued that depending on the country and region of origin of the company, the strategies of enterprises, which have both similar features and great differences, also change. The peculiarities of marketing strategies according to their regional origin are determined. Thus, the characteristic features of the Japanese strategy inherent in the company Toyota Motor Corporation are: vertical integration, innovative developments, availability and quality. A symbiosis of global innovation strategies, brand value creation, lean manufacturing, vertical integration and alliance

building. Often, their own markets for unique goods are created based on the use of an anticipatory strategy [36].

In the post-crisis period (2009-2012), after the global crisis at the end of 2008, the global auto industry was at a fever pitch. During this period, there were various changes in the number of players in the dominant group, while the premium car market itself grew quite quickly. In 2009, Infiniti — a luxury brand of the Nissan concern created for the North American market — entered the dominant group for the first and last time. Despite the high quality of both the cars and the service, the car has not yet found its permanent niche in the market, and its fate has been constantly declining throughout the last period. During this period, the positions of Volvo and Land Rover were still strong in the world market. In 2009, Land Rover reached its maximum share in the market, but in the future, despite numerous attempts and ambitious applications, the fate of the brand only decreased. During the period of the first stabilization of the market (2012-2014), the market stabilized. In 2012-2013, the dominant group included the "big German three" (BMW, Mercedes-Benz, and Audi), in 2014, three more brands entered the dominant group - Lexus, Volvo, and Land Rover. The sharp increase in demand in 2014 was related to the expectations of buyers (increase in stockpiles, price increases, etc.).

Next period 2015-2018 From 2015 to 2018, the world's premium market was dominated by four companies: BMW, Mercedes-Benz, Audi and Lexus, occupying approximately one fourth of the market. In the period 2019-2021, two dominant players remain on the world market, and the others "fall". The market share is concentrated in the hands of German brands: BMW and Mercedes-Benz. During the pandemic, many automakers experienced a shortage of components, and all premium car dealers were talking about a shortage of cars starting in the second half of 2020. BMW and Mercedes-Benz have responded by curbing car sales, which will see prices rise during the pandemic persist even as semiconductor shortages are overcome. Companies are so confident in the loyalty of their customers that they see the creation of artificial scarcity as an opportunity to strengthen their dominant position. But maybe this is a temporary marketing move to collect more orders from

buyers. For automakers, the COVID-19 episode should already be moving toward e-commerce, direct sales, and ever-accelerating electrification. This shift has brought major changes to both pricing models and car pricing.

Over the decades, pricing in the automotive industry has hardly changed. Based on this, OEMs set a maximum list price that gradually depreciates at different sales levels until the customer bargains to get the best deal. As e-commerce and powerful online platforms have increased price transparency in recent years, deal prices have been in a race to the bottom. In addition, new players such as Tesla aim for direct-to-consumer. (D2C) sales and well-known OEMs such as Daimler are increasingly following in order to reduce retail costs. This has given rise to new pricing strategies such as "fixed price". Finally, with more electric vehicles on the market, established car segments and pricing mechanisms are changing. While auto sales have already slowed since 2019, a serious hit of at least 20%, e-commerce, D2C, and EVs are simultaneously undermining automotive pricing.[25]

It is now worth explaining what OEM is - manufacturers, D2C and e-commerce. OEM - manufacturers. OEM (original equipment manufacturer) is a company that produces parts and equipment that can be sold by another manufacturer under a different brand name. The modern economy is arranged like this - technology companies develop and produce products, and trade brands develop their sales. This is beneficial for everyone - developers sell their products to retailers in huge batches from a few tens to tens of thousands of pieces, without spending money on the organization of sales. Usually, buyers do not know the real manufacturers in China, they only know the brands that promote the goods for sale.[26] D2C - the term Direct-to-Consumer means "direct selling", that is, attracting buyers through mobile applications, social networks and other channels directly to the manufacturer. In 2019, the number of brands selling products through their own channels is expected to increase by 71%. Unlike traditional promotion through retail networks, D2C companies develop their own distribution channels. Thanks to good positioning, they not only compete with retail material, but also change the entire structure of retail. They reshape the "producer-consumer"

relationship and shorten the distance between them. Any customer can contact the brand directly, ask a question and make a purchase, avoiding markups and saving time.[27] E-commerce is booming in both the business-to-consumer (B2C) and business-to-business (B2B) segments. In the B2C segment, a retailer or other company sells goods directly to end customers. In the B2B segment, the company sells other goods. In both cases, the goal of most companies is to enable customers to buy what they want, anytime, anywhere, using any digital device.[28]

Pricing strategies by car manufacturers are widely used in most consumer goods markets. Achievable commercial results largely depend on the price level. The price of global car manufacturers is set according to the company's marketing strategy (Fig. 2.6).

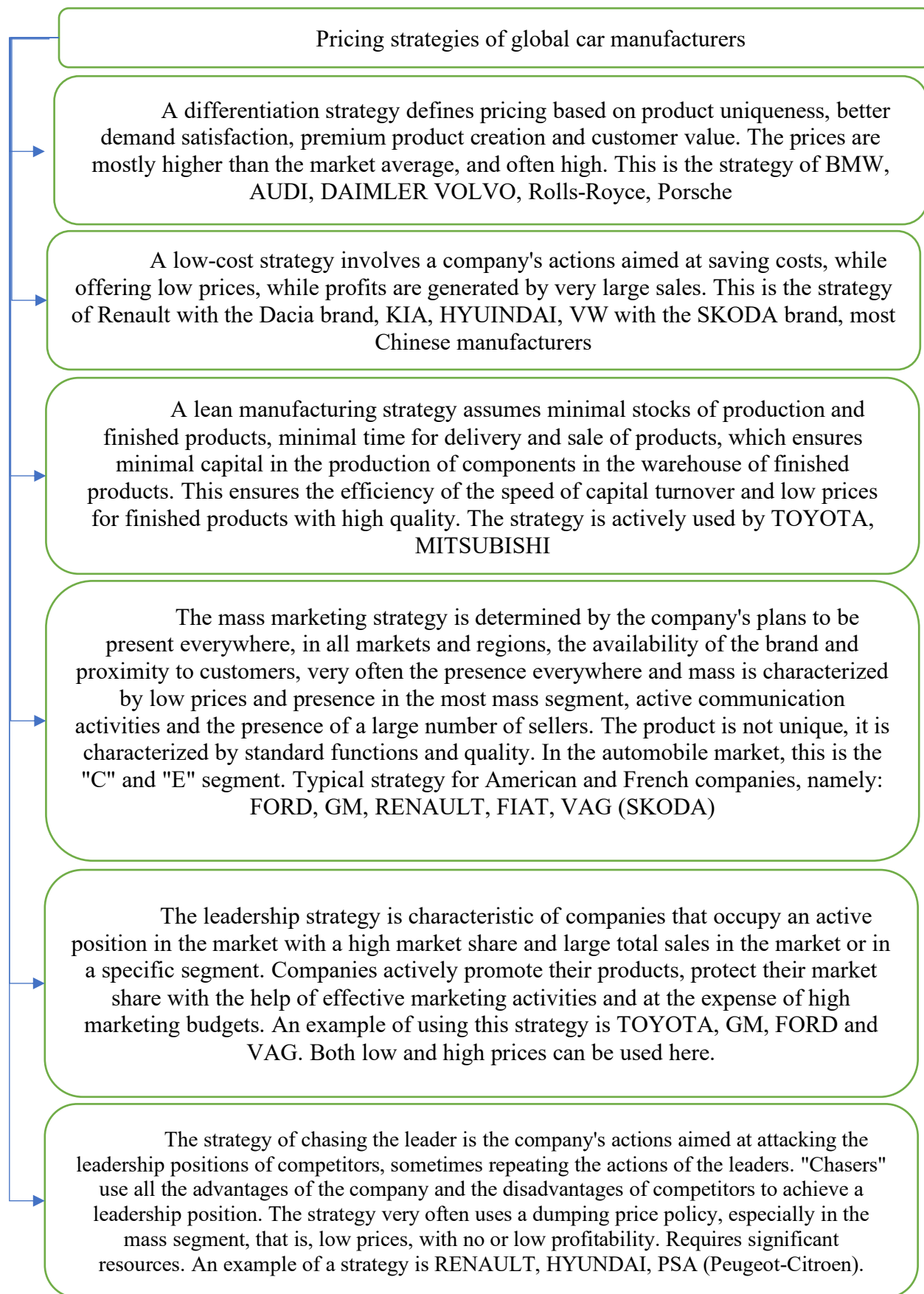


Figure 2.6 Pricing strategies of global car manufacturers

The price factor is the main one, regulating the changeable profit, and only then the volume of sales, as well as the quality and the distribution system, have an impact. But of course, only managing all factors can increase the company's profit. Classically, price is a monetary expression of the value of goods. The price is set based on individual or a combination of several factors: financial factors; marketing factors; external factors. Customers want the comprehensive online experience that e-commerce today provides, namely:

- complete price transparency thanks to increased compatibility of different brands;
- increase in price competition (including intra-brand competition) at the expense of third-party platforms;
- Fewer options for price negotiation due to full online usage.

Accustomed to the customer-centric business models of e-commerce companies such as Amazon or Airbnb, consumers are increasingly demanding convenient end-to-end online travel and the automotive industry is following suit. Established OEMs and dealers are slow to respond and struggle to meet changing customer demands. Meanwhile, new OEMs (e.g. Tesla, Byton NIO) and third parties such as rental firms (e.g. SIXT), platforms (e.g. Carwow) and white label offerings (e.g. Rockar, Roadstar) meet consumer expectations. They offer new digital approaches to sales that promise a seamless and enjoyable experience for customers. Even financial services provider Santander has announced plans to launch its own online car platform in Germany. As companies move to specialized e-commerce, this has a significant impact on pricing:

- Full price transparency: e-commerce makes different brands and models easily comparable for customers.
- Increased price competition: third-party platforms increase price competition (including among dealers of the same brand, called "intra-brand competition"), because they do not only list prices, but also final deal prices, including dealer discounts, become directly comparable in a few clicks.

- Fewer price negotiations: As online travel offers less opportunity for negotiation, OEMs and dealers need to focus even more on setting and distributing the "right" prices through their e-commerce channels.

OEMs are accelerating the transition to direct sales (D2C) due to strategic and financial considerations.

- Responsibility for the cost of the OEM deal, as agents usually do not allow a discount.
- Harmonization of prices by channels due to central price control
- Pricing based on advanced analytics thanks to the availability of previously stored dealer data.

Players in other industries (e.g. Zara in fashion, Nespresso in FMCG) have demonstrated the importance of controlling sales channels as well as transaction prices, and as a result they created an omnichannel customer experience years ago. In the automotive industry, Tesla and other industry innovators have launched D2C models, and traditional OEMs have begun to shift from indirect to direct sales models. Increasing pressure to reduce costs, exacerbated by COVID-19, has prompted many OEMs to rapidly accelerate their transition to D2C sales. Unlike early adopters, experienced OEMs face enormous organizational transformation challenges when moving to D2C, as the change affects a wide range of business areas and functions (e.g. inventory management, logistics, invoicing). Obviously, D2C selling is important for pricing:

- Control of transaction prices by OEM manufacturers: OEM manufacturers receive centralized control over prices, which requires increasing pricing capabilities for establishing discounts and tactics (in indirect sales, they are in the dealer's sphere of competence);
- Channel price harmonization: OEMs need to direct and agree transaction prices across multiple sales channels (e.g., online car configurator, online store, retail);
- Analytics-driven pricing capability: OEMs gain access to data (such as customer, transaction and inventory data) previously held by the dealer, enabling data-driven pricing and comprehensive revenue management.

Direct Selling (D2C) Model In the D2C model, OEMs own and coordinate various sales channels spanning e-commerce and physical retail. They turn previously independent dealers into agents (agency model). The latter receive a sales commission. Hence, cars are sold by the OEM directly to customers, either through agents at retail outlets, flagship stores, or through e-commerce. Regardless of the channel, the transaction takes place between the customer and the OEM. Strategic advantages of D2C. Full control over sales channels and direct contact with end users (who increasingly want to buy directly from OEMs because of their reputation for experience and reliability). Therefore, full access to valuable data is currently available only to dealers. Financial benefits of D2C. Retail cost reduction up to 4% due to elimination of intra-brand competition, increase in the share of e-commerce and centralization of back-office processes. Price advantages of D2C. Full control of pricing from list to deal price. This includes agreed discounts, price stabilization and end-to-end price management.

Summarizing, it should be noted that today the economic system is in the stage of evolution and transition to the digital economy, which is considered by consumers as a transparent system that gives consumers control over the consumption process.

2.3 Global sales leadership of Toyota Motor Corporation as a result of efficient pricing policy and high competitiveness level.

Toyota is a leading Japanese automobile company. By creating innovative car designs and spending billions of dollars a year on advertising, Toyota has captured the interest of many car consumers around the world. By creating high-quality cars at affordable prices, Toyota built its reputation around the world [37] . For more effective sales, Toyota lowered its prices compared to other car manufacturers. The company believes that the role of purchasing should be long-term, at the lowest price and without compromise in the production of quality products.

Usually, companies don't want to cut their profit target and they follow a strategy that is $\text{cost} + \text{profit} = \text{selling price}$. But Toyota adopts a slightly different strategy, which is formulated by the following formula:

$$\text{price} - \text{cost} = \text{profit} \quad (4)$$

Strategic management directly affects its business in all organizations. This is why Toyota has become a leading company in the automotive industry - because of an attractive strategic management strategy. Toyota now plans to build training centers in different parts of the world where they can easily train their new workers and managers on how to design and assemble new cars. The dynamics of Toyota's annual income in comparison with other global car manufacturers is shown in Fig. 2.7

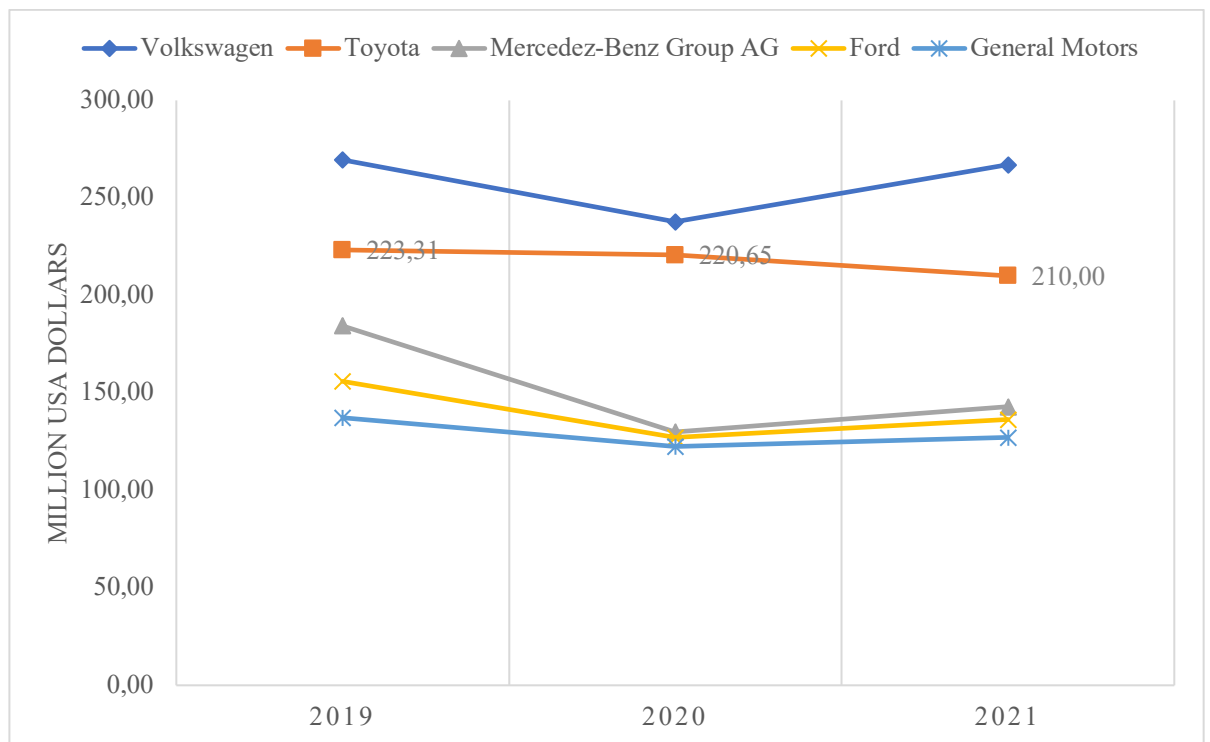


Figure 2.7 Dynamics of the annual income of the Toyota company for 2019-2021, million dollars. USA

From the data of fig. 2.7 shows that the annual income of the Toyota company for the analyzed period has a downward trend. Thus, in 2021, the company's annual

revenue amounted to 210 million dollars. USA, which is 4.83% less compared to 2020. However, for 2019-2021, the company ranks 2nd among global automakers.

Next, we will compare the annual revenues of the Toyota company with the revenues of other analyzed global automakers in 2019-2021 (Table 2.5). From the data in the table. 2.5, it can be seen that Volkswagen received the largest revenue in 2021 among the analyzed global automakers (266.9 million US dollars). The income of this company increased in 2021 compared to 2020 by 29.14 million dollars. USA or by 12.26%. The Toyota company ranks second among the analyzed automakers in terms of annual revenue, which amounted to \$210.0 million in 2021. USA, which is 10.65 million dollars. USA is less compared to 2020. In general, Toyota's annual revenues tend to decrease over the analyzed period.

Table 2.5 Revenue dynamics of global car manufacturers in 2019-2021

№	Company	Annual income, million dollars. USA			Deviation	
		2019	2020	2021	absolute, +/-	relative, %
1	Volkswagen	269,49	237,76	266,90	29,14	12,26
2	Toyota	223,31	220,65	210,00	-10,65	-4,83
3	Mercedes-Benz Group AG	184,33	129,94	142,87	12,93	9,95
4	Ford	155,90	127,14	136,34	9,2	7,24
5	General Motors	137,24	122,49	127,00	4,51	3,68
6	Honda	117,65	110,56	97,52	-13,04	-11,79
7	Hyundai	81,63	80,28	90,78	10,5	13,08
8	Nissan	85,70	73,15	58,22	-14,93	-20,41
9	Kia Corp	44,88	45,67	53,93	8,26	18,09
10	Suzuki Motor Corp	25,80	23,51	26,39	2,88	12,25

The dynamics of the net income of global car manufacturers in 2019-2021 is shown in the table. 2.6. From the data in the table. 2.7, it can be seen that Mercedes-Benz Group AG received the largest amount of net profit in 2021 among the

analyzed global automakers (USD 24.74 million). The income of this company increased in 2021 compared to 2020 by 20.84 million dollars. USA. The Toyota company ranks second among the analyzed automakers in terms of net profit, which amounted to \$21.64 million in 2021. USA, which is 4.59 million dollars. USA more compared to 2020. In general, the amount of net profit of the Toyota company has a tendency to decrease during the analyzed period.

Table 2.6 – Dynamics of net income of global car manufacturers in 2019-2021 [32]

№	Company	Annual income, million dollars. USA			Deviation	
		2019	2020	2021	absolute, +/-	relative, %
1	Volkswagen	14,93	9,54	16,54	7,01	73,47
2	Toyota	14,29	17,04	21,64	4,59	26,94
3	Mercedes-Benz Group AG	2,56	3,90	24,74	20,84	534,29
4	Ford	0,05	-1,28	17,94	19,22	-1502,42
5	General Motors	6,73	6,43	10,02	3,59	55,89
6	Honda	4,63	3,46	4,99	1,53	44,25
7	Hyundai	2,39	1,14	3,97	2,82	246,96
8	Nissan	2,42	-5,10	-3,41	1,69	-33,15
9	Kia Corp	1,47	1,19	3,82	2,63	220,00
10	Suzuki Motor Corp	1,36	1,02	1,11	0,09	9,10

Table 2.7 shows the results of the SWOT analysis of the Toyota Motor company [37]. Despite the fact that the company's plants are built in 27 countries, Toyota is constantly building new factories. When Toyota entered the US markets, everyone believed that this company would not be able to operate successfully. But Toyota is now a leader among automobile companies worldwide because of its strategic management planning. Despite the high quality of its products, Toyota has achieved absolute cost leadership thanks to its manufacturing skills and

technology. When the company decided to produce luxury models to enter the prestige car market, it used a classic strategy of optimal costs. Toyota's strategy had three main characteristics:

- Transfer of experience in the production of high-quality models of inexpensive cars in the production of luxury cars;
- Using their relatively low production costs to lower prices (Mercedes and BMW sold their models for \$40,000 to \$75,000). Toyota believed that prices for elite models of its production could be in the range of 38-42 thousand dollars.
- Creation of a network of Lexus model dealers outside of the company's regular sales channels to provide a personal, caring approach to customers new to the industry [38].

Table 2.7 SWOT analysis of the Toyota Motor Corporation [37]

Strengths	Weaknesses
1) An established brand whose name is synonymous with the highest quality and continuous improvement; 2) Toyota Production System (TPS): - a first-class culture of personnel management, which has the ability to critically evaluate the factors necessary to maintain the advantage; - complete elimination of production losses thanks to the "just in time" (JIT) system, - first-class internal information system and dealer work coordination system; 3) Numerous capital reserves, which provide the company with means for investments in R&D, and also provide an opportunity to finance the strategy of business expansion into new markets with high potential;	1) Lack of work experience in the European segment of mini-cars, compared to the experience of aggressive local competitors; 2) Lack of experience working with consumers of the X generation (born in 1965-1980), who have established preferences for the products of European automakers; 3) The concentration of the main production capacities in Japan and the USA, which restrains the effect of the "economy of scale" effect in European countries;

4) Competitive advantage, which consists in innovative technological development (the first car manufacturer in the world to launch serial production of cars with a hybrid engine); 5) Moderate price policy; 6) Creativity of advertising campaigns and other aspects of marketing strategy; 7) Social responsibility; 8) Contribution to environmental protection.	
Opportunities	Threats
1) The most successful opportunity to increase market share for Toyota is the decline in production volumes of European competitors (Eurozone crisis); 2) The consequences of the full-scale invasion of Russia on the territory of Ukraine contribute to the redistribution of the preferences of Europeans towards hybrid and small-sized cars, which are considered by them as an economic solution; 3) The positive experience of the Aygo and Jaris models in Europe can be used to promote these cars in other markets; 4) Energy price fluctuations.	1) Fierce competition in the strategically important European market of compact cars; 2) Aging of the European population; 3) A drop in demand for large-size cars due to a drop in the number of large families, global demand is mainly for compact models of the product line; 4) Failures in the production system (TPS), recall of batches of cars; 5) Energy price fluctuations.

Toyota's cost-optimization strategy was so successful that Mercedes discontinued models in 1994 and lowered prices to become more competitive. The strategy of optimal costs is the most attractive from the point of view of the possibility of competitive maneuvering. This enables the creation of exceptional customer value by balancing low-cost strategies with differentiation. Such a hybrid strategy allows the company to use the competitive advantage of one and the other

strategy, creating excellent customer value. In markets where buyers consider both price and value, an optimal cost strategy is better than pure low cost or differentiation strategies. This is because a cost-optimal company can offer an average product at a below-average price or good quality at an average price. Most buyers prefer average products to cheap, standard products from low-cost manufacturers or expensive, highly differentiated products.

As part of the Toyota Customer First plan, Toyota is strengthening its systems for improvements that reflect the customer's opinion. Toyota carefully improves "design quality" by analyzing the causes of inconvenience from the design stage, which is the basis of quality. Toyota is also honing its ability to analyze quality on production lines [39]. Toyota reinforces the core belief that assembly processes are manufactured to perfection by introducing a team leader structure for manufacturing training in human resources. In addition, the company strives to work closely with suppliers to improve the quality of production and development. With this series of initiatives, Toyota is gradually achieving new results.

Over the past decade, Toyota has focused on product and supply, sales and marketing, and a widespread strategy in advanced technology, as well as the development of conventional hybrid vehicles, battery electric vehicles (BEVs), plug-in hybrid vehicles (PHVs), and fuel hybrids. elements of vehicles (FCHV). The company believes that the basis of the company's competitiveness lies in the constant improvement of the level of education of people and the development of new technologies. As a result, Toyota is constantly working on staff training based on the belief that human resource development is a key part of production. These efforts are extended forward simply by employees gaining the knowledge and skills necessary for development, production or sales. In addition, internationally, Toyota implements programs to help all employees embrace Toyota's culture and values and stay abreast of the Toyota Way. Toyota management did a great job with the crisis they had to face, the problem was identified and the think tanks gave the perfect solution to switch to a central database and were supported by the decision makers.

As a result of the conducted research, it can be concluded that Toyota implements all the necessary key factors in order to achieve success in the mini car segment. Nevertheless, the Toyota company needs to be careful in relation to aggressive competition from other car manufacturers and continue to implement a strategy that will be aimed at adapting the brand's products to the emerging trends in the market. The gradual economic decline in the main consumer markets, as well as the aging of the population in the world, should push Toyota to invest in countries with transition economies. Even the turnover processes in the company's branches can be seen as a certain advantage, which allows the use of the workforce to diversify activities and launch the Toyota consulting brand. Even the end-of-life losses of the popular Aygo model can be significantly reduced by converting the Aygo into a special production model for women.

In addition, it must be added that Toyota's success depends primarily on the company's ability to think in long-term categories. Despite the fact that the Toyota corporation faces serious competition from experienced car manufacturers, the company is able to profitably realize its potential due to the competent formation of a marketing strategy.

CHAPTER 3. INCREASING OF COMPETITIVENESS LEVEL OF TOYOTA MOTOR CORPORATION UNDER CRISIS CONDITIONS

3.1 Modification of marketing pricing policy due to the effect of crisis impact.

Increasing penetration of electric vehicles means new challenges and opportunities.

- Limited pricing flexibility due to higher base price and fewer upgrades compared to internal combustion engines (ICEs).
- the economics of new vehicles due to differences in residual value and potentially slower depreciation compared to comparable internal combustion engines.
- A new type of segment, because pure electric cars define new categories and cannot be rated because of nothing.

Electric vehicles bring new challenges and sales opportunities for electric vehicles are growing worldwide, with a compound annual growth rate of over 40% between 2015 and 2019. As we see a growing number of new players (eg Tesla, NIO, Xpeng, Faraday Future, Byton) specializing exclusively in electric vehicles, almost all major traditional OEMs have introduced pure battery electric vehicle models and are constantly expanding their product portfolio. With the increase in the range of batteries and charging infrastructure, as well as new government subsidies since the start of the COVID-19 pandemic, there has been a breakthrough in the field of electromobility. For vehicle pricing, this means:

- Limited flexibility in pricing: base prices for electric vehicles today are higher than for comparable combustion engine vehicles, given the still high cost of batteries (which are likely to decrease in the future). Furthermore, engine components cannot be distinguished by different additional equipment and functions, with the exception of those related to the range;
- The new economy of vehicles: compared to internal combustion engines, electric vehicles have a third less wear and tear, they can achieve a longer service life and,

as a result, depreciate more slowly. Therefore, electric vehicles can be monetized over a long period, i.e. for several leasing cycles. While internal combustion engines lose most of their value in the first year, the residual value of electric vehicles is potentially higher, giving companies more opportunities to remarket them;

- New type of segment: Pure electric vehicles define new segments and cannot be evaluated against traditional internal combustion engines (ICE). [25]

Toyota offers a wide product line and has all cars in different price categories: from budget cars to luxury cars. The company follows a market-oriented pricing strategy, which means that prices are determined based on competitor prices and market conditions. Most products like sedans fall under this strategy. The company also uses value-based pricing, which involves setting prices based on the profit and cost of cars. This strategy is used for expensive or high-end cars such as Lexus. The sales price is determined by the customers. In addition, the price is affected by government policies such as taxes and fees. The company uses TPS, thanks to which it can provide its customers with the best quality, the lowest cost and the shortest lead time, while disposing of waste at the same time. It is very important to predict the price strategy and tactics of the Toyota company in the current crisis conditions. In such conditions, there is a general decrease in demand, which changes the consumer criteria for evaluating goods. We suggest using an alternative method of Toyota's pricing policy, which would contribute to the solution of the mentioned problems (Fig. 3.1).

Behavior alternatives	Justification	Consequences
1. Maintain the price and consumer rating, but lose part of the consumers	High consumer confidence in the enterprise. According to give the enterprise to competitors частину своїх клієнтів	Decrease in market share, decrease in profit
2. To raise the price and consumer evaluation by improving the product and its advertising	High prices are necessary to cover costs. The price increase is justified by the improvement of product quality	Reduction of market share, preservation of profit
3. Maintain the price and improve the consumer's attitude towards the product	It will be cheaper to raise the level of consumer appreciation than to lower prices	Reduction in market share, short-term decrease in profit, then - growth
4. To reduce the price and increase the consumer rating	It is necessary to reduce the price, although the consumer assessment is increasing	Preservation of market share, short-term decrease in profit, further growth due to increased output
5. Reduce the price to the competitor's price, but maintain high utility	Необхідність придушити конкурента ціновою атакою	Market share is maintained, but at a short-term decrease in profits
6. To reduce both the price and utility of the competitor's level	The desire to suppress the competitor with a price attack and maintain the total amount of profit	Market share and profit are maintained, then fall
7. Hold down the price and reduce utility at the expense of quality	Reduction of marketing costs, cost savings	Reduction of market share, profit remains, then profit decreases

Figure 3.1 Alternatives to Toyota's pricing policy

Figure 3.1 shows 7 options for the further development of Toyota's pricing policy. In our opinion, in the future it is necessary to follow the method under number 5 "Reduce the price to the price of the competitor, but maintain high utility." The selected pricing policy is proposed to be applied to battery electric vehicles (BEVs), which are one of the most promising options for Toyota. To popularize BEVs, Toyota needs to reduce costs through integrated vehicle and battery development to ensure BEVs are sold at a reasonable price.

To begin with, it is necessary to reduce the cost of the batteries themselves by 30% due to the development of materials and new structures. Then, the vehicle needs to improve its energy consumption, which is a measure of the amount of electricity used per unit distance, by 30%, starting with the Toyota bZ4X. Increased energy efficiency leads to lower battery capacity requirements, which will lead to lower costs. Through integrated vehicle and battery development, it is possible to reduce the battery cost per vehicle by 50% compared to the Toyota bZ4X in the second half of the 2020s.

3.2 Building an updated system of competitiveness for Toyota Motor Corporation

Modern innovative projects – development of driver assistance systems, cars with autopilot and many others [40]. Hybrid cars, economical cars, cars with economical fuel consumption are the cars of the future. Toyota Motor Corporation's threats are high competition rates, as the development of innovative technologies is carried out in many companies around the world. State regulation of various countries is trying to develop local brands to a greater extent, creating obstacles for international companies to sell their products. Many companies in the automotive industry have research centers and work continuously to create innovations.

To stay competitive, Toyota needs to make EVs more competitive, in part by accelerating the adoption of performance-enhancing technologies for planned EVs, from powertrain systems, including motors, to electronics, and more integrated

heating and cooling systems. Most major automakers expect electric vehicles to account for the majority of car sales by 2030, and green investors and environmental groups are urging Toyota to "move faster." The development strategy of the Toyota company should be aimed at the development of a global brand in the automotive industry based on the production of cars according to the requests of each consumer, taking into account his needs and preferences. To solve this task, the company needs to increase the amount of investment in research and development. Innovative development is a key factor in increasing the company's competitiveness, allowing Toyota to develop and implement unique developments, creating advantages over competitors. In the table 3.1 shows the dynamics of investments in R&D from the TOP-10 global car manufacturers.

Table 3.1 R&D expenditures of leading car manufacturers [32]

Company	Costs, billion dollars USA		
	2019	2020	2021
Volkswagen	13,69	12,22	16,57
Toyota	7,89	8,38	8,21
Mercedes-Benz Group AG	10,11	6,21	8,17
Ford	7,41	7,11	7,63
General Motors	6,83	6,22	7,94
Honda	7,39	6,94	7,01
Hyundai	1,32	1,012	0,098
Nissan	4,88	5,02	4,51
Kia Corp	н/д	н/д	н/д
Suzuki Motor Corp	н/д	н/д	н/д

From the data in the table. 3.1, it can be seen that of all analyzed companies, Volkswagen is the leader in terms of R&D spending for 2019-2021. Toyota spent \$8.21 billion on R&D in 2021 . USA, which is 2.02 times less than the leader - the Volkswagen company.

Toyota's active implementation of innovations, in particular technological innovations, contributes to increasing the company's efficiency indicators, increasing profits, attracting new customers-users of products and, as a natural consequence, contributes to increasing the company's competitiveness. At the stage of development of the world economy, the development of Toyota cannot be carried out without the development and implementation of innovations. The use of the latest developments, innovative technologies, approaches to management, creation of innovative marketing concepts allows the company to create sustainable competitive advantages, increase the potential of the organization and ensure sustainable economic development.

Thus, in order to maintain a high level of competitiveness of Toyota in modern conditions, it is necessary to develop innovative activities and actively finance research and development. Research and development costs are increasing every year and Toyota needs to look for investors to finance scientific developments, which will be further embodied in the form of specific innovative products and innovative technologies. Innovation is the key to Toyota's competitiveness. Innovative activity must be constantly developed and improved, which in turn requires a constant review of the company's development strategy on the world market. The Toyota company needs to increase the level according to indicators such as "car durability" and "car safety". Then the Customer perceived value (CPV) of the Toyota company will decrease to 6.68 (Fig. 3.2).

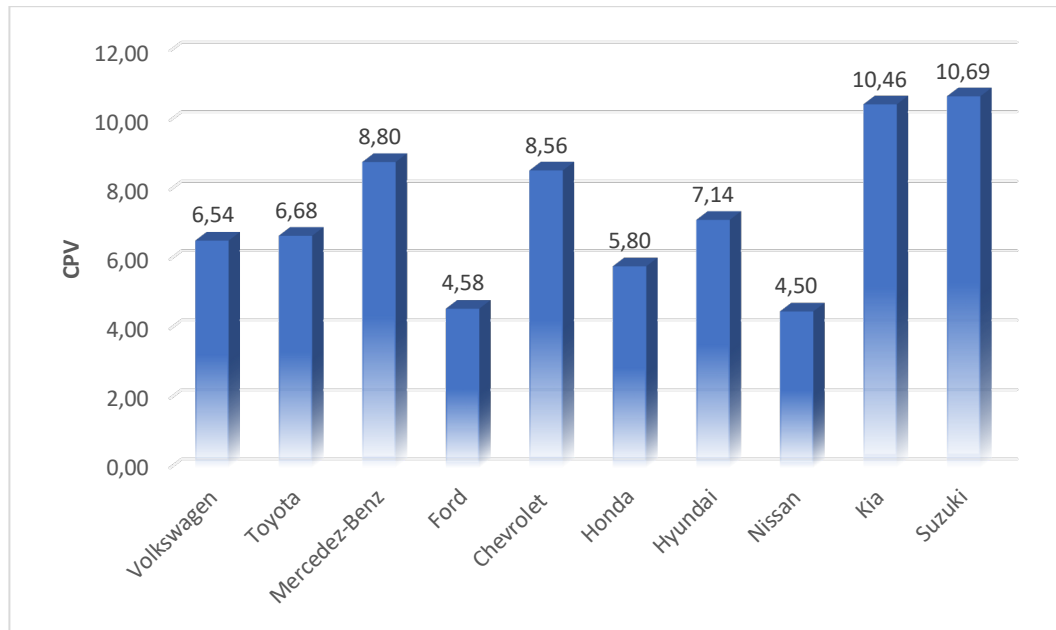


Figure 3.2 Customer perceived value (CPV) indicators

After increasing customer benefit indicators, Toyota's CPV will approach that of Volkswagen.

Today, the economies of most countries are under the influence of crisis phenomena, which were triggered by the pandemic and intensified by the Russian-Ukrainian war, which is why, when coming to the dealership, buyers have recently begun to pay more attention not only to the price and characteristics of the car, but also to the cost of owning it. Indeed, the real incomes of Ukrainians are decreasing, and car maintenance, as you know, takes a significant part of the family budget. In addition, monthly payments from a car loan are often added to the item of expenses, because prices in the car market are constantly increasing, and fewer and fewer consumers can afford to buy a car without borrowing money.

First, the client focuses on his individual needs related to the functionality of the car, its appearance, optional equipment, etc. This parameter means a lot: fuel consumption, the cost of spare parts and repairs, the cost of insurance, taxes, loss in

value during further sale, etc. All this is closely related to monetary costs and is important when choosing a car.

Specialists of research agencies found out which cost-of-ownership parameters are the most important for buyers when choosing a car. As it turned out, they pay primary attention to fuel consumption - this characteristic was mentioned by survey participants in 74% of cases. In addition, the cost of maintenance/repair services (57%) and the cost of spare parts (42%) play an important role when choosing a car. But the amount of transport tax (28%) and insurance (20%), as well as the loss in the price for further sale (22%) is less important for consumers. Fuel consumption ranks first due to the fact that it takes a significant part of the total cost of car ownership, maintenance and repair costs are also regular. Insurance and transport tax are one-time payments that depend on mileage.[29] According to research agencies, a B-class sedan popular in Ukraine (Hyundai Solaris, Daewoo Lanos or Volkswagen Polo) costs the owner in the range of 70,000 rubles. up to UAH 85,000 per year (at the current exchange rate, €1600-1900). Calculations are based on mileage of 20,000 km per year for a 40-year-old driver with 20 years of driving experience. For a B-class crossover of the Hyundai Creta type, the figure reaches UAH 100,000. (€2,300), for an SUV more than a Toyota RAV4 - up to UAH 150,000. (€3,500), and for premium models, for example, BMW X3 - UAH 250,000. (€5,800) per year. Thus, each kilometer driven by one's own car costs Ukrainian motorists from UAH 7 to UAH 30. If we talk about big cities, then a taxi will not be much more expensive: most of the tariffs available to residents of millionaires are at approximately the same level of 10 - 40 hryvnias/km. Let's consider what categories make up the cost of owning a car. The full cost of owning a car, in addition to the actual purchase, includes: comprehensive insurance and car insurance; transport tax; fuel consumption; tire costs; maintenance; loss of residual value. This indicator consists mainly of three categories: loss of value (35-38% of the total amount), fuel costs (25-30%) and car insurance (20-25%). According to the Car Cost Index rating for 2020, in Europe, owners of the most popular categories of passenger cars, B (ie the same Solaris and Polo) and C (a.k.a. the “Golf” class) cost from €6,000 (in

Greece and Hungary) to €10,000-11,000 (in Switzerland and Norway). It would seem 3-5 times more expensive. But there is, as they say, a nuance. In Europe, the largest share of the cost of ownership is residual value depreciation: from 41% for gasoline models to 59% for electric and hybrid models. Accordingly, if we take purely operational costs, the difference is reduced by half. For example, servicing a gasoline Volkswagen Polo in Ukraine costs approximately 70,000 rubles. per year, that is, almost €2,000, and in Europe a car of a similar class will eat €3,500-€6,000. Of course, this does not take into account the cost of gasoline (in Europe, on average, it is 2 times higher) and the difference in salaries (in Europe, on average, it is 2-3 times higher). Taking into account these factors, Ukraine falls into the countries where buying and owning a car is the least affordable for residents. [30] According to research by the British resource Scrap Car Comparison, it is cheapest to buy a car in developed Western countries. The indicator is calculated as the ratio of the average annual income to the actual purchase price and regular car expenses (insurance, repairs and fuel). [31]

Table 3.2 Top 10 countries for the affordability of buying and owning a car

Country	Comparing the cost of buying and owning a car with the average annual income
Australia	49,5%
USA	54,9%
Denmark	60,3%
Canada	64,4%
Sweden	75,8%
Germany	78,4%
The Netherlands	84,6%
France	87,0%
United Kingdom	89,4%
Finland	91,6%

The most accessible is in Australia — 49.5%, followed by the USA (54.9%) and Denmark (60.3%). Ukraine is among the top 10 countries with the lowest car availability. Table 3.

Table 3.3 Top 10 anti-leader countries in terms of affordability of buying and owning a car

Country	Comparing the cost of buying and owning a car with the average annual income
Turkey	652,3%
Argentina	515,7%
Columbia	508,9%
Uruguay	443,7%
Brazil	441,8%
Ukraine	413,8%
Guatemala	355,9%
Russia	290,0%
Mexico	285,2%
Casta Rica	269,8%

To buy and maintain it, Ukrainians need to spend three times more than the average salary for a whole year. It is much better than in Turkey, Russia and South America. In the first 2.5 months of this year, the prices of new cars of many brands in Ukraine have increased significantly, however, to see how much the price has increased, it is necessary to compare the recommended retail price (RRP) of the most popular models on the market. The most popular car on the market - domestic Daewoo Lanus - has increased in price by 30% since the beginning of the year. And this is not yet the highest result in the rating. Today, the minimum cost of this model has exceeded the million mark and amounts to UAH 600,000. Together with

Daewoo Lanus , two more models crossed this milestone - the Korean Hyundai Solaris sedan (as of March 18, its minimum price is UAH 650,000). The cost of Japanese models Toyota RAV4 and Toyota Camry increased during the specified period by 23.1% and 21.4%, respectively. In hryvnia terms, this growth amounted to 220 thousand and 251 thousand hryvnias . But these statistics do not give an objective understanding of growth, since these indicators reflect only RRC, but in the real world, dealers add another 20-30% to the cost and additional equipment, so the final cost to the consumer does not resemble the recommended retail price . [33]

In general, the initial prices of a dozen models increased by amounts of up to 500 thousand hryvnias , for another 11 items, the increase was from 500 thousand to 1 million hryvnias . Five models - M8 in all bodies, as well as crossovers X5 M Competition and X6 M Competition - have increased in price by 1 million or more. But again, as was said earlier, these are the final prices, since the dealers were still estimating the prices, and the consumer did not think the price was affordable in today's realities.[35] In connection with the sharp appreciation of the dollar in Ukraine, it is natural that all car brands began to consider their car prices in a new way, since this is the geographical component of the price, which is affected not only by the exchange rate, but also by logistics chains. Automakers can be understood, because no company is going to lose a single penny, but on the contrary seeks to get even richer in an incomprehensible situation. This leads to two problems: very expensive cars and consumers preferring aftermarket cars. In fact, car maintenance and repair costs are part of the car's value to consumers, which directly affects the purchase decision. Since fuel costs make up a significant part, in order to optimize operating costs, most consumers consider hybrid cars and electric cars as an alternative to regular gasoline cars. Today, Toyota Motor Corporation is one of the leaders that actively implements innovations in the field of automobile construction and the electrification of existing cars, which significantly increases the company's competitiveness on the world market.

3.3. Modeling of economic efficiency of implementation of the marketing pricing strategy and competitiveness system of the enterprise

Since it is Japanese automakers that are among the flagships of the introduction of hybrid technologies in their models. Traditional hybrids listed in this rating are usually called self-charging by manufacturers. They use an internal combustion engine (ICE) as the main source of energy. And when accelerating, touching from a standstill and moving at low speeds, they get help from an electric motor and a battery that is smaller than that of pure electric cars. Usually, they can travel a couple of kilometers only on electric traction. There are also PHEVs - plug-in hybrids, the battery of which can be recharged from an outlet. These hybrid cars can travel about fifty kilometers on electricity alone. In any case, a hybrid car should save its owner money on fuel and be friendly to the environment. Among the models of Japanese automakers that we will use for comparison, it is worth highlighting:

- Toyota Corolla. Here, the Prius transmission was used, which was placed in both a four-door sedan and a spacious Corolla station wagon. The battery and electric motor can be paired with a 1.8-liter engine (as in the Prius and C-HR) or with a more powerful 2.0-liter engine. The interior is also cozy, like a Ford Focus or Volkswagen Golf. Standard equipment is quite a lot. There are LED headlights and a rearview camera. Of course, driving enthusiasts may wish that the steering wheel was more sensitive. But the Corolla is quite comfortable, friendly and drives quite well.

Among the positive aspects of the model, consumers single out: comfortable driving, practicality and low cost of operation. The negative aspects include: a boring ride and a poor infotainment system

- The new Honda Jazz is available to consumers only with a hybrid transmission, which combines a 1.5-liter gasoline engine and two electric motors, but without a gearbox. gears What's important to know is that it's a quiet and comfortable car as long as you don't accelerate hard. And Jazz is very effective. It saves almost 27 km 10 per liter of gasoline. The new Jazz gets a much better touchscreen than before, as well as a tough new exterior finish in the Crosstar variant with SUV styling cues. It

still has the "magic seats" in the back and plenty of room. Therefore, it is more spacious than Ford Fiesta or Renault Clio. This Japanese is definitely worth paying attention to if you want a roomy and inexpensive car to run. Among the positive, it is worth highlighting:

- Low operating costs
- Smooth and easy driving
- Improved infotainment system.

The following are considered negative:

- Not very comfortable on big wheels
- Average boot space
- Hybrid technology increases the price
- ◉ Honda CR-V Hybrid. Honda plans to electrify almost its entire model range by 2022. And the commitment of the Japanese to hybrid engines is emphasized by the absence of a diesel model in the CR-V line. This means that this SUV is well-suited for city driving, where you can only travel short distances on electricity. Smoothness of movement, silence and comfort of movement are impressive. Especially compared to the gasoline model with a CVT. The interior is well thought out and even the base car comes with the Honda Sensing driver assistance package. Consumers include the following as positive properties:

- Good fuel economy in the city
- Enjoy the ride
- Quiet and well equipped

Consumers include the following as negative properties:

- Not a refined interior
- There is no seven-seater option
- ◉ Toyota bZ4X. Toyota has always been at the forefront of technology, but has also developed a reputation for conservative design. Perhaps the bZ4X is proof that Japanese stylists have caught up and outdone fashion in this model. The Toyota bZ4X not only has an advanced hybrid powertrain, but it was unlike any other crossover when it hit the market. Sharp lines, hidden rear door handles and a sloping

roof line hide the fact that the Toyota bZ4X is almost the size of a Nissan Qashqai, but looks much sportier. Sharing the same drivetrain as the latest Prius, it boasts a 1.8-litre petrol engine and sprints to 100km/h in a reasonable 11 seconds. The taller body means it can't match the Prius for fuel efficiency, but it delivers around 15 miles per 10 liters of fuel, beating its diesel rivals. In 2019, a 2.0-liter version was introduced, which is less economical, but more dynamic. Toyota bZ4X - neat handling and comfortable ride, and only the CVT automatic transmission somewhat spoils the refinement. Consumers include the following as positive properties:

- Original design
- Efficient hybrid engines
- Quality interior

Consumers include the following as negative properties:

- Not as practical as competitors
- The 1.8-liter hybrid lacks dynamics
- The CVT variator is noisy
- ◉ Toyota RAV4. Its boxy arches and sharp shape give the car a bolder look than many of its competitors. And the external dimensions correspond to the large internal space in the cabin and the capacious trunk. The RAV4 now has Apple CarPlay and Android Auto as standard. That means you can bypass Toyota's infotainment system, which Carbuyer thinks is the weakest part of this car. Toyota RAV4 is a hybrid consisting of a 2.5-liter gasoline engine with an electric motor and a battery. The engine is large, but the whole system is economical - RAV4 saves 21 km per 10 liters. But at the same time it is dynamic. Front-wheel drive version with 215 hp. and an all-wheel drive model with a capacity of 219 hp. have acceleration to 100 km/h in 8.4 and 8.1 seconds, respectively. Most crossovers are quiet and refined. As in the CR-V, you can travel short distances around town on electric power alone. The RAV4 is also available as a PHEV. Equipped with the same 2.5-liter gasoline engine, it additionally has two electric motors, which in total gives it a power of 302 hp. It can travel up to 75 km. without gasoline engine. Consumers include the following as positive properties:

- Low CO₂ emissions
- New bold design
- functional interior

Consumers include the following as positive properties:

- poor infotainment system
- limited model range
- there is no seven-seater option

Also in the list of hybrid cars is the Carbuyer Toyota Prius, but it is worth considering that the technologies used in this model have been improved since the end of the 90s of the last century, and today they are successfully used in many Toyota models. In 2021, the Toyota company sold 28% of electric cars from the total volume of cars sold (Fig. 3.3, Table 3.4).

Table 3.4 – Sales volume of Toyota cars in 2021, thousand units

Power unit	Sales volume, thousand pcs
Internal combustion engine (ICE)	6808
Hybrid Electric Vehicle (HEV)	2565
Hybrid Vehicle (PHEV)	116
Battery Electric Vehicle (BEV)	16
Fuel cell electric vehicle (FCEV)	5
In total	9512

From the data in Figure 3.5, table. 3.2 shows that the volume of battery-powered cars (BEV) from the total volume of cars sold in 2021 amounted to 0.2% or 16 thousand units.

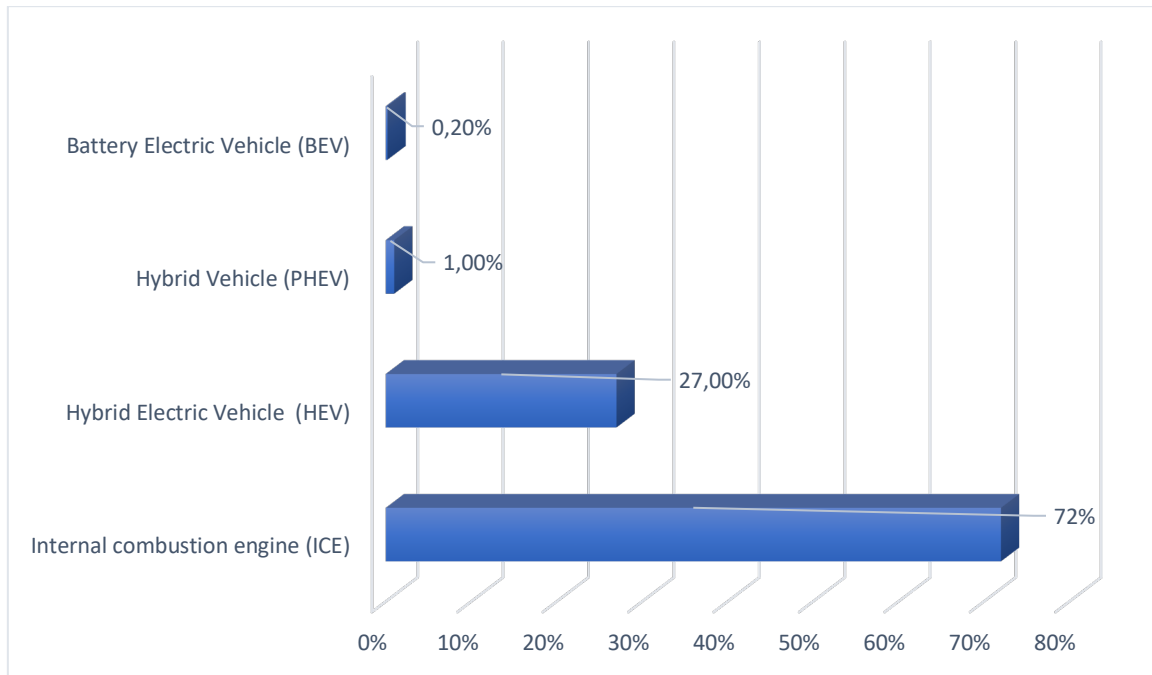


Figure 3.3 The share of electrification of Toyota cars in 2021

After the implementation of the new price strategy of the Toyota company, it is planned to reduce the cost of the batteries themselves by 30% due to the development of new designs. It is also planned to reduce the energy consumption of cars. Increased energy efficiency leads to lower battery capacity requirements, which will lead to lower costs. Thanks to the integrated development of vehicles and batteries, it is possible to reduce the cost of the battery per car by 50%, which in turn will lead to a reduction in the cost of cars by 5%, and as a result to an increase in the share of sales of battery-powered vehicles (BEV). We will conduct a simulation of the economic efficiency of the implementation of the marketing price strategy and the competitiveness system of the enterprise according to the indicators that influence the choice of Japanese-made cars, which have hybrid engines in their configuration and allow the car to move in the city cycle on an electric motor, and save on the cost of operating the car and preserve the environment. Among the factors that influence the consumer's choice, it is worth highlighting:

- car interior
- the level of losses when selling a car on the secondary market

- comfort options (car electrification)
- exterior design of the car
- engine hybridization
- operational costs
- brand power

According to the indicators that affect pricing, we will conduct a point evaluation of the indicators and calculate a weighted indicator that characterizes the competitiveness of Japanese-made cars. We present the results of the assessment in the form of table 3.5 .

Table 3.5 Evaluation of the level of competitiveness of Japanese cars with hybrid engines

Indicator	Importance	Toyota Corolla		Honda Jazz		Honda CR-V Hybrid		Toyota bZ4X		Toyota RAV4	
The interior of the car	10%	10	1	9	0,9	7	0,7	7	0,7	10	1
the level of losses when selling a car on the secondary market	10%	7	0,7	7	0,7	8	0,8	9	0,9	9	0,9
Comfort options (car electrification)	10%	8	0,8	6	0,6	8	0,8	10	1	10	1
Exterior design of the car	15%	9	1,35	7	1,05	7	1,05	8	1,2	10	1,5
Engine hybridization	20%	10	2	9	1,8	9	1,8	9	1,8	9	1,8

Operating costs	20%	4	0,8	3	0,6	5	1	6	1,2	6	1,2
Brand power	15%	10	1,5	9	1,35	9	1,35	10	1,5	10	1,5
All	100%	58	8,15	50	7	53	7,5	59	8,3	64	8,9

According to the calculations, it is worth noting that they are competitive according to the evaluations of the indicators that affect the consumer's perception of the car's value. For clarity, let's build a graphic model of the competitiveness of Japanese-made cars in the form of a web model (Figure 3.4). In fact, all Japanese-made cars are similar in the perception of consumers, as evidenced by the model itself, since the figure obtained as a result of a graphical interpretation of consumer factor estimates.

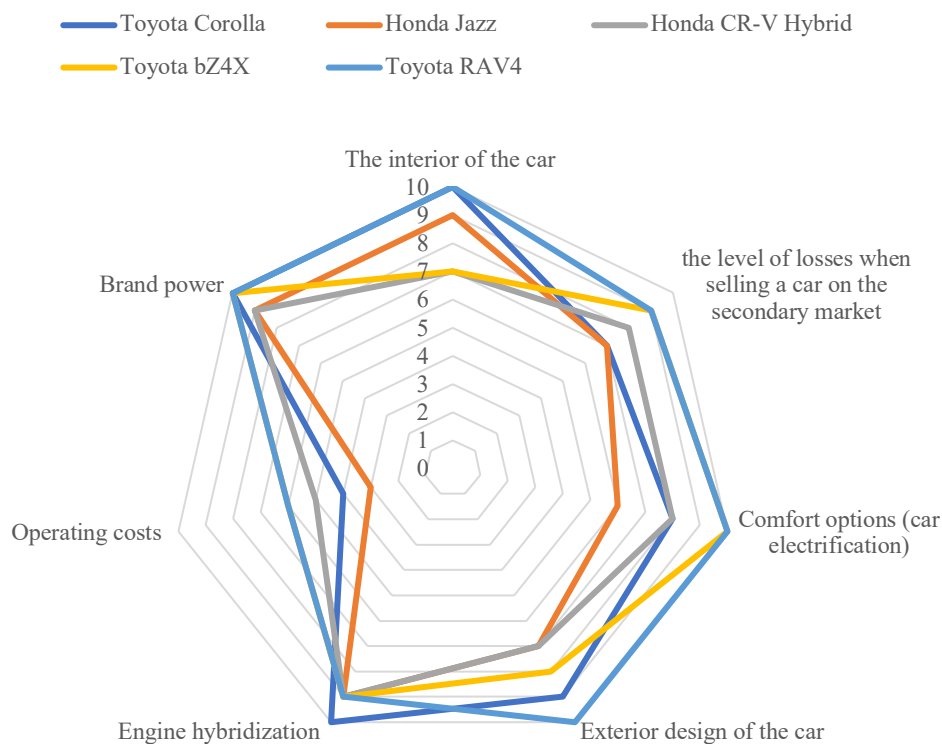


Figure 3.4 The share of electrification of Toyota cars in 2021

When buying a hybrid car, many motorists doubt whether it is worth overpaying simply for having one more engine (electric). If we analyze the model, we can note that operating costs are estimated at a minimum indicator lower than

other indicators. In fact, the experience of operating cars with electric indicators makes it possible to significantly save on gas stations after 2-3 years, which will undoubtedly have a positive effect on operating costs. The peculiarity of Japanese cars is that they are an innovative product that is appreciated by consumers and dealers. This innovation is achieved due to the fact that Japanese car manufacturers are massively introducing electrification into the activities of their car brands, since all hybrids are modern cars equipped with the latest developments of the best designers. Accordingly, together with a Japanese car, the consumer buys everyday comfort and safety.

Next, we will calculate the Customer perceived value (CPV) indicator according to the formula:

$$CPV = \text{Total customer value} / \text{customer costs} \quad (5)$$

We will calculate the indicator in tabular form for Toyota Motor Corporation in Table 3.6.

Table 3.6 Evaluation of the economic efficiency of sales of hybrid cars of Toyota Motor Corporation

	Toyota Corolla	Toyota bZ4X	Toyota RAV4
Price, USD	25000	32000	36000
<i>Used, USD</i>	<i>21000</i>	<i>26000</i>	<i>28000</i>
<i>Ownership costs, USD</i>	2000	3200	2000
CPV	13,6	9,0	8,9
Sales volumes	629000	400210	521000
Receipts	15 725 000 000	12 806 720 000	18 756 000 000

As a result of the research, we found that the sale of Japanese cars with hybrid engines is competitive and profitable. The analysis of global sales ratings and competitiveness calculations carried out in the work make it possible to state that the

chosen price strategy is effective, and the modification of cars in favor of electrification is appropriate and positively perceived by consumers who are ready to pay extra for an additional electric engine, which in the long run allows to save on operational costs.

CONCLUSIONS

Summarizing, we can say that the main components of the price are profit and production costs. By adjusting one of the components, we can obtain certain financial results, as well as influence the final cost of the product.

The rapidly changing environment and the emerging business risks increase the importance of using scientific developments to manage a company in an increasingly competitive environment. The modern understanding of competitiveness is related not only to the ability of the enterprise to resist competitors and external stimuli and obstacles on the way to the market and the customer, but to actively use information, communication, digital and competent resources for effective positioning during all life cycles of the company, to increase financial stability and independence, increasing efficiency and customer loyalty.

Within the framework of the research, in general, the clarification of the essence and clarification of the interpretation of the competitiveness of the enterprise contribute to the answers to the questions: what reasons, factors and conditions caused the emergence of the properties, abilities and quality of competitiveness in the enterprise; what can be called the factors determining the level of competitiveness of the enterprise; what are the goals of the company's competitiveness or why does the company need to have competitiveness; which qualitative and quantitative characteristics (criteria, parameters) reflect the competitiveness of the enterprise; how the interrelationship of the enterprise's competitiveness with competition, the competitiveness of products, the industry and the entire economy is manifested. We can state that the price of consumption is a complex component of competitiveness and requires a skillful approach from manufacturers and sellers, which will result in an increase in the competitiveness of sold goods and services.

The development of the automobile industry is the most important indicator of the state of the national economy. This industry plays an extremely important role in the organization of the transport complex, production and circulation of products,

industrial and agricultural sectors. The countries with the most developed automobile markets are China, the USA, Japan, India and South Korea. Moreover, they are gaining leadership in both production and consumption of cars. 50% of the market is concentrated in the hands of five leading companies: Volkswagen Group, Toyota Group, Renault-Nissan Alliance, Hyundai-Kia, General Motors. The rest of the market is divided among many small companies. The automotive market is characterized by mergers and acquisitions of companies, as this method of integration allows companies to cope with financial difficulties, strengthen and improve their competitive positions. As a result of the conducted research, it can be concluded that Toyota implements all the necessary key factors in order to achieve success in the mini car segment. Nevertheless, the Toyota company needs to be careful in relation to aggressive competition from other car manufacturers and continue to implement a strategy that will be aimed at adapting the brand's products to the emerging trends in the market.

The gradual economic decline in the main consumer markets, as well as the aging of the world's population, should push Toyota to invest in countries with transition economies. Even the turnover processes in the company's branches can be seen as a certain advantage, which allows the use of the workforce to diversify activities and launch the Toyota consulting brand. Even the end-of-life losses of the popular Aygo model can be significantly reduced by converting the Aygo into a special production model for women. In addition, it must be added that Toyota's success depends primarily on the company's ability to think in long-term categories. Despite the fact that the Toyota corporation faces serious competition from experienced car manufacturers, the company is able to profitably realize its potential due to the competent formation of a marketing strategy.

Studies of the global car market have revealed certain trends that directly affect the pricing process in the automotive industry. They are formulated as follows:

- Electronic commerce. As companies move to specialized e-commerce, this has a significant impact on pricing;

- ▶ OEM manufacturers are accelerating the transition to direct sales due to strategic and financial considerations;
- ▶ Increasing penetration of electric vehicles means new challenges and opportunities.

These trends certainly force automakers to review their market strategies and pricing in general. This means that the manufacturer goes to a simplified scenario of selling his product, due to which he saves money, time and increases interest in his products due to the various platforms where he exposes his product or service. Toyota bZ4X electric cars can be called an upward trend, but they are limited in flexibility in pricing, because engine components cannot be distinguished by various additional equipment and functions, except for related ones in the range, and also electric cars define new segments and cannot be priced with traditional cars. All players of the automotive market - car manufacturers, manufacturers of auto components, dealers, the government, consumers are interested in the stabilization and development of the market, since the automotive industry, in particular, determines the economic and social level of development of the country.

Intermediate Calculations

	Важливість	Volkswagen		Toyota		Mercedes-Benz		Ford		General Motors		Honda		Hyundai		Nissan		Kia		Suzuki	
I enjoy driving this car	10%	7	0,7	10	1,0	10	1,0	9	0,9	9	0,9	9	0,9	8	0,8	10	1,0	8	0,8	9	0,9
This car sets me apart from others	5%	7	0,35	9	0,5	10	0,5	8	0,4	10	0,5	8	0,4	7	0,4	9	0,5	7	0,35	7	0,35
The maintenance cost of this car is lower	20%	8	1,6	9	1,8	7	1,4	8	1,6	7	1,4	8	1,6	8	1,6	9	1,8	8	1,6	8	1,6
The price of the car is more acceptable	25%	10	2,5	9	2,3	8	2,0	8	2,0	8	2,0	9	2,25	8	2,0	9	2,3	9	2,25	9	2,25
This car is reliable	15%	8	1,2	9	1,4	10	1,5	8	1,2	9	1,4	9	1,35	8	1,2	9	1,4	8	1,2	9	1,35
This car is durable	10%	8	0,8	8	0,8	9	0,9	7	0,7	8	0,8	7	0,7	7	0,7	8	0,8	7	0,7	8	0,8
This car is safe to drive	15%	9	1,35	8	1,2	10	1,5	9	1,4	9	1,4	10	1,5	8	1,2	9	1,4	10	1,5	10	1,5
All	100%	57,0	8,5	62,0	8,9	64,0	8,8	57,0	8,2	60,0	8,3	60,0	8,7	54,0	7,9	63,0	9,0	57,0	8,4	60,0	8,8

				74						
	22	24	45	26	15		24	32		14
	00	00	00	00	50	260	00	00	145	00
Ціна	0	0	0	0	0	00	0	0	00	0
		10	35				13	12		
	90	00	00	82	58	110	00	00	800	75
<i>Б/у</i>	00	0	0	00	00	00	0	0	0	00
<i>Витрати</i>										
<i>володіння</i>										
	2,7	2,6		2,3	3,8	2,35	2,1	2,0	3,73	4,0
CPV	42	03	1,1	83	97	1	22	45	3	7

ABSTRACT

While writing the thesis was considered and researched pricing in the international car market using the example of TOYOTA MOTOR CORPORATION. As a result, depending on the purpose, subject and tasks of the work were formed conclusions and determined the dependence of competitiveness and modification of the marketing price policy in connection with the effect of the crisis was determined.

Summarizing the results of the study of theoretical sources, we can say that the main components of the price are profit and production costs. By adjusting one of the components, we can obtain certain financial results, as well as influence the final cost of the product.

The rapidly changing environment and the emerging business risks increase the importance of using scientific developments to manage a company in an increasingly competitive environment. Within the framework of the research, in general, the clarification of the essence and clarification of the interpretation of the competitiveness of the enterprise contribute to the answers to the questions: what reasons, factors and conditions caused the emergence of the properties, abilities and quality of competitiveness in the enterprise; what can be called the factors determining the level of competitiveness of the enterprise; what are the goals of the company's competitiveness or why does the company need to have competitiveness; which qualitative and quantitative characteristics (criteria, parameters) reflect the competitiveness of the enterprise; how the interrelationship of the enterprise's competitiveness with competition, the competitiveness of products, the industry and the entire economy is manifested. We can state that the price of consumption is a complex component of competitiveness and requires a skillful approach from manufacturers and sellers, which will result in an increase in the competitiveness of sold goods and services.

The analytical section makes it possible to argue that Toyota is implementing all the necessary key factors in order to succeed in the mini car segment.

Nevertheless, the Toyota company needs to be careful in relation to aggressive competition from other car manufacturers and continue to implement a strategy that will be aimed at adapting the brand's products to the emerging trends in the market.

The gradual economic decline in the main consumer markets, as well as the aging of the world's population, should push Toyota to invest in countries with transition economies. Even the turnover processes in the company's branches can be seen as a certain advantage, which allows the use of the workforce to diversify activities and launch the Toyota consulting brand. Even the end-of-life losses of the popular Aygo model can be significantly reduced by converting the Aygo into a special production model for women.

In addition, it must be added that Toyota's success depends primarily on the company's ability to think in long-term categories. Despite the fact that the Toyota corporation faces serious competition from experienced car manufacturers, the company is able to profitably realize its potential due to the competent formation of a marketing strategy. The development of recommendations in the design section provides an opportunity to talk about certain trends that directly affect the pricing process in the automotive industry. They are formulated as follows:

- 1) Electronic commerce. As companies move to specialized e-commerce, this has a significant impact on pricing;
- 2) OEM manufacturers are accelerating the transition to direct sales due to strategic and financial considerations;
- 3) Increasing penetration of electric vehicles means new challenges and opportunities.

These trends certainly force automakers to review their market strategies and pricing in general. This means that the manufacturer goes to a simplified scenario of selling his product, due to which he saves money, time and increases interest in his products due to the various platforms where he exposes his product or service.

Toyota bZ4X electric cars can be called an upward trend, but they are limited in flexibility in pricing, because engine components cannot be distinguished by

various additional equipment and functions, except for related ones in the range, and also electric cars define new segments and cannot be priced with traditional cars

All players of the automotive market - car manufacturers, manufacturers of auto components, dealers, the government, consumers are interested in the stabilization and development of the market, since the automotive industry, in particular, determines the economic and social level of development of the country.

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**МІНІСТЕРСТВО ОСВІТИ І НАУКИ УКРАЇНИ
КИЇВСЬКИЙ НАЦІОНАЛЬНИЙ ЕКОНОМІЧНИЙ УНІВЕРСИТЕТ
ІМЕНІ ВАДИМА ГЕТЬМАНА**

ФАКУЛЬТЕТ МІЖНАРОДНОЇ ЕКОНОМІКИ І МЕНЕДЖМЕНТУ

**РОЗВИТОК ЕКОНОМІКИ УКРАЇНИ
В НОВИХ РЕАЛІЯХ МІЖНАРОДНИХ
ВІДНОСИН**

Збірник матеріалів

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Yanchuk D.P. (International Economics and Management Faculty, master student)

ELECTRIFICATION OF VEHICLES AS AN IRREVERSIBLE TRANSFORMATION OF THE CAR MARKET

The number of cars in the world is gradually increasing every year. The main products remain cars based on internal combustion engines, however, taking into account the global trend of environmental pollution control, the rapid growth of the number of car owners, the development of new technologies and other factors, car manufacturers are actively working on finding alternative energy sources for cars. In the global automotive industry, there has been a clear trend towards innovative transport over the last decade. One of the most promising directions is vehicles with electric traction - electric cars. An electric car is a vehicle powered by one or more electric motors powered by electric batteries.

The global environmental crisis has led to the realization that it is necessary to review the traditional principles of consumption. The growing tendency to ecologize the consciousness of modern consumers deserves attention: the conscious consumption of ecological products comes to the fore, which inevitably leads to an increase in interest in electric cars. In addition, electric vehicles offer many advantages over internal combustion engine vehicles: reduced fuel consumption, reduced environmental pollution, quiet and smooth acceleration, faster acceleration, safety, price, reliability.

The surge in interest in electric vehicles that we are now seeing occurred in the 1990s due to a significant tightening of air pollution legislation. The electric car market is currently concentrated in a few countries. Worldwide, 95% of electric car sales are in just ten countries: China, the USA, Japan, Canada, Norway, Great Britain, France, Germany, the Netherlands and Sweden [1]. Currently, some countries are taking some measures to allow their citizens to use electric vehicles to protect the environment and health.

The U.S. government is holding tenders for electric vehicle manufacturers to attract government officials to use the vehicles for work purposes, thereby drawing attention and setting the tone for the adoption of electric vehicles.

In Norway, a bill has been prepared to ban the sale of new cars with gasoline and diesel engines. If the initiative is supported by the parliament, from 2025 Norwegians will be able to buy both electric cars and cars with hydrogen power plants [2]. At the moment, Norway is the leader in the electric car market. Almost a third of the cars sold in the country in 2021 were electric. Norway's commitment to progress is unmatched anywhere in the world.

In addition to Norway, the Netherlands is also considering banning the sale of cars with internal combustion engines from 2025. In April 2018, the relevant draft law of the Labor Party was supported by the House of Commons. In this country rich in oil and gas, 24% of cars are already electric [3].

In Germany, the terms of the complete transition to electric vehicles are more defined. The country is ready to stop selling gasoline and diesel cars by 2030, although many obstacles remain in the way of this goal. The current development of electric cars has the following trends: introduction of single-pedal control (Nissan Motor Company became a pioneer in this field; the idea has become popular and more and more companies are implementing braking technology through regenerative systems [4]); increasing the intelligence of electric vehicles (unmanned electric vehicles that do not require human control); each company develops its own unique platform, where buyers have the opportunity to become owners of something truly new and unique.

Despite all the advantages, the introduction of electric cars in Ukraine is not taking place at such a fast pace. One of the main reasons for this is the lack of the necessary infrastructure, namely charging stations. At first, electric cars were in a "vicious circle": vehicles in public places are mainly equipped with charging stations, the number of electric cars is already quite large, but there are many electric cars, and every buyer should have clear information. understanding where he will charge his electric car.

In summary, it can be seen that electric vehicles have great potential for development, with high powertrain efficiencies and long maintenance intervals for electric motors compared to internal combustion engines. Electric cars emit no harmful emissions, use renewable energy sources and reduce the use of oil in fuel production. The development of charging infrastructure in Ukrainian megacities will contribute to the growth of sales of electric cars, which will affect their environmental condition.

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