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INFORMATION SUPPORT OF PRICING MANAGEMENT OF TOURISM ENTERPRISES

Pricing management of tourist enterprises should be carried out according to the chosen price strategy being developed within the overall business strategy. It should also facilitate the implementation of this strategy. Price is one of the key regulators of enterprises, allowed their success performance or terminated it at all. Therefore, the issue of pricing management for tourism enterprises always be relevant.

Enterprise should optimize the level of calculated prices for the specific conditions of its activities. In any case, the process for the price determination should contribute to the meeting goals that can be different for various periods of the activity of tourism enterprises.

The competitiveness of enterprises in the market depends on effective pricing mechanism, which, respectively, affects the final financial results of their work. Disclaimer of pricing management, rejection of the need to observe certain methodological principles during this process, the underestimation of the need for the development of pricing strategy, the use of ineffective methodological approaches for pricing lead to inhibition of business development. Thus, the issue of pricing management is important for any business, including tourism.

Pricing management in the tourism enterprises is one of the most important components of enterprise management system as a whole.

The main tasks of the pricing management in tourism enterprises are the following:

- Ensuring consumer demand for tourism products through the signaling about their loyalty to enterprises;
- Reducing the impact of seasonality on the performance of enterprises;

- Ensuring the necessary level of profitability;
- Increasing the market share of an enterprise and ensuring its competitiveness;
- Promoting the extension of maturity and growth stages of the life cycle of tourism products.

Pricing management should be based on information about the competitors, including an analysis of their offers, prices, changes in market share, the ratio of the rate of changes in market share of a tourism enterprise and its competitors.

However, a major cause of the price policy failure is often underestimation of the place and role of information as a resource that is able to promote the efficiency of tourism enterprises. Without awareness of this mission of information, it is impossible to achieve effective pricing management.

Significant role in regulating prices in regulating functional processes, relationships with other business entities and consumers in tourism enterprises necessitates the exercise of pricing management, which should be based on methodological principles and methodological approaches specific to tourism enterprises. This will allow them to retain existing and attract new customers, enhance its reputation, strengthen market positions, obtain a competitive advantage, improve ultimate performance, and ensure financial stability.

In the process of pricing management in tourism enterprises, complexity to solve tactical tasks of determining methodical approach to setting the price of tourism products have to be applied. As the existing methods of pricing cannot be used in this process alone, overall complex algorithm for determining and adjusting prices based on careful selection of those aspects of each of the methods to be developed that would be best suited to the peculiarities of price formation in tourism product.

An integrated approach to pricing management involves the following steps for determining the price of tourism enterprises:

- Establishing minimum possible price (focusing on costs);
- Determination of critical sales, i.e. the number of tourism products at the lowest possible price;
- Pricing regard to targeted profit;

- Determining the number of tourism products that should be implemented to ensure the value of the targeted profit;

- Determining the number of tourism products, which should be implemented at the lowest price to get the necessary amount of profit;

- Matching the demand and price, and their comparison with the prices of competitors;

- Adjusting prices according to market conditions.

One of the most difficult tasks of pricing is regulation of the changes in already quoted prices depending on objective and subjective factors, that is one of the main components of pricing management.

The following factors are considered as having the most influence on a price:

- The cost components of the tourism product, i.e. tourism services;

- Demand;

- Competition;

- Seasonality;

- Purchasing power;

- Popularity of a tourist destination.

In fact, two determining factors of pricing is demand and competition.

Demand can be represented as the aggregated factor of influence on the price, whose fluctuations result from the changes in the factors significantly affecting him, even in the absence of competition. Among them, there are the following:

- The quality of the structure of a tourism product;

- The quality of each tourism service;

- Preferences and demands of consumers to the components of a tourism product;

- Seasonal consumer confidence;

- The level of purchasing power;

- Personal characteristics of consumers;

- Demographic situation;

- The state of social and economic policy.

Pricing management provides a choice of a strategy and approaches to pricing, taking into account demand for tourism

products. If demand is held back by the price, that is the sales of tourism products do not meet the planned targets by tourism enterprise, it may take the following approaches to solve this problem:

- Consider the possibility of changing the characteristics of the structural components of the tourism product without lowering quality for cost reduction and therefore prices; but mostly, the cost of the tourism product depends on the cost of travel services of their providers, so the possibility of using this approach is limited by travel companies;

- Reduce the price at the beginning of revitalization demand and growth, but this approach also has limitations, as the incomes from the sale should ensure the targeted profit of an enterprise, at least, while the lowering it to the critical limits makes it impossible to obtain it at all, which is why this approach cannot be used frequently;

- Leave the tourism product and its price unchanged, increasing its foreign information activity to promote tourism product that can be implemented through a set of information signals (which includes price) and an effective system of external information flows.

Information support of tourism enterprises should be developed and carried out in the way to not only attract new customers, but to reduce the asymmetry of information on price parameters of tourism product through complex information (market) signals. Consumers should be confident that the price corresponds to the qualitative and quantitative parameters of the components of a tourism product. Consumers should clearly know the reasons for the possible deviation of the prices on tourism product of particular tourism enterprises from their competitor's prices for similar tourism product.

Consider the case when a tourism enterprise determines its own pricing policy and its strategies are the increasing or decreasing in price, while the buyer's strategy is to buy of a tourism product or do not buy. Accordingly, the game will be as follows (table 1).

Table 1 Game matrix using price factor

Strategy of tourism enterprise	Customer strategy	
	Buy	Do not buy
Raise the price	1;0,5	0;0
Reduce the price	0,5;1	0;0

Thus, a tourism company increasing the price gets the win - 1, but the benefit of consumers who purchased a tourism product will be - 0.5, which means it does not fully satisfied and hence, the enterprise faces a risk to lose it if not using complex information signals to hold a consumer. According to another strategy, enterprise lowers the price to just keep a consumer, then its benefit is - 0.5 (price increase was an objective necessity), but the consumer benefit is the maximum, because it buys tourism product at a lower price. If a tourism enterprise will increase the price, consumers may not buy its tourism product in conditions of the absence of additional information signals, despite its quality and service of tourism enterprises, ie both have benefit - 0. Tourism enterprises can reduce price, but consumers who do not receive other information signals may decide that the tourism product of poor quality or service tourism enterprises is not high enough or do not have information about such a reduction, that both players win - 0.

Thus, the consumer gains will be maximized if an enterprise reduces tourism cost, while tourism companies do it when the price is high. Use of information signals can provide maximum benefit to the consumer for the use of the first tourist enterprise strategy, when the consumer will know the reasons for the price increase. Price reduction could provide a tourism enterprise with the maximum gain if the number of its customers increases due to the whole complex of information signals.

Demand depends on the readiness of customers to accept the price depending on the quality characteristics of tourism products, which should ensure tourist enterprises through an appropriate level of consumer information.

Based on the information received, the consumer can assess the usefulness of the tourist product (service).

In fact, the consumer selects a tourism product or service that maximizes its function consumption at existing restriction on income. The choice of consumers of tourist products (services) is formalized as the following:

$$\begin{aligned}
 & f(k_n, m_n) \rightarrow \max \\
 & \sum c_n m_n \leq d \\
 & m \geq 0
 \end{aligned}$$

where k_n - utility of a tourism product (service);

m_n - number of n-th products (services);

c_n - price of the product (service);

d - income of consumers.

Unlike the entities of other markets, the usefulness of the subjectivity of the same tourist product for different customers increases in the tourism market, that needs to be considered in the organization of information support of tourism enterprises.

As the tourism product cannot be considered as a normal on the moment at the time of purchase, its information presentation significantly affects its demand and, consequently, the price in the following ways:

- A description in the site and other advertising products;
- Representation during communication with the representative of tourism enterprise.

It is well known, the price of tourism packages for each tourist of tourism group is lower than the price of individual tour package. Reducing prices, provided by demand availability, increases in sales, which significantly affects the growth of the profit margin.

Increasing the number of tourists, and accordingly sales, is the result of information activity of a tourism enterprise.

Therefore, provision of tourism enterprises with effective information is one of the most essential components in the management of pricing, because information on demand and competition policy, consumer awareness about the services the company (advertising), information of direct customer service is critical in this process.

Efficient informational support of pricing, such as operational provision of this process with actual and accurate information on changes in demand, pricing and product policy of competitors allow flexible approach to pricing due to increased pricing sensitivity to fluctuations in demand. Tourism businesses will be able to differentiate prices more accurately.

Qualitatively organized advertising campaign of tourism products can increase their price. Reduced prices that is sufficiently highlighted in advertising and thoroughly explained is to increase demand.

Tourist businesses require such information to be provided the opportunity to fully address the problem of pricing and help obtain relevant knowledge for operational management of this process and achieve goals. Thus, they need particular information about producers of tourism services (address and other contact information), as well as their prices; tourism services, payment terms, etc. Tourism businesses should be provided with information on competitors, demand and its dynamics, features destinations, and changes in legislation.

Information about the competition is detailed: their list, market share, products and their features, pricing, methods of work with consumers, consumer satisfaction they offer, and channels. Data on consumers include requirements for tourism products, methods and forms of service; solvency, market size, market trends regarding changes in the scope of supply.

Taking into account the ambiguous concept of «provision», «information provision» should be considered in two ways:

- Information provision is the process of providing information that includes the organization of its delivery and creation of conditions for access to it in order to meet the information needs of particular tourist enterprises;

- Information provision is documented information (documents) that form a fund as a result of the selection and preparation process that is used to meet the information needs of consumers (tourism enterprises, individuals), resulting, particularly, in the generation of knowledge as a source of economic growth. In this respect, information provision is considered as a resource or content of education component.

Thus, the problem of foreign tourism enterprises and the information was still relevant. Decentralization of economy and market principles require different approaches to its solution, including the possibility and feasibility of creating only central depository. Information provision needs to be organized in the way that information reflecting the changing external environment, would help their performance in a result of its use by economic actors as a resource.

For any company, including tourism, it is useful to consider two types of security information:

- External - organization and implementation of information support by external information flows;

- Internal - the organization and implementation of information support for the enterprise, ensuring the processing and use of external information flow within it, the formation and organization of the use of its internal information flows.

Tourism enterprise cannot exist only through internal information. Strong development of the tourism industry, globalization processes concerning tourism, increased competition only reinforce the need to expand external information flows that are powerful. In addition, timely information needs special attention. Its absence can lead to wrong decisions and additional costs.

The role of information flows is significant in the implementation of business processes in a tourism enterprise. Functioning of information flows ensures the establishment and management of communication processes in relationships with customers and partners; promotes the rational use of economic resources, the creation of a quality tourism product; provides the necessary data process of making economic decisions, which is a central element of management of an enterprise.

Economic management of modern tourism enterprises involves the use of significant amounts of information generated in the environment and within companies through the formation and use of knowledge and experience of employees, active involvement of information technology.

Functioning of information flows should meet the needs of all personnel, including the managers. in information at all levels of the organizational structure of tourism enterprise. Good quality of such flows affects their ability to quickly and efficiently implement their own functions, the formation of a knowledge base in an enterprise.

Essential meaning of information flows of tourism enterprises is explained by information nature of a tourism product, organizational mechanism for its creation, and a high degree of their impact on the needs and the confidence of consumers and ensuring the efficiency of such businesses. The information flows form information management features of tourism enterprises as follows:

- The need to consider the impact of information management for quality tourism product;

- Given the time of uneven movement of information flows due to the impact of seasonal component of the activity of tourism enterprises;

- The need to ensure flexibility and efficiency of information exchange, given the timing of tourist services;

- Control over the use of tourism product by consumers through constant use of external input and output information flows;

- Depending the management efficiency on the organization level, the extent and effectiveness of information technology in a tourism enterprise, given the information nature of a tourism product;

- Dependence of information management and its impact on the availability of high-speed communication channels to provide direct feedback and tourism enterprise with customers and partners.

External information flows used for tourism enterprises can be presented in electronic or print form. Electronic form the most meets modern requirements of business process of management in enterprises and provides a high level of effectiveness of information security through the use of information and communication technology and appropriate computer and communication equipment.

As there is a problem ordering information flows within tourism enterprises, i.e. internal information and that came outside for decision-making, information provision is frequently considered as a subsystem of information system of economic actors.

Complications of economic processes require much larger amount of information that should be formed cumulatively by each tourism enterprise that seeks to create a set of competitive advantages. In this respect, it needs not as much information as it seeks maximum knowledge as a result of its use. But it is evident that the degree of such enterprises and their integration into the world economic system depends not only on the quantity, but also the quality and efficiency of information and quality of organization of information flow, providing timeliness of its receipt.

The process of information provision is performed in several stages from the study of the information needs of personnel to manage pricing to the introduction of information technology:

- Study the information needs of personnel to manage pricing;

- Identification of the necessary information;

- Drawing up a list of sources of information;
- Introduction of information technology.

Data sources can be combined in several groups, including the main ones are:

- Makers of tourism services;
- Other economic agents (companies, organizations, educational institutions and science publishers, agents engaged in manufacturing (sales) electronic publications and databases, international organizations);
- Government agencies, including public authorities;
- Resources.

Pricing management involves determining pricing strategy and tactics, techniques of correct pricing. Profitability of the tourism enterprise, its viability and financial stability depends on the effective management of pricing.

The competition between tourism companies forces them to find new and improved methods known to a competitive status that would attract new and retain existing customers. Price and managing its formation play a significant role in it.

Pricing management should take into account not only fluctuations in demand, but also find and use the levers of its regulation to ensure profitability of tourism enterprises that require strong information support.

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