

THE SUBSTANTIATION OF THE PRICE STRATEGIES ACCORDING TO THE CONSUMERS' BUYING BEHAVIOUR

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Abstract

The firm's position on the market is determined by the value offered by selling its products or offering its services, the public relations depending on the customers' perception of the value of the product or service offered to them, and the position occupied in relation to the competitors is determined by the level of the product's prices and advantages offered by the competition. The price and the value-price ratio are two fundamental variables of which the firm's survival depends in the competitive environment.

To ensure the fact that the pricing strategy be a long-term success we must define in the early stage of development-research the value-price ratio, having in view that it's possible for a product with an increased perceived value not to be introduced on the market with a competitive price, an aspect that can be approached using the target costs and target value method, a method that allows to define the production costs limits and fixing the target price to avoid the launching errors.

Keywords: price strategies, perceived value, strategic competitive advantage, target value, value/price ration, optimal level of performance.

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