

FORMATION OF PRICES ON THE INTERNATIONAL MARKET OF FINANCIAL SERVICES

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Formulation of the problem. Specific features of international trade in services are considered; the features of the world market of services are defined; pricing methods and pricing strategies used by enterprises providing various services on the international market are characterized. *The purpose of the research* is aimed at researching the international market of financial services to analyze its main characteristics, impact on the global economy and identify key factors affecting its development and level of financial risk. *Research methods:* logical and meaningful method, methods of comparison, systematization, induction and deduction, analysis and synthesis, coefficient method. *The main hypothesis* of the research was the statement that the international market of financial services plays an important role in the global economy and its development depends on such factors as technological innovations, regulatory policy, globalization and the stability of financial systems. *Presenting main material.* All spheres of international cooperation need developed services, which are a continuation and development of modern production. The main features of the world services market include the following: systematic development, which means that the services market is considered as a complete system with many interconnected components; sensitivity to market changes, which is caused by constant fluctuations in the demand and supply of services on the market; high rate of capital turnover associated with a shorter production cycle in the service sector; constant growth of the range of services. *The originality and practical significance of the research* are in the understanding of the main characteristics of the international market of financial services, which will help specialists in the financial sector make informed decisions about the development and improvement of their services at the international level; analysis of the impact of the international financial services market on the global economy will enable states and international organizations to determine effective strategies to promote economic growth and stability; determining the key factors affecting the development of the international market of financial services will help to avoid financial risks and ensure the stability of financial systems. The practical significance of the article also lies in the promotion of academic research and expansion of knowledge in the field of finance, economics and international relations. *Conclusions and prospects for further research.* The results of the study can be useful for government bodies and regulatory institutions in forming an effective policy for regulating the international market of financial services and ensuring its healthy functioning. It was determined that the successful choice of the method of setting prices for international services and the formation of an effective price strategy will allow the enterprise of the service sector to receive high income, increase the volume of service provision, and conquer new market segments.

Key words:

international market of financial services, pricing, pricing strategies, international trade in services.

ФОРМУВАННЯ ЦІН НА МІЖНАРОДНОМУ РИНКУ ФІНАНСОВИХ ПОСЛУГ

Постановка проблеми. Розглянуто специфічні риси міжнародної торгівлі послугами; визначено особливості світового ринку послуг; охарактеризовано методи ціноутворення та цінові стратегії, які використовують підприємства, що надають різноманітні послуги на міжнародному ринку. *Мета дослідження* спрямована на дослідження міжнародного ринку фінансових послуг для аналізу його основних характеристик, впливу на глобальну економіку та ідентифікації ключових факторів, що впливають на його розвиток і рівень фінансового ризику. *Методи дослідження:* логічно-змістовний

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метод, методи порівняння, систематизації, індукції та дедукції, аналізу та синтезу, коефіцієнтний метод. *Основною гіпотезою дослідження* стало твердження, що міжнародний ринок фінансових послуг відіграє важливу роль у глобальній економіці і його розвиток залежить від таких факторів, як технологічні інновації, регуляторна політика, глобалізація та стабільність фінансових систем. *Виклад основного матеріалу.* Всі сфери міжнародного співробітництва потребують розвинених послуг, що є продовженням і розвитком сучасного виробництва. До основних особливостей світового ринку послуг слід віднести наступні: системність розвитку, яка означає, що ринок послуг розглядається як цілісна система з багатьма складовими, пов'язаними між собою; чутливість до ринкових змін, причиною якої є постійні коливання в попиті та пропозиції послуг на ринку; висока швидкість обороту капіталу, пов'язана з коротшим виробничим циклом в сфері послуг; постійне зростання асортименту послуг. *Оригінальність та практична значимість* дослідження полягає в розумінні основних характеристик міжнародного ринку фінансових послуг допоможе фахівцям у фінансовому секторі прийняти обґрунтовані рішення щодо розвитку та вдосконалення своїх послуг на міжнародному рівні; аналізі впливу міжнародного ринку фінансових послуг на глобальну економіку надасть можливість державам та міжнародним організаціям визначити ефективні стратегії для сприяння економічному зростанню та стабільності; визначенні ключових факторів, що впливають на розвиток міжнародного ринку фінансових послуг, допоможе уникнути фінансових ризиків та забезпечити стабільність фінансових систем. Практична значимість статті полягає також у сприянні академічному дослідженню та розширенню знань у галузі фінансів, економіки та міжнародних відносин. *Висновки та перспективи подальших досліджень.* Результати дослідження можуть бути корисними для урядових органів та регуляторних установ у формуванні ефективної політики регулювання міжнародного ринку фінансових послуг і забезпеченні його здорового функціонування. Визначено, що вдалий вибір методу встановлення цін на міжнародні послуги та формування ефективної цінової стратегії дозволить підприємству сфери послуг отримувати високий дохід, збільшувати обсяги надання послуг, завойовувати нові сегменти ринку.

Ключові слова:

міжнародний ринок фінансових послуг, ціноутворення, цінові стратегії, міжнародна торгівля послугами.

Formulation of the problem. The service sector is one of the most important and rapidly growing components of the world economy. In the conditions of globalization of the world economy, the sphere of services becomes one of the influential factors that depend on economic growth, increasing the country's competitiveness on world markets, and improving the well-being of the population.

There is a potential for the development of the service sector in Kazakhstan. Thus, the development of science, technology and a highly qualified workforce are necessary prerequisites for the dynamic development of information and communication technologies, software, electronic and mobile commerce. The advantageous geographical and economic position of the country should also be used for the development of transport infrastructure and tourism. Setting prices for services is a rather complex and important issue for research.

Analysis of recent research and publications. Various authors pay attention to the problems of pricing on world markets [5-9]. However, the formation of prices for global services and the choice of strategy of service enterprises are not considered enough in the literature. And alt-

hough pricing methods and a list of existing pricing strategies help to form possible alternatives to the activity of a service sector enterprise when setting prices, as a rule, it only depicts the features of a certain pricing strategy, rather than the mechanism of price formation in the international services market.

Analysis of existing research reveals a number of key themes and areas that have been explored in the past. Here are some of them:

Globalization and international competition in the financial services market: Researchers have studied the impact of globalization on the international financial services market, as well as the competition of international financial institutions.

Technological innovations and digital transformations in the financial sector: A study was conducted on the impact of the latest technologies, such as blockchain, artificial intelligence, fintech platforms, on the international financial services market.

Regulation of the international market of financial services: Issues of regulation of the international market of financial services were studied, including standards in the field of finan-



cial reporting, the fight against money laundering and the financing of terrorism.

The role of international financial institutions: A study was conducted on the role and influence of international financial institutions, such as the International Monetary Fund, the World Bank, the World Trade Organization, on the international market of financial services.

Financial risk and its management in the international market: Various aspects of financial risk, including credit risk, currency risk, liquidity risk and economic risk, were studied and methods of managing these risks in the international market were developed.

Performance of the international financial services market: Research was conducted to assess the performance of the international financial services market, including measures of productivity, competitiveness and innovation in the sector.

This analysis of existing research will help clarify the directions and novelty of the proposed article and take into account the gaps that require additional study in the context of the international financial services market.

The purpose of the article is aimed at researching the international market of financial services to analyze its main characteristics, impact on the global economy and identify key factors affecting its development and level of financial risk.

Presentation of the main research results. All spheres of international cooperation require advanced services that are a continuation and development of modern production. The main features of the world services market include the following: systematic development, which means that the services market is considered as a complete system with many interconnected components; sensitivity to market changes, which is caused by constant fluctuations in the demand and supply of services on the market; high rate of capital turnover associated with a shorter production cycle in the service sector; constant growth of the range of services [1].

The main difference between trade in services and trade in goods, from which the peculiarities of international trade in services arise, is that services do not have the property of being accumulated. The volume of the services market is approximately 25% of world merchandise turnover, and the growth rate of this sector of the world economy significantly exceeds the growth rate of world merchandise turnover [1]. Also, trade in services affects the employment of the

population of the national economy to a much greater extent than the goods market.

The specific features of international trade in services include: the place of production and consumption of services coincides — the export of services necessarily involves their production abroad; the close connection of the service market with the market of goods, capital and labor; the degree of concentration in the market of modern services is much higher than in the market of goods; the national sphere of services is protected more strongly; a number of services are practically not included in international circulation [1]. The international services market consists of: freight services; other transport services; tourism; other services provided by state organizations (banking, insurance, stock exchange, brokerage, technology export, etc.); other services provided by the private sector. The main role in the international trade of services is played by tourism and transport services.

The assessment of a country's development is often reduced to an assessment of the profitability of the service sector. There are countries in which the service sector contributes up to 60% of GDP and above. For example, in the USA - 67%, in France - 63%, in Japan - 56%, in England - 56.5%, in Germany - 58%, in Italy - 56%. The financial and credit sector is leading for all developed countries. The movement of capital and its maintenance is always in the first place. According to this indicator, three centers are distinguished: the USA, Japan, and Western Europe [1].

Based on the fact that the export of services is a rather urgent issue in Kazakhstan, attention should be paid to more thorough attention to the formation of prices for these services.

Pricing in the service sector follows a similar scheme to pricing in any other area of trade.

The fact that in market conditions the price is set objectively as a result of the ratio of supply and demand is beyond doubt. The development of a pricing strategy in the field of providing services in foreign markets is related to the following: pricing is one of the main aspects of marketing activity, an important means of management that allows you to shape the amount of profit; free pricing in the conditions of a market economy is related to the solution of such issues as the selection of criteria and methods of formation, protec-

tion from state regulation of prices; most small and medium-sized enterprises in the service sector are limited in resources in order to participate in price competition; the services market is essentially a buyer's market [5]. So, it can be concluded that the buyer's preferences play an important role in the services market, i.e. the formation of the price will largely depend on the demand for services in one or another region.

When forming a price strategy, the company should take into account the following characteristic features that affect the process of price formation in the service sector: high price elasticity of demand; a large gap in time between the moment of setting the price and the moment of purchase and sale; impossibility of storing the product, as a result of which untimely sold products lead to losses; strong influence of competitors on the pricing process; state regulation of prices in the field of transport; the need for seasonal price differentiation; a high level of orientation to the psychological characteristics of the consumer, since the price may be related to the social status of the client; high cost of various services [6,7]. However, it should not be assumed that the service producer hopes only for the price offered by the market, and does not take any part in price formation. The service provider uses the method of calculating initial prices. Services are offered to customers at such prices.

The process of calculating prices for services includes: setting a pricing task, estimating costs, taking into account demand for services, analyzing prices and services of competitors, choosing a pricing method [5]. The main task of pricing is to cover the costs of providing services and making a profit [7]. The price enables the service sector enterprise to seize leadership in the market. Its essence is to win a significant market share. This is achieved thanks to the reduction of prices or the production of high-quality services. The price reduction has a certain minimum limit — covering the costs of service production, distribution and sales, including a fair rate of profit [7]. If the company does not cover the costs of providing services with the help of the price, then it will go bankrupt after a certain time. In this regard, a correct assessment of all costs is

required. In order to successfully use the price as a competitive lever, the service producer must constantly look for ways to reduce the costs of service production. If the individual cost is lower than the market value, then the manufacturer, realizing services at market prices, receives excess profit, which gives him significant advantages over competitors.

When setting the price, it is necessary to take into account the demand for these services. A price increase can reduce the purchasing power of customers, and therefore the demand for services. A decrease in price increases demand, but up to a certain limit. There is a price level, after which demand does not increase, but begins to fall [7]. The buyer begins to be suspicious of a cheap service, believing that it is of low quality and can harm him. The elasticity of demand for services should also be taken into account, producers should know that if services lose their elasticity of demand, prices should be reduced.

So, we can conclude that the minimum price is determined by the costs of production of services, and the maximum price depends on the demand for these services. Also, the price level of the enterprise is affected by the prices of competitors. The service provider must know the prices and quality of services of its competitors. For this purpose, the following methods are used: comparing prices using price lists, purchasing equipment and checking its quality, studying the opinion of buyers about the quality of competitors' services and the level of prices for services [5-7]. If it is established that the quality of the service is not inferior to the quality of the service of competitors, a price close to the price of the service of competitors is set. If the quality of the services is better than that of competitors, a higher price can be set.

There are many pricing methods. And each enterprise has the right to choose the one that meets its interests. The simplest pricing method consists in calculating the price according to the formula: average costs plus profit [5]. The second application is sometimes called a markup, its size depends on the type of service, demand for it, cost of a service unit, sales volume, etc. Another method of pricing is based on the balance of supply and demand. Seller feels this balance by the steady demand





for its services. The method of calculating the price based on the break-even analysis and ensuring the target profit is also popular. The manufacturer knows that covering the gross costs of production of services requires a certain amount of production [6]. This method of pricing involves the analysis of various price options and their impact on the sales volume. It is necessary to overcome the break-even level and obtain the desired profit.

Thus, taking into account the process of formation of prices for services, the following pricing methods were identified: cost-plus [8]; pricing based on normative profitability and pricing based on the value of the service. It should be emphasized that the pricing process involves the formation of a price strategy, which is an integral part of the price policy. The pricing strategy is the main directions, measures and methods that can be used to achieve the defined goal of the pricing policy [5]. Enterprises in the field of services that operate on international markets use the strategy of "removal of the cream", the strategy of discriminatory prices and the strategy of "market penetration" in their activities. We will give a description of these strategies.

The strategy of "removal of the cream" works successfully if the market is reducing the supply of services, and the demand is not elastic to the increase in the price of services. For example, the implementation of cruise tours [5]. This strategy is a rare phenomenon in the international services market, as it is difficult to invent new services for which consumers will agree to pay the highest prices.

The strategy of discriminatory prices is considered a very flexible tool that takes into account changes in market demand, prices depending on time, place, type, product and sales volume [5, 6]. Emphasis is placed on unequal price elasticity of demand in different groups of consumers. For example, discriminatory pricing is appropriate when companies enter national markets, which are formed when the internal economic situation (inflation, high prices and tariffs with a low level of service) stimulates the growth of outbound tourism [9]. Price manipulation is carried out by enterprises that face serious competition on the foreign market. Setting

lower prices for services creates a dumping situation. A price difference is considered economically justified, at which the total volume of sales of the firm provides a profitability not lower than normal. Price discrimination by consumer categories is also practiced for different market segments depending on the willingness and ability to pay this price [8]. For example, students, disabled people, newlyweds are given discounts in hotels, when purchasing transport tickets [5]. Time-based price discrimination is used when hotels and transportation companies reduce prices before the peak season in order to attract customers and thereby recover the costs associated with maintaining service levels and retaining qualified personnel [8, 9]. Prices are discriminated by location, for example, when the cost of identical hotel rooms varies depending on, for example, the view from the window. Yes, a room in a hotel with a view of the sea is much more expensive than a room with windows facing the inner courtyard of the hotel [9].

The "market penetration" strategy is based on setting a low price level in order to attract more customers. The low price in this case is a kind of fee for introducing the service to the market. Such a strategy is used by new enterprises or enterprises seeking to capture a larger share of the market. With the growth of sales volumes and the strengthening of the firm on the market, the price gradually rises to the average industry level, but this does not lead to a decrease in demand [5].

Conclusions and prospects for further research. Taking into account the above, it can be concluded that Kazakhstan's service sector enterprises need to reduce their costs and make all the conditions so that state regulation provides normal conditions for functioning. International factors have a significant impact on financial risk. Understanding and analyzing these factors is key to effectively managing financial risk and ensuring the stability of national and global financial systems. To minimize risks, it is necessary to develop international cooperation, maintain the stability of the economic, political and financial environment and use the mechanisms of international financial institutions to reduce the nega-

tive consequences of international financial risks. A successful choice of the method of setting prices for international services and the formation of an effective pricing strategy will allow the company in the service sector to receive high income, increase the volume of service provision, and conquer new market segments.

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