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## MECHANISMS OF FORMATION OF PRICING STRATEGIES IN CHEMICAL INDUSTRY ENTERPRISES

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Muminova Dildora Dilshadovna

Assistant of the Department of Industrial Economics and Management, Tashkent Institute of Chemical Technology, Uzbekistan

### ABSTRACT

Price setting is an important area in marketing mix decisions of a company. It is the element that generates revenue for the company and all others involve only costs. It is the only marketing mix element that can be changed quickly to respond to changes in demand or competitive moves. Pricing should never be seen as an isolated component of a company's marketing decision making. Companies spend large amount of money on product development, promotion, and distribution and face risks. This paper, by combining marketing strategy related information concepts into one model, offers new insights into the pricing strategies adopted by the chemical industries.

### KEYWORDS

Pricing strategies, method, competitor, innovation.

### INTRODUCTION

Increasing local production requires global competitiveness to withstand imports as well as for export surplus, the success factors are availability of feedstock at competitive cost, access to advanced

technology, low cost capital, investment in Research and Development and talent development.

The boost demand of the chemical products, there is necessary for chemical companies to grow. The

Government is ensuring that this demand be met through domestic production.

### MATERIALS AND METHODS

Chemical industry utilizes either regular gas or raw petroleum as feedstock for assembling process. Feedstock and force are basic inputs for both organic& inorganic chemicals industry. Expenses of these crude materials are high in Uzbekistan when contrasted with nations like China, Middle East, Thailand and Indonesia, likewise the variances in oil costs influence on the expense of item and the development gauge of the organization.

Lee G. Cooper, the domain of this review includes the development and application of multidimensional scaling (MDS) in product planning in decisions concerning pricing and branding; in the study of channels of distribution, personal selling, and the effects of advertising and in research related to the fact finding and analysis mission of marketing research. In the research for goods planning specific attention is given to market structure analysis to the development of a key conformation of product perceptions to the role of individual differences, to signifying consumer preferences to issues in market segmentation and to the use of uneven MDS to study market structure. Author deals with issues in data collection such as the response rate, time, and accuracy of judgments the validity, reliability and stability of judgments and the robustness of data collection techniques and MDS algorithms.

With a specific end goal to make the survey compelling and to assured quality to answers got, researcher had paid consideration on the inquiry succession in get ready poll. The inquiry arrangement must be basic, clear and smooth moving significance in this manner that the connection of one inquiry to another ought to be promptly evident to the respondent, with inquiries that are less demanding to answer being placed at the outset. In this strategy a survey is sent to the people concerned with a solicitation to answer the inquiries and return the poll. The polls were separated into one and only segment, the survey was not pertinent to client on the grounds that the last result of one organization is the crude material of other organization. The layout of the polls can be clarified as under

Secondary information are what have as of now been gathered and investigated by another person and which has been gone through the measurable procedure.

The secondary distributed information is:

- a) Various periodical of the central, state and local governments,
- b) Various periodicals of foreign governments or international bodies.
- c) Technical and trade journals,
- d) Books, magazines, newspaper,
- e) Financial reports and publication of various associations connected with business and industry, banks, stock exchange etc.

- f) Information prepared by research scholars, universities, economists etc.
- g) Internet, which was helpful for preliminary planning of the sample.
- h) Public records and statistics, historical documents, and other sources of published information.

The data are collected with the help of Primary data as well as Secondary data. The Primary data are collected with the help of Questionnaire method, Personal interview method, Telephonic interview method, while secondary data are collected with the help of Govt. published report, Magazine, Journal, Chemical weekly & Web site.

## RESULTS AND DISCUSSION

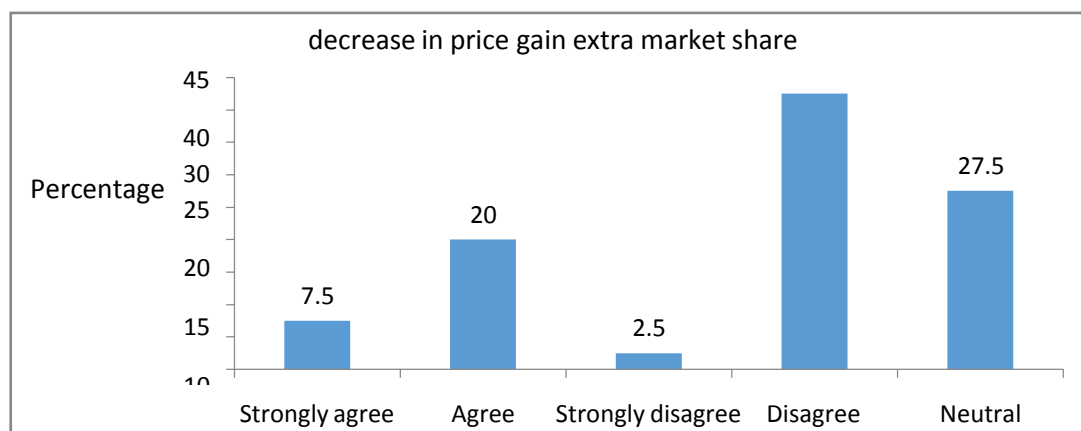
### Sample size

Total **80** companies are selected.

### Data Analysis

#### Q. 1-Table 1. Small decrease in price gain extra market share-

S. No	Small decrease in price gain extra market share	No. of Respondent	Percentage (%)
1	Strongly Agree	6	7.5
2	Agree	16	20
3	Strongly disagree	2	2.5
4	Disagree	34	42.5
5	Neutral	22	27.5



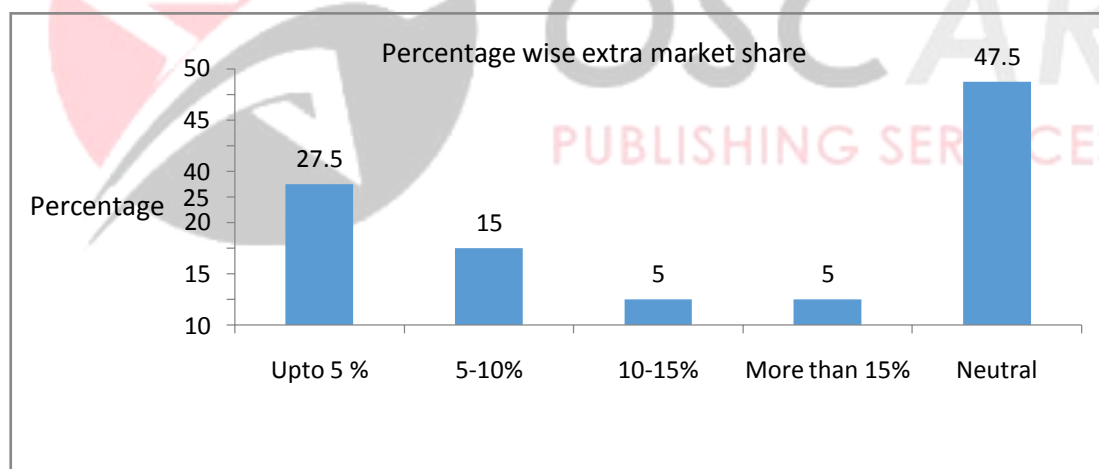
Graph 1.decrease in price gain extra market share

The above table shows that 7.5 % respondents are “Strongly Agree” with Small decrease in price will gain extra market share, 20 % respondents are “Agree “with small decrease in price will gain extra market share, 2.5% respondents are “Strongly disagree”

with small decrease in will gain extra market share, 42.5% respondents are “Disagree” with small decrease will gain extra market share and 27.5 % respondents are not given their opinion (Neutral).

**Q. 2-Table 2. Percentage wise extra market share due to small decrease in price**

S. No	% wise extra market share	No. of Respondent	Percentage (%)
1	Up to 5 %	22	27.5
2	5-10 %	12	15
3	10-15 %	4	5
4	More than 15 %	4	5
5	Neutral	38	47.5



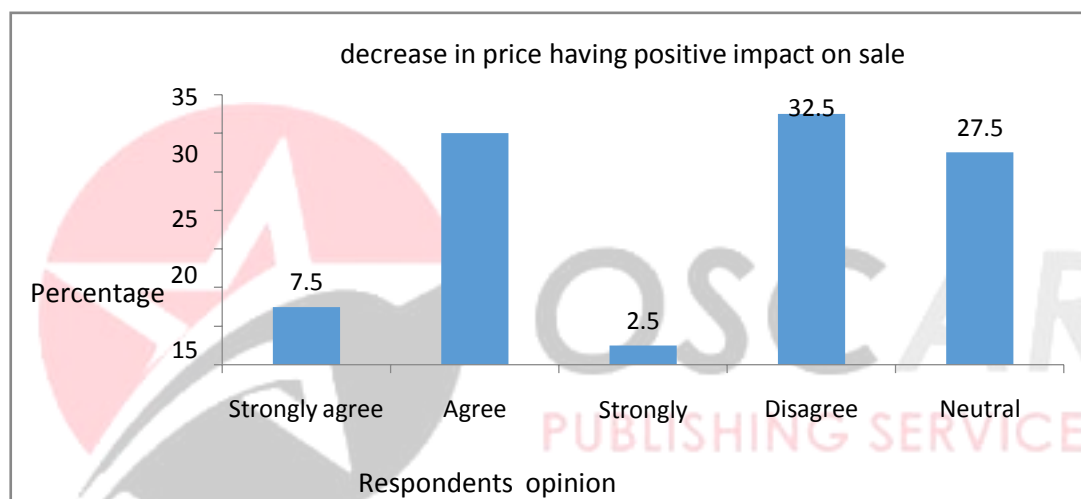
**Graph 2. Percentage wise extra market share**

The above table shows that 27.5% respondents are agree that due to small decrease in price (up to 3%) will gain a 5% extra market share. 15 % respondents are agree that due to small decrease in price (up to 3%) will

gain a 5-10 % extra market share, 5% respondents are agree that due to small decrease will get 10-15% extra market share and 47.5 % respondents are neutral of this opinion.

**Q.3-Table 3.Small decrease in price having positive impact on sale**

S. No	Small decrease in price having positive impact on sale	No. of Respondent	Percentage (%)
1	Strongly Agree	6	7.5
2	Agree	24	30
3	Strongly disagree	2	2.5
4	Disagree	26	32.5
5	Neutral	22	27.5



**Graph3.decreases in price having positive impact on sale**

The above table shows that 7.5 % respondents are “Strongly agree” that small decrease in price (up to 3%) having positive impact on sale. 30% respondents are “Agree” that small decrease in price (up to 3%) having positive impact on sale. 2.5% respondents are “Strongly disagree” that Small decrease in price (up to 3%) having positive impact on sale. 32.5% respondents are “Disagree” that small decrease in price (up to 3%)

having positive impact on sale and 27.5 % respondents are Neutral.

1) It was observed that, 7.5percent respondents are “Strongly Agree” with Small decrease in price ( up to 3 percent) will gain extra market share, 20percent respondents are “Agree “with small decrease in price ( up to 3 percent)will gain extra market share, 2.5 percent respondents are “Strongly disagree” with Small decrease in price will gain extra market

share, 42.5 percent respondents are “Disagree” with small decrease in price (up to 3 percent) will gain extra market share and 27.5 percent respondents are Neutral. Hence it can be seen that small decrease in price does not gain extra market share.

2) It was observed that, 42.5 percent respondents are agree that up to 5 percent sales increases due to small change in price. 15 percent respondents are agree that up to 5-10 percent sales increases due to small change in price. 2.5 percent respondents are agreeing that up to 10-15 % sales increases due to small change in price and 37.5 percent respondents are neutral regarding this opinion. Hence it can be seen that sales increases due small change in price.

3) The above table shows that 7.5 % respondents are “Strongly agree” that small decrease in price (up to 3%) having positive impact on sale. 30% respondents are “Agree” that small decrease in price (up to 3%) having positive impact on sale. 2.5% respondents are “Strongly disagree” that Small decrease in price (up to 3%) having positive impact on sale.

### CONCLUSION

1. Negligence efforts towards increasing Research and Development expenditure, even after a long stay in business. The customers who are quality conscious, hence it is necessary to work on this area.
2. The shape and reshape the business the strategic market planning is essential for choosing the right

products, for the growth of markets at the right time.

3. Customer could be happy for getting price discount; it is possible with significant efforts towards building quality infrastructure in the form of latest technology and equipment's.

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