

PRICE AS A FACTOR OF HOUSING AND PUBLIC UTILITIES ENTERPRISES COMPETITIVE ADVANTAGE IN MEGAPOLIS

Enterprises collecting SDW is a part of housing and public utilities of Moscow. Their effectiveness in the megapolis is connected with better service, environment safety and higher social responsibility – all these mean a certain level of a competitive ability. A price of SDW collecting is one of the main factors providing a high level of competitive advantage. There are three types of factors influencing the price:

- factors that can be managed by an enterprises (depending on life cycle, service positioning, performance characteristics);
- factors that can be influenced by the service consumers (value of the service for the consumers, utility);
- factors of the competitive environment (a competitive ability level, state policy, economic factors etc.).

Housing and public utilities field is rather specific, it is being reformed now, it is developing a competitive advantage. Prices of SDW collecting are regulated by the authorities, regardless of a type of business entity (RF Government resolution 155 from the 10th of February 1997). In practice, the price (especially at private enterprises) is higher or lower of the fixed tariffs. It can be explained by the fact that regulation of such services is impossible, they are competitive, their prices are determined by the enterprise collecting SDW on the basis of an agreement with a consumer. Various price levels and their individual determination can lead to discriminating conditions (more SDW using, a lower prime cost). Today SDW collecting pricing is regulated by RF Government resolution 520 «About pricing basis and an order of a tariff, margin index and raise regulating in the field of a utility complex» from the 14th of July 2008. This resolution allows the enterprises to differentiate tariffs taking into account various price levels for various groups of consumers.

SDW collecting service is presented in the subscriber's account as «accommodation upkeep». Public utilities price in apartment houses (homeowners associations, house – hold cooperatives, managing bodies etc.), according to the RF Housing Code, depends on an accommodation floor space. Before the rate of

domestic waste collection was determined by a number of people living in the apartment. Such an approach does not take into account consumer interests, because it makes tariffs average and uncontrolled. So the consumers who are not interested in higher service quality, can't influence a service price.

There is a problem, from one hand, the state allows housing and public utilities enterprises to develop and compete, because consumers can choose and sign an agreement with the most competitive organizations. From the other hand, a law basis limits consumer interests, making tariffs average. If the problem is solved, housing and public utilities enterprises will develop, being competitive at the expense of price competitive advantages. Consumers will economize more and get services of a higher quality.