



As a result, in the deregulated segment, FPC provides passenger services in the second- and first-class sleeping carriages, deluxe carriages, and in all carriages of higher-speed trains. The deregulated segment also covers tourist and commercial services. In this segment, FPC may set the prices of passenger fares at its discretion.

DYNAMIC PRICING SYSTEM

The dynamic pricing system is a multifactor pricing tool that combines most approaches previously used as marketing promotion tools: pricing depending on seat/berth category (upper or lower berth), day of the week, booking date², etc. Unlike static marketing promotions which offer the rates set in advance for an extended period, the dynamic pricing system implies flexible ticketing reflecting internal dynamics and various external trends as at the sale date.

The system covers the entire commercial segment of FPC's domestic services, in particular, the deregulated segment of trains outside socially necessary train services.

The pricing system helps identify the balance between the demand for, and cost of, services, ultimately driving the demand for rail services.

² In this case, a booking date is the starting date of advance train ticket sales.

Fundamental pricing mechanisms in the deregulated system include the dynamic pricing system and a range of marketing promotions and ticketing initiatives.

In 2019, approximately 75% of tickets covered by dynamic pricing were sold at prices below or comparable to basic fares (fares that would have been applied without dynamic pricing).

To reinforce its positions in the passenger services market, FPC has been running various marketing promotions to stimulate consumer demand in both the deregulated and regulated segments and increase in traffic volumes.