PRICING POLICIES AND PROFITABILITY LEVEL OF SELECTED MANUFACTURING FIRMS

Oluwaseyi Obinna OGUNLERE

MGS2104846

DEPARTMENT OF BUSINESS ADMINISTRATION

FACULTY OF MANAGEMENT SCIENCES

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BEING A PROJECT SUBMITTED TO THE DEPARTMENT OF BUSINESS ADMINISTRATION, FACULTY OF MANAGEMENT SCIENCES IN PARTIAL FULFILLMENT OF THE REQUIREMENTS OF THE AWARD OF BACHELOR OF SCIENCE (B.Sc.) DEGREE IN BUSINESS ADMINISTRATION, UNIVERSITY OF BENIN, BENIN CITY.

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DECLARATION

I, **Oluwaseyi Obinna OGUNLERE**, hereby declare that, this project is undertaken by me in the Department of Business Administration, Faculty of Management Sciences, University of Benin, Benin City, Edo State, under the supervision of **PROF. EJECHI**

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OLUWASEYI OBINNA OGUNLERE **DATE**

CERTIFICATION

We, certify that **Oluwaseyi Obinna OGUNLERE** with the Matriculation number **MGS2104846** submitted this research work to the Department of Business Administration, Faculty of Management Sciences, University of Benin, Benin City.

_____ _____

(PROF. EJECHI) **DATE**

Project Supervisor

_____ _____

DR. S. A ADEKUNLE **DATE**

(Project Coordinator)

_____ _____

DR. D.O. OGBEIDE **DATE**

(Head of Department)

DEDICATION

This project is dedicated to God Almighty, and to my ever loving parents, Mr. and Mrs. Ogunlere, for all their support and dedication throughout my course of discipline.

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ABSTRACT

This study examined and analyzed the effect pricing policies on profitability level of manufacturing firms. Data were primarily sourced through the administration of fifty (50) questionnaire out of which same number (50) of responses were retrieved and used for the empirical analysis. The descriptive (frequency, mean and percentage) and inferential statistics (regression) were adopted for the study's analysis. Specifically, the analysis revealed the following: cost-plus pricing and competitive pricing strategies have a significant impact on the profitability level of manufacturing firms in Nigeria; while value-based pricing, dynamic pricing, and psychological pricing do not significantly affect the profitability level of Nigerian manufacturing firms. Based on these findings, it was recommended that: firms could benefit from rigorous cost control measures and efficient cost accounting systems; manufacturing firms should integrate customer perceptions of value into their product development and marketing strategies; manufacturing firms should maintain a keen awareness of market dynamics and competitor actions; manufacturing firms should consider scenarios where dynamic pricing could be useful, such as in managing inventory more effectively or in capitalizing on seasonal demand changes; and seek to understand psychological triggers specific to their target market segments and then experiment with different pricing formats and presentations that might appeal more to consumers' emotions and perception of pricing fairness.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

The manufacturing sector serves as a critical backbone in the economic framework of many countries, including Nigeria. Characterized by its capacity for job creation, contribution to GDP, and export potential, the sector's significance cannot be overstated. According to the National Bureau of Statistics of Nigeria (2023), the manufacturing sector accounted for approximately 13% of Nigeria's Gross Domestic Product (GDP) in 2022. This sector, inclusive of sub-sectors such as food, beverage, textile, and automotive, plays a pivotal role in Nigeria's economic diversification efforts, striving to reduce the historical over-reliance on oil revenues (Adenikinju, 2019). The relevance of the manufacturing sector to the Nigerian economy is further underscored by its potential in fostering industrialization, enhancing technological advancement, and stimulating secondary and tertiary industries (Oyelaran-Oyeyinka & Rasiah, 2019).

Profitability, a key indicator of business success, is particularly paramount in the manufacturing sector, where large capital investments and varying cost structures are common. In the Nigerian context, manufacturing firms face unique challenges impacting profitability. These include infrastructural deficits, fluctuating foreign exchange rates, and policy inconsistencies (Adenikinju, 2019). Akinlo and Egbetunde (2020) highlighted that Nigerian manufacturing firms' profitability is significantly influenced by both internal factors such as production efficiency, and external factors like governmental policies and global market trends. The current scenario in Nigeria, with its economic reforms and market liberalization, has further intensified

competition, making profitability an even more critical measure of a firm's success and sustainability (Oyelaran-Oyeyinka & Rasiah, 2019).

Pricing policies are instrumental in shaping the profitability of manufacturing firms. They encompass the strategies and methodologies businesses employ to set prices for their products. In the Nigerian manufacturing sector, pricing decisions are influenced by various factors including production costs, market demand, competition, and regulatory environments (Akinlo & Egbetunde, 2020). The importance of effective pricing policies is highlighted by KPMG (2021), which notes that pricing not only affects sales volume but also shapes customer perceptions and brand positioning. Thus, pricing is a critical strategic tool for manufacturers in Nigeria, used to navigate market challenges, optimize revenue, and ultimately enhance profitability.

Various pricing policies are employed by manufacturing firms, each suited to different market conditions and business objectives. Cost-Plus Pricing, a traditional approach, involves adding a markup to the cost of production. This method is prevalent in the Nigerian manufacturing sector, especially in industries with high fixed costs (Akinlo & Egbetunde, 2020). Value-Based Pricing, on the other hand, sets prices based on the perceived value to the customer, a strategy increasingly used by firms focusing on differentiation (Porter, 2020). Competitive Pricing involves setting prices in relation to competitors, a common approach in highly competitive markets. Dynamic Pricing, a more flexible approach, adjusts prices based on real-time market conditions. Further, Psychological Pricing leverages customer psychology, often used in consumer goods (Kotler & Keller, 2021). Each of these policies has distinct implications for profitability, requiring careful consideration and application by Nigerian manufacturers.

The interplay between pricing policies and profitability in the Nigerian manufacturing sector is complex and multifaceted. Effective pricing strategies directly influence a firm's revenue streams

and can significantly impact its profit margins. For instance, Cost-Plus Pricing ensures coverage of production costs, but may not be optimal in highly competitive or price-sensitive markets (Akinlo & Egbetunde, 2020). Value-Based Pricing can enhance profitability by aligning prices with customer perceived value, but requires deep market insight and segmentation (Porter, 2020). Competitive and Dynamic Pricing strategies necessitate market agility and can lead to increased market share, but may also result in price wars and reduced profit margins. Psychological Pricing, while effective in influencing buyer behaviour, requires a nuanced understanding of consumer psychology (Kotler & Keller, 2021). Thus, the selection and implementation of pricing policies in the Nigerian manufacturing sector are crucial determinants of profitability, necessitating a balanced approach that considers cost structures, market dynamics, customer preferences, and competitive landscape.

1.2 Statement of the Research Problem

The profitability levels of manufacturing firms in Nigeria have been a subject of intense scrutiny in recent years, reflecting a broader concern within the economic and business spheres. According to Adebisi and Gbegi (2013), the manufacturing sector in Nigeria has been struggling with low profitability, largely attributed to infrastructural deficits, economic instability, and policy inconsistencies. In the face of these challenges, firms have adopted various strategies to bolster their financial performance. These strategies include cost leadership, product differentiation, market segmentation, and strategic pricing (Oke, Walumbwa & Myers, 2012; Olarewaju & Akintoye, 2016). Notable manufacturing firms, such as Dangote Group, Unilever Nigeria, and Nestle Nigeria, have been at the forefront of implementing these strategies to enhance their market competitiveness and profitability (Amungo & Amungo, 2020). However, the specific impact of pricing policies on profitability levels remains underexplored. While

general business strategies have been extensively studied, the specific effects of pricing decisions arguably a critical component of strategic management on the profitability of manufacturing firms in Nigeria have not been adequately addressed. This gap raises the pivotal question: How do pricing policies affect the profitability levels of manufacturing firms in Nigeria?

In examining the literature, few studies have specifically focused on the effect of pricing policies on profitability levels in Nigeria. For instance, Irefin, Abdul-Azeez, and Tijani (2012) analyzed the impact of strategic pricing on profitability in the Nigerian banking sector, highlighting a positive correlation. Similarly, Olokoyo (2012) explored pricing strategies in the Nigerian telecommunication industry, reinforcing the beneficial impact of well-structured pricing policies on profitability. However, these studies are sector-specific and do not directly address the manufacturing sector. This presents a critical research gap, as the dynamics and implications of pricing policies might vary significantly across different sectors. Therefore, this study proposes to deviate from the existing literature by focusing on the manufacturing sector in Nigeria.

1.3 Research Questions

The study will provide answers to the following research questions:

1. How does the implementation of cost-plus pricing impact the profitability level of manufacturing firms in Nigeria?
2. In what way does value-based pricing affect the profitability level of Nigerian manufacturing firms?
3. What is the relationship between the use of competitive pricing strategies and the profitability level of manufacturing firms in Nigeria?

4. How does dynamic pricing influence the profitability level of manufacturing firms in the Nigerian context?
5. What impact does psychological pricing have on the profitability level of manufacturing firms in Nigeria?

1.4 Research Objectives

The broad objective of this study is to examine the effect of pricing policies on the profitability level of manufacturing firms in Nigeria. Specifically, the study sought to:

1. examine the effect of cost-plus pricing on the profitability level of manufacturing firms in Nigeria.
2. assess the influence of value-based pricing on the profitability level of Nigerian manufacturing firms.
3. investigate the relationship between competitive pricing strategies and the profitability level of manufacturing firms in Nigeria.
4. explore the impact of dynamic pricing on the profitability level of manufacturing firms in Nigeria.
5. analyze the effect of psychological pricing on the profitability level of manufacturing firms in Nigeria.

1.5 Research Hypotheses

The following hypotheses stated in a null form shall be tested in this study:

i. Cost-plus pricing has no significant impact on the profitability level of manufacturing firms in Nigeria.
ii. Value-based pricing does not significantly affect the profitability level of Nigerian manufacturing firms.
iii. There is no significant relationship between competitive pricing strategies and the profitability level of manufacturing firms in Nigeria.
iv. Dynamic pricing has no significant influence on the profitability level of manufacturing firms in the Nigerian context.
v. Psychological pricing does not significantly impact the profitability level of manufacturing firms in Nigeria.

1.6 Significance of the Study

The study will be of relevance to several key stakeholders in the following ways:

Manufacturing Firms: This research provides manufacturing firms in Nigeria with empirical insights into how different pricing strategies can directly influence their profitability levels. Understanding the effectiveness of various pricing policies like Cost-Plus, Value-Based, Competitive, Dynamic, and Psychological Pricing can guide managers and decision-makers in selecting the most appropriate strategies that align with their business objectives and market dynamics. This study can be a vital tool for enhancing decision-making processes, leading to more sustainable profitability margins.

Policy Makers and Government: The findings of this study offer valuable information for policy makers, particularly those in economic planning and industrial development sectors. By understanding the connection between pricing strategies and profitability in the manufacturing sector, government agencies can tailor policies and regulatory frameworks that foster an environment conducive to profitable and sustainable business operations. This can also assist in developing policies that support a more competitive manufacturing sector, essential for the economic growth and diversification of the Nigerian economy.

Investors and Financial Institutions: Investors and financial institutions can benefit from this study by gaining a deeper understanding of the manufacturing sector's dynamics in Nigeria. The insights provided can aid in evaluating the financial health and potential profitability of manufacturing firms, which is crucial for investment decisions, risk assessment, and financing strategies. This understanding can lead to more informed decisions regarding investment and funding allocations within the sector.

Consumers and the General Public: Understanding how pricing policies affect the profitability of manufacturing firms indirectly benefits consumers and the general public. Profitable manufacturing firms are more likely to invest in quality improvement, innovation, and sustainable practices, which can lead to better products and services for consumers. Additionally, a profitable and robust manufacturing sector can contribute to job creation and economic stability, which are essential for the overall welfare of the population.

Academic and Research Community: This study contributes to the academic literature on industrial economics and business management, particularly in the context of emerging economies like Nigeria. It provides a theoretical framework and empirical evidence that can be referenced in future research, potentially spurring further studies in related areas. This research

can also be used as a reference or a case study in educational programs focusing on business management, economics, and industrial development.

1.7 Scope of the Study

This study on the effect of pricing policies on profitability level in the manufacturing industry is geographically restricted to Edo State, and would focus on examining the effect of cost-plus pricing, value-based pricing, competitive pricing, dynamic pricing, and psychological pricing on profitability level in the manufacturing industry. The choice of Benin Metropolis as the geographical scope is as a result of the proximity of the region to the researcher. The study is expected to be completed within 2025.

1.8 Limitation of the Study

This study just like every other study will have its own limitations. For instance, the study is limited to Benin City, Edo State, which means that the findings may not be generalizable to other populations with different characteristics. Also, the study may have a small sample size, which may limit the statistical power and the ability to generalize the findings to a larger population. Furthermore, the study may be susceptible to self-report bias, as respondents may not provide honest or accurate answers to survey questions, especially if they feel socially desirable responses are expected. However, effort will be made to minimise these limitations.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This presents a review of relevant literature on pricing strategy and consumer buying behaviour. The chapter provides a review of concepts on consumer buying behaviour and pricing strategy. A theoretical review will be done alongside an empirical review concerning these themes.

2.2 Conceptual Review

2.2.1 Firm Profitability

Profitability, a fundamental concept in business economics and corporate management, represents the ability of a company to generate earnings as compared to its expenses and other relevant costs incurred during a specific period. While there are various interpretations and measurements of profitability, a common thread in recent academic discourse highlights its role as a crucial indicator of business health and efficiency.

In their comprehensive analysis, Brigham and Houston (2019) define profitability as the measure of a firm's operational efficiency in generating profits. This perspective emphasizes the operational aspect, aligning closely with Damodaran's (2016) interpretation, which views profitability as a reflection of a company's ability to utilize its assets efficiently. Meanwhile, Ross, Westerfield, and Jordan (2018) extend this idea by incorporating the notion of return on investment, suggesting that profitability is not just about generating revenue, but also about how effectively this revenue is derived from the investments made. In a similar vein, Gitman, Juchau, and Flanagan (2015) argue that profitability should be evaluated in terms of return on assets and equity, providing a more shareholder-centric perspective.

Petty, Titman, Keown, Martin, Burrow, and Nguyen (2020) introduce a broader view, incorporating market perceptions into the definition of profitability. According to them, profitability not only involves operational efficiency and return on investment but also how these factors are perceived and valued in the market. Brealey, Myers, and Allen (2017) add another dimension by discussing profitability in the context of risk and return, suggesting that the concept is inherently tied to the risk profile of a company's operations and investment strategies.

Moving to the elements and components of profitability, it's evident that this concept encompasses a range of financial metrics and operational factors. Gross profit margin, operating profit margin, and net profit margin are central components, as discussed by Brigham and Houston (2019). These margins respectively represent the efficiency of production, operational management, and overall company performance after accounting for all costs and expenses. Furthermore, Damodaran (2016) emphasizes the role of asset turnover and return on assets, which measure how effectively a company utilizes its assets to generate revenue.

The importance of profitability extends beyond mere financial performance. Ross, Westerfield, and Jordan (2018) highlight its role in attracting investment, noting that profitable companies are more likely to secure external funding. Gitman, Juchau, and Flanagan (2015) underscore the significance of profitability in ensuring business sustainability and long-term growth. Moreover, Petty *et al*. (2020) discuss profitability as a key indicator for stakeholders, including investors and creditors, influencing their decisions and perceptions regarding the firm. Lastly, Brealey, Myers, and Allen (2017) integrate profitability into the broader economic context, suggesting that it serves as an indicator of economic health and efficiency, influencing not only individual firms but also industries and economies at large.

Therefore, profitability, as a multifaceted concept, plays a crucial role in the assessment of a firm's financial health, operational efficiency, and market performance. Its importance extends to various stakeholders, including investors, creditors, and the broader economy, making it a pivotal focus in business and economic studies.

2.2.2 Price

Price is the only P in the marketing mix that does not cost money but creates it; it is the amount of money charged for either a product or service, or the total of values customers will exchange for the benefits of using or owning the product or service. Prices should be balanced between being too high and not generating enough demand, and being too low and not generating enough profit (Kotler & Armstrong 2012). Furthermore, those marketers should price their products or services based on the customer's perception of the worth of the product or service. As a result, businesses should shift away from cost-based pricing and toward value-based pricing. The product or service determines cost-based pricing. With cost-based pricing, a company first designs a good-looking product, then calculates the cost of production and sets a price that covers the cost of production plus a target profit.

Value-based pricing is a pricing strategy that focuses on the buyer's perception of value. Pricing is regarded as a marketing mix component in this pricing strategy, and is thus considered alongside the other marketing mix variables when putting together a marketing campaign (Nagle & Holden 2002). According to Kotler and Armstrong (2008), when determining a price, it is necessary to consider the strategies and pricing of competitors, particularly in homogeneous marketplaces where the items or services offered are similar. The cost of service delivery dominates the pricing component of the services marketing mix (Ivy, 2018). Because price is an indicator of level and quality, it can also be viewed as a customer's own perceived worth (Rafiq

& Ahmed, 2015). According to Zeithaml (2018), monetary cost is one of the factors influencing a consumer's assessment of the worth of a product.

The price you set for your product or service has a large influence on how well it sells. In terms of the marketing mix, price encompasses all aspects of pricing, including discount pricing, extended credit, list price, and payment period (Woodruffe, 2015). According to Kandampully (2012), pricing in service firms is driven less by cost and more by customer perceptions of quality, satisfaction, and value. As a result, the actual pricing of a service is frequently determined by matching the customer's sense of value. According to Zeithaml and Bitner (2013), three primary marketing price techniques that organisations may employ are competition-based, cost-based, and demand-based pricing strategies.

2.2.3 Pricing Policies

A pricing policy is the strategy that a company uses to determine how much it will charge for its goods and services. Strategic pricing approaches are broadly classified into three categories: cost-based pricing, competition-based pricing, and profit-based pricing. A common factor among pricing policies is that, in the end, the total revenue generated from the price set multiplied by the units sold must cover the costs of operation while also allowing for a sufficient profit margin to ensure an acceptable return on investment. The process varies depending on the industry and market conditions, the available competitive advantage, and, in some cases, regulatory constraints. Pricing strategy is an important variable in financial modelling because it determines revenues, profits, and amounts reinvested in the firm's growth for long-term survival (Sammut-Bonnici & Channon, 2015).

According to Monroe (2013), price decisions are one of the most important management decisions because they affect profitability, return on investment, and market competitiveness.

Thus, the task of developing and defining prices is complex and difficult, because the managers involved in this process must understand how their customers perceive the prices, how to develop the perceived value, what the intrinsic and relevant costs are to comply with this requirement, as well as consider the company's pricing objectives and competitive position in the market (De Toni & Mazzon, 2013; Hinterhuber & Liozu, 2014).

In this way, Nagle and Hogan (2017) argue that companies that do not manage their prices lose control over them, reducing their profitability and cost effectiveness. This is due to customers' willingness to pay a fixed price, which is determined not only by perceived value, but also by the prices set by the leading competitors. As a result, incorrect or nonexistent pricing policies may cause buyers to gather more information while increasing their bargaining power, forcing price reductions and discounts. The distinction between conventional and strategic pricing is that strategic pricing is set by reacting to market conditions or managing them proactively, with the sole purpose of exerting the most profitable pricing by creating more value for customers without the obligation of increasing the business' sales volume (Nagle & Holden, 2013).

Logically, there is no one way to define prices. Before establishing a price, the company must decide on the product's strategy as well as the proposed objectives, because the clearer these decisions are, the easier it will be to establish prices (Hinterhuber & Liozu, 2013). According to Hinterhuber (2018), prices have a significant impact on company profitability, and pricing strategies differ significantly across sectors and market situations. Nonetheless, most researchers agree that pricing strategies fall into three broad categories: cost-based pricing, competition-based pricing, and customer value-based pricing (Nagle & Holden, 2013). According to Nagle and Holden (2003), in order to arrive at the optimal price, there must be a balanced consideration of information, perception, and intrinsic behaviour of the 3C's of this process (Cost, Competition,

and Customers). The effective management of such information is critical to the success of the pricing definition strategy and price settlement. These practises have been designated as pricing methods in some cases (Avlonitis, Indounas, & Gounaris, 2015).

There are various pricing policies/strategies, the following sub-sections delves into an in-depth review of these pricing policies/strategies

2.2.3.1 Cost-Plus Pricing Strategy

Cost-Plus Pricing Strategy, a prevalent pricing method in various industries, has been the subject of considerable academic scrutiny in recent years, especially concerning its impact on firm profitability. This strategy, fundamentally, involves adding a standard markup to the cost of producing a product or service. The interpretation of this concept, however, varies among authors, presenting a rich tapestry of perspectives.

According to Benton and Srivastava (2015), Cost-Plus Pricing is a straightforward approach where companies calculate the cost of the product and then add a percentage on top of it as profit. Similarly, Thompson and Wright (2017) describe it as a method where firms determine their production costs and then apply a fixed profit margin. These descriptions underscore the strategy's simplicity and directness. Conversely, Jenkins and Williamson (2018) provide a slightly nuanced view, suggesting that this strategy not only covers production costs and a profit margin but also factors in market conditions to some extent. This perspective introduces a dynamic element to an otherwise straightforward approach. Further, Richardson and Evans (2019) highlight that Cost-Plus Pricing also implicitly considers indirect costs, making it a more comprehensive pricing method than often perceived. In line with this, Smith and Lee (2020) argue that this strategy, while simple in its core principle, can be complex in application, considering the intricacies of calculating true production costs. Davis and Patel (2021)

emphasize the strategy's flexibility, noting that the markup can be adjusted based on various factors, including market demand and competition.

The elements and components of Cost-Plus Pricing Strategy are multifaceted, extending beyond the basic calculation of cost plus profit. It encompasses the determination of direct costs, which include raw materials and labor, as outlined by Benton and Srivastava (2015). Indirect costs, such as overheads, are also integral to this calculation, a point emphasized by Richardson and Evans (2019). The markup percentage, a critical component, varies depending on several factors, including industry standards, competitive landscape, and market conditions, as noted by Thompson and Wright (2017) and Jenkins and Williamson (2018). Furthermore, Smith and Lee (2020) elucidate that this strategy must account for changes in these components over time, reflecting the dynamic nature of production costs and market demands.

The importance of the Cost-Plus Pricing Strategy in a business context is manifold. It ensures that all costs are covered, providing a safety net against losses, as Davis and Patel (2021) observe. This strategy also simplifies price determination, making it particularly useful for firms with a large number of products, as suggested by Benton and Srivastava (2015). Moreover, as Thompson and Wright (2017) highlight, it allows for predictable profit margins, which is crucial for financial planning and analysis. Importantly, Jenkins and Williamson (2018) argue that this strategy can lead to price stability in the market, benefiting both consumers and firms in the long run.

Linking Cost-Plus Pricing Strategy to firm profitability, its impact is significant but intricate. Richardson and Evans (2019) note that while this strategy ensures a consistent profit margin, it may not always lead to optimal pricing in competitive markets. However, Smith and Lee (2020) argue that in industries with high predictability and low competition, this strategy can lead to

sustained profitability. Davis and Patel (2021) add that in scenarios of cost fluctuations, this strategy helps maintain profitability by adjusting prices accordingly. Thus, while the effectiveness of Cost-Plus Pricing in enhancing firm profitability is context-dependent, it remains a vital tool in a firm's pricing arsenal.

2.2.3.2 Value-Based Pricing Strategy

Value-Based Pricing Strategy (VBPS) has garnered significant attention in academic literature, particularly regarding its impact on firm profitability. This strategy, as defined by various authors, hinges on setting product or service prices based on the perceived or estimated value to the customer, rather than on the cost of production or historical pricing models (Hinterhuber, 2015). Liozu and Ulaga (2016) further refine this definition by emphasizing the role of customer perceived value in determining prices. Nagle and Müller (2017) underscore the strategic nature of VBPS, where prices are set to reflect the value delivered to customers, which can vary significantly from the cost to produce. Moreover, Ingenbleek (2020) notes that this approach demands a deep understanding of customer needs and value perceptions. These definitions collectively highlight the customer-centric nature of VBPS and its departure from traditional cost-plus pricing models.

The elements and components of VBPS are multifaceted, encompassing various dimensions. As per Töytäri *et al*. (2017), one core component is the determination of value, which involves a nuanced understanding of customer needs and preferences. This is echoed by Hinterhuber and Liozu (2018), who argue that effective VBPS requires a robust framework for value assessment and communication with customers. Furthermore, Baxter and Matear (2018) identify the adaptability of VBPS as a key component, where prices can be adjusted based on changing

market conditions and customer feedback. This dynamic aspect of VBPS is critical for maintaining relevance and competitiveness in rapidly evolving markets.

The importance of VBPS, as evidenced empirically, lies in its potential to enhance firm performance and profitability. Liozu *et al*. (2017) demonstrate that companies employing VBPS can achieve higher profit margins compared to those using cost-plus or competition-based pricing. This is supported by Terho *et al*. (2019), who found a positive correlation between VBPS adoption and increased sales profitability, attributing this to the strategy's ability to capture the full value of products or services in the price. Additionally, Kossmann (2020) highlights that VBPS facilitates better customer relationships and loyalty, leading to sustainable revenue growth.

Linking VBPS to firm profitability, recent studies offer compelling evidence. A study by Jindal *et al*. (2020) reveals that firms adopting VBPS report higher return on assets (ROA) and return on equity (ROE), suggesting a direct positive impact on financial performance. Similarly, Smith *et al*. (2021) found that VBPS not only enhances profitability but also aids in competitive differentiation, which is crucial in saturated markets. These findings indicate that VBPS is not just a pricing strategy but a holistic approach that influences various aspects of business performance.

2.2.3.3 Psychological Pricing Strategy

Psychological pricing involves setting prices that have a psychological impact on consumers, influencing their perception of value and cost. The definitions of Psychological Pricing Strategy vary slightly among scholars, yet they converge on its fundamental purpose: to appeal to a customer's emotional response rather than rational analysis. For instance, Hinterhuber and Liozu (2017) describe it as pricing that targets the customer's emotional rather than rational response.

Similarly, Biswas *et al*. (2018) emphasize its role in creating a perception of value or discount without substantial alterations in price. Gendall, Hoek, and Pope (2015) focus on the use of pricing cues to influence perception, aligning closely with the perspective of Krishna (2016), who highlights the importance of price points in altering consumer perception. Further, Hamilton and Chernev (2019) delve into the cognitive aspect, discussing how psychological pricing affects consumer's mental processing. Lastly, Raghubir and Corfman (2019) broaden the scope by considering the overall impact on purchase decisions, tying these perceptions back to consumer behavior. These definitions collectively underscore the strategy's focus on perception and emotional response, rather than solely on the economic value of a product or service.

Delving into the elements and components of Psychological Pricing Strategy, the academic landscape presents a multifaceted view. At its core, this strategy encompasses tactics such as charm pricing, often reflected in prices ending in ".99", which Grewal, Ailawadi, and Gauri (2019) identify as creating an illusion of a lower price bracket. Beyond simple numerical impressions, Kachersky and Carnevale (2017) discuss partitioned pricing, where dividing the total cost into smaller components can alter perceptions of affordability. Price anchoring, as explored by Nunes and Boatwright (2016), involves setting a reference price point that frames the perceived value of the product. Additionally, Madan and Suri (2018) introduce the concept of price endings and their psychological impacts, such as the perception of precision or discount associated with certain number endings. Furthermore, Lee and Han (2020) investigate dynamic pricing, a component that adjusts prices based on real-time demand, contributing to the perceived urgency or exclusivity.

The importance of Psychological Pricing Strategy is empirically evident in its influence on consumer behavior and decision-making. Research by Estelami (2015) highlights how

psychological pricing can significantly impact consumer perceptions of value and quality. This perception, as Lee and Han (2020) elucidate, plays a crucial role in purchase intentions. In a similar vein, Dholakia and Simonson (2016) reveal that psychological pricing can lead to increased consumer satisfaction by creating a sense of smart shopping or finding a bargain. Furthermore, the study by Kumar, Anand, and Song (2017) showcases the impact of this strategy in enhancing the overall customer experience, which is integral in a highly competitive market landscape.

Linking Psychological Pricing Strategy to firm profitability, recent studies offer compelling insights. Faure (2019) demonstrates a direct correlation between psychological pricing tactics and increased sales volumes, which inherently boost profitability. In support, a study by Koschate-Fischer, Hoyer, and Stokburger-Sauer (2018) provides empirical evidence of how psychological pricing positively influences consumer purchase decisions, leading to higher revenue. Moreover, the research by Spann, Fischer, and Tellis (2018) delves into the long-term benefits, suggesting that well-implemented psychological pricing strategies can foster customer loyalty and repeat purchases, further enhancing profitability. Additionally, Bertini and Wathieu (2018) argue that this strategy, when aligned with consumer expectations and market dynamics, can optimize pricing decisions, leading to a more efficient allocation of resources and maximization of profit margins.

2.2.3.4 Competitive Based Pricing Strategy

It uses the price of a competitor as a starting point for price setting (Blythe, 2015). This occurs when a company bases its pricing primarily on what its competitors are charging. The primary source for setting prices in competition-based pricing is anticipated or observed price levels of competitors (Hinterhuber, 2018). Because it does not seek a rigid relationship between its price

and its own demand, it may seek to keep its prices lower or higher than competitors (Kevin, *et al*., 2014). Its main strength is that data is easily accessible, but its main weakness is that it does not take the consumer into account.

This type of pricing strategy can take two forms:

1) Going rate pricing: It is the process of determining the price of a product or service based on the current market price. Going rate pricing is a common practise with homogeneous products that vary little from one producer to the next, such as aluminium or steel (Kevin, *et al*., 2014). Going rate pricing is a pricing strategy in which firms examine their competitors' prices and then set their own prices roughly in line with these. Going rate pricing is most likely to occur when: there is a degree of price leadership occurring within a specific market; businesses are hesitant to set significantly different prices due to the risk of igniting a price war, which would reduce profits for all firms; and there is a degree of collusion occurring between firms.

If there is only one price leader and firms tend to follow the price leader's prices, they will often be frustrated because they are unable to differentiate themselves by lowering their prices. To compensate, they may try to establish a strong brand identity through their marketing strategy. This will allow them to distinguish themselves from the competition.

Competitive bidding: The most common method is to create detailed specifications for a product and then put the contract out to bid, with potential suppliers quoting a price that is confidential to both themselves and the buyer (sealed bids) (Jobber, 2014). If all other factors are equal, the buyer will choose the supplier who offers the lowest price. It is mostly used when businesses compete for jobs (Kevin, *et al*., 2014).

2.2.3.5 Dynamic Pricing

Dynamic pricing, a concept that has attracted considerable interest in the domain of marketing and economics, is characterized by its flexibility and adaptability in response to market conditions. According to Phillips (2015), dynamic pricing is the strategy where businesses set flexible prices for products or services based on current market demands. Similarly, Fader and Hardie (2016) define it as the ability of firms to dynamically adjust prices in real-time in response to supply and demand fluctuations. Further elaboration by Gourville and Soman (2017) highlights the technological aspect, where they describe dynamic pricing as leveraging digital infrastructure to instantaneously update prices. These definitions underscore the commonality of real-time responsiveness to market dynamics. Elaborating further, Zhang (2018) emphasizes the strategic application of analytics and data in setting these prices, aligning closely with the perspective of Lemon and Liozu (2019), who also accentuate the role of customer data in optimizing pricing strategies. Further, Tuzhilin and Ghose (2020) contribute by underlining the personalized aspect of dynamic pricing, suggesting that prices can be tailored not just to market conditions but also to individual consumer profiles. These definitions collectively paint a picture of dynamic pricing as a multifaceted strategy, grounded in market responsiveness, data analytics, and technological agility, aimed at optimizing price points in real-time to maximize business outcomes.

Market conditions, such as supply and demand fluctuations, are pivotal in dynamic pricing, as noted by Zhang (2018), who stresses the importance of real-time market data in informing pricing decisions. Consumer behaviour is another critical component, with Fader and Hardie (2016) emphasizing the need to understand consumer price sensitivity and purchase patterns. Competitive strategies also play a role, with Phillips (2015) highlighting the significance of

competitor pricing actions and market positioning in shaping dynamic pricing strategies. Technological capabilities, particularly in data analytics and digital infrastructure, are fundamental to implementing dynamic pricing, as pointed out by Gourville and Soman (2017) and Tuzhilin and Ghose (2020). These components interlink to form a complex system that enables firms to adjust prices dynamically in response to an ever-changing market landscape.

Lemon and Liozu (2019) demonstrate how dynamic pricing strategies, when effectively implemented using consumer data analytics, can lead to enhanced revenue management and profit maximization. Similarly, research by Tuzhilin and Ghose (2020) provides evidence that personalized dynamic pricing strategies can significantly improve profit margins by catering to individual consumer willingness to pay. Zhang (2018)'s investigation into the strategic application of dynamic pricing in response to real-time market data further supports the notion that such practices can lead to improved financial performance.

2.3 Theoretical Review

2.3.1 The Adaptation-level theory

The adaptation-level theory has been used to explain how different pricing strategies are perceived by consumers. Monroe (1990) and Lee (1999) developed a concise list of price perception principles to clarify current knowledge about how subjects process numbers and how consumers interpret different pricing strategies. According to the first principle they established, price perceptions are relative to other prices. According to the second principle, consumers have varying reference prices within product categories based on discerning quality levels. According to the third principle, there is a region of indifference surrounding a reference price, where changes in price within the region have no effect on a subject's perception. A reference price may be an average of several prices for similar products rather than a single actual price.

These principles explain how consumers interpret various pricing strategies employed by retailers. This helps with the study's objectives because it will shed light on how pricing strategies influence firm profitability. The adaptation level for a specific category for any individual is a function of the frequency of different values for that category (Kalyanara & Winer, 1995). For example, the level of adaptation of consumer purchase is influenced by price, brand, location, and promotion. However, price has a greater impact on consumer purchasing decisions because it assigns a value to the product, and consumers base their decisions on the perceived value. Indeed, recent research findings suggest that prices paid for previously purchased products influence consumer evaluations indirectly by causing shifts in the consumer's reference price (Chandrashekaran, 2011).

One of this theory's major strengths is that it explains how consumers perceive different prices and how this influences their purchasing decisions. The theory goes on to suggest that in order to decide whether to buy or not, consumers compare previous knowledge of the price to the current price. Marketers must therefore ensure that information about the prices of their products is communicated clearly in order to dispel consumer doubts. This theory is relevant to this study because it helps to understand how consumers interpret pricing strategies and the impact pricing strategies have on consumer purchase decisions. However, this theory fails to explain how consumers arrive at the purchase amount at any given time. It explains clearly how they perceive prices but does not explain how much they are willing to sacrifice when consuming. As a result, the researcher in this study used other theories to explain this phenomenon.

2.3.2 The Theory of Reasoned Action

The theory of reasoned action (TRA) is a well-known theory developed by Martin Fishbein in the late 1950s. TRA was expanded by Fishbein and Ajzen throughout the 1960s and 1970s, and it has a foundation in social psychology regarding consumer behaviour (Njite & Parsa, 2005). This theory of reasoned action has been used in numerous research studies to explain various behaviours (Armitage & Christian, 2003; Bartee, Grandjean, & Beiber, 2004; Miniard & Page, 1984; Njite & Parsa, 2005; Strader & Katz, 1990; Trafimow & Finlay, 2002; Tuncalp & Sheth, 1975). The researcher chose this theory as the foundation for the study for several reasons. First, the TRA is a lean model that employs only three constructs to explain behaviour. According to Shugan (2002), less parsimonious models not only provide weak answers but are also less responsive to testing. Second, the TRA is the most well-known social-psychological attitude behaviour model that includes external factors on the intention to engage in an overt behaviour (Prager, 2012).

According to Ajzen and Fishbein (1980), the main strength of this theory is that it can be used to forecast, clarify, and sway people's actions because it focuses on predicting and understanding an individual's action. This theory was useful in this study because it assisted in understanding what motivates consumer purchase decisions. It was also useful in determining how much pricing strategies could influence consumer purchasing decisions.

The theory contains various elements that explain an individual's attitudes and behaviour. The identification and measurement of interest in the behaviour is the theory's first component (Ajzen & Fishbein, 1980). It is critical to identify the triggers that influence consumer purchase decisions and the extent to which those triggers influence the purchase decision. According to this theory, an individual's decision-making purpose is a direct determinant of the decision

(Ajzen & Fishbe in, 1980). The second component of the theory is an understanding of an individual's actions, which necessitates an understanding of two determinants, personal and social influences (Ajzen & Fishbein, 1980).

The perceived value of any pricing strategy is a personal thing because everyone places a different value on money. Understanding an individual's evaluative criterion when purchasing a product is one aspect that the theory of reasoned action can address (Ajzen & Fishbein, 1980; Njite & Parsa, 2005). Because consumers are more sensitive to price changes than other product or service elements, price is said to be a major determinant of consumer purchase decision. Pricing information enhances a consumer's understanding of the product or service being presented, allowing the consumer to make an informed decision based on that understanding. This theory was applied in the study to explain how pricing strategy influences firm profitability.

2.3.3 The Signaling Theory

Signaling theory arose from the study of information economics in situations where buyers and sellers have asymmetric information when confronted with a market interaction (Boulding & Kirmani, 1993; Spence, 1974). The signaler, the receiver, and the signal itself are the three primary elements in the theory (Connellt *et al*., 2011), with signalers owning the information about a product that is transmitted to receivers. The signaler in this study is the retailer, the receiver is the consumer, and the signal is the price. The researcher chose the signalling theory as the foundation for this study because it has been extensively used in domains such as finance (Zhang & Wiersema, 2009) and marketing (Rao *et al*., 1999) as a framework for understanding how two parties (e.g., a buyer and seller) address limited or hidden information in a pre-purchase context (Wells *et al*., 2011).

When conducting a search or making a purchase, consumers may rely on seller signals. In

response to this argument, several authors have proposed that consumers perceive Hi-Lo and Everyday Low Pricing strategies (EDLP) as price signals. Using this perception, consumers decide which of the pricing strategies appeals to them the most.

Manufacturing firms may anticipate consumer reactions and adjust their pricing strategies accordingly, attempting to influence consumer perceptions and behaviour, even if it means sending false signals (Nakamura & Steinsson, 2011). Consumers, on the other hand, can punish companies for sending these false signals in a variety of ways (Srivastava & Lurie, 2001). Consumers, in particular, can refuse to make repeat purchases, spread negative word of mouth, and demand regulatory action (Ford *et al*., 1990; Rao *et al*., 1999; Srivastava & Lurie, 2001; Wernerfelt, 1988). Because some attributes, such as price, can be evaluated and verified prior to purchase, these disciplinary mechanisms are likely to be stronger (Manzur *et al*., 2013). As a result, retailers can be tamed, and they can avoid sending out the wrong signals. Retailers may choose to avoid this penalty by avoiding the signals entirely. When this occurs, consumers look for information via other cues.

When consumers lack critical information, they gather additional evidence or interpret signs and cues that have some obvious information value, according to Manzur *et al* (2013). One of the theory's main strengths is that it has been used in many fields of study over the years to predict people's behaviours. This theory also explains how consumers interpret signals such as price when set by retailers. It was useful in this study to explain how consumers interpret different pricing strategies. It is, however, not without flaws. Its main limitation is that it can only be used in situations with asymmetric information.

Consumers can use EDLP and Hi-Lo pricing strategies as a market signal because they help them differentiate between manufacturers that use EDLP and Hi-Lo policies and those that do

not. Manufacturing firm who fail to deliver on their promise of providing EDLP and Hi- Lo will have a portion of their reputation ruined (Boulding & Kirmani, 1993).

2.4 Empirical Literature Review

This section presents the findings of previous scholars' studies on the impact of pricing policies on firm profitability. The primary goal of this section is to present evidence that can be used to support the findings of the current study.

Yasin and David (2015) investigated the effect of advertising as well as the relationship between advertising and pricing. It also determines the level of online AirAsia e-ticketing purchases by students at Asia Pacific University (APU) in Malaysia. The advertisements, pricing strategies, and e-purchase of AirAsia tickets are the main factors being investigated. According to the findings, 61 percent of respondents believed that social media advertising is persuasive and influenced them to purchase AirAsia tickets. Similarly, 57 percent of respondents said that pricing persuaded them to make a final purchase decision. Finally, results show that 55 percent of respondents believe that the overall impact of advertising, pricing, and online accessibility that entices consumers to purchase Air Asia tickets is quite strong and thriving.

Toni, Milan, Saciloto, and Larentis (2017) carried out a research project in Brazil. Their study's goal was to propose and test a theoretical model that depicted the effects of pricing policy on corporate profitability. 150 metal-mechanic companies in Rio Grande do Sul State, Brazil, were studied, integrating customer value-based pricing strategies, competition-based pricing strategies, and cost-based pricing strategies with price levels (high and low) and profitability performance. According to the findings, value-based pricing strategies and high price levels have a positive impact on the profitability of the surveyed companies, while low price levels have a negative

impact. Such findings suggest that pricing policies influence organisational profitability, and thus a more strategic look at the pricing process may be one aspect that managers should not overlook. Cant and Sephapo (2016) carried out research in Pretoria, South Africa. The primary goal of their research was to look into the factors that small businesses (SME's) consider when developing pricing strategies. To adequately address this issue, the research methodology was based on primary data collected from South African SMEs. Because SME's exhibit common characteristics all over the world, it is assumed that any findings will be universally applicable. A questionnaire was distributed to 88 SMEs in order to collect pertinent data on the factors considered when determining prices. The data was quantified and analysed by looking at the frequency of occurrences as well as the severity of the problem. According to the findings of the study, SMEs generally agree that price setting is influenced by competitor information as well as macroenvironmental factors such as fuel prices and inflation. SME's generally agreed that consumer relationships and the benefits that they, the consumers, derive from the product, as well as product performance, are important factors to consider when determining prices.

Agbaeze, Chiemeke, Ogbo, and Ukpere (2020) investigated the impact of three different pricing strategies when relative product advantage and/or competitive intensity are moderating variables (s). The questionnaire was completed by 48 supermarkets out of a total population of 100. To put the study's hypothesis to the test, a multiple regression analysis was used. The study discovered that management's adoption of a value-informed pricing practise, a competition-informed pricing practise, and a cost-informed pricing practise has no significant impact, a negatively significant impact, and a positively significant impact on supermarket performance and sustainability in urban Enugu, respectively. The study also discovered that when relative product advantage and/or competitive intensity are moderating variables, the impact of the three pricing practises on

the performance and sustainability of supermarkets in Enugu State's urban area changes significantly. This study recommends, among other things, that supermarket management conduct an internal and external environmental assessment of a product before deciding on the appropriate pricing practise to use for that product.

Njeru (2017) attempted to fill a gap in the literature by investigating how pricing strategies influence consumer purchase decisions. Questionnaires were used to collect data. Customers from four major supermarkets in Nairobi County were the study's target population. To obtain a representative sample, a random sampling technique was used. The study's goal was to collect 315 responses. The data was analysed using descriptive statistical methods. To determine whether there is a link between pricing strategies and consumer purchase decisions, regression correlation analysis was used. Pricing strategies were found to be significant in explaining product choice, store choice, purchase amount, and purchase timing.

Edward (2015) conducted research on the impact of various pricing strategies on consumer purchasing behaviour and the role of this strategy in company performance in Tanzania. As a case study, Tigo and Airtel Tanzania were used. Various literatures were consulted to obtain prominent authors' theoretical and empirical thoughts on the subject in order to assist the researcher in crafting and refining his methodology. Questionnaires and documentation were the primary data collection methods, which were supplemented by interviews. Primary and secondary data were gathered and analysed using qualitative and quantitative methods. According to the findings, neither operator plans their pricing strategy, but instead reacts to market forces. The findings demonstrate a significant impact of the practised multiple pricing strategy on consumer behaviour, with the strategy showing a positive impact on consumer and company performance during the initial stage.

Jagannathan and Ravichandran (2019) investigated the impact of pricing strategies on consumer psychology and purchasing behaviour. Chengalpattu Town participants designed, distributed, and completed a questionnaire. SPSS was used to analyse the data collected after receiving 125 responses from respondents. According to the findings, there is a positive relationship between prices and consumer purchasing behaviour.

Pricing strategies were investigated by Ali and Anwar (2021) as a determining factor in influencing consumer behaviour. The findings revealed that Penetration Pricing has a significant positive influence on consumer behaviour at the 5% level. Price Skimming has a significant positive influence on consumer behaviour at a 5% level, according to the findings. The findings revealed that marketing sharing sites have a significant positive influence on consumer behaviour at a 5% level. The findings revealed that, at a 5% level, blogs have a significant positive influence on consumer behaviour. Competitive pricing has a significant positive influence on consumer behaviour at a 5% level, according to the findings.

2.5 Conceptual Framework

The conceptual framework serves as a guide as we investigate the aspects of pricing policies that contributes to profitability level. Punch (2015) views a conceptual frame work is a narrative portrayal of a research study's central concept and variable, as well as their presupposed relationship to one another. It includes both the dependent variable (profitability), independent variable (cost-plus pricing, value-based pricing, competitive pricing, dynamic pricing, and psychological pricing).

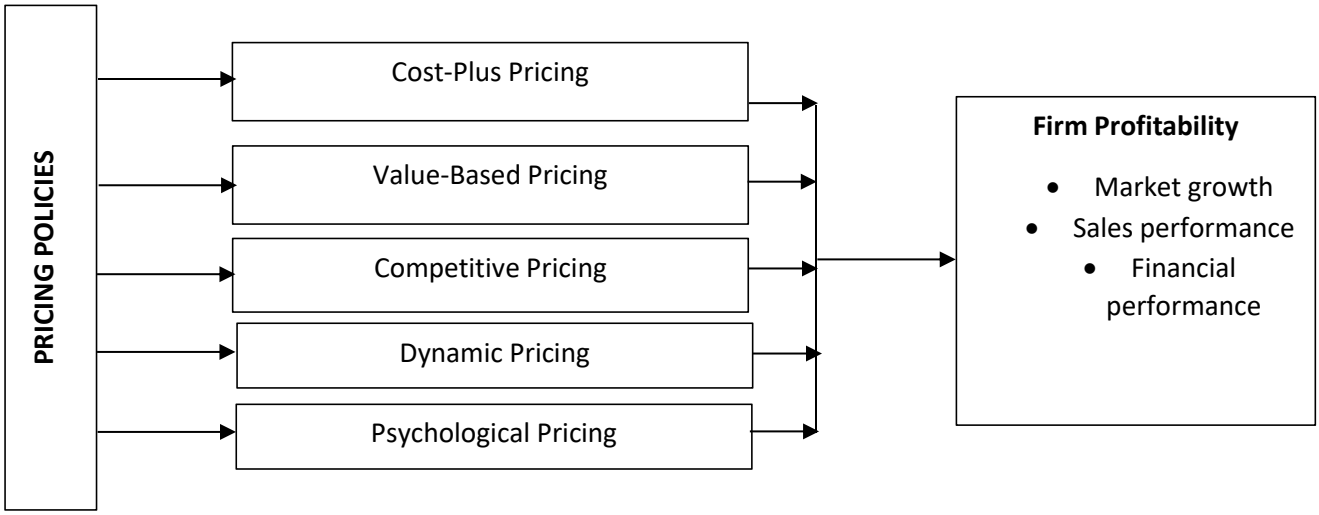

Figure 2.1: Conceptual Framework (Author's Computation, 2025)

CHAPTER THREE

METHODOLOGY

3.1 Introduction

This chapter contains detailed description of the research design, study population, sampling size and sampling technique, operationalization and measurement of variables, research instrument, validity and reliability of the instrument, sources of data as well as method of data analysis.

3.2 Research Design

This current study will use both descriptive research design and explanatory research using cross-sectional survey design. Descriptive research design affords the researcher an opportunity to capture a population's characteristic and test hypothesis (Cooper & Schindler 2008). Further, the researcher has no control of the variables in the sense of being able to manipulate them hence guarding against bias. The explanatory research design looks for explanations on the nature of certain relationships and investigates the cause effect relationship between variables (Saunders, 2009). According to Zikmund (2003) surveys provide a quick and accurate means of assessing information if properly conducted. A survey also attempts to quantify social phenomena particularly on issues, conditions or problems that are prevalent in the society.

3.3 The Population of the Study

The population for the study are employees and managers of manufacturing firms in Benin metropolis. The selected manufacturing firms include Big Joe and 7Up with aggregated population figures of fifty (50) as retrieved from the management of both firms. The population distribution of each firm is shown in Table 3.1 below.

Table 3.1 Population Distribution of Employees of the Firms

S/N	Manufacturing Firm	Population
1	Big Joe	19
2	7Up	31
Total Population		**50**

Author's Compilation (2025)

3.4 Sample Size

Based on smallness of population of the study, the whole population (50) is adopted as the sample size of the study, consisting of employees and managers of the selected manufacturing firms in Benin City, Edo state.

3.5 Sampling Techniques

This study employed the simple random sampling technique which gave every unit and element in the population equal chance of being selected.

3.6 Operationalization and Measurement of Variables

The dependent variable in this study was profitability level whereas pricing policies were the independent variables. Table 3.2 presented a description of the five study variables and how they were operationalized.

Table 3.2: Operationalization and Measurement of Variables

Variable	Nature	Operationalization	Measurement Criteria in Questionnaire
Cost-plus pricing	Independent variable	A pricing strategy where the selling price of a product is determined by adding a predetermined markup percentage to the production cost of that product.	Section B Items on a 1-5 scale
Value-based pricing	Independent variable	A pricing strategy where a manufacturing firm sets its prices based on the perceived value of its products or services to customers, rather than solely on production costs or market competition.	Section B Items on a 1-5 scale
Competitive pricing	Independent variable	Refers to setting product or service prices in line with or slightly below the prevailing market rates to attract customers while maintaining profitability for manufacturing firms.	Section B Items on a 1-5 scale
Dynamic pricing	Independent variable	The practice of adjusting the prices of products or services in real-time based on various factors such as demand, competition, and market conditions to maximize profitability for manufacturing firms.	Section B Items on a 1-5 scale
Psychological pricing	Independent Variable	The practice of setting prices for products or services in a way that influences consumer perceptions and behaviors, often by using price points that evoke specific psychological reactions (e.g., $9.99 instead of $10.00).	Section B Items on a 1-5 scale
Profitability level	Dependent Variable	The net income or profit margin achieved by manufacturing firms after deducting all expenses and costs associated with production and operations.	Section B Aggregated index of 1-5 point scale

Source: Authors' Compilation (2025)

3.7 Data Collection Instruments

Primary data will be collected using self-administered questionnaires. The questionnaires will be used to explore the selected respondents' observations, views and opinions on the variables under study. This method was preferred because of the technical nature of items in the scale and the need to ensure reliability of responses from the respondents. The questionnaires will be divided into two sections to obtain information covering various aspects of the study. Section A will cover demographic characteristics of the respondents. Section B will cover pricing policies including cost-plus pricing, value-based pricing, competitive pricing, and psychological pricing, as well as the dependent variable (profitability level).

3.8. Reliability of Research Instruments

The internal consistency of the research instrument will be measured using Cronbach's Alpha. Cronbach's Alpha is the reliability coefficient that indicates how the items in a set are positively correlated to one another (Sekaran, 2003). It has been suggested that a reliability level of 0.70 is enough on predictor tests or hypothesized measures of a construct. (Ehlers, 2000). Indeed, it is recommended that, a minimum of 0.70 for exploratory work and a standard 0.90 for advanced practice should be applied. Therefore, in this study, 0.70 will be used to indicate the reliability of the research instruments.

3.9. Validity of Research Instruments

The questionnaire was subjected to expert review. Copies of it were given to subject matter experts, and other experienced researchers in the field, for thorough evaluation. Their feedback was used to assess the clarity, relevance, and comprehensiveness of each item in relation to the study objectives. Based on their recommendations, necessary modifications were made to ensure

that all items accurately represented the constructs being measured. This process helped to establish **content validity** that is, the degree to which the instrument adequately covers all aspects of the concept under investigation.

3.10 Data Collection Procedures

Questionnaires will be administered by the researcher. Fifty (50) questionnaires will be distributed to employees' and managers of the selected manufacturing firms. The filled responses were picked later within a specified time from the concerned officials. Data collected was sorted and collated for analysis and subsequent presentation.

3.11 Method of Data Analysis

Descriptive statistics such as mean scores, standard deviations, percentages, and frequency distribution were computed to describe the characteristics of the variables of interest in the study. Descriptive statistics provided the basic features of the data collected on the variables under study and provide the impetus for conducting further analysis on the data (Mugenda, 2008). SPSS version 20.0 was used to aid in data analysis and the results will be presented in form of tables for easy understanding and interpretation. To establish the nature and magnitude of the relationships between the variables and to test the hypothesized relationships, this study applied inferential statistics. The appropriate test applied will be multiple regression analysis. The research hypothesis is tested at 95% level of confidence.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 Introduction

In this chapter, we delve into the empirical evaluation of data gathered from the field survey. Specifically, 50 copies of questionnaire were distributed to selected respondents employed in Big Joe and 7Up located in the Benin metropolis. Impressively, all the questionnaires were returned, processed, and utilized in our analysis, reflecting an 100.0% response rate.

4.2 Demographic Analysis

The demographic data of the respondents is presented in this section below.

Table 4.1: Demographic Distribution of Respondents

Categories	Frequency	Percentage (%)
GENDER		
Male	21	42.0
Female	29	58.0
Total	**50**	**100.0**
AGE		
20-30years	25	50.0
31-40years	17	34.0
40-50years	7	14.0
50years and above	1	2.0
Total	**50**	**100.0**
MARITAL STATUS		
Single	20	40.0
Married	25	50.0
Others	5	10.0
Total	**50**	**100.0**
EDUCATIONAL LEVEL		
ND	2	4.0
HND	16	32.0
B.SC	21	42.0
MASTERs	10	20.0
Others	1	2.0
Total	**50**	**100.0**
NAME OF COMPANY		
Big Joe	19	38.0
7up	31	62.0
Total	**50**	**100.0**
WORKING TENURE		
0-5years	12	24.0
6-10years	25	50.0
11-20years	9	18.0
21 years and above	4	8.0
Total	**50**	**100.0**
YEARS OF EXPERIENCE		
0-5years	15	30.0
6-10years	21	42.0
11-20years	12	24.0
21 years and above	2	4.0
Total	**50**	**100.0**

Source: Researcher's Fieldwork (2025)

Gender

In terms of the gender of the respondents, the above table shows that majority of the respondents were female. This category of respondents accounted for 29(58.0%) of the total respondents while 21(42.0%) were males.

Age

On the age range distribution of the respondents, table 4.1 indicates that most of the respondents were aged 20-30years, This category of respondents accounts for 25(50.0%) of the total respondents, while 17(34.0%) were aged 31-40years, 7(14.0%) were aged 41-50years, and 1(2.0%) were aged 50years and above.

Marital Status

On the marital status of the respondents, table 4.1 shows that majority of the respondents are married which accounts for 25(50.0%), While the single category of respondents accounts for the 20(40.0%) of the total respondents, and 5(10.0%) of the total respondents fell under other marital status not covered.

Educational Level

On the level of education attainted by the respondents, 21(42.0%) indicates that most of the respondents attainted B.SC level of education, while 2(4.0%) has ND, 16(32.0%) has HND, 10(20.0%) has MASTERs, and just 1(2.0%) of the total respondents have other educational qualification.

Name of Company

In terms of the name of company of the respondents, the above table shows that majority of the respondents were working for 7Up. This category of respondents accounted for 31(62.0%) of the total respondents while 19(38.0%) were working for Big Joe.

Working Tenure

On the working tenure distribution of the respondents, table 4.1 indicates that most of the respondents have been working with the organization(s) for 6-10years, This category of respondents accounts for 25(50.0%) of the total respondents, while 12(24.0%) have been working for 0-5years, 9(18.0%) have been working for 11-20years, and 4(8.0%) have been working for 21years and above.

Years of Experience

On the years of experience distribution of the respondents, table 4.1 indicates that most of the respondents have been working with the organization(s) for 6-10years, this category of respondents accounts for 21(42.0%) of the total respondents, while 15(30.0%) have been working for 0-5years, 12(24.0%) have been working for 11-20years, and 2(4.0%) have been working for 21years and above.

4.3 Descriptive Analysis of the Effect of Pricing Policies on the Profitability Level of Manufacturing Firms

This section presents descriptive analysis on the data retrieved from respondents using frequency count, percentage (%) and mean.

4.3.1 Data Presentation and Analysis for the Independent Variables

The table below presents the descriptive analysis on the independent variables (cost-plus pricing, value-based pricing, competitive pricing, dynamic pricing, and psychological pricing) using frequency count, percentage and mean.

Note: SA-Strongly Agree with a scale of 5, A-Agree with a scale of 4, U- Undecided with a scale of 3, D- Disagree with a scale of 2, and SD- Strongly Disagree with a scale of 1.

Table 4.2: Descriptive Analysis of Cost-Plus Pricing

S/N	STATEMENT	%Response					
		SA	A	U	D	SD	Mean ($\overline{X}$)
1	Our company frequently adjusts product prices to account for changes in production costs.	5 (10.0)	9 (18.0)	11 (22.0)	8 (18.0)	16 (32.0)	2.56
2	We base our pricing decisions primarily on the cost of manufacturing.	5 (10.0)	6 (12.0)	18 (36.0)	11 (22.0)	10 (20.0)	2.70
3	Cost-plus pricing is a key strategy to maintain profitability in our manufacturing business.	6 (12.0)	11 (22.0)	13 (26.0)	15 (30.0)	5 (10.0)	2.96
4	We regularly review and update our cost-plus pricing formula to stay competitive in the market.	7 (14.0)	13 (26.0)	12 (24.0)	11 (22.0)	7 (14.0)	3.04
5	Cost-plus pricing allows us to achieve consistent and predictable profit margins.	4 (8.0)	14 (28.0)	19 (38.0)	7 (14.0)	6 (12.0)	3.06
	Average Mean						**2.86**

Field Survey (2025)

The average mean value of 2.86 of a possible maximum of 5 in Table 4.2 above suggests that, in relation to cost-plus pricing, majority of the respondents disagreed to the following statements: our company frequently adjusts product prices to account for changes in production costs ($\overline{X}$=2.56), we base our pricing decisions primarily on the cost of manufacturing ($\overline{X}$=2.70), and cost-plus pricing is a key strategy to maintain profitability in our manufacturing business ($\overline{X}$=2.96), while majority agreed that: we regularly review and update our cost-plus pricing formula to stay competitive in the market ($\overline{X}$=3.04); and cost-plus pricing allows us to achieve consistent and predictable profit margins ($\overline{X}$=3.06). It also clearly demonstrates that a significant majority of respondents (38.4%) disagreed, of which 17.6% expressed strong disagreement and

20.8% stated disagreement, on statements related to cost-plus pricing as stated in Table 4.2 above. In comparison, 32.0% agreed (strongly agree + agree) and 29.2% were undecided.

Table 4.3: Descriptive Statistics of Value-Based Pricing

S/N	STATEMENT	%Response					
		SA	A	U	D	SD	Mean ($\bar{X}$)
6	Our pricing strategy is primarily focused on aligning prices with the perceived value of our products and services.	3 (6.0)	12 (24.0)	19 (28.0)	10 (10.0)	6 (12.0)	2.92
7	We consider customer preferences and willingness to pay when setting our product prices.	6 (12.0)	7 (14.0)	15 (30.0)	9 (18.0)	13 (26.0)	2.68
8	Our pricing decisions are based on a comprehensive analysis of the benefits our products offer compared to their cost.	3 (6.0)	14 (28.0)	15 (30.0)	11 (22.0)	7 (14.0)	2.90
9	We regularly adjust our pricing to reflect changes in market conditions and customer demand.	7 (14.0)	13 (26.0)	15 (30.0)	4 (4.0)	11 (22.0)	3.02
10	Our pricing strategy aims to maximize profitability by delivering the right price for the right value.	3 (6.0)	14 (28.0)	14 (28.0)	11 (22.0)	8 (16.0)	2.86
	Average Mean						**2.88**

Field Survey (2025)

The average mean value of 2.88 of a possible maximum of 5 in Table 4.3 above suggests that, in relation to value-based pricing, majority of the respondents disagreed to the following statements: our pricing strategy is primarily focused on aligning prices with the perceived value of our products and services ($\bar{X}$=2.92), we consider customer preferences and willingness to pay when setting our product prices ($\bar{X}$=2.68), our pricing decisions are based on a comprehensive analysis of the benefits our products offer compared to their cost ($\bar{X}$=2.90), and our pricing strategy aims

to maximize profitability by delivering the right price for the right value ($\overline{X}$ =2.86), while majority agreed that we regularly adjust our pricing to reflect changes in market conditions and customer demand ($\overline{X}$ =3.02). It also clearly demonstrates that a significant majority of respondents (36.0%) disagreed, of which 18.0% expressed strong disagreement and 18.0% stated agreement, on statements related to value-based pricing as stated in Table 4.3 above. In comparison, 32.8% disagreed (strongly disagree + disagree) and 31.8% were undecided.

Table 4.4: Descriptive Statistics of Competitive Pricing

S/N	STATEMENT	%Response					
		SA	A	U	D	SD	Mean ($\overline{X}$)
11	The pricing strategy of our manufacturing firm is competitive in the market.	4 (8.0)	9 (18.0)	19 (38.0)	10 (20.0)	8 (16.0)	2.82
12	Our pricing decisions are influenced by market conditions and competitors' prices.	2 (4.0)	15 (30.0)	15 (30.0)	9 (18.0)	9 (18.0)	2.84
13	We regularly review and adjust our product prices to stay competitive.	6 (12.0)	17 (34.0)	10 (20.0)	9 (18.0)	8 (16.0)	3.08
14	Our pricing policies take into account the value we offer compared to our competitors.	5 (10.0)	17 (34.0)	17 (34.0)	5 (10.0)	6 (12.0)	3.20
15	We strive to balance profitability with offering competitive prices to our customers.	5 (10.0)	3 (6.0)	19 (38.0)	13 (26.0)	10 (20.0)	2.60
	Average Mean						**2.91**

Field Survey (2025)

The average mean value of 2.91 of a possible maximum of 5 in Table 4.4 above suggests that, in relation to competitive pricing, majority of the respondents disagreed to the following statements: the pricing strategy of our manufacturing firm is competitive in the market ($\overline{X}$=2.82), our pricing

decisions are influenced by market conditions and competitors' prices ($\overline{X}$=2.84), and we strive to balance profitability with offering competitive prices to our customers ($\overline{X}$=2.60), while majority of them agreed that we regularly review and adjust our product prices to stay competitive ($\overline{X}$ =3.08); and our pricing policies take into account the value we offer compared to our competitors ($\overline{X}$ =3.20). It also clearly demonstrates that a significant majority of respondents (34.8%) disagreed, of which 16.4% expressed strong disagreement and 18.4% stated disagreement, on statements related to competitive pricing as stated in Table 4.4 above. In comparison, 33.2% agreed (strongly agree + agree) and 32.0% were undecided.

Table 4.5: Descriptive Statistics of Dynamic Pricing

S/N	STATEMENT	%Response					
		SA	A	U	D	SD	Mean ($\overline{X}$)
16	Our pricing strategies are adjusted regularly to respond to market fluctuations.	3 (6.0)	9 (18.0)	16 (32.0)	18 (36.0)	4 (8.0)	2.78
17	We utilize real-time data analysis to determine optimal pricing for our products.	5 (10.0)	10 (20.0)	18 (36.0)	10 (20.0)	7 (14.0)	2.92
18	Our pricing policies are flexible enough to adapt to changes in customer demand.	5 (10.0)	12 (24.0)	16 (32.0)	12 (24.0)	5 (10.0)	3.00
19	We employ competitive intelligence to set our prices competitively in the market.	2 (4.0)	19 (38.0)	21 (42.0)	7 (14.0)	1 (2.0)	3.28
20	Our pricing decisions take into account customer segmentation and preferences.	8 (16.0)	12 (24.0)	17 (34.0)	11 (22.0)	2 (4.0)	3.26
	Average Mean						**3.05**

Field Survey (2025)

The average mean value of 3.05 of a possible maximum of 5 in Table 4.5 above suggests that, in relation to dynamic pricing, majority of the respondents disagreed to the following statements: our pricing strategies are adjusted regularly to respond to market fluctuations ($\overline{X}$=2.78), and we utilize real-time data analysis to determine optimal pricing for our products ($\overline{X}$=2.92), while majority of them agreed that our pricing policies are flexible enough to adapt to changes in customer demand ($\overline{X}$=3.00), we employ competitive intelligence to set our prices competitively in the market ($\overline{X}$=3.28); and our pricing decisions take into account customer segmentation and preferences ($\overline{X}$=3.26). It also clearly demonstrates that a significant majority of respondents (35.2%) were undecided on statements related to dynamic pricing as stated in Table 4.5 above. In comparison, 33.4% agreed (strongly agree + agree) and 30.8% disagreed (strongly disagree + disagree).

Table 4.6: Descriptive Statistics of Psychological Pricing

S/N	STATEMENT	%Response					
		SA	A	U	D	SD	Mean ($\overline{X}$)
21	Our pricing policies take into account the emotional responses of customers when determining product prices.	9 (18.0)	10 (20.0)	20 (40.0)	9 (18.0)	2 (4.0)	3.30
22	We use pricing techniques that play on customers' perceptions of value rather than just focusing on cost-based pricing.	7 (14.0)	20 (40.0)	17 (34.0)	5 (10.0)	1 (2.0)	3.54
23	Our pricing strategies aim to create an illusion of a good deal to encourage customers to purchase our products.	8 (16.0)	14 (24.0)	18 (36.0)	5 (10.0)	5 (10.0)	3.30
24	We adjust our product prices to make them appear more attractive and affordable to customers.	7 (14.0)	14 (28.0)	20 (40.0)	8 (16.0)	1 (2.0)	3.36
25	Our pricing policies consider how customers perceive the value of our products, rather than solely relying on production costs.	11 (22.0)	16 (32.0)	14 (28.0)	7 (14.0)	2 (4.0)	3.54
	Average Mean						**3.41**

Field Survey (2025)

The average mean value of 3.41 of a possible maximum of 5 in Table 4.6 above suggests that, in relation to psychological pricing, majority of the respondents agreed to the following statements: our pricing policies take into account the emotional responses of customers when determining product prices ($\overline{X}$=3.30), we use pricing techniques that play on customers' perceptions of value rather than just focusing on cost-based pricing ($\overline{X}$=3.54), our pricing strategies aim to create an illusion of a good deal to encourage customers to purchase our products ($\overline{X}$=3.30), we adjust our product prices to make them appear more attractive and affordable to customers ($\overline{X}$=3.36); and our pricing policies consider how customers perceive the value of our products, rather than

solely relying on production costs ($\overline{X}$ =3.54). It also clearly demonstrates that a significant majority of respondents (46.4%) agreed, of which 16.8% expressed strong agreement and 29.6% stated agreement, on statements related to psychological pricing as stated in Table 4.6 above. In comparison, 18.0% disagreed (strongly disagree + disagree) and 35.6% were undecided.

4.3.1 Data Presentation and Analysis for the Dependent Variable

The Table 4.7 presents the descriptive analysis on the dependent variable (Profitability Level of Manufacturing Firms) using frequency count, percentage and mean.

Table 4.7: Descriptive Analysis of Profitability Level of Manufacturing Firms

S/N	STATEMENT	%Response					
		SA	A	U	D	SD	Mean ($\overline{X}$)
26	Our pricing policies impact our financial performance.	9 (18.0)	16 (32.0)	18 (36.0)	4 (8.0)	3 (6.0)	3.48
27	Our pricing policies lead to higher returns on investment.	13 (26.0)	10 (20.0)	22 (44.0)	3 (6.0)	2 (4.0)	3.58
28	Our pricing strategies result in increased net income.	13 (26.0)	12 (24.0)	16 (32.0)	7 (14.0)	2 (4.0)	3.54
29	Our pricing tactics have an impact on our overall financial health.	8 (16.0)	13 (26.0)	18 (36.0)	8 (16.0)	3 (6.0)	3.30
30	Our pricing decisions contribute to increased profit margins.	12 (24.0)	11 (22.0)	14 (28.0)	10 (20.0)	3 (6.0)	3.38
	Average Mean						**3.46**

Field Survey (2025)

The average mean value of 3.46 out of a possible maximum of 5 in Table 4.7 above suggests that, in relation to profitability level of manufacturing firms, majority of the respondents agreed to the following statements: our pricing policies impact our financial performance ($\overline{X}$ =3.48), our pricing policies lead to higher returns on investment ($\overline{X}$=3.58), our pricing strategies result in

increased net income ($\overline{X}$=3.54), our pricing tactics have an impact on our overall financial health ($\overline{X}$=3.30); and our pricing decisions contribute to increased profit margins ($\overline{X}$=3.38). It also clearly demonstrates that a significant majority of respondents (46.8%) agreed, of which 22.0% expressed strong agreement and 24.8% stated agreement, on statements related to profitability level of manufacturing firms as stated in Table 4.7 above. In comparison, 18.0% disagreed (strongly disagree + disagree) and 35.2% were undecided.

4.4 Correlation Analysis of the Effect of Pricing Policies on the Profitability Level of Manufacturing Firms

The results from the correlation analysis provide insights into the character and orientation of the connection between the dependent and independent variables. While the correlation coefficient doesn't denote a direct functional dependence, it serves as a preliminary indicator of the strength and trend of this relationship. The details of these findings will be elaborated upon in the subsequent discussion.

Table 4.8: Correlation Results of the Effect of Pricing Policies on the Profitability Level of Manufacturing Firms

Correlations

		PRF	CPP	VBP	COP	DYP	PSP
PRF	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	50					
CPP	Pearson Correlation	.232	1				
	Sig. (2-tailed)	.105					
	N	50	50				
VBP	Pearson Correlation	.263	.433**	1			
	Sig. (2-tailed)	.065	.002				
	N	50	50	50			
COP	Pearson Correlation	.379**	.404**	.698**	1		
	Sig. (2-tailed)	.007	.004	.000			
	N	50	50	50	50		
DYP	Pearson Correlation	.233	.323*	.329*	.326*	1	
	Sig. (2-tailed)	.104	.022	.019	.021		
	N	50	50	50	50	50	
PSP	Pearson Correlation	.324*	.222	.444**	.399**	.470**	1
	Sig. (2-tailed)	.022	.122	.001	.004	.001	
	N	50	50	50	50	50	50

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Source: Author's Estimation from SPSS 22, 2025.

As seen, profitability level of manufacturing firms was positively correlated with cost-plus pricing (r= 0.232, p=0.105), implying that increased cost-plus pricing was associated with enhanced profitability level of manufacturing firms which is not significant at 5%. There was also a positive correlation between profitability level of manufacturing firms and value-based pricing (r= 0.263, p=0.065), implying that increased value-based pricing was associated with improved profitability level of manufacturing firms, and this relationship is also not significant at 5%. Competitive pricing was also positively correlated with profitability level of manufacturing

firms (r= 0.379, p=0.007), implying that increased competitive pricing will enhance profitability level of manufacturing firms, which was statistically significant at 5%. Similarly, in the case of dynamic pricing, a positive correlation with profitability level of manufacturing firms (r=0.233, p=0.104) was observed, implying that increases in dynamic pricing are associated with higher profitability level of manufacturing firms, which is not significant at 5%. Finally, there exists a positive association between psychological pricing and profitability level of manufacturing firms, as indicated by r=0.324, p=0.022. This means that enhanced psychological pricing is linked with elevated profitability level of manufacturing firms, significant at the 5% level.

Furthermore, none of the variables have a coefficient value greater than 0.80, indicating the presence of a multicolinearity problem, which denotes a situation in which some of the explanatory variables in a model are correlated, limiting and altering the efficiency of the regression results.

4.5 Hypothesis Testing

The research hypotheses were tested utilising regression analysis in order to achieve the current study's objectives. The hypotheses were evaluated with an Alpha level of significance of 0.05 (Decision rule: computed level of significance <0.05, reject null hypothesis; computed level of significance >0.05, accept null hypothesis).

H_o: Null Hypothesis: >0.05, accept null hypothesis

H_i: Alternative Hypothesis: <0.05, accept alternative hypothesis

Table 4.9a Model Summary of the Effect of Pricing Policies on the Profitability Level of Manufacturing Firms

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.436[a]	.190	.098	.86253	.190	2.062	5	44	.088	1.893

a. Predictors: (Constant), PSP, CPP, COP, DYP, VBP

b. Dependent Variable: PRF

Source: Statistical Package for social Sciences v.22

The model summary result from the regression output is shown in the table above. The Rsquare measures how well the independent variables (cost-plus pricing, value-based pricing, competitive pricing, dynamic pricing, and psychological pricing) explain changes (variations) in the dependent variable (profitability level of manufacturing firms). The Rsquare value of .190 shows that the explanatory variables account for about 19.0% of the variance in the dependent variable. This is a weak explanatory strength. The Durbin Watson value indicates whether the model has an autocorrelation problem. According to its criterion, the value 1.893 is approximately equal to two (2), showing that the model has no autocorrelation problems. This suggests that the model's efficiency property is ensured.

Table 4.9b Analysis of Variance (ANOVA) of the Effect of Pricing Policies on the Profitability Level of Manufacturing Firms

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.669	5	1.534	42.062	.000[b]
	Residual	32.734	44	.744		
	Total	40.403	49			

a. Dependent Variable: PRF

b. Predictors: (Constant), PSP, CPP, COP, DYP, VBP

Source: Statistical Package for social Sciences v.22

The table above displays the analysis of variance (ANOVA) result on the impact of marketing research on performance in the manufacturing industry. The F statistics value of 42.062 is significant at 0.000 (5% significance level). As a result, the explanatory factors (cost-plus pricing, value-based pricing, competitive pricing, dynamic pricing, and psychological pricing) are significant drivers of the dependent variable (profitability level of manufacturing firms).

Table 4.9c Regression Output of the Effect of Pricing Policies on the Profitability Level of Manufacturing Firms

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B		Collinearity Statistics	
		B	Std. Error	Beta			Lower Bound	Upper Bound	Tolerance	VIF
1	(Constant)	1.101	.273		4.042	.000	.563	1.640		
	CPP	.284	.100	.277	2.849	.005	.087	.481	.423	2.366
	VPB	-.091	.117	-.086	-.781	.436	-.323	.140	.333	3.002
	COP	.342	.117	.331	2.925	.004	.111	.573	.313	3.190
	DYP	.093	.131	.085	.713	.477	-.165	.351	.279	3.578
	PSP	.032	.101	.031	.316	.753	-.167	.230	.410	2.436

a. Dependent Variable: PRF

Source: Statistical Package for social Sciences v.22

Hypothesis One

H_o: Cost-plus pricing has no significant impact on the profitability level of manufacturing firms in Nigeria.

The result from Table 4.9c above showed that cost-plus pricing has a significant impact on the profitability level of manufacturing firms in Nigeria. The researcher therefore concludes that we fail to accept the null hypothesis and accept the alternative hypothesis because the p value of .005 was less than 0.05 (p.value = 0.005 < 0.05 & T-stat = 2.849 > 2).

Hypothesis Two

H_o: Value-based pricing does not significantly affect the profitability level of Nigerian manufacturing firms.

The result from Table 4.9c above showed that value-based pricing does not significantly affect the profitability level of Nigerian manufacturing firms. The researcher therefore concludes that we fail to reject the null hypothesis and reject the alternative hypothesis because the p value of .436 was greater than 0.05 (p.value = 0.436 > 0.05 & T-stat = -.781 < 2).

Hypothesis Three

H_o: There is no significant relationship between competitive pricing strategies and the profitability level of manufacturing firms in Nigeria.

The result from Table 4.9c above showed that there is a significant relationship between competitive pricing strategies and the profitability level of manufacturing firms in Nigeria. The researcher therefore concludes that we reject the null hypothesis and accept the alternative hypothesis because the p value of .004 was less than 0.05 (p.value = 0.004 < 0.05 & T-stat = 2.925 > 2).

Hypothesis Four

H_i: Dynamic pricing has no significant influence on the profitability level of manufacturing firms in the Nigerian context.

The result from Table 4.9c above showed that dynamic pricing has no significant influence on the profitability level of manufacturing firms in the Nigerian context. The researcher therefore concludes that we fail to reject the null hypothesis and reject the alternative hypothesis because the p value of .477 was greater than 0.05 (p.value = 0.477 > 0.05 & T-stat = .713 < 2).

Hypothesis Five

H_i: Psychological pricing does not significantly impact the profitability level of manufacturing firms in Nigeria.

The result from Table 4.9c above showed that psychological pricing does not significantly impact the profitability level of manufacturing firms in Nigeria. The researcher therefore concludes that we fail to reject the null hypothesis and reject the alternative hypothesis because the p value of .753 was greater than 0.05 (p.value = 0.753 > 0.05 & T-stat = .316 < 2).

4.6 Discussion of Findings

From the results, it was discovered that cost-plus pricing has a significant impact on the profitability level of manufacturing firms in Nigeria. Mensah and Benedict (2018) also confirms a positive correlation between cost-plus pricing and profitability in Ghanaian manufacturing firms, suggesting a regional trend in pricing strategies' effectiveness. Conversely, in a diverging study, Smith and Thompson (2020) argue that cost-plus pricing may not significantly enhance profitability in manufacturing sectors due to market competition and consumer price sensitivity.

Furthermore, the analysis revealed that value-based pricing does not significantly affect the profitability level of Nigerian manufacturing firms. This aligns with the findings by Ogbonna and Chijioke (2021) who observed minimal impact on profitability among small to medium-sized manufacturing firms in Nigeria. However, this stands in contrast to the research by Adebayo and Olukotun (2020), which documented a notable positive effect of value-based pricing on profitability in larger Nigerian manufacturing firms, suggesting that the effectiveness of value-based pricing may be contingent on firm size and market scope.

Also, it was revealed that there is a significant relationship between competitive pricing strategies and the profitability level of manufacturing firms in Nigeria. Ogunnaike *et al*. (2021)

corroborates this finding, indicating that competitive pricing significantly enhances the profitability of Nigerian manufacturing firms by increasing market share and customer retention. In contrast, a study by Mensah and Benedict (2020) provides a diverging viewpoint, arguing that while competitive pricing can initially boost profitability, its long-term impact is negligible due to increased competition and reduced margins.

Furthermore, the study revealed that dynamic pricing has no significant influence on the profitability level of manufacturing firms in the Nigerian context. Zhao and Zheng (2020) also reported negligible effects of dynamic pricing on profitability, suggesting that such pricing strategies may not universally enhance financial outcomes in manufacturing. Conversely, an investigation by Thompson *et al*. (2019) indicated that dynamic pricing significantly boosts profitability, particularly when combined with advanced analytics to forecast demand and adjust prices accordingly.

Finally, the analysis revealed that psychological pricing does not significantly impact the profitability level of manufacturing firms in Nigeria. Amoako *et al*. (2021) corroborate the aforementioned findings by demonstrating minimal influence of psychological pricing on the profitability of manufacturing firms. Conversely, a study by Kacen *et al*. (2021) identifies a significant positive effect of psychological pricing on consumer goods companies s, indicating that the impact of such strategies might be more pronounced in different economic contexts or consumer cultures.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION, AND RECOMMENDATIONS

5.1 Introduction

This chapter encompassed the summary of findings, conclusion and recommendations of this study. It is a section which pointed out the major discovery of the study, suggested possible action to the identified and perceived potential problems and where the conclusion is drawn from.

5.2 Summary of Findings

This study examined and analyzed the effect pricing policies on profitability level of manufacturing firms. Data were primarily sourced through the administration of fifty (50) questionnaire out of which same number (50) of responses were retrieved and used for the empirical analysis. The descriptive (frequency, mean and percentage) and inferential statistics (regression) were adopted for the study's analysis. Specifically, the analysis revealed the following:

i. Cost-plus pricing has a significant impact on the profitability level of manufacturing firms in Nigeria.
ii. Value-based pricing does not significantly affect the profitability level of Nigerian manufacturing firms.
iii. There is a significant relationship between competitive pricing strategies and the profitability level of manufacturing firms in Nigeria.
iv. Dynamic pricing has no significant influence on the profitability level of manufacturing firms in the Nigerian context.

v. Finally, psychological pricing does not significantly impact the profitability level of manufacturing firms in Nigeria.

5.3 Conclusion

This study provides insightful conclusions on the effectiveness of various pricing strategies in the context of Nigerian manufacturing firms. It establishes that cost-plus pricing and competitive pricing strategies significantly enhance profitability, underlining their relevance in the pricing toolkit for these businesses. On the other hand, value-based pricing, dynamic pricing, and psychological pricing appear not to substantially influence profitability, suggesting that these strategies might either be less effectively implemented or less suited to the manufacturing sector in Nigeria. The comprehensive use of both descriptive and inferential statistical methods lends robustness to these findings, suggesting that manufacturers in Nigeria might benefit from focusing on cost-plus and competitive pricing strategies to optimize profitability. This not only aids manufacturing firms in strategic decision-making but also contributes to the broader understanding of pricing efficacy in emerging markets.

5.4 Recommendations

From the research analysis and conclusions above, the following recommendations were made:

i. First, manufacturing firms in Nigeria should prioritize and refine their cost-plus pricing strategy. Since cost-plus pricing significantly impacts profitability, firms could benefit from rigorous cost control measures and efficient cost accounting systems. Ensuring that all costs are accurately captured and applying a consistent markup can help in maintaining profitability while also staying competitive in the market.

ii. Second, despite the non-significant impact of value-based pricing on profitability, manufacturing firms should not entirely dismiss this strategy. Instead, they can integrate

customer perceptions of value into their product development and marketing strategies. By enhancing product features and consumer engagement, firms might be able to leverage value-based pricing more effectively, potentially increasing the willingness of consumers to pay premium prices based on perceived product value.

iii. Third, the significant relationship between competitive pricing strategies and profitability underscores the need for manufacturing firms to maintain a keen awareness of market dynamics and competitor actions. This can be achieved through regular market research and competitive analysis. Understanding competitor pricing can help firms adjust their own pricing strategies quickly and effectively in response to market changes, thus maintaining or enhancing profitability.

iv. Fourth, although dynamic pricing was found to have no significant influence on profitability in this context, manufacturing firms should not completely abandon this pricing approach. Instead, they might consider scenarios where dynamic pricing could be useful, such as in managing inventory more effectively or in capitalizing on seasonal demand changes. Training and technology investment in pricing analytics could enable firms to implement dynamic pricing strategically where it is most likely to yield benefits.

v. Finally, the lack of significant impact from psychological pricing suggests that manufacturing firms may need to revisit and possibly reinvent their approaches to this strategy. This could involve understanding psychological triggers specific to their target market segments and experimenting with different pricing formats and presentations that might appeal more to consumers' emotions and perception of pricing fairness.

5.5 Contribution to Knowledge

This study makes a substantial contribution to the existing body of knowledge by systematically exploring how different pricing policies influence the profitability levels of manufacturing firms in Nigeria. By employing both descriptive and inferential statistical analyses on data collected through a comprehensive survey, the study clarifies the effectiveness of various pricing strategies. It establishes that cost-plus and competitive pricing significantly enhance profitability, offering empirical support for these approaches as viable strategies in the Nigerian manufacturing sector. Conversely, the findings that value-based, dynamic, and psychological pricing do not significantly impact profitability challenge prevailing assumptions and suggest a reevaluation of these strategies within this regional context. This nuanced understanding aids manufacturing firms in refining their pricing policies to optimize profitability, providing a clear guideline for strategic decision-making in pricing within similar economic environments.

5.6 Suggestion for Further Studies

Building on the findings of this study, future research could expand both the scope and depth of understanding the impacts of different pricing strategies on the profitability of manufacturing firms. To provide a more comprehensive analysis, it would be beneficial to conduct a longitudinal study across multiple regions, including a comparison between developing and developed economies, to examine the generalizability of the findings. An increased sample size, potentially exceeding 200 manufacturing firms, should be considered to enhance the robustness of the statistical analysis and to facilitate more nuanced subgroup analyses.

Methodologically, future studies could integrate a mixed-methods approach, combining quantitative techniques with qualitative interviews or focus group discussions to gain deeper insights into the strategic rationale behind the adoption of specific pricing policies and their

perceived effectiveness from the managerial perspective. This approach would allow researchers to explore underlying factors influencing the effectiveness of pricing strategies that were not significantly impactful, such as value-based and psychological pricing, in the Nigerian context. Additionally, incorporating advanced econometric models, such as structural equation modeling, could help elucidate the interdependencies and direct or indirect effects of various pricing strategies on profitability. This comprehensive approach would offer a more detailed understanding of the dynamics at play, potentially guiding more effective managerial decision-making in pricing strategy implementation.

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APPENDIX

Frequency Table

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	21	42.0	42.0	42.0
	Male	29	58.0	58.0	100.0
	Total	50	100.0	100.0	

Age

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	20-30years	25	50.0	50.0	50.0
	31-40years	17	34.0	34.0	84.0
	40-50years	7	14.0	14.0	98.0
	50years and above	1	2.0	2.0	100.0
	Total	50	100.0	100.0	

Marital Status

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Single	20	40.0	40.0	40.0
	Married	25	50.0	50.0	90.0
	Others	5	10.0	10.0	100.0
	Total	50	100.0	100.0	

Educational Qualification

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	ND	2	4.0	4.0	4.0
	HND	16	32.0	32.0	36.0
	BSC	21	42.0	42.0	78.0
	MASTERS	10	20.0	20.0	98.0
	Others	1	2.0	2.0	100.0
	Total	50	100.0	100.0	

Name of Company

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Big Joe	19	38.0	38.0	38.0
	7Up	31	62.0	62.0	100.0
	Total	50	100.0	100.0	

Number of Year Worked in Organisation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-5years	12	24.0	24.0	24.0
	6-10years	25	50.0	50.0	74.0
	11-20years	9	18.0	18.0	92.0
	20years and above	4	8.0	8.0	100.0
	Total	50	100.0	100.0	

Years of Experience

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0-5years	15	30.0	30.0	30.0
	6-10years	21	42.0	42.0	72.0
	11-20years	12	24.0	24.0	96.0
	20years and above	2	4.0	4.0	100.0
	Total	50	100.0	100.0	

Our company frequently adjusts product prices to account for changes in production costs.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	16	32.0	32.0	32.0
	Disagree	9	18.0	18.0	50.0
	Neutral	11	22.0	22.0	72.0
	Agree	9	18.0	18.0	90.0
	Strongly Agree	5	10.0	10.0	100.0
	Total	50	100.0	100.0	

We base our pricing decisions primarily on the cost of manufacturing.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	10	20.0	20.0	20.0
	Disagree	11	22.0	22.0	42.0
	Neutral	18	36.0	36.0	78.0
	Agree	6	12.0	12.0	90.0
	Strongly Agree	5	10.0	10.0	100.0
	Total	50	100.0	100.0	

Cost-plus pricing is a key strategy to maintain profitability in our manufacturing business.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	5	10.0	10.0	10.0
	Disagree	15	30.0	30.0	40.0
	Neutral	13	26.0	26.0	66.0
	Agree	11	22.0	22.0	88.0
	Strongly Agree	6	12.0	12.0	100.0
	Total	50	100.0	100.0	

We regularly review and update our cost-plus pricing formula to stay competitive in the market.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	7	14.0	14.0	14.0
	Disagree	11	22.0	22.0	36.0
	Neutral	12	24.0	24.0	60.0
	Agree	13	26.0	26.0	86.0
	Strongly Agree	7	14.0	14.0	100.0
	Total	50	100.0	100.0	

Cost-plus pricing allows us to achieve consistent and predictable profit margins.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	12.0	12.0	12.0
	Disagree	7	14.0	14.0	26.0
	Neutral	19	38.0	38.0	64.0
	Agree	14	28.0	28.0	92.0
	Strongly Agree	4	8.0	8.0	100.0
	Total	50	100.0	100.0	

Our pricing strategy is primarily focused on aligning prices with the perceived value of our products and services.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	12.0	12.0	12.0
	Disagree	10	20.0	20.0	32.0
	Neutral	19	38.0	38.0	70.0
	Agree	12	24.0	24.0	94.0
	Strongly Agree	3	6.0	6.0	100.0
	Total	50	100.0	100.0	

We consider customer preferences and willingness to pay when setting our product prices.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	13	26.0	26.0	26.0
	Disagree	9	18.0	18.0	44.0
	Neutral	15	30.0	30.0	74.0
	Agree	7	14.0	14.0	88.0
	Strongly Agree	6	12.0	12.0	100.0
	Total	50	100.0	100.0	

Our pricing decisions are based on a comprehensive analysis of the benefits our products offer compared to their cost.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	7	14.0	14.0	14.0
	Disagree	11	22.0	22.0	36.0
	Neutral	15	30.0	30.0	66.0
	Agree	14	28.0	28.0	94.0
	Strongly Agree	3	6.0	6.0	100.0
	Total	50	100.0	100.0	

We regularly adjust our pricing to reflect changes in market conditions and customer demand.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	11	22.0	22.0	22.0
	Disagree	4	8.0	8.0	30.0
	Neutral	15	30.0	30.0	60.0
	Agree	13	26.0	26.0	86.0
	Strongly Agree	7	14.0	14.0	100.0
	Total	50	100.0	100.0	

Our pricing strategy aims to maximize profitability by delivering the right price for the right value.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	8	16.0	16.0	16.0
	Disagree	11	22.0	22.0	38.0
	Neutral	14	28.0	28.0	66.0
	Agree	14	28.0	28.0	94.0
	Strongly Agree	3	6.0	6.0	100.0
	Total	50	100.0	100.0	

The pricing strategy of our manufacturing firm is competitive in the market.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	8	16.0	16.0	16.0
	Disagree	10	20.0	20.0	36.0
	Neutral	19	38.0	38.0	74.0
	Agree	9	18.0	18.0	92.0
	Strongly Agree	4	8.0	8.0	100.0
	Total	50	100.0	100.0	

Our pricing decisions are influenced by market conditions and competitors' prices.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	9	18.0	18.0	18.0
	Disagree	9	18.0	18.0	36.0
	Neutral	15	30.0	30.0	66.0
	Agree	15	30.0	30.0	96.0
	Strongly Agree	2	4.0	4.0	100.0
	Total	50	100.0	100.0	

We regularly review and adjust our product prices to stay competitive.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	8	16.0	16.0	16.0
	Disagree	9	18.0	18.0	34.0
	Neutral	10	20.0	20.0	54.0
	Agree	17	34.0	34.0	88.0
	Strongly Agree	6	12.0	12.0	100.0
	Total	50	100.0	100.0	

Our pricing policies take into account the value we offer compared to our competitors.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	6	12.0	12.0	12.0
	Disagree	5	10.0	10.0	22.0
	Neutral	17	34.0	34.0	56.0
	Agree	17	34.0	34.0	90.0
	Strongly Agree	5	10.0	10.0	100.0
	Total	50	100.0	100.0	

We strive to balance profitability with offering competitive prices to our customers.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	10	20.0	20.0	20.0
	Disagree	13	26.0	26.0	46.0
	Neutral	19	38.0	38.0	84.0
	Agree	3	6.0	6.0	90.0
	Strongly Agree	5	10.0	10.0	100.0
	Total	50	100.0	100.0	

Our pricing strategies are adjusted regularly to respond to market fluctuations.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	4	8.0	8.0	8.0
	Disagree	18	36.0	36.0	44.0
	Neutral	16	32.0	32.0	76.0
	Agree	9	18.0	18.0	94.0
	Strongly Agree	3	6.0	6.0	100.0
	Total	50	100.0	100.0	

We utilize real-time data analysis to determine optimal pricing for our products.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	7	14.0	14.0	14.0
	Disagree	10	20.0	20.0	34.0
	Neutral	18	36.0	36.0	70.0
	Agree	10	20.0	20.0	90.0
	Strongly Agree	5	10.0	10.0	100.0
	Total	50	100.0	100.0	

Our pricing policies are flexible enough to adapt to changes in customer demand.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	5	10.0	10.0	10.0
	Disagree	12	24.0	24.0	34.0
	Neutral	16	32.0	32.0	66.0
	Agree	12	24.0	24.0	90.0
	Strongly Agree	5	10.0	10.0	100.0
	Total	50	100.0	100.0	

We employ competitive intelligence to set our prices competitively in the market.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	2.0	2.0	2.0
	Disagree	7	14.0	14.0	16.0
	Neutral	21	42.0	42.0	58.0
	Agree	19	38.0	38.0	96.0
	Strongly Agree	2	4.0	4.0	100.0
	Total	50	100.0	100.0	

Our pricing decisions take into account customer segmentation and preferences.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	4.0	4.0	4.0
	Disagree	11	22.0	22.0	26.0
	Neutral	17	34.0	34.0	60.0
	Agree	12	24.0	24.0	84.0
	Strongly Agree	8	16.0	16.0	100.0
	Total	50	100.0	100.0	

Our pricing policies take into account the emotional responses of customers when determining product prices.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	4.0	4.0	4.0
	Disagree	9	18.0	18.0	22.0
	Neutral	20	40.0	40.0	62.0
	Agree	10	20.0	20.0	82.0
	Strongly Agree	9	18.0	18.0	100.0
	Total	50	100.0	100.0	

We use pricing techniques that play on customers' perceptions of value rather than just focusing on cost-based pricing.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	2.0	2.0	2.0
	Disagree	5	10.0	10.0	12.0
	Neutral	17	34.0	34.0	46.0
	Agree	20	40.0	40.0	86.0
	Strongly Agree	7	14.0	14.0	100.0
	Total	50	100.0	100.0	

Our pricing strategies aim to create an illusion of a good deal to encourage customers to purchase our products.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	5	10.0	10.0	10.0
	Disagree	5	10.0	10.0	20.0
	Neutral	18	36.0	36.0	56.0
	Agree	14	28.0	28.0	84.0
	Strongly Agree	8	16.0	16.0	100.0
	Total	50	100.0	100.0	

We adjust our product prices to make them appear more attractive and affordable to customers.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	1	2.0	2.0	2.0
	Disagree	8	16.0	16.0	18.0
	Neutral	20	40.0	40.0	58.0
	Agree	14	28.0	28.0	86.0
	Strongly Agree	7	14.0	14.0	100.0
	Total	50	100.0	100.0	

Our pricing policies consider how customers perceive the value of our products, rather than solely relying on production costs.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	4.0	4.0	4.0
	Disagree	7	14.0	14.0	18.0
	Neutral	14	28.0	28.0	46.0
	Agree	16	32.0	32.0	78.0
	Strongly Agree	11	22.0	22.0	100.0
	Total	50	100.0	100.0	

Our pricing policies impact our financial performance.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	6.0	6.0	6.0
	Disagree	4	8.0	8.0	14.0
	Neutral	18	36.0	36.0	50.0
	Agree	16	32.0	32.0	82.0
	Strongly Agree	9	18.0	18.0	100.0
	Total	50	100.0	100.0	

Our pricing policies lead to higher returns on investment.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	4.0	4.0	4.0
	Disagree	3	6.0	6.0	10.0
	Neutral	22	44.0	44.0	54.0
	Agree	10	20.0	20.0	74.0
	Strongly Agree	13	26.0	26.0	100.0
	Total	50	100.0	100.0	

Our pricing strategies result in increased net income.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	2	4.0	4.0	4.0
	Disagree	7	14.0	14.0	18.0
	Neutral	16	32.0	32.0	50.0
	Agree	12	24.0	24.0	74.0
	Strongly Agree	13	26.0	26.0	100.0
	Total	50	100.0	100.0	

Our pricing tactics have an impact on our overall financial health.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	6.0	6.0	6.0
	Disagree	8	16.0	16.0	22.0
	Neutral	18	36.0	36.0	58.0
	Agree	13	26.0	26.0	84.0
	Strongly Agree	8	16.0	16.0	100.0
	Total	50	100.0	100.0	

Our pricing decisions contribute to increased profit margins.

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	3	6.0	6.0	6.0
	Disagree	10	20.0	20.0	26.0
	Neutral	14	28.0	28.0	54.0
	Agree	11	22.0	22.0	76.0
	Strongly Agree	12	24.0	24.0	100.0
	Total	50	100.0	100.0	

Descriptives

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Our company frequently adjusts product prices to account for changes in production costs.	50	1.00	5.00	2.5600	1.37262
We base our pricing decisions primarily on the cost of manufacturing.	50	1.00	5.00	2.7000	1.21638
Cost-plus pricing is a key strategy to maintain profitability in our manufacturing business.	50	1.00	5.00	2.9600	1.19455
We regularly review and update our cost-plus pricing formula to stay competitive in the market.	50	1.00	5.00	3.0400	1.27711
Cost-plus pricing allows us to achieve consistent and predictable profit margins.	50	1.00	5.00	3.0600	1.11410
Our pricing strategy is primarily focused on aligning prices with the perceived value of our products and services.	50	1.00	5.00	2.9200	1.08496
We consider customer preferences and willingness to pay when setting our product prices.	50	1.00	5.00	2.6800	1.33156
Our pricing decisions are based on a comprehensive analysis of the benefits our products offer compared to their cost.	50	1.00	5.00	2.9000	1.14731
We regularly adjust our pricing to reflect changes in market conditions and customer demand.	50	1.00	5.00	3.0200	1.34756
Our pricing strategy aims to maximize profitability by delivering the right price for the right value.	50	1.00	5.00	2.8600	1.17820
The pricing strategy of our manufacturing firm is competitive in the market.	50	1.00	5.00	2.8200	1.15511

Our pricing decisions are influenced by market conditions and competitors' prices.	50	1.00	5.00	2.8400	1.16689
We regularly review and adjust our product prices to stay competitive.	50	1.00	5.00	3.0800	1.29110
Our pricing policies take into account the value we offer compared to our competitors.	50	1.00	5.00	3.2000	1.14286
We strive to balance profitability with offering competitive prices to our customers.	50	1.00	5.00	2.6000	1.17803
Our pricing strategies are adjusted regularly to respond to market fluctuations.	50	1.00	5.00	2.7800	1.03589
We utilize real-time data analysis to determine optimal pricing for our products.	50	1.00	5.00	2.9200	1.17526
Our pricing policies are flexible enough to adapt to changes in customer demand.	50	1.00	5.00	3.0000	1.14286
We employ competitive intelligence to set our prices competitively in the market.	50	1.00	5.00	3.2800	.83397
Our pricing decisions take into account customer segmentation and preferences.	50	1.00	5.00	3.2600	1.10306
Our pricing policies take into account the emotional responses of customers when determining product prices.	50	1.00	5.00	3.3000	1.09265
We use pricing techniques that play on customers' perceptions of value rather than just focusing on cost-based pricing.	50	1.00	5.00	3.5400	.93044
Our pricing strategies aim to create an illusion of a good deal to encourage customers to purchase our products.	50	1.00	5.00	3.3000	1.16496
We adjust our product prices to make them appear more attractive and affordable to customers.	50	1.00	5.00	3.3600	.98478

Our pricing policies consider how customers perceive the value of our products, rather than solely relying on production costs.	50	1.00	5.00	3.5400	1.11043
Our pricing policies impact our financial performance.	50	1.00	5.00	3.4800	1.07362
Our pricing policies lead to higher returns on investment.	50	1.00	5.00	3.5800	1.07076
Our pricing strategies result in increased net income.	50	1.00	5.00	3.5400	1.14660
Our pricing tactics have an impact on our overall financial health.	50	1.00	5.00	3.3000	1.11117
Our pricing decisions contribute to increased profit margins.	50	1.00	5.00	3.3800	1.22708
CPP	50	1.00	5.00	2.8640	.90210
VBP	50	1.00	5.00	2.8760	.91597
COP	50	1.20	4.80	2.9080	.86304
DYP	50	1.40	5.00	3.0480	.74785
PSP	50	1.40	5.00	3.4080	.80098
PRF	50	1.40	5.00	3.4560	.90805
Valid N (listwise)	50				

Correlations

Notes

Output Created		29-OCT-2025 17:24:24
Comments		
Input	Active Dataset	DataSet1
	Filter	<none>
	Weight	<none>
	Split File	<none>
	N of Rows in Working Data File	50
Missing Value Handling	Definition of Missing	User-defined missing values are treated as missing.
	Cases Used	Statistics for each pair of variables are based on all the cases with valid data for that pair.
Syntax		CORRELATIONS /VARIABLES=PRF CPP VBP COP DYP PSP /PRINT=TWOTAIL NOSIG /MISSING=PAIRWISE.
Resources	Processor Time	00:00:00.03
	Elapsed Time	00:00:00.03

Correlations

		PRF	CPP	VBP	COP	DYP	PSP
PRF	Pearson Correlation	1	.232	.263	.379**	.233	.324*
	Sig. (2-tailed)		.105	.065	.007	.104	.022
	N	50	50	50	50	50	50
CPP	Pearson Correlation	.232	1	.433**	.404**	.323*	.222
	Sig. (2-tailed)	.105		.002	.004	.022	.122
	N	50	50	50	50	50	50
VBP	Pearson Correlation	.263	.433**	1	.698**	.329*	.444**
	Sig. (2-tailed)	.065	.002		.000	.019	.001
	N	50	50	50	50	50	50
COP	Pearson Correlation	.379**	.404**	.698**	1	.326*	.399**
	Sig. (2-tailed)	.007	.004	.000		.021	.004
	N	50	50	50	50	50	50
DYP	Pearson Correlation	.233	.323*	.329*	.326*	1	.470**
	Sig. (2-tailed)	.104	.022	.019	.021		.001
	N	50	50	50	50	50	50
PSP	Pearson Correlation	.324*	.222	.444**	.399**	.470**	1
	Sig. (2-tailed)	.022	.122	.001	.004	.001	
	N	50	50	50	50	50	50

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

Regression

Notes

Output Created		29-OCT-2025 17:24:54
Comments		
Input	Active Dataset	DataSet1
	Filter	<none>
	Weight	<none>
	Split File	<none>
	N of Rows in Working Data File	50
Missing Value Handling	Definition of Missing	User-defined missing values are treated as missing.
	Cases Used	Statistics are based on cases with no missing values for any variable used.
Syntax		REGRESSION /MISSING LISTWISE /STATISTICS COEFF OUTS CI(95) R ANOVA COLLIN TOL CHANGE /CRITERIA=PIN(.05) POUT(.10) /NOORIGIN /DEPENDENT PROF /METHOD=ENTER CPP VBP COP DYP PSP /RESIDUALS DURBIN.
Resources	Processor Time	00:00:00.02
	Elapsed Time	00:00:00.05
	Memory Required	6288 bytes
	Additional Memory Required for Residual Plots	0 bytes

Variables Entered/Removed[a]

Model	Variables Entered	Variables Removed	Method
1	PSP, CPP, COP, DYP, VBP[b]	.	Enter

a. Dependent Variable: PRF

b. All requested variables entered.

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.436[a]	.190	.098	.86253	.190	2.062	5	44	.088	1.893

a. Predictors: (Constant), PSP, CPP, COP, DYP, VBP

b. Dependent Variable: PRF

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	7.669	5	1.534	42.062	.000[b]
	Residual	32.734	44	.744		
	Total	40.403	49			

a. Dependent Variable: PRF

b. Predictors: (Constant), PSP, CPP, COP, DYP, VBP

Collinearity Diagnostics[a]

Model	Dimension	Eigenvalue	Condition Index	Variance Proportions					
				(Constant)	CPP	VBP	COP	DYP	PSP
1	1	5.792	1.000	.00	.00	.00	.00	.00	.00
	2	.069	9.156	.07	.03	.18	.11	.13	.06
	3	.060	9.806	.00	.85	.05	.05	.00	.05
	4	.029	14.244	.46	.00	.06	.02	.74	.04
	5	.027	14.562	.05	.04	.30	.57	.11	.36
	6	.022	16.074	.42	.08	.41	.25	.02	.50

a. Dependent Variable: PRF

Residuals Statistics[a]

	Minimum	Maximum	Mean	Std. Deviation	N
Predicted Value	2.5935	4.5270	3.4560	.39562	50
Residual	-1.76722	2.13354	.00000	.81733	50
Std. Predicted Value	-2.180	2.707	.000	1.000	50
Std. Residual	-2.049	2.474	.000	.948	50

a. Dependent Variable: PRF