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PRICING STRATEGY AND CUSTOMER LOYALTY OF FOOD AND BEVERAGES MANUFACTURING FIRMS IN KATSINA STATE: MODERATING ROLE OF DISCOUNTING AND PROMOTIONS

Pere Abinabo
Federal University Dutsin-Ma, Nigeria
Pereabinabo2015@gmail.com

Munir Shehu Mashi, PhD
Federal University Dutsin-Ma, Nigeria
munirshehu@ymail.com

Jibrin Nuhu Shagari PhD
Federal University Dutsin-Ma, Nigeria
njibrin@fudutsinma.edu.ng

Abstract

This study examined the effect of pricing strategy and customer loyalty of food and beverages manufacturing firms in Katsina State: Moderating Role of discounting and promotions. On the ground of Economic Theories of Price Discrimination (ETPD), cross-sectional survey was used to collect data from the respondents. The study population was 226 customers of food and beverages manufacturing firms in Katsina state, Nigeria. A PLS-SEM approach was used with aid of Smart PLS 4.1 to analyse the data. The result showed that pricing strategy dimensions (cost based-price, discount and promotion, price consistency, and valued based-price) were significantly and positively related to customer in the manufacturing firms Katsina state. For the indirect relationship the result indicated that the discount and promotion moderate the effect of price consistency, cost based-price and customer loyalty, whereas, discount and promotion doesn't moderate cost based-price and customer loyalty. The result of the moderating effect revealed that DP does not significantly moderate the relationship between value based-price and customer loyalty. The negative t-statistic suggests that as value-based increases, DP decreases by 0.051. This study recommends that food and beverages manufacturing firms in the state should encourage pricing strategies like cost based-price, discount and promotion, price consistency, and valued based-price in their firms. This will improve their completive strategies and also increase market share and profitability of the firms.

Keywords: Pricing Strategy, Customer Loyalty, Value-Based Pricing, Price Consistency, Cost-Based Pricing and Discounting and Promotions

Introduction

In the highly competitive food and beverages manufacturing industry, maintaining a loyal customer base is a cornerstone of sustainable business success. The rapidly changing consumer preferences, intense competition, and constant innovation in this sector necessitate firms to adopt effective strategies to attract and retain customers. Customer loyalty, based on satisfaction, perceived value, and trust is key to repeat purchases, positive word-of-mouth, and resistance to competitors' offers (Gao et al., 2021). Food and beverage manufacturers must foster customer loyalty by building a trusted brand and implementing a well-defined pricing strategy to sustain business growth and enhance customer preference. (Zakaria et al., 2024).

According to a survey conducted by Kovač et al (2019), customer loyalty in food and beverages industry in the USA, is a more salient concern than in other industries. The members' lists are the best indicators of how loyalty programs have become popular over the course of last years. They show how in 2016, in the USA, there were 1.9 billion memberships, and in 2017, this number was 2.85 billion. Likewise, in 2018, 70% of the Europeans had membership in at least one of the food and beverages loyalty program, and in 2019, this climbed up to 90%'. Similar survey by Wang et al. (2020) revealed that U.S.A Loyalty Programs that securing new customers costs a firm 5–10 times more than retailing to an existing customer, and an existing customer spends, on average, 67% more than a new one.

Pricing strategy is the method by which a company decides the price points of its products or services. It encompasses a range of approaches such as cost-plus pricing, value-based pricing, dynamic pricing and competitive pricing, each tailored to achieve specific business objectives. In the food and beverages sector, pricing strategies are particularly crucial due to the price-sensitive nature of consumers, the perishable nature of many products, and the thin margins typical of the industry (Chen & Zhao, 2020). Pricing strategy significantly enhances customer loyalty by providing good value for money, but communication, consistency, and overall value proposition are equally important in influencing customer perceptions and behaviors (Chen & Zhao, 2020). Firms in the food and beverages market must adapt their pricing strategies to seasonal variations, promotional periods, and economic conditions to attract price-sensitive customers.

In Nigeria, with a focus on Katsina state, choosing a pricing aim and strategy is a critical duty of the food and beverages market owner and an essential component of the business plan or planning process. It is more than just calculating production costs and applying a markup (Hamilton-Ibama & Owuso, 2022). As a result, assigning product prices is a strategic action, and the price or prices assigned to a product or range of items will influence how consumers perceive the firm's products and decide whether to purchase them. However, it is unclear how pricing operations might be

influenced by the marketing notion. Customers would undoubtedly like to pay less, if not nothing at all, but providing things without a price is simply not practicable. A firm like food and beverages that does that will run dry and out of business and would not be able to create value for the customers (Faith, 2018). Similarly, empirical studies have found that cost-based pricing remains dominant in pricing practice and suggest that practice conflicts with marketing theory, which recommends value-based prices. However, empirical studies have yet to examine whether price consistency represent the pricing approach or essence (Amaral & Guerreiro, 2019). It is on this note that this study objectives is to provide more light on how price strategy influences customer loyalty and how discount and promotion, which connects price strategy factors, moderate this relationship.

Several businesses in the state have limited access to modern technology and e-commerce platforms, which can enhance pricing strategies through dynamic pricing models and better market analytics. The lack of technological infrastructure limits the ability to implement sophisticated pricing strategies. While consumption patterns in Katsina State can vary significantly with seasons and cultural festivities, leading to fluctuating demand. These variations necessitate flexible pricing strategies that can adapt to changing market conditions.

Previous studies (Hamilton-Ibama & Owuso, 2022; Nagode et al., 2022; Uma et al., 2019; Zakaria et al., 2024; Wamsler et al., 2022) utilized price bundling, dynamic pricing, perceived fairness and price elasticity to measure price strategy. The continued use of these factors has the capacity to developing a bias toward certain aspects of pricing strategy while ignoring others. This could stifle innovation in measurement approaches and could lead to a narrow understanding of the concept. Therefore, to the best of the researcher's knowledge, no empirical study has examined the influence of price consistency, value-based pricing, and cost based pricing and used the same to analysis for generalization of result, leaving a literature gap the current study seeks to fill. Similarly, several studies examined longitudinal studies design as an impact of pricing, discounting, and promotions on customer loyalty. This study design may have lead participants to drop out of the study due to lack of interest, relocation and death respondents. This can lead to attrition bias, where the remaining sample may no longer be representative of the original group. This normally skews the results and reduces the generalizability of the findings, which have created a methodological gap. Therefore the present study aimed at using short term studies to address the problems.

Despite the aforementioned challenges of the previous studies Rama (2020) revealed pricing strategy of price reliability; price confidence and price fairness have no significant influence on customer satisfaction. Santinib et al. (2015) found that price strategy of sale promotion have a negative relationship with perception of financial risk. While Al-Salamin and Al-Hassan (2019) findings show that there is no statistically significant difference between pricing on consumer buying

behavior. Therefore, these inconsistent findings necessitated the need to have a moderating mechanism capable of strengthening this relationship (Oh & Kim, 2017).

Research Hypothesis

H_{01}: There is no relationship between value-based pricing and customer loyalty of food and beverages manufacturing firms in Katsina State.

H_{02}: There is no relationship between price consistency and customer loyalty of food and beverages manufacturing firms in Katsina State.

H_{03}: There is no relationship between cost-based pricing and customer loyalty of food and beverages manufacturing firms in Katsina State.

H_{04}: Discounting and promotions do not significantly moderate the relationship between value-based pricing and customer loyalty of food and beverages manufacturing firms in Katsina State.

H_{05}: Discounting and promotions do not significantly moderate the relationship between price consistency and customer loyalty of food and beverages manufacturing Firms in Katsina State.

H_{06}: Discounting and promotions do not significantly moderate the relationship Between cost-based pricing and customer loyalty of food and beverages manufacturing Firms in Katsina State.

This research aims to contribute to the study by shedding light on how price strategy, represented by value-based pricing, price consistency and cost-based pricing, are being integrated into food and beverages manufacturing firms. Understanding this integration process is crucial for firms aiming to adopt this price strategy effectively. The research therefore has theoretical and practical implications. From a theoretical standpoint, this study will contribute to the existing body of literature by providing a comprehensive framework that integrates pricing strategies with discounting and promotional activities, particularly in the context of food and beverages manufacturing firms. It will deepen the understanding of how these elements interact to influence customer loyalty. While practically, the findings will offer actionable insights for food and beverages manufacturers on how to design and implement effective pricing strategies that will enhance customer loyalty. Businesses can leverage these insights to balance between competitive pricing and profitability.

Concepts of Customer Loyalty

Customer loyalty is defined as a customer preference for a brand over competitors, resulting from repeated visits, purchases, emotional commitment, and positive product opinions (Rama, 2020). It is primarily achieved through encouraging customer referrals and serves as a key measure of

customer satisfaction (Subrahmanyam & Arif, 2022). Customer loyalty is a result of a company providing benefits to retain and grow patronage, despite corporate environment constraints. It is a sentiment of fidelity to a firm's people or products (Zakaria et al., 2024). Different scholars (Hamilton-Ibama & Owuso, 2022; Nagode et al., 2022; Wamsler et al., 2022) suggest different methods for measuring loyalty, including re-buys dynamics, cognitive captured consumer behaviour, and habitual purchases.

Customer loyalty is a customer's preference for a brand or product, demonstrated through repeat purchases and positive word-of-mouth, crucial in the competitive food and beverages manufacturing industry. Loyal customers are more likely to make repeat purchases, providing a steady revenue stream for manufacturers. They frequently become brand advocates, pushing the items to friends, family, and social networks, lowering marketing expenditures while attracting new customers (Zakaria et al., 2024).

Concepts of Price Strategy

Pricing strategies are used to achieve business objectives by determining relative pricing levels, covering overhead expenses, and generating profit for sustainability and growth. They are tailored to unique products and customers' perceptions of product value, supporting a company's success (Jennifer, 2022). Jennifer (2022) emphasizes the importance of a company's pricing strategy in today's competitive business market to create customer value, structure pricing decisions, and generate profit. The study operationalized pricing strategy as an approach a business takes to set the price of its products or services. It is a crucial aspect of its marketing strategy, influences revenue, profitability, market positioning, and customer perception, considering production costs, customer value, market conditions, and competitive dynamics. Pricing strategy in food and beverage manufacturing enterprises is influenced by a variety of factors, including cost structures, competition, customer behaviour, and market conditions (Subrahmanyam & Arif, 2022).

Value-Based Pricing

Value-based pricing is a pricing strategy that sets prices based on customer perceived value of a product. It allows managers to determine product benefits, ensuring they deliver benefits and functionality to users while capturing suitable value. This approach is particularly useful for premium goods and services with significant intangible components (Haniel & Horsfall, 2020). The idea behind this approach is to evaluate the perceived value of these benefits relative to the cost. Value-based pricing strategy is mostly dependent on the value a product provides to customers and determined by both delivered and perceived value (Jennifer, 2022).

The study defines value-based pricing as a pricing strategy where prices are based on the perceived value of a product or service to the customer, rather than production costs or historical

prices. This approach can lead to higher prices and margins, especially for functional, emotional, or economic products or services (Ali & Anwar, 2021). Food and beverage manufacturing firms set prices based on perceived value, understanding consumer preferences through surveys and market analysis. Therefore, strong brands command premium prices due to customer loyalty and trust, enhanced consumer experience (Al-Salamin & Al-Hassan, 2019).

Price Consistency

Price consistency is the consistent pricing of products or services across various sales channels, regions, and customer segments. It builds trust, simplifies the purchasing process, and ensures customer satisfaction. However, uniform pricing may not be practical for all products, especially for intricate machinery components that require tailored solutions (Appu et al., 2024; Njeru, 2019; Wu et al., 2022). Maintaining consistent pricing builds customers confidence, resulting in increased loyalty and spending. This trust leads to higher spending, frequent purchases, and business recommendations. Acquiring new clients can be costly, but retaining current ones can lead to higher profits (Wu et al., 2022). Standardized pricing enhances customer loyalty by simplifying decision-making, reducing confusion, and reducing uncertainty. This leads to higher conversion rates, completed transactions, and increased income for organizations, resulting in increased customer satisfaction (Appu et al., 2024).

Cost-Based Pricing

Cost-based pricing is the most common, simple, and popular strategy for setting prices. Cost-based pricing is a strategy where a specific markup is added to the production cost of a product or service, ensuring a consistent profit margin and financial responsibility (Kumar et al., 2024). Subrahmanyam and Arif (2022) highlight the commonly used method for calculating product costs and profit margins, which involves determining sales levels, calculating unit and total costs, setting profit objectives, and establishing pricing. Cost-based pricing, focusing on production costs and profit margins, can influence customer loyalty. It leads to stable, predictable prices, fostering trust with customers. Clear communication of pricing rationale, such as actual production costs plus a reasonable markup, enhances transparency, fairness, and reliability, ultimately fostering customer loyalty ways (Guerreiro & Amaral, 2018; Thi & Thuy, 2018). Cost-based pricing in the F&B industry ensures production costs are met, especially for new products or competitive markets. However, it must be balanced with understanding market demand and competitive dynamics, while monitoring competitors' pricing and consumer willingness to pay (Wu et al., 2022).

Moderating role of discounting and promotions

Discounting and promotions are powerful tools used by businesses to stimulate sales, attract new customers, and retain existing ones. These strategies can be applied in various ways, depending

on the goals of the business, market conditions, and customer preferences. Kotler (2009) defines price discounts as savings from the normal price of a product. He further highlights the advantages of promoting price discounts, such as encouraging large purchases, anticipating competitor promotions, and supporting trade.

Lv et al. (2020) defined price discounts and promotions as reductions in a product's price over a specific time period. These tools are crucial for driving sales, attracting customers, managing inventory, and gaining market insights. When executed thoughtfully, they can significantly contribute to a business's success and long-term growth (Büyükdag et al., 2020). The study uses discount and promotion to moderate price strategy and customer loyalty because it enhances the perceived value of a product or service. When customers feel they are getting more for their money, they are more likely to remain loyal to the brand. While effective promotions reinforce the brand's value proposition, making customers more satisfied with their purchase decisions and fostering loyalty (Ittaqullah et al., 2020).

Empirical Review

Pricing strategy and customer loyalty

Appu et al. (2024) in their study impact of pricing and packaging on consumer buying behavior: A study of IT employees in India with 406 respondents from the companies in Pune Maharashtra. The study used linear regressions analysis, finding product pricing was found to have a statistically significant association with the buyer decision process. Both full and partial mediation were found when satisfaction was used as a mediating variable between pricing and packaging. Wu et al. (2022) investigated optimal pricing strategy: How to sell to strategic consumers. The study used 180 sample sizes while correlation analysis was adopted. The study results show that high-low pricing is appropriate only if the o ffered markdown discount is relatively small. If strategic consumers have a small population and the needed markdown discount is relatively large, retailers can ignore strategic buying behaviour and sell products at a fixed price. The finding further emphasizes that the markdown discount for clearance sales and the market structure of heterogeneous consumers play vital roles in determining the optimal pricing strategy.

Similarly, Rama (2020) studied strategic pricing by Islamic banks and the impact on customer satisfaction and behavioral intention. It used total sample sizes of 205 obtained from customers of the bank. Multiple linear regressions were used for the analysis. The findings revealed that price reliability, price confidence and price fairness have no significant influence on customer satisfaction. In the second regression, the result shows similar findings on behavioral intention, that price transparency (b = 0.190), relative price (b = 0.292) and price–quality ratio (b = 0.148) have a positive and significant influence on behavioral intention at the 0.10 and 0.05 levels. While in the third

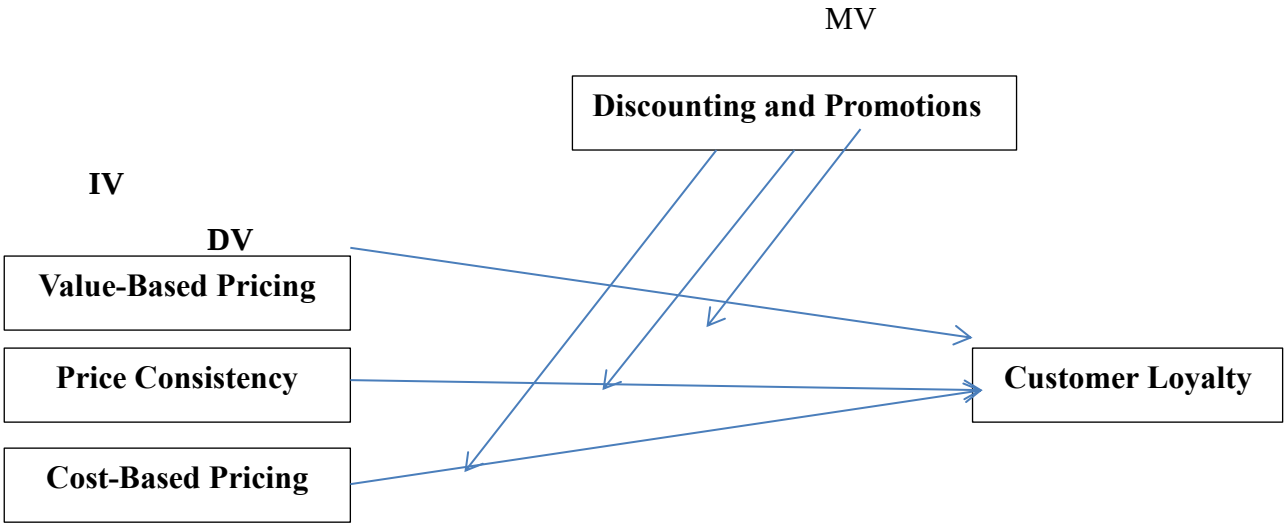
regression, the result confirms the mediating role of customer satisfaction in the relationship between price dimensions and behavioral intention. Njeru (2017) studied the influence of pricing strategies on consumer purchase decision: A case of supermarkets in Nairobi County with 315 respondents. The study adopted regression and correlation analysis was used. The study found that pricing strategies were significant in explaining product choice, store choice, purchase amount, and purchase timing. The findings generated from the study should provide marketing managers with an understanding of the relationship between pricing strategies and consumer purchase decision in the Kenyan context and give them insights on which pricing strategies they should concentrate on in order to gain competitive advantage. While Al-Salamin and Al-Hassan (2019) studied the impact of pricing on consumer buying behavior in Saudi Arabia, the analyzed data collected were from 433 respondents, using descriptive statistics for the analysis. The findings show that there is a positive relationship between prices and consumer buying behavior. It also showed that there is no statistically significant difference between the responses of individuals "due to age, gender, marital status, qualification and monthly salary" about the research's questions related to the three pricing strategies (Odd pricing strategy, Bundle pricing strategy and Discount pricing strategy) except there is a statistically significant difference between the responses of individuals "due to gender" about the odd pricing strategy**.**

Santinib et al. (2015) studied moderating effects of sales promotion types with 589 sample size from students of a higher education institute located in Rio Grande do Sul and descriptive statistics was adopted. The study found that working hypotheses predicted a direct and positive relationship between the perception of (hedonic and utilitarian) consumption value and purchase intention for a promoted product and a negative relationship between the perception of consumption value and the perception of financial risk. In addition, it was supposed that the sales promotion type would moderate these direct relationships and that a monetary promotion would have a stronger effect on the relationship between purchase intention and perceived product utility, whereas a non-monetary promotion would have a stronger effect on the other relationships (hedonic value and financial risk perceptions). Analysis of the outcomes supported the proposed hypotheses.

Conceptual Framework

The conceptual framework that illustrates the relationship between the study's independent, dependent, and moderating variable is presented below

Figure 2.7.1 Conceptual Model



Source: Researcher, 2024

Figure 2.6.1 is the conceptual framework for this study. The independent variable is price strategy proxy by value-based pricing, price consistency and cost-based pricing. The dependent variable is customer loyalty, while Discounting and Promotions is the moderator variable

Theoretical Framework

The study used Eeconomic Theories of Price Discrimination (ETPD). The ETPD have evolved over time through contributions from various economists and scholars. While there isn't a single originator or a specific year of proposition, several key economists have significantly contributed to the development and understanding of price discrimination theories such as (Arthur Cecil Pigou; Joan Robinson; Gary Becker). The assumption of the Economic Theories of Price Discrimination states that a set of economic principles and theories that analyze how firms can charge different prices to different customers or market segments based on their willingness to pay, demand elasticity, or other characteristics. Price discrimination occurs when a firm sells identical goods or services at different prices to different buyers (Tucker, 1950). Further, it is revealed that first degree price discrimination occurs when a firm charges each customer the maximum price, they are willing to pay. In this scenario, the firm captures the entire consumer surplus. While perfect price discrimination is rare in practice due to informational and logistical challenges, it represents the theoretical ideal where prices are personalized to each consumer's reservation price.

Scholars such as Stiglitz (1987) criticized this theory that price discrimination can lead to inequitable outcomes by charging different prices to different customers for the same product or service. This practice may exacerbate socioeconomic disparities and limit access to goods and

services for lower-income consumers who are less price-sensitive. Price discrimination may reduce consumer welfare by capturing consumer surplus, which is the difference between what consumers are willing to pay and what they actually pay. By segmenting markets and charging higher prices to less price-sensitive customers, firms can extract more surpluses at the expense of consumer benefits (Stiglitz, 1987).

However, ETPD theory is related to the independent, dependent and moderating variables such as price strategy, customer loyalty and discount and promotion in the food and beverages manufacturing firms. In the context of customer loyalty, personalized pricing based on individual willingness to pay can enhance loyalty if customers perceive they are receiving fair and personalized offers. The use of discounts or promotions here could be minimal or targeted to specific high-value customers to maintain loyalty without compromising revenue (Al-Salamin & Al-Hassan, 2019). Cost-based pricing influences the baseline for discounts and promotions, ensuring profitability while leveraging promotional strategies to enhance customer loyalty. Consistent pricing enhances trust and reduces confusion, while occasional promotions can create excitement and reinforce loyalty during targeted campaigns (Wu et al., 2022). Value-based pricing justifies the effectiveness of promotions by demonstrating value for money, thereby influencing customer loyalty positively when promotions are perceived as enhancing value rather than simply discounting prices. Discounting and promotions can enhance the perceived value of products or services, especially when aligned with value-based pricing strategies. Customers may perceive higher value during promotional periods, leading to increased satisfaction and loyalty in the food and beverages manufacturing firms (Wu et al., 2022).

Research Methodology

This study used descriptive cross-sectional surveying. This is because it allows researchers to approach respondents and explain certain parts of the subject under study (Mugenda & Mugenda, 2003). The target population comprises 550 customers amongst Sona bottle Water, Alliance Bakery, Maidabino and Wapa food and beverages manufacturing firms. The decision to select these manufacturing firms is based on their large market presence in Katsina State, making them powerful players in their respective industries. Hence, examining price strategy and customer loyalty provides useful insights into how successful enterprises in the region manage pricing and customer relationships. The study obtained a sample size of 226 customers of the four food and beverages manufacturing firms in the state, using Krejcie and Morgan (1970) formula table of 550. The proportionate stratum allocation approach and the simple random sample technique were used to select participants for this investigation. The proportionate stratum allocation approach is used to ensure a representative sample, while the simple random procedure is used since each stratum has a mutually exclusive finite number of homogenous individuals.

The study used closed-ended questionnaire statements based on a 5-point Likert scale with numerical ratings of 5 (strongly agree), 4 (agree), 3 (neutral), 2 (disagree), and 1 (strongly disagree). The collected data was analysed using descriptive statistic that is simple percentage for demographic data while regression analysis was used to test the hypothesis of the study using Smart PLS software. The study distributed 300 copies of structured questionnaires by hand to the customer of the four food and beverages manufacturing firms in Katsina metropolis for them to fill. Following several follow-ups, 226 copies of the questionnaires were returned. The questionnaires were constructed in line with the research questions aimed at capturing responses in conformity with the research objectives. Thirty five (35) items were used to measure the variables, customer loyalty 7, Value-Based Pricing 7, price consistency 7, and Cost-Based Pricing 7.

Model specification

Based on the dependent and independent variables, the independent variable Price Strategy (PS) is measured using proxies such as Value-Based Pricing (VBP), Price Consistency (PC) and Cost Based Pricing (CBP). The dependent variable is customer loyalty (CL), and the discount and promotion (DP) acts as a moderator. Consequently, the model is represented using the usual multiple regression model below:

$$CL = \beta_0+\beta_1VBP+\beta_2PC+\beta_3CBP+\beta_4DP*VBP+ \beta_5DP*PC+ \beta_6DP*CBPCV*+\mu t$$

Where:

CL = Customer Loyalty

VBP = Value based Price

PC= Price Consistency

CBP= Cost Based price

DP = Discount and promotion

β_1-β_3 = Coefficient

$\beta 0$ = Intercept

μt = Error of Term

Therefore, DP measurements act as a bridge between Price Strategy and customer loyalty. In statistical jargon, an interaction occurs when the moderating variable influences the direction of the relationship between the dependent and independent variables. In regression analysis, a moderating role is defined as the interaction between a targeted independent variable and another factor that determines the conditions in which it can be effective (Baron & Kenny, 1986). In this work, the DP moderator was found by using interaction (product) terms in regression, such as PS and interaction term. DP*PS was created by multiplying DP and Price Strategy observations. According to the study,

the statistics of the interaction term, such as the slope coefficient and p-value, are utilized to evaluate the moderating role. The beta coefficient "beta" indicates how much moderator is present in the interaction term, and the p-value allows researchers to generalize their findings.

Results and Discussion

The study's structural model analysis, using Smart PLS 4, evaluates hypotheses from H0:1 to H0:6. PLS-SEM analysis reveals route coefficient size and independent variable effects on dependent variables. Bootstrapping and 5000 case analysis determine significance, emphasizing direct impacts of independent variables.

Table1 Measurement Model Assessment

Table 4.1 ***Testing convergent validity and composite reliability***

Variables	Cronback's Alpha	Composite Reliability (rha)	Composite Reliability (rhc)	Average Variance Extracted (AVE)
VBP	0.823	0.834	0.834	0.525
PC	0.888	0.903	0.914	0.640
CBP	0.844	0.847	0.886	0.568
DP	0.797	0.805	0.855	0.496
CL	0.848	0.863	0.887	0.535

Note: ***Pricing strategy, customer loyalty*****: *Value-Based Pricing, Price Consistency, Cost-Based Pricing and discounting and promotions***

The study's construct quality is determined by evaluating the measurement model's factor loading, reliability, and validity, as detailed in table1 and figure 1.

The study's employed Stevens' (1973) factor loadings threshold of 0.40 is considered acceptable in confirmatory factor analysis (CFA) based on the study data in Table 4.1. Hair and colleagues (2020) recommended a value higher than 0.708. This shows a fair degree of item reliability since the constructs account for more than half of the indicator's variation. In table 4.1, Cronbach's alpha values ranging from 0.797 to 0.888 indicate internal consistency dependability, with values ranging from 0 to 1 for all constructs (VBP, PC, CBP, CL, and DP), often exceeding the required threshold of 0.70. Composite Reliability (rho-a and rho-c) is another indicator of internal consistency reliability. It evaluates the degree to which items inside a construct are connected. Table 4.1 shows that the composite reliability values (rho-a and rho-c) range from 0.805to 0.914 for all constructs. These scores are likewise above the criterion of 0.70, suggesting strong internal consistency and reliability. The Average Variance Extracted (AVE) measures construct variance relative to measurement error variance, with values ranging from 0.496 to 0.640, indicating acceptable convergent validity.

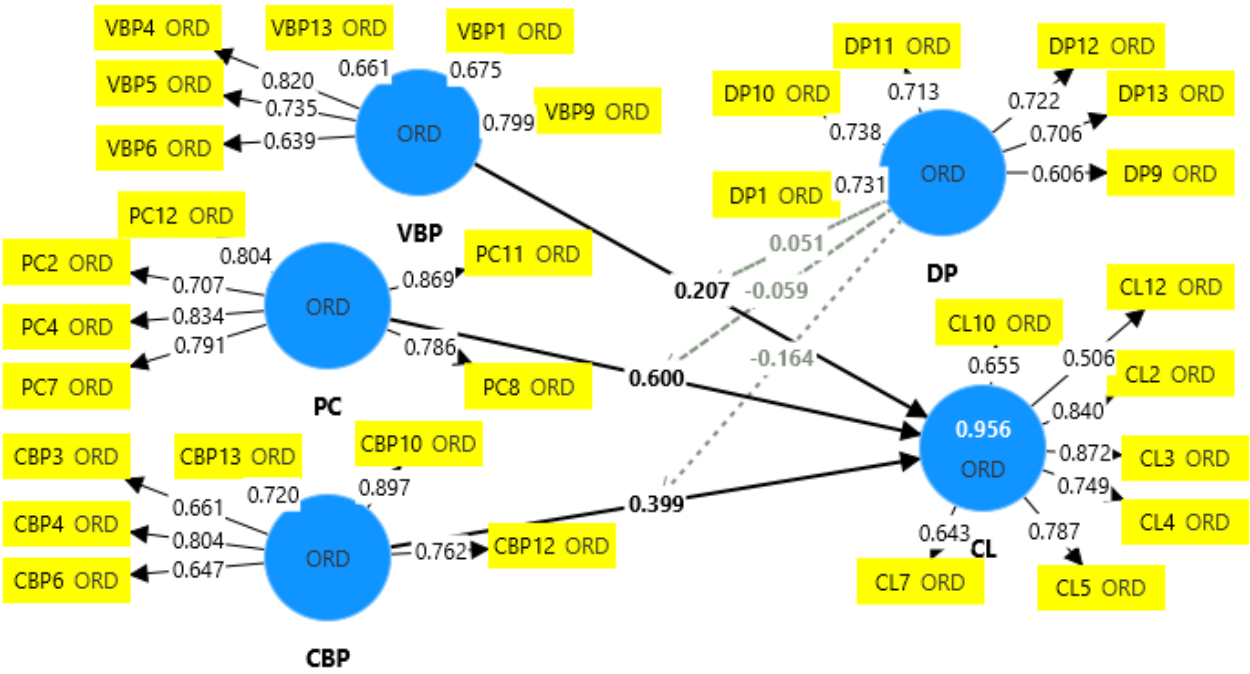


Figure 4.1 presents the measurement model's results on the direct and indirect relationships between independent, dependent and moderating variables

Structural Assessment Model

After reviewing the measuring model and investigating the structural path, it is necessary to assess the linkages between the study constructs and their statistical significance. Hair et al. (2020) use a number of critical metrics to evaluate the structural model, including coefficient determination (R2), predictive relevance (Q2), path coefficient size and importance, and effect sizes f2 and q2. The study examines the direct relationship between VBP, PC, CVP and customer loyalty, and the moderating role of discounting and promotions on the link between the independent variables and the dependent variable.

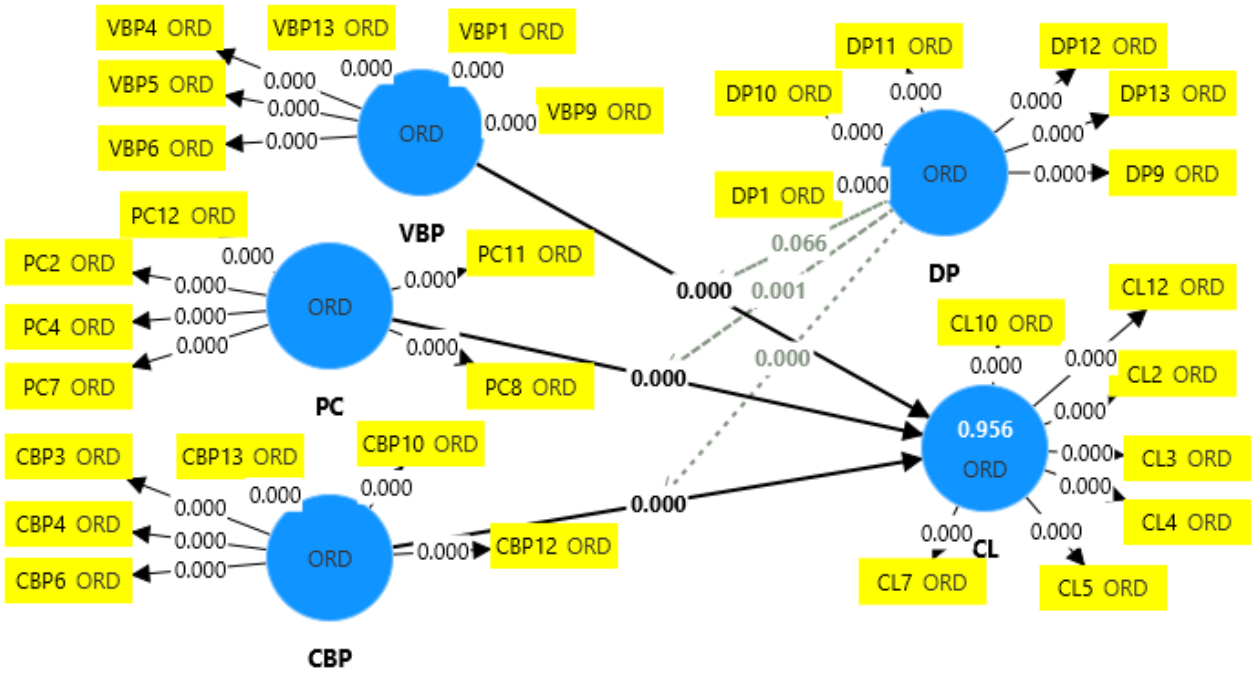


Figure 2 presents the structural model's results on the direct and indirect relationships between independent, dependent and moderating variables.

Table 2 Coefficient of Determination (R2)

	R-square	R-square adjusted
CL	0956	0.955

Table 4.2 displays an R-squared of 0.956, indicating that the independent variables in the model account for 95.6% of the variance in the dependent variable (CL), indicating a very strong fit between the model and the data. The Adjusted R-squared, on the other hand, is 0.955, which penalizes over fitting by adjusting the R-squared for the number of predictors in the model. This means that the model accounts for 95.5% of the variance, which is still a very strong fit but slightly less so as a result of the adjustment. The small difference between the two suggests that the additional predictors in the model are significant and enhance the explanatory power of the model.

Path coefficients, Mean, STDEV, T values, p values

Variables	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values	Decision
CBP -> CL	0.399	0.397	0.031	12.872	0.000	Rejected
DP -> CL	-0.104	-0.109	0.037	2.828	0.005	Rejected
PC -> CL	0.600	0.599	0.034	17.493	0.000	Rejected
VBP -> CL	0.207	0.214	0.032	6.488	0.000	Rejected
DP x PC -> CL	-0.059	-0.062	0.017	3.414	0.001	Rejected
DP x VBP -> CL	0.051	0.056	0.028	1.836	0.066	Accepted
DP x CBP -> CL	-0.164	-0.167	0.026	6.259	0.000	Rejected

Discussion of the Findings

The findings of this study focus on the developed research questions in chapter one, aligning with previous research results and underpinning theories.

Direct relationship between price strategy dimensions and customer loyalty

The researcher initially misjudged the impact of cost based price, price consistency; value based price and customer loyalty, but later found that the discounting and promotion moderate this relationship.

Hypothesis 1: H_{01}: There is no significant relationship between cost based price and customer loyalty of food and beverages manufacturing firms in Katsina State.

In table 4.2, the first hypothesis for the direct relationship H_{01} cost based price has significant and positive relationship on customer loyalty. The results of the data analysis show cost based price have a positive significant effect on customer loyalty. Based on the descriptive statistics (β= 0.399, t= 12.872, p-value= 0.000 <0.05). The positive t-statistic suggests that as CBP increases, CL also increases by 0.399. This supports the hypothesis that Price Strategy like CBP can positively impact customer loyalty in the food and beverages manufacturing firms. The current study is consistent with previous researchers (Appu et al. 2024; Njeru (2017) who find out that price strategy has positively and significant influence on customer loyalty in the food and beverages manufacturing firms.

Hypothesis 2: H_{02}. Discounting and promotion has no significant relationship with customer loyalty of food and beverages manufacturing firms in Katsina.

In table 4.2, the second hypothesis H02 Discounting and promotion has no significant effect on customer loyalty. The result revealed that discounting and promotion has a positive and significant effect (β= -0.104, t= 2.828, p-value 0.005<0.05) on the customer loyalty of food and beverages manufacturing firms in Katsina. This indicates that the relationship between DP and CL is statistically

significant. The positive t-statistic suggests that as DP increases; CL also increases by -0.104. This supports the hypothesis that DP price strategy can positively impact customer loyalty of food and beverages manufacturing firms. The current study has no support from previous researchers who find out that price strategy has positively and significant influence on customer loyalty in the food and beverages manufacturing firms.

Hypothesis 3: H_{03}. There is no significant relationship between price consistency and customer loyalty of food and beverages manufacturing firms in Katsina State.

In table 4.2, the third hypothesis for the direct relationship price consistency has significant and positive relationship on customer loyalty. The results of the data analysis show price consistency have a positive significant effect on customer loyalty. Based on the descriptive statistics (β= 0.600, t= 17.493, p-value= 0.000 <0.05). The positive t-statistic suggests that as PC increases, CL also increases by 0.600. This supports the hypothesis that Price Strategy like PC can positively impact customer loyalty in the food and beverages manufacturing firms. The current study is consistent with previous researchers (Appu et al. 2024; Njeru , 2017; Wu et al. 2022) who find out that price strategy has positively hand significant influence on customer loyalty in the food and beverages manufacturing firms.

Hypothesis 4: H_{04}. There is no significant relationship between value based price and customer loyalty of food and beverages manufacturing firms in Katsina State.

In table 4.2, the fourth hypothesis for the direct relationship value based price has significant and positive relationship on customer loyalty. Value-Based Price also has a significant positive effect on customer loyalty, though not as strong. Based on the descriptive statistics (β= 0.207, t= 6.488, p-value= 0.000 <0.05). The positive t-statistic suggests that as VBP increases, CL also increases by 0.207. This supports the hypothesis that Price Strategy like VBP can positively impact customer loyalty in the food and beverages manufacturing firms. The current study is consistent with previous researchers (Appu et al. 2024; Njeru , 2017; Wu et al. 2022) who find out that price strategy has positively hand significant influence on customer loyalty in the food and beverages manufacturing firms.

Indirect relationship between pricing strategy dimensions and customer loyalty

Moderating role of discount and promotion in the relationship between price consistency and customer loyalty of food and beverages manufacturing firms in Katsina State

Hypothesis 5: H_{05}. Discount and promotion do not significantly moderate between price consistency and customer loyalty of food and beverages manufacturing firms.

Table 4.2, the fifth objective of this study is to examine the moderating role of discounting and promotion (DP) in the relationship between price consistency and customer loyalty. Specifically

the objective was to determine whether DP moderates the role of price consistency on customer loyalty. The result indicate that the moderating effect is significant on price consistency and customer loyalty (β= -0.059, t= 3.414, p-value 0.001> 0.05). This indicates that the relationship between price consistency (PC) and the discount and promotion (DP) is statistically significant. Therefore, the null hypotheses rejected. The positive t-statistic suggests that as PC increases; DP also increases by -0.059. This is consistent with the idea that pricing strategy like PC can be integrated with DP in order to improve customer loyalty in the firms. This study is supporting previous researcher (Santinib et al. 2015) who found out that discount and promotion support to customer loyalty of food and beverages manufacturing firms.

Hypothesis 6: H_{06}. **Discount and promotion do not significantly moderate between value-based price and customer loyalty of food and beverages manufacturing firms.**

Table 4.2, the sixth objective of this study is to examine the moderating role of discounting and promotion (DP) in the relationship between values-based price and customer. The goal was to see whether DP moderates the effect of between value-based price and customer loyalty. The results show that the moderating effect between DP and VBP is positive, but not statistically significant (β= -0.051, t=1.836, p-value 0.066>0.05). This shows that the correlation between value-based price (VBP) and discount and promotion (DP) on customer loyalty is not statistically significant. Therefore, the study accept null hypothesis. The t-statistic suggests that as VBP increases; DP also increases by 0.051. This may have potential challenges when VBP l strategies are combined with other business strategies to improve customer loyalty in the firms. This study is support previous researcher (Al-Salamin & Al-Hassan, 2019)) who found out that discount and promotion is not significant to customer loyalty of food and beverages manufacturing firms.

Hypothesis 7: H_{07}. Discount and promotion do not significantly moderate between cost based price and customer loyalty of food and beverages manufacturing firms in Katsina State.

Table 4.2, the seventh objective of this study is to examine the moderating role of discounting and promotion (DP) in the relationship between costs-based price and customer loyalty. The goal was to see whether DP moderates the effect between costs-based price and customer loyalty. The results show that the moderating effect between Discount and Promotion (DP) and Cost-Based Price (CBP) has a negative and significant effect on Customer Loyalty with (β= -0.164, t=6.259, p-value 0.000>0.05). This interaction shows a strong negative impact, meaning that when DP is combined with CBP, it may harm customer loyalty. This study is support previous researcher (Al-Salamin & Al-Hassan, 2019)) who found out that discount and promotion is not significant to customer loyalty of food and beverages manufacturing firms.

This study submitted that the results suggest that CBP, DP, PC, VBP have significant impact on customer loyalty in food and beverages firms, DP also have positive impact on PC and CBP on customer loyalty, however, DP does not moderate VBP on CL. These findings provide valuable insights into the potential of pricing strategy to improve customer loyalty of food and beverages manufacturing firms

Recommendations

The study presents the findings and conclusions, recommending the following for further consideration.

i. **Price Consistency:** Food and beverages manufacturing firms maintain stable pricing to build trust and reliability, especially in a region like Katsina State, where economic conditions may affect purchasing power.
ii. **Value-Based Pricing:** There is need for food and beverages manufacturing companies to focus on offering products where customers perceive strong value relative to price, such as high-quality or unique food and beverage items.
iii. **Cost-Based Pricing:** It is recommended that while cost-based pricing ensures profitability, overly rigid reliance on it may alienate customers who prioritize value or fairness.
iv. **Discounts and Promotions:** It is recommended that food manufacturing companies use discounts and promotions sparingly and strategically, ensuring they reinforce perceived value rather than dilute it.

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