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The influence of pricing strategies on consumer purchase decision particularly a case study Ambassador garment PLC in Addis Ababa.

By: Mesfin Assefa

A Thesis submitted to the Department of Marketing Management for the Partial fulfillment of the Requirement of MBA Degree in Marketing Management

Advisor: Temesgen Belayneh(Phd)

Addis Ababa University

College of Business and Economics

Department of Marketing Management

May 2019

Addis Ababa, Ethiopia

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LETTER OF DECLARATION

I, Mesfin Assefa declare that this thesis entitled” The influence of pricing strategies on consumer purchase decision particularly a case study Ambassador garment PLC in Addis Ababa”, and submitted to the Department of Marketing Management for the Partial fulfillment of the Requirement of MBA Degree in Marketing Management, is outcome of my own effort and study and that all sources of materials used for the study have been duly acknowledged. I have produced it independently with only guidance and suggestions of the thesis Advisor. The study compiles with regulations of the university and meets the accepted standards with respect to originality and quality.

LETTER OF CERTIFICATION

This is to certify that Mesfin Assefa has carried out his research project work under my supervision, on the topic of_ the influence of pricing strategies on consumer purchase decision particularly a case study Ambassador garment. This work is original in its nature and it is suitable for Submission in partial fulfillment of the requirement for the award of Degree MBA in Marketing Management.

Advisor: Temesgen Belayneh

Date:

Signature:

ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS
DEPARTMENT OF ACCOUNTING AND FINANCE

Declaration

This is to certify that this thesis entitle as “The influence of pricing strategies on consumer purchase decision particularly a case study Ambassador garment PLC”, submitted in partial fulfillment of the requirement for the degree of Master of Arts in Marketing Management, done by Mesfin Assefa is an authentic work carried out by his under our guidance. The theme embedded in this thesis has not been submitted earlier for the award of any degree or diploma in any other university to the best of knowledge.

Approved By:

Internal Examiner: _____ Signature _____ Date _____

External Examiner: _____ Signature _____ Date _____

Advisor: _____ Signature _____ Date _____

Acknowledgment

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List of Abbreviations and Acronyms

PLC Private Limited Company

VIF Variance Inflation Factor

Abstract

The aim of this study was to investigate the influence of different pricing strategy on consumer purchase decision of Ambassador Garment PLC. Clear understanding of these factors will enable Ambassador Garment marketing managers to develop suitable marketing strategies, business models, processes, and Suitable pricing strategies. To address the research objective 138 sampled customers were selected. Purposive and convenience sampling methods were used. Questioners were distributed to conveniently selected customers and Data gathered were analyzed based on these 138 samples customers' response using SPSS 20 software package. Descriptive statistics and explanatory research design were employed. All out puts were reported using percentage, mean, standard deviation, correlation analysis and regression result. The result indicates that among different pricing strategies Discount pricing and Odd pricing found to have the highest correlation with consumer purchasing decision of Ambassador Garment PLC. Thus, one can conclude that Price discount and Odd pricing strategies had the most statistically significant factors influences customers to prefer Ambassador Products. Consumers are not preferred the firm that charges high introductory price for new Ambassador produces.

Based on the finding this research recommends Ambassador Garment PLC may consider offering various discounts aimed at all persons. The company also advised to identify dynamic pricing to attract their high involvement of consumers. Also, it is better to Ambassador Garment to take a caution when introducing a new price promotion. Better to sell with lower and discount price for the new items produced in the company. The company doesn't advisable to set high price during the introductory phase of product instead better to use discount pricing during introductory of new products.

Key Words: Ambassador Garment PLC, Price discount, skimming, Odd pricing, bundle pricing, premium pricing, purchase decision

CHAPTER ONE

1. INTRODUCTION

1.1 Background of the Study

According to Rosa (2011) price is a measure by which customers judge the value of any offer from retailers and they use it to make choices between competing brands. Lancioni (2005) price is also one of the most flexible elements of the marketing mix and can be adapted easily in the changing environmental conditions. Organizations spend a lot of time and resources figuring out the best pricing strategy for their products because a wrong strategy can cost them important customers and therefore result into loss of revenue. Dolan & Simon (1996) organizations remaining indifferent or frustrated around pricing strategies stay behind by allowing the competition to set market prices. This may have a negative influence on the way consumers view them because they have to go by the prices fixed by their competitors otherwise their market share will be affected adversely.

According to Rosa (2011), the importance of price as a purchase stimulus has a key role in price management since not only does it determine the way prices are perceived and valued , but it also influences consumer purchase decision. Lichtenstein (1993) points out that price are central to consumer purchase decision due to its presence in all purchasing situations. Marketers realize that consumers use price to differentiate products with almost similar characteristics and therefore they use pricing as a differentiating element between substitute products.

As of the study by Kotler (2001) pricing strategy is paramount to every organization involved in the production of consumer goods and services because it gives a cue about the company and its products because a company does not set a single price but rather a pricing structure that covers different items in its line. A pricing strategy takes into account segments, ability to pay, market conditions, competitor actions, trade margins and input costs. Cram (2006) stated that a good pricing strategy also includes the perspectives of the consumer, the organization, and the

competition thus ensuring that an organization has a sustainable competitive advantage. Tang (2001) observes that there is nothing more important in business than the right pricing strategy. As of the author by Hinterhuber (2008) there are various pricing strategies that retailers can adopt and they vary across industries. These strategies can be categorized into three groups namely cost-based pricing, competition-based pricing and customer value-based pricing. Cost-based pricing primarily uses data from cost of production to determine prices. It does not take competition into consideration and also does not examine consumer purchase decision. Blythe (2005) pointed out that competitor oriented pricing uses competitors price as a starting point for price setting (It uses anticipated or observed price levels of competitors as primary source for setting prices). Customer value-based pricing uses the value that a product or service delivers to a segment of customers as the main factor for setting prices. Ingenbleek (2003) customer value-based pricing is increasingly recognized in the literature as superior to all other pricing strategies. Retailers using this strategy may choose to use Everyday Low pricing strategy or High-low pricing strategy, which are particularly well implemented in the supermarkets due to the fact that they are easy to manage.

As the author by Peter & Donnelly (2003) consumer purchase decision is the study of how individual customers, groups or organizations select, buy, use, and dispose goods and services to satisfy their needs and wants. It refers to the actions of the consumers in the marketplace and the underlying motives for those actions. Organizations expect that by understanding what causes the consumers to buy goods and services, they will be able to determine the best price for their products, the price that will make them have a competitive edge over their rivals. There are various factors that influence the consumer purchase decision. Tang (2001) states that they include marketing factors such as product design, price, promotion, packaging, position and distribution and personal factors such as age, gender, education and income level. Kotler (2001) posits that a number of factors influence consumer purchase decision, namely product choice, brand choice, dealer choice, purchase timing, and purchase amount.

1.2 Statement of the Problem

Today's companies face fierce competition in the market which is not only local but also global. There are many retailers in the market who all aim at attracting the same customer base and therefore for an organization to have a competitive advantage, it has to come up with good strategies that will ensure that it has a competitive advantage. One of the strategies that many organizations have to focus on is the pricing strategies.

Many organizations do not understand how price influences consumer purchase decision. In his Question to explain the nature of relationship between price and consumer purchase decision, Smith, (2000) argues that creating a price perceived by the consumer to be too high may lead the consumer to a competitor. On the other hand, pricing too low may bring the wrong type of consumer. Shoemaker (2000), an organization should consider other factors when coming up with a pricing strategy because the pricing strategy an organization chooses must blend with the goals, culture, and market of the organization.

Choosing a pricing objective and associated strategy is an important function of the business owner and an integral part of the business plan or planning process. It is more than simply calculating the cost of production and adding a markup (Roth 2007). Therefore, assigning product prices is a strategic activity and the price or prices assigned to a product or range of products will have an impact on the extent to which consumers view the firm's products and determine its subsequent purchase.

The interest of this study is to understand the extent to which customers perceive pricing strategies of Ambassador Garment produces. It is dangerous to assume that customers perceive a particular pricing strategy as fair; furthermore it is also out of place to state that customers believe that whatever different price is set is a reflection of the cost of producing a product. According to Hinterhuber (2008) the problem is rooted in consumers is not understanding the value-based pricing strategy of the firm and it is a strategy that is adopted by a few firms.

There are studies which have used different methodologies when looking at the influence of pricing strategies on consumer purchase decision in the past. For instance, Jung, (2014) used time series methods to exam the effects of pricing strategies. In her study, Kane, (2007) used online survey instrument managed through the Web-survey service zoomerang to obtain data. Ellickson & Misra (2008) used the Bayesian structure in their study. It is therefore important for this a study

to use a different method to find out whether the results will be similar. This study adopted the Pearson Correlation and regression along with mean and standard deviations to analyze data.

Fassnacht & Husseini (2013) in their study, found out that there are several studies which have been published on pricing strategies in retailing during the last years, but no comprehensive literature review of this topic with its determinants and outcomes exists. A gap also exists in the elements used to define consumer purchase decision. Kane, (2007) used customer retention and customer loyalty to measure consumer purchase decision. On the other hand, Chen, (2009) used belief, trust and perceived risk to measure consumer purchase decision. Therefore, it was important for a study to be carried out using other elements to find out whether the results would tally.

There are other researchers who have also looked at the influence of different pricing strategies on consumer purchase decision in different contexts but few have focused on the influence of pricing strategies on consumer purchase decision in the retail industry particularly in the supermarkets in the Kenyan context (Hellier, 2002; Shoemaker, 2003; Thomas, Blattberg, & Fox, 2004). Kane (2007) studied the effect of different pricing strategies on consumer purchase decision in the insurance industry and concluded that the behavior of consumers is influenced by the pricing strategy the insurance company adopts. In that regard, this study sought to assess the influence of pricing strategies on consumer purchase decision particularly on Ambassador garment PLC.

1.3 Research Questions

- To what extent does Premium pricing strategies influences consumer purchasing decision of Ambassador Garment PLC produces?
- How Price skimming pricing strategy influence consumer purchase decision Ambassador garment PLC?
- How does Price Discount pricing strategy influence consumer purchase decision in Ambassador Garment PLC?
- How does Bundle pricing strategy influence consumer purchase decision of Ambassador garment PLC?
- To what extent does Odd Pricing strategy influence consumer purchase decision of Ambassador garment PLC?

1.4 Objective of the Study

1.1.1. General Objective

The general objective of this study was to investigate the influence of different pricing strategy on consumer purchase decision of Ambassador Garment PLC.

1.1.2. Specific Objective

- To determine the extent to which Premium Pricing strategy influences on Consumer purchasing decision of Ambassador Garment PLC.
- To examine influence of Price Skimming strategy influences on Consumer purchasing decision of Ambassador Garment PLC.
- To determine the influence of Price discount pricing strategy on Consumer purchasing decision of Ambassador Garment PLC.
- To assess the extent to which Bundle Pricing strategy influences on Consumer purchasing decision of Ambassador Garment PLC.
- To determine the influence of Odd Pricing strategy on Consumer purchasing decision of Ambassador Garment PLC.

1.5 Significance of the Study

This study intended to be beneficial to retail outlet managers with strategic knowledge on how pricing strategies influence consumer purchase decision. It might be also enable them know how many of their competitors adopt similar pricing strategies and therefore they would able to position themselves competitively. Secondly, the study assumed to provide knowledge to the retail managers on the influences of different pricing Strategy on consumer purchase decision and therefore they might be able to adopt the right pricing strategy for their target market.

Customers and the public in general are also likely to benefit from the research by understanding the various pricing strategies that are available. This would come in handy when they are making decision in regard to what products they want to purchase, where to purchase and the amount they will purchase.

By use of the product choice, store choice, purchase amount and purchase timing as the elements measuring consumer purchase decision, this study intends to help in filling the existing knowledge

gap on elements of consumer purchase decision. The study also benefits academicians searching for information in this area of marketing by providing yet another method of analyzing the pricing strategies and consumer purchase decision variables. Future scholars might also benefit from this study as they continue in the pursuit of further studies in this topic.

1.6 Scope of the Study

Conceptually this paper focuses on the five pricing strategies to see the influence of pricing on consumer purchase decision of consumers on Ambassador Garment PLC. The researcher was limited its scope to study the influence of these five strategies to investigate, “The Influence of pricing strategies on consumer purchase decision.” on Ambassador garment PLC. The researcher was collected data from individual customers of Ambassador garment PLC in Addis Ababa city administration. The study was limited in geographical scope only in Addis Ababa. Thus this study could not include and address customers outside of study area.

The study was limited its time scope to collect data and complete the study from January 2/2019 up to may 24/ 2019.

1.7 Limitation of the Study

This study was designed to collect data from customers who have been found in Addis Ababa selected areas only. Thus it does not include Ambassador Garment PLC customers found in all areas of Addis Ababa. The study also didn’t include customers outside of Addis Ababa.

There was also time limitation to collect data from the customers. Lack of sufficient previous studies in Ethiopia concerning influence of pricing strategy of Garment Companies on Consumer purchasing decision was the other limitation.

The other limitation was budget; this limits the researcher to provide stationary like pen, and tea to respondents in order to have initiative and voluntary respondents.

1.8 Organization of the Study

This study organized into five chapters; the first chapter concern about background of the study, statement of the problem, research question, research objectives, significance of the study, scope of the study, organization of the study and definition of key terms. The second chapter concerns

on relevant literature related to the topics and sub topics, this involves theoretical frame work. Furthermore conceptual framework of the study was presented. The third chapter focuses on research design and methodology. The forth chapter concerns about data presentation, analysis and other necessary information. The last chapter leads the research paper to the end with summary, conclusion and recommendation.

1.9 Hypothesis Formulation

The following hypothesis was formulated

H1: premium pricing is positively affecting Consumer Purchasing Decision of Ambassador Garment PLC.

H2: Price skimming strategy influences Consumer Purchasing Decision Ambassador Garment PLC.

H3: Bundle pricing strategy influences Consumer Purchasing Decision of Ambassador Garment PLC.

H4: Price Discount strategy influences Consumer Purchasing Decision of Ambassador Garment PLC

H5: Odd pricing strategy influences Consumer Purchasing Decision of Ambassador Garment PLC.

CHAPTER TWO

1. LITRATURE REVIEW

2.1 Theoretical Review

The study was anchored on three theories, namely the adaptation-level theory, the reasoned action theory and the signaling theory. These theories explain the two variables, pricing strategies and consumer purchase decision. In addition to three theories, Consumer buying behavior and factors affecting buying behaviors clearly stated in this part.

2.1.1 Adaptation-level theory

Adaptation-level theory has been used to explain how consumers perceive different pricing strategies. Adaptation –level theory says that the perceptual judgment of any stimuli depends on the ratio of the physical value of that stimulus and the physical value of the subject’s current adaption level (www.acrwebsite.org, 2019). A reference price may be an average of a range of prices for similar products and not one actual price. These principles explain how consumers interpret different pricing strategies that retailers use. This comes in handy with the objectives of this study since they will shed some light on how pricing strategies influence the brand choice, the purchase timing and the store choice of consumers in Ethiopia.

According to Chandrashekar (2011), recent research finding suggest prices paid for previously purchased products indirectly influence consumer evaluations by bringing about shifts in consumer’s reference price.

One major strength of this theory is that it explains how consumers perceive different prices and how that influences their purchase decision. The theory goes further to suggest that consumers compare previous knowledge of the price to the current price in order to make a decision on whether to buy or not. Marketers should therefore ensure that information concerning the prices of their products is communicated clearly in order to erase doubts in the minds of consumers. This theory is applicable to this research as it helps in understanding how consumers translate pricing strategies and the impact the pricing strategies have on consumer purchase decision.

This theory however fails to explain how consumers arrive at the purchase amount at any particular time. It clearly explains how they perceive prices but does not explain how much they are willing

to sacrifice when they are shopping. This therefore led the researcher to use other theories to explain this phenomenon in this study.

2.1.2 Theory of Reasoned Action (TRA)

Prager (2012) states that the TRA is the best-known social-psychological attitude-behavior model which incorporates external factors on intention to adopt an overt behavior

As of the point by Njite & Parsa(2005) the perceived value of any pricing strategy is a personal thing because every individual places a certain value on the price. Understanding the evaluative criterion an individual uses in purchasing a product is one aspect the theory of reasoned action can address

Consumers have greater sensitivity to price changes than changes in other product or service elements and therefore price is said to be a major determinant of consumer purchase decision. Pricing information adds to a consumer's understanding of the product or service presented and the consumer is able to make an informed decision based on that understanding. The study used this theory to explain how pricing strategy influences consumer purchasing decision.

2.1.3 Signaling Theory

Connellt (2011) states that the theory involves three primary elements i.e. the signaler, the receiver and the signal itself where signalers own the information about a product which is transmitted to receivers. In the case of this study, the signaler is the retailer, the receiver is the consumer and the signal is the price. The main reason why the researcher settled on the signaling theory as a basis of this research is because this theory has been used extensively in domains such as finance as a framework of understanding how two parties (e.g. a buyer and seller) address limited or hidden information in a pre-purchase context.

As the Nakamura & Steinsson (2011) states that retailers may anticipate consumer reactions and define their price strategies accordingly, trying to affect consumer perceptions and behavior even going to the extent of sending false signals. However, according to Srivastava & Lurie (2001), consumers can punish firms for sending these false signals using different ways In particular, consumers can withhold repeat purchases, engage in negative word-of-mouth, and call for regulatory action Manzur (2013) points out that these disciplinary mechanisms are likely to be stronger for some attributes like price because they can be evaluated and verified before purchase. According to the researcher therefore it is able to tame retailers and they thus avoid giving wrong signals. Retailers may choose to avoid this punishment by avoiding the signals all together. When

that happens, consumers look for information through other cues and when consumers lack important information, they gather additional evidence or interpret signs and cues that have some apparent information value.

2.2 Consumer Preferences

According to Kotler and Armstrong (2010), the world consumer market consists of more than 6.6 billion people, and thus there is great demand for an enormous variety of goods and services, especially as consumers differ from one another in that of age, gender, income, education level, and tastes. Moreover, the relationships between different consumers, as well as their contact with other elements of the world surroundings, affect their choice of products, services, and companies.

2.3 Consumer Buying Behavior and Purchase Decision process

No matter how old, educated, rich, and talented we are, we are all consumers. Thus, understanding the consumers' behavior becomes a very important task for marketers, dealers and salesmen.

According to Manali Khaniwale (2015) Consumer behavior involves the study of individuals and the method they employ to choose, utilize, and set out products and services to fulfill their wants and the effect that these methods have on the consumer and the society as a whole. Consumer behavior refers to all the thoughts, feelings and actions that an individual has or takes before or while buying any product, service or idea. Buyer behavior is the concept which answers what, why, how, when, and where an individual makes purchase. As a result, the outcome of buyer behavior is the buyer's decision. According to Kotler & Keller (2012) consumer behavior is the study of how individuals, groups, and organizations select, buy, use, and dispose of goods, services, ideas, or experiences to satisfy their needs and wants.

One of the common models of consumer decision making process has been offered by *Blackwell (2006)*. According to him, the five stages of consumer decision making process are followings: problem/need recognition, information search, evaluation of alternatives, purchase decision made and post purchase evaluation

Saylor (2009) outlines six stages in the consumer purchasing process. At every given point in time someone is probably in some sort of buying stage. These stages include need recognition, search for product information, product evaluation, product choice and purchase, post-purchase use and evaluation and disposal of the product.

2.4 Consumer Behavior and Pricing strategies

According to Rigges (2008), pricing is the process of determining and applying prices to goods and services. It is one of the four Ps of marketing (Product, Place, Price and Promotion) and it is perhaps the most important one because it is the only factor that generates revenue to the company. Prices are determined by the balance of supply and demand and set with a certain degree of confidence that consumers will pay it.

Kotler & Keller(2012) stated that price is the one element of the marketing mix that produces revenue; the other elements produce costs. They also stated that purchase decisions are based on how consumers perceive prices and what they consider the current actual price to be. Understanding how consumers arrive at their perceptions of prices is an important marketing priority.

2.4.1 Odd even pricing

It involves using price ranges that are usually in odd numbers just under even numbers which are more appealing to consumers (Businessdictionary.com, 2013). The psychological principle at work here is that odd numbers (₦79, ₦9.95, ₦499) convey a bargain image.

Various explanations are offered for the widespread use of odd pricing. One explanation is that customers see an odd price as being much cheaper than it actually is in relation to the nearest round figure. That is, customers see a price of \$4.99 as being closer to four dollars than nearly five dollars. Thus, when a price is \$4.99, a consumer will recall that the price is \$4.00, and then maybe that it is \$4.90, but rarely that it is exactly \$4.99. The reason offered for not instead rounding \$4.99 to \$5.00 is based on memory processing time. Odd even pricing (also price ending, charm pricing) is a [pricing strategy](#) based on the theory that certain prices have a psychological impact. It is designed to influence the psyche of the customers and attract them to buy (Sahaf, 2013) the intention of odd even pricing is to make the price appear considerably lower than it is.

2.4.2 Bundle pricing

Product bundle pricing is a pricing strategy in which several products, services, or any combinations of them are presented to the customers as a single package with a single price. Some research papers have been published so far which are devoted to different aspects of bundle pricing.

Linde (2009) studied and compared three pricing strategies (bundling, versioning and windowing) in the field of movies. Ancarani (2002) described and analyzed the role of internet to present bundles of information goods using online tools. Furthermore, Simon and Butscher (2001) demonstrated that profitability could increase 10% to 40% using bundle pricing.

2.4.3 Discount pricing

Gedenk (2002) has explained the short term and long term effects of promotional pricing to a firm. According to his view, in the short run the consumers are switching to the particular store which offers promotional prices. And also, the consumers are switching to the brands which are engaged in promotional pricing frequently. And new customers are generated through this strategy. And promotional pricing accelerate the purchases and ultimately it contributes to the firm to generate higher profits.

As of Kotler (2008), there are three main reasons for lowering prices. First, as a defensive strategy, prices may be cut in response to competition. In addition, to successfully compete in mature industries, many companies reduce prices, following a strategy that is often called value pricing. A second reason for lowering price is offensive in nature. Following the experience curve concept, costs across the board go down by fixed percentage every time experience doubles. Technology advances have made possible the low cost production of high quality electronics gear. The third and final reason for price cutting may be a response to customer needs.

Roth (2007) states that choosing a pricing objective and associated strategy is an important function of the business owner and an integral part of the business plan or planning process. It is more than simply calculating the cost of production and adding a markup

Therefore, assigning product prices is a strategic activity and the price or prices assigned to a product or range of products will have an impact on the extent to which consumers view the firm's products and determine its subsequent purchase. However, it is less clear how pricing activities can be guided by the marketing concept. Certainly, customers would prefer paying less, in fact, they would even prefer to pay nothing but it is simply not feasible to give products without price (Sagepub.com 2009).

2.4.5 Cost oriented pricing strategy

Hinterhuber (2008) states that Cost based-pricing approaches determine prices primarily with data from cost of production. Its main advantage is that data is readily available but at the same time a

disadvantage stands. It does not take competition into consideration. It also does not examine customer's willingness to pay.

2.4.7 Competitors oriented pricing strategy: It is using competitor's price as a starting point for price setting (Blythe 2005). According to Hinterhuber (2008) this is done when companies set prices chiefly on the basis of what its competitors are charging. Competition based pricing uses anticipated or observed price levels of competitors as primary source for setting prices.

2.4.8 Demand based pricing: Brassington and Pettitt (2006), demand based pricing looks outward from the production line and focuses on customers and their responsiveness to different price levels. They are prices based on the customers' demand for a product. When this method of pricing is used the price set must be in line with the customer's perception of the product or it will be priced too high or too low for the target market (Farese, Kimbrell and Woloszko 2003).

2.4.9 Value based pricing: Customer value-based pricing uses the value that a product or service delivers to a segment of customers as the main factor for setting prices (Hinterhuber 2008). Customer value-based pricing is increasingly recognized in the literature as superior to all other pricing strategies.

2.4.10 Dynamic pricing: Kelly, L.H. and Willam, O.B. (2006) defined dynamic pricing as a strategy in which prices vary over time, consumers, and/or circumstances. It can also be referred to as adjusting prices continually to meet the characteristics and needs of individual customers and situations (Kotler and Armstrong, 2008).

2.4.11 Differential pricing: Differential pricing involves selling the same product to different buyers under a variety of prices (Bearden, Ingram and Laforge, 2004) which means different prices are used for different segments. It is the same as discriminatory pricing policy especially when the cost of production and selling of the product are essentially the same.

2.4.12 Psychological pricing: A pricing approach that considers the psychology of prices and not simply the economics; the price is used to say something about the product (Kotler and Armstrong, 2008). Psychological pricing refers to applying prices that appeal to the customer's emotions (Blythe 2005). Psychological pricing is very much a customer based pricing method, relying as it does on the consumer's emotive responses, subjective assessments and feelings towards specific purchases (Brassington and Pettitt, 2006). An aspect of this type of pricing is the reference price, it refers to prices that buyers carry in their mind and refer to when looking at a given product.

2.4.13 Product line pricing: Kotler (2001). Companies who use product line pricing set price steps between various products in a product line usually based on cost differences between the products, customer evaluations of different features and competitors prices.

2.4.14 Price skimming

Lamb (2004) it is a pricing policy whereby a firm charges a high introductory price, often coupled with high promotion (). It refers to setting the highest initial price that customers really desiring the product are willing to pay (Kevin, Hartley and Rudelius, 2004). Customers involved here are not price sensitive instead the quality and ability of the product to satisfy their needs appeal to them. It involves setting high prices for new products in order to skim maximum revenues layer by layer from the segments that are willing to pay the price allowing for the company to make fewer but more profitable sales (Kotler, 2001). Agwu (2014) argued that the firm could combine high prices with high promotion whereby it seeks to maximize profits as much as possible.

2.4.15 Online pricing

Meckes (2007), currently, pricing has developed in small steps towards a more online driven business. With the growth of the online marketplace, pricing has gained new interest among practitioners and academics, and online business models and digitally consumed goods allow for the creation of new pricing mechanisms (Dolan and Moon 2000; Doctors, 2010). Participative pricing mechanisms represent such new pricing vehicles as they involve consumers in the price-setting process (Kim, Natter, and Spann, 2009; Chandran and Morwitz, 2005) and they can effectively be used in online environments.

2.5 Empirical Studies

Researchers have been conducted many studies to understand consumer buying behavior such as: Manali Khaniwale (2015) has conducted a study which analyzed the theoretical aspects of consumer buying behavior and the factors that influence it. Also, he reviewed the relationship between consumer buying behavior and the factors that influence the consumer's purchasing process and purchase decision. His research has sufficient evidence to prove that the consumer's buyer behavior is significantly influenced by the consumer's internal and external factors. According to H. Al-Salamin, J. Al-Baqshi, M. Al-Rassasi and H. Al-Salem (2015), thier results showed that the price of well-known brand products affects the purchase process negatively.

Although young people are interested in purchasing brand products, their low income prevents them from the buying process while they are considered as a major segmentation for brand names.

According to Aysel Boztepe (2012), environmental awareness, green product features, green promotion activities and green price affect green purchasing behaviors of the consumers in positive way. Demographic characteristics have moderate affect on model. Lefa Teng (2007) argued that when a price discount with and without a minimum purchase requirement is applied to a brand in a hold set, the brand moves from the consumers' hold set to the consideration set.

However, the effects of the two types of price discounts on consumers' attitudes and purchase intentions are not significantly different. According to Junyeon Moon, Doren Chadee, and Surinder Tikoo (2006), their results indicate that individualism is the only culture dimension to have a significant effect on purchase intention. Product type and individualism by price interaction also have a significant effect, whereas price does not.

According to Hinterhuber (2008) pricing strategies vary considerably across industries, countries and customers and can be categorized into three groups: cost-based pricing, competition-based pricing, and customer value-based pricing.

According to Agwu and Carter (2014), 'among the four Ps, price is the only income generator and it is the value attached to a product. Furthermore, price is the amount of money charged for a product or service. It is the sum of all the values that customers give up in order to gain the benefits of having or using a product (Kotler, 2010).

Agwu and Carter (2014) further states that online markets are considerably more fluid than their offline counterparts because consumers are increasingly searching for specific models of products and the number of rivals selling a particular product and their prices change almost daily. Adding to the dynamics, for many products sold online the pace of technological change translates into dramatically shortened product life-cycles (Baye, 2007). Snyder and Ellison (2010) categorize this market as one with a large number of firms, ranked by price, with highly visible and prices that are easy to change making it one with high level of transparency. Online markets also provide numerous opportunities to conduct price experiments, either by altering the price available to all consumers over time or by simultaneously offering different prices to separate subsets of consumers.

2.6 Gap of the Research

Pricing strategies and consumer purchase decision are multi-facet phenomenon; there is no standard way of conceptualizing and measuring them across all industries. Therefore every organization needs to develop its own configuration of pricing strategies that are rooted in the realities of its competitive market, past commitments and anticipated requirements. Previous researchers have agreed that firms that implement the right pricing strategies enjoy sustainable competitive advantage which reflects on their performance.

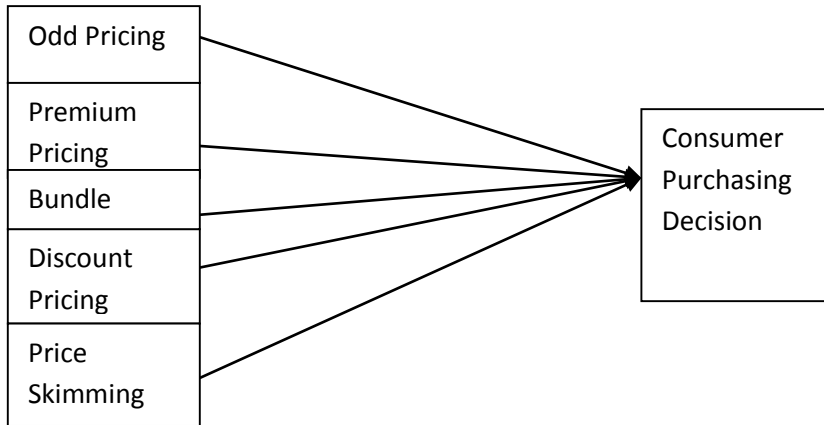
Previous studies have used various methodologies to examine the relationship between pricing strategies and consumer purchase decision. Therefore a need to use a yet another methodology to address the issue in order to see whether the researcher will get similar outcome.

Ellickson. & Misra. (2008) a number of studies in this area have been carried out in the western part of the world. Very few studies on this area have been done in the African context. The few studies done in the African context have focused on the service industry (Kane, 2007) leaving a research gap in the goods industry. There is therefore a need to carry out a study within the Ethiopian context focusing on the Garment industry. A comprehensive understanding of how pricing strategies are linked with consumer purchase decision was added to the body of knowledge in the Garment industry and marketing in general.

2.7 Conceptual Framework

The conceptual framework below explains that pricing strategies which is the independent variable will be analyzed using five constructs: odd pricing, premium pricing, bundle pricing, discount pricing, and price skimming and consumer purchase decision which is the dependent variable was analyzed. Then the study intends to explain the relationship between the two. The reason behind selecting these pricing strategies was that currently Ambassador using to attract new and existing customers by using these different pricing strategies.

Figure 1: Conceptual framework



Source: [Hussain Al-Salamin\(2016\)](#)

CHAPTER THREE

3. METHODOLOGY

This section contains five major components; the first part discussed the research design, the second part presented target populations and sampling frame and third part presents issues related to data collection methods and sources and . Finally, the fourth, the fifth and sixth parts discussed the data processing, data analysis and presentation method, validity assurances and research ethics respectively.

3.1 Research Approach

Quantitative research is a study that makes use of statistical analysis to obtain findings. Its key features include systematic and formal measurement of phenomenon and the use of statistics. Since this research uses systematic collection and measurement of data as well as application of statistical tools to obtain the findings, it is a quantitative research. The researcher used quantitative research approach due to the group to be studied result is reported with correlation, regression model and statistical significance of findings.

3.2 Research Design

The main objective of this research was to investigate the influence of pricing strategy on consumer purchase decision. Thus, explanatory type research designs were employed.

Explanatory designs try to establish cause-and-effect relationships. The primary purpose of explanatory research design is to determine how events occur and which ones may influence particular outcomes, which looks for the relationship among the different factors influencing consumer purchasing decision as per the conceptual model.

3.3 Target Population and Sampling Technique

The population of interest for this research was customers of Ambassador Garment PLC found in Addis Ababa. These places were purposely selected from Addis Ababa more concentrated in the area and more trading activities performed in the area. Thus, Purposive sampling was used to select

those customers based on the flow of the customers. Thus, Customers found in Merkato, Megenagna, Saris, and Stadium was selected. The reason behind such sampling design is to get higher number of customers in a single place within short period of time, since the type of customers across the city are assumed to be homogenous (no segmentation geographically).

Then, Convenience sampling technique was used to select customers in the selected areas. This is for the purpose of suitability of contacting, interviewing and collecting sufficient data from customers who are using ambassador Garment products and need to buy the product. This technique is important in order to overcome the practical difficulties for obtaining sufficient data more quickly and effectively.

3.4 Sample size

The total number of Ambassador Garment consumers is infinite as a result the sample size was calculated using Godden 2014 formula. Sample size for more than 50,000 populations with 95% confidence level, 10% of population proportion and 5% of margin of error. The Approximate sample size was 138.

$$SS = \frac{Z^2 P (1-P)}{(M)^2}$$

$$(M)^2$$

SS= Sample size for infinite population (more than 50,000)

Z= Z value

P= population proportion

M= Margin of error

Sample size for more than 50,000 populations

Z value 1.96 for 95% confidence level

Population proportion assumed to be 0.1 (10%)

Margin of interest 5% (0.05)

$$SS = \frac{(1.96)^2 * 0.1(1-0.1)}{(0.05)^2}$$

$$(0.05)^2$$

$$SS = 0.345744$$

$$0.0025$$

$$SS = 138.2 \text{ Approximately } 138$$

Therefore, the sample size was about 138 respondents.

3.5 Data collection Procedure

The First Step was to council and taking advice from the advisor. The Second step after building the questionnaire was to run the pre-test for checking the efficiency and appropriateness of questionnaire in order to explore the relevant and irrelevant items in the questionnaire. The last step was to conduct the survey and collecting data.

3.6 Data Sources and Collection Methods

This study used primary and secondary source of data. Secondary data was used only for documentation and literature review. Regarding the primary data sources the researcher used structured questionnaire as an instrument to collect data from Ambassador Garment sample customers to gather the information needed for the research by using a five point Likert response scale. The questionnaire has two parts first part focuses mainly about the personal profiles of sample respondents such as age; gender, education status etc., whereas part two of the questionnaire deals with state of agreement by respondents on different pricing strategies customers prefer to buy its product.

The questionnaires were distributed to 138 sampled respondents, and all was appropriately filled and returned by 100% response rate.

3.7 Data Analysis and Presentation

Both the descriptive and inferential analysis is conducted using statistical software called Statistical Package for Social Science V20.

Descriptive analysis was used to analyze data gathered through questionnaires. The data gathered through questionnaires was fed into SPSS to make the data ready for processing. At last presentation and report was done through graphs, figures, and tables. The arithmetic mean is a measure of central tendency which may be used to represent data in an entire population. Standard Deviation is a widely used to measure the variability in statistics and probability theory. It shows how much variation there is from the mean. Multiple regression analysis was also applied for the research to address research objective two which includes all variables together. And the

inferential statistics is used to examine the relationship and the direction of the relationship between explanatory variables and consumer purchasing decision. The study tests four assumptions, linearity, Normality, and autocorrelation and Multicollinearity tests. In order to study the relationships between the independent and dependent variables a Spearman's correlation analysis was used.

The multiple regression models for the study were as follows:

$$\text{Purchasing Decision} = \beta_0 + \beta_1 \text{Pr} + \beta_2 \text{Sk} + \beta_3 \text{Disc} + \beta_4 \text{Bund} + \beta_5 \text{Odd} + \varepsilon$$

Where, β_0 =Consumer Purchasing Decision in absence of Premium price, Skimming, discount, Bundle pricing, and odd pricing

β_1 =The partial change in the Purchasing Decision due to one unit change in Premium pricing while other things remain constant

β_2 = The partial change in the Purchasing Decision due to one unit change in Price skimming while other things remain constant

β_3 = The partial change in the purchasing decision due to one unit change in Price Discount while other things remain constant

β_4 = The partial change in the Purchasing Decision due to one unit change in Bundle pricing while other things remain constant

β_5 =The partial change in the Purchasing Decision due to one unit change in Odd pricing while other things remain constant

ε = other factors undefined

3.8 Reliability

To ensure the reliability of the measurement scales, Cronbach's alpha was used in the calculation. Where by a higher value of above 0.6 indicated that the variables were reliable while the values above 0.9 are regarded as most reliable but anything below 0.6 was regarded inconsistent with the reliability scales as according to George & Mallery, (2003) who suggested that in order for a scale to be reliable, the Cronbach's alpha value should be above 0.6.

Table 3.1: Cronbach's Alpha Coefficients for the Pilot Test

Variables	Cronbach's Alpha	No. of items
Premium Pricing	0.874	3
Price skimming	0.937	3
Price Discount	0.895	4
Bundle Pricing	0.935	3
Odd Pricing	0.839	3

Source: Own Research Result, 2019

Table 3.1 above shows the reliability test for the independent variables premium price, Price skimming, Price discount, Bundle pricing, Odd pricing. The Reliability Test for premium pricing consisted of three questions and the result is 0.874 representing 87.4% scale reliable. The questions regarding premium pricing is reliable. The reliability test result for Bundle pricing is 0.935 consisted of three questions representing 93.5% scale reliable. This result is considered high according to the Alpha Coefficient Range and thus the researcher concludes that the questions regarding Bundle pricing are acceptable. As shown in table 3.1 above for the reliability test Cronbach's Alpha coefficients for Consumer purchasing Decision factors range from 0.839 to 0.937.

Based on the examination of the research scales and constructs, it can be concluded that each variable represents a reliable and valid construct.

3.9 Validity

Validity is the most critical criterion and indicates the degree to which an instrument measures what it is supposed to measure. The questionnaire was carefully designed and tested with a few members of the population for further improvements. Content validity of the survey questionnaire was validated by professionals, and the research advisor. A pilot test was used to ensure validity, a pre-test was sent to ten respondents to see if the questionnaire contains anything that was hard to interpret and using the ten sampled questionnaires validity test was made. Thus, using Kaiser-Meyer-Olkin(KMO) Measure of Validity test method the following results were found.

Table 3.2 Validity Test result

Variables	Kaiser-Meyer-Olkin(KMO) Measure of Validity test
Premium Pricing	0.739
Price skimming	0.764
Price Discount	0.802
Bundle Pricing	0.697
Odd Pricing	0.681

Source: Own Research Result, 2019

From the above table 3.2, all values of the variables are above 0.60. According to Sharma S. (1996 as cited in Gezahegn Bacha, 2015), it is said to be acceptable measure if the KMO value above 0.60 is Acceptable.

3.10 Research Ethics

According to Leedy and Ormrod, (2013), in doing any research, there is an ethical responsibility to do the work honestly and with integrity. The basic principle of ethical research is to preserve and protect the human dignity and rights of all subjects involved in a research project In this regard, the researcher assured that the respondents' information was confidential and used only for the study purpose. Before the data collection, the ethical issues were taken in to consideration when the study is conducted. Appropriate communication was undertaken with the staff of the Ambassador Garment PLC. During data collection respondents was informed the objective of the research. Anyone who may not interest to involve and bring any information was not included in the study. For the purpose of respondents' security their names was not written on the questionnaire. As a general rule, therefore the study was not raising any ethical anxiety.

CHAPTER FOUR

4. Result and Discussion

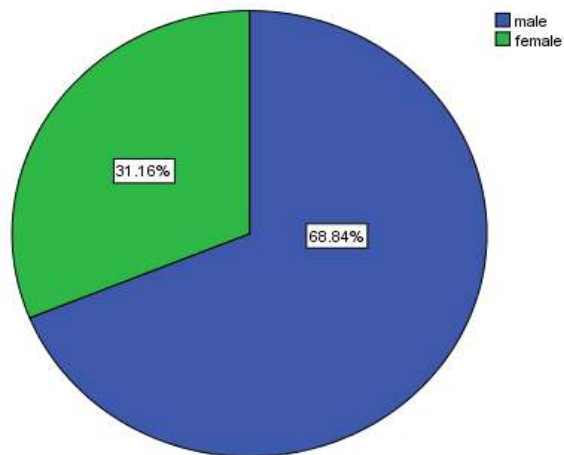
4.1 Data Collection overview

This chapter contains the findings and analysis of the research study based on interpretation of the data collected. Statistical Package for the Social Sciences (SPSS) software is used to analyze the research findings.

4.2 Demographic profile of the respondents

4.2.1 Gender Characteristics of the Respondents

Figure 2: Gender Characteristics



Based on the figure 2 above about 31.16% of the respondents were female, and about 68.84% of the respondents were male. Therefore most of the respondents were male. This shows that men have better experience behind women in buying Ambassador Garment products which may also influence consumer purchasing decision.

4.2.2 Age Category of the Respondents

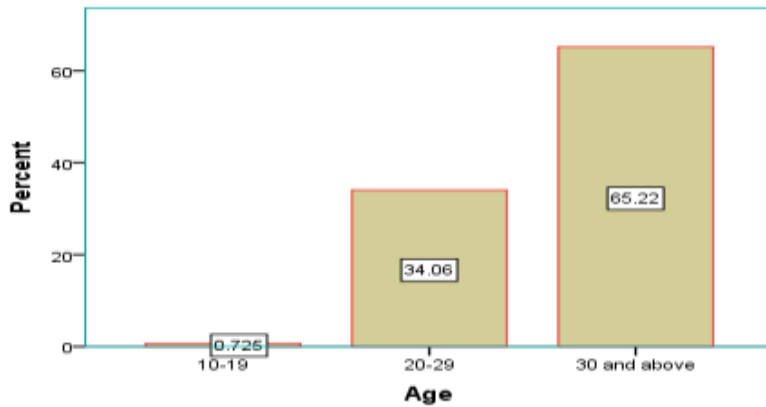


Figure 3 Age Category of Respondents

From the above figure 3 about 0.73% of the respondents are within the age of 10-19 years old, about 34.1% of the respondents were within the age of 20-29 years old, and about 65.22% of the respondents were above the age 30 years old. Thus, one can infer that majority of the respondents were within adult age and above 30 years old.

4.2.3 Educational Level of the Respondents

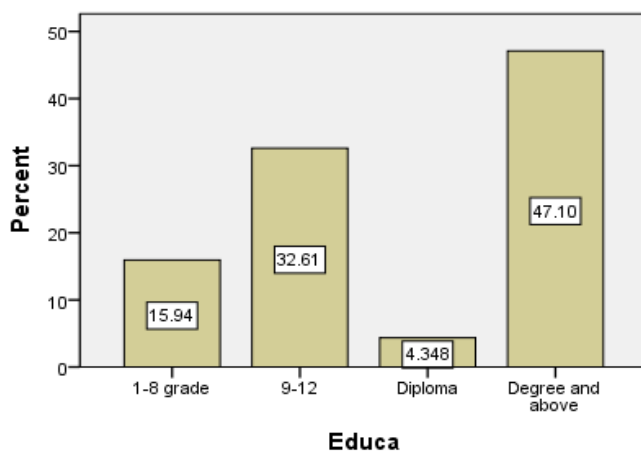


Figure 4: Educational Level of Customers

Based on the above figure 4 result about 15.94% of the respondents were 1-8 educational grade, about 32.61% of the respondents were 9-12 educational grade, and about 4.35% of the respondents were diploma holder, and about 47.1% of the respondents have degree and above educational level. That means most of the customers were educated, so that important to deliver different pricing strategy.

Table 4.1 Descriptive statistics summary result of Occupation, Purchasing, and Consumption

Questions	Responses	Frequency	Percentage
Occupation	1. Government	39	28.3
	2. Private employee	32	23.2
	3. Student	18	13
	4. Merchant	31	22.5
	5. Ambassadors	10	7.2
	6. others	8	5.8
Do you consume Ambassador produces?	1. yes	98	71
	2. No	40	29
How many times do you purchase per year	one times	26	26.5
	two times	41	41.8
	three times	31	31.6

Source: Own Research Result, 2019

Based on the above table concerning the respondents occupational level about 28.3% were government employees, about 23.2% were private employee, about 13% were student, about 22.% were merchant, about 7.2% were Ambassadors, and about 5.8% of the respondents were in other occupational level. Thus, most of the respondents were government employees.

Concerning the behavior of consumption of respondents about 71% of them were consume Ambassador Garment Products. The remaining 29% were not consuming Ambassador Garment products.

About 26.5% of the respondents purchase Ambassador Product one times, about 41.8% consume the product two times, and about 31.6% of the respondents consume three times. From this finding most of the customers consume Ambassador Products two times in a year.

4.3 Descriptive Result and Discussion on Influence of Pricing Strategy

Responses were measured on five point Likert scale with 1= Strongly Disagree; 2= Disagree; 3= Neutral; 4= Agree; and 5 = Strongly Agree as used by Worku M. (2015). To make easy interpretation, the following ranges of values were assigned to each scale: 1.50 or less = Strongly Disagree; 1.51- 2.50 = Disagree; 2.51- 3.49 = Neutral; 3.50 – 4.49 = Agree; and 4.50 and greater = Strongly Agree as used by Desalegn A. (2010).

4.3.1 Premium pricing strategies on consumer purchasing decision

Table 4.2 Descriptive statistics result about premium pricing

Questions	Respon ses						
	Stron.D isagree	Disagree	Neutral	Agree	Stron agree	Mea n	Stand .Deva tion
compared to other brands I like it is good to buy its premium prices	9(6.5%)	15(10.9%)	22(15.9%)	58(42%)	34(24.6%)	3.67	1.154

I prefer ambassador garment regardless of its premium prices	8(5.8%)	14(10.1%)	24(17.4%)	49(35.5%)	43(31.2%)	3.76	1.169
I prefer ambassador garment products by unique properties and better to buy with their premium price	8(5.8%)	19(13.8%)	22(15.9%)	47(34.1%)	42(30.4%)	3.70	1.206
Total Grand Mean						3.71	

Source: own Research survey result, 2019

From the above table from the first sub-construct about 6.5% strongly disagree, about 10.9% disagree, about 15.9% neutral, about 42% agree, and about 24.6% strongly agree on compared to other brands I like it is good to buy its premium prices. The majority of the respondents were agreed on the statement. The mean value 3.67 indicates their level of agreement lies on agreement state. The standard deviation value 1.154 indicates that there is small response deviation. From the second about 5.8% strongly disagree; about 10.1% disagree, about 17.4% neutral, about 35.5% agree, about 31.2% strongly agree on I prefer ambassador garment regardless of its premium prices. The mean value 3.76 indicates that respondent's level of agreement is lies on agreement state. .Based on the above third sub-construct about 5.8% strongly disagree, about 13.8% disagree, about 15.9% neutral, about 34.1% agree, about 30.4% strongly agree on I prefer ambassador garment products by unique properties and better to buy with their premium price. Then one can conclude that majority of them agree on the statement. The mean value 3.70 indicates that the level of agreement lies on agreement state. The standard deviation 1.206 indicates small response deviation.

The total grand mean value 3.71 indicates that respondents level of agreement lies on agreement state on premium pricing consumer prefer ambassador garment products by unique properties and better to buy with their premium price and regardless of their premium prices. Therefore, from the finding we can conclude that consumers prefer ambassador garment products regardless of their premium prices.

4.3.2 Price skimming strategy and Consumer Purchasing Decision

Table 4.3 Descriptive Statics Summary result of Price Skimming

Questions	Responses						
	Strongly Disagree	Disagree	Neutral	Agree	Strongly agree	Mean	Stand.D evat
I am willing to pay for a higher price for product(s) that is/are not available in solid shops.	59(42.8)	41(29.7)	17(12.3)	13(9.4)	8(5.8)	2.06	1.207
I prefer the firm that charges a high introductory price.	54(39.1)	42(30.4)	17(12.3)	15(10.9)	10(7.2)	2.17	1.259
I prefer high prices for new products rather than product attributes.	55(39.9)	41(29.7)	17(12.3)	16(11.6)	9(6.5)	2.16	1.249
Total Grand Mean						2.13	

Source: own Research survey result, 2019

From the above table from the first sub-construct about 42.8% strongly disagree. About 29.7% disagree, about 12.3% neutral, about 9.4% agree, and about 5.8% strongly agree on I am willing to pay for a higher price for product(s) that is/are not available in solid shops. The mean value 2.06 indicates that there is disagreement that paying high price for products that is/are not available in solid shops. From the second sub-construct about 39.1% strongly disagree, about 30.4% disagree,

about 12.3% neutral, about 10.9% agree, and about 7.2% strongly agreed that I am willing to pay for a higher price for product(s) that is/are not available in solid shops. The mean value 2.17 indicates that their level of agreement lies on disagreed state.

From the third sub-construct about 39.9% strongly disagree, about 29.7% disagree, about 12.3% neutral, about 11.6% agree, about 6.5% strongly agree on I prefer high prices for new products rather than product attributes. The mean value 2.16 indicates that respondents preferred high prices for new products rather than product attributes.

The total grand mean value 2.13 indicates that respondents were disagreed to pay high introductory prices for new ambassador garment products. Generally consumers are not preferred the firm that charges a high introductory price for new products in Ambassador garment products.

4.3.3 Price Discount

Table 4.4 Descriptive Statistics summary result Price discount strategy

Questions	Responses						
	Stron.Disagree	Disagree	Neutral	Agree	Stron agree	Mean	Stion d.Dev at
I may buy cheap products just because their prices are lower than the originals or expensive ones.	16(11.6)	20(14.5)	10(7.2)	52(37.7)	40(29)	3.58	1.350
Low prices of products increase my willingness to buy them.	16(11.6)	15(10.9)	9(6.5)	56(40.6)	42(30.4)	3.67	1.324
I prefer brands which have a steady low price.	15(10.9)	17(12.3)	13(9.4)	49(35.5)	44(31.9)	3.65	1.333
I choose Ambassador garment based on their low prices	18(13)	20(14.5)	9(6.5)	56(40.6)	35(25.4)	3.51	1.358

Total Grand Mean	3.61	
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Source: own Research survey result, 2019

Based on the above table finding from the first sub-construct about 11.6% strongly disagreed, about 14.5% disagreed, about 7.2% neutral, about 37.7% agreed, and about 29% strongly agreed on I may buy cheap products just because their prices are lower than the originals or expensive ones. The mean value 3.58 indicating that their level of agreement lies on agreement state, and standard deviation value 1.350 implying small response variations. Therefore, most of the respondents were agreed on this statement.

From the second sub-construct, about 11.6% strongly disagreed, about 10.9% disagreed, about 6.5% neutral, about 40.6% agreed, and about 30.4% strongly agreed that Low prices of products increase my willingness to buy them. Thus, most of them agreed on this sub-construct. The mean value 3.67 indicates that their level of agreement lies on agreement state.

Based on the third sub-construct about 10.9% strongly disagreed, about 12.3% disagreed, about 9.4% neutral, about 35.5% agree, and about 31.9% strongly agreed on I prefer brands which have a steady low price. Thus, most of the respondents were agreed on this sub-construct. The standard deviation value 1.333 indicates that small response variation. The mean value 3.65 implies that level of agreement lies on agreement state. From the fourth sub-construct about 13% strongly disagreed, about 14.5% disagreed, about 6.5% neutral, about 40.5% agreed, and about 25.4% strongly agreed on I choose Ambassador garment based on their low prices.

The total grand mean value 3.61 indicates that that respondents level of agreement on price discount pricing strategy lies on agreement state. Therefore, generally one can conclude that sampled respondents willing and prefer to buy ambassador garment products which have low prices.

4.3.4 Bundle Pricing Strategy

Table 4.5 Descriptive statistics result of Bundle pricing strategy

Questions	Responses
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	Strongly .Disagree	Disagree	Neutral	Agree	Strongl y agree	Mean	Stand. Devait ion
Products have bundle offers (Buy one and other free) attract me to buy more	13(9.4)	18(13)	6(4.3)	53(38.4)	48(34.8)	3.76	1.31
Products have bundle offers (Buy one and get gift) attracts me to buy products	14(10.1%)	17(12.3%)	4(2.9%)	50(36.2 %)	53(38.4%)	3.89	1.399
I am willing to buy products buy 2 and take one free or by package	18(13)	19(13.8)	4(2.9)	52(37.7)	45(32.6)	3.63	1.399
Total Grand Mean						3.76	

Source: own Research survey result, 2019

Concerning the above table on the first sub-construct about 9.4% strongly disagree, about 13% disagree, about 4.35 neutral, about 38.4% disagree, and about 34.8% strongly agreed on Products have bundle offers (Buy one and other free) attract me to buy more. The mean value 3.76 indicates that their mean value lies on agreement state. From the second sub-construct about 10.1% strongly disagreed, about 12.3% disagreed, about 2.9% neutral, about 36.2% agree, and about 38.4% strongly agreed. The mean value 3.89 indicates that level of agreement state lies on agreement state.

From the third sub-construct about 13% strongly disagree, about 13.8% disagree, about 2.9% neutral, about 37.7% agreed, and about 32.6% strongly agreed on they were willing to buy products buy 2 and take one free or by package. The mean value 3.63 indicates that their level of agreement lies on agreement state. The standard deviation value 1.399 indicates that there is small response variation from the mean.

The total grand mean value 3.76 indicates that the respondents' level of agreement lies on agreement state that they are willing to buy products buy 2 and take one free or by package, and Products have bundle offers (Buy one and get gift) attracts me to buy products. Thus, consumers prefer ambassador garment products with bundle pricing strategies.

4.3.5 Odd Pricing Strategy

Table 4.6 Descriptive statistics result of Odd pricing

Questions	Responses						
	Stron.Disagree	Disagree	Neutral	Agree	Stron agree	Mean	Stiond .Devat
When buying, the way of writing the prices (such as 13.99 SR) attracts me to buy.	16(11.6)	11(8)	8(5.8)	57(41.3)	46(33.3)	3.77	1.309
I prefer to buy products that have odd prices (such as SR 19,29,....ETC)	16(11.6)	12(8.7)	10(7.2)	54(39.1)	46(33.3)	3.74	1.32
I can save money when buying products that have odd prices like 23,21	13(9.4)	12(8.7)	9(6.5)	51(37)	53(38.4)	3.86	1.28
Total Grand Mean						3.79	

Source: own Research survey result, 2019

From the above table concerning first sub-construct about 11.6% strongly disagree, about 8% disagree, about 5.8% neutral, about 41.3% agree, and about 33.3% strongly agree on When buying, the way of writing the prices (such as 13.99 SR) attracts me to buy. The mean value 3.77 indicates that their level of agreement lies on agreement state. The standard deviation value 1.309 indicates that there is small response variation.

From the second sub-construct about 11.6% strongly disagree, about 8.7% disagree, about 7.2% neutral, about 39.1% agree, and about 33.3% strongly agree on I prefer to buy products that have odd prices (such as SR 19,29,...ETC). The mean value 3.74 indicates that level of agreement is agreed, and standard deviation value 1.32 implies small response variation.

Based on the third sub-construct, about 9.4% strongly disagree, about 8.7% disagree, about 6.5% neutral, about 37% disagree and about 38.4% strongly agreed on I can save money when buying products that have odd prices like 23,21. The mean value 3.86 and standard deviation value 1.28 indicates that they were agreed on this statement with small response variation.

The total grand mean value 3.79 indicates that the respondents level of agreement lies on agreement state. Most of the respondents agree that customers prefer to buy products that have odd prices (such as SR 99,299,..).

4.4 Correlation Analysis

The primary objective of correlation analysis is to measure the strength or degree of linear association between two variables. The correlation coefficient examines the strength and direction of the linear relationship between two variables. The correlation coefficient can range between -1 and +1, the larger the absolute value of the coefficient; the stronger the relationship between the variables. Zero (0) indicates no relationship between two variables. The sign of the relationship indicates the direction of relationship.

P-value $\leq \alpha$: The correlation is statistically significant; if the p-value is less than or equal to the significance level, then we can conclude that the correlation is different from 0.

P-value $> \alpha$: The correlation is not statistically significant; if the p-value is greater than the significance level, then you cannot conclude that the correlation is different from 0.

As such the following table shows the correlation between consumer purchasing decisions, price premium. Skimming, bundle pricing, odd pricing and discount pricing.

Table 4.7 Spearman's correlation between all independent variables and Consumer purchasing Decision

		Premium	Skimming	Discount	Bundle	Odd	Purchasing Decision
Premium	Correlation Coefficient	1.000					
	Sig. (2-tailed)	.					
	N	138					
Skimming	Correlation Coefficient	-.021	1.000				
	Sig. (2-tailed)	.811	.				
	N	138	138				
Discount	Correlation Coefficient	.070	.070	1.000			
	Sig. (2-tailed)	.415	.417	.			
	N	138	138	138			
Bundle	Correlation Coefficient	.088	-.102	.046	1.000		
	Sig. (2-tailed)	.304	.235	.591	.		
	N	138	138	138	138		
Odd pricing	Correlation Coefficient	-.037	-.111	.035	.084	1.000	
	Sig. (2-tailed)	.664	.194	.685	.329	.	
	N	138	138	138	138	138	
Purchase Decision	Correlation Coefficient	.330**	.345**	.452**	.359**	.364**	1.000
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.
	N	138	138	138	138	138	138

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

Source: own Research survey result, 2019

From the above correlation table 4.7, we can see that most of the independent constructed variables were correlated with purchasing decision. Among the variables, the highest correlation coefficient was found between price discount and purchasing (0.452), between Odd Pricing and purchasing decision (0.364), and followed by variables between bundle and purchasing decision (0.359), between price skimming and purchasing decision (0.345), and between Premium pricing and purchasing decision (0.330). Therefore, from the above table we can conclude that all constructed

variables have positive correlation with Consumer purchasing decision because the p (sig) value is less than $\alpha=.05$ level.

4.5 Diagnosis Test about Assumptions of Regression Analysis

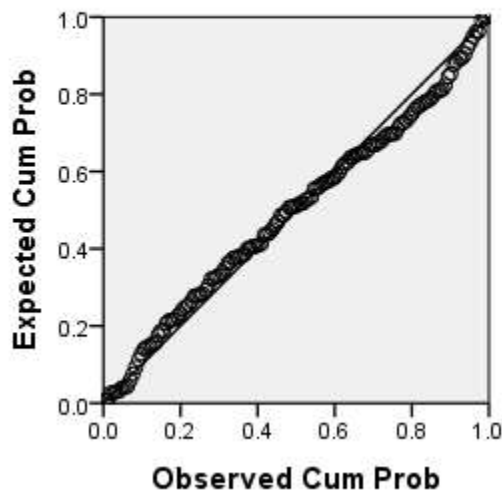
Before applying regression analysis, some tests were conducted in order to ensure the appropriateness of data to assumptions regression analysis as follows.

4.5.1 Linearity Test

Linearity refers to the degree to which the change in the dependent variable is related to the change in the independent variables. To determine whether the relationship between the dependent variable Purchasing decision and the independent variables (premium pricing, Skimming, bundle pricing, odd pricing) is linear, plots of the regression residuals through SPSS V20 software had been used.

Figure 5: Linearity test.

Normal P-P Plot of Regression Standardized Residual



From the above graph the scatter plot of residuals shows no large difference in the spread of the residuals as you look from left to right on figure 5. This result suggests the relationship we are trying to predict is linear.

4.5.2 Normality Test

Secondly, the linear regression analysis requires all variables to be multivariate normal. This assumption can best be checked with a histogram and a fitted normal curve or a Q-Q-Plot. As per the Classical Linear Regression Models assumptions, the error term should be normally distributed or expected value of the errors terms should be zero ($E(u_t) = 0$).

Figure 6: Normality test

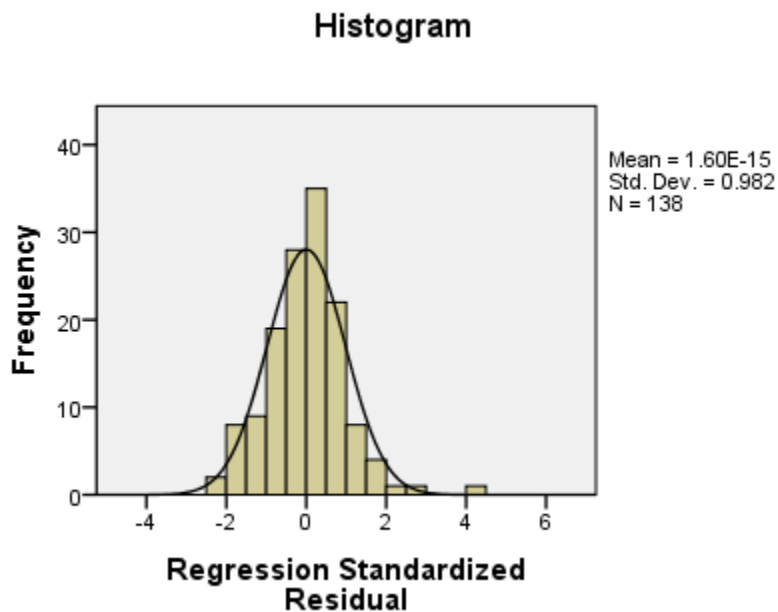


Figure 6 shows the frequency distribution of the standardized residuals compared to a normal distribution. As you can see, although there are some residuals (e.g., those occurring around 0) that are relatively far away from the curve, many of the residuals are fairly close to 0. Moreover the histogram is bell shaped which lead to infer that the residual (disturbance or errors) are normally distributed. Thus, no violations of the assumption normally distributed error term.

4.5.3 Multicollinearity Test between Study Variables

Thirdly, linear regression assumes that there is little or no multi-co linearity in the data.

Multi-co linearity occurs when the independent variables are not independent from each other. A second important independence assumption is that the error of the mean has to be independent from the independent variables. Thus we can test using the following criteria.

1. Correlation matrix – when computing the matrix of Pearson's Bivariate Correlation among all independent variables the correlation coefficients need to be smaller than 1.

Thus from this research finding correlation table indicates that all independent variables have correlation coefficient less than one.

2. Tolerance – the tolerance measures the influence of one independent variable on all other independent variables; the tolerance is calculated with an initial linear regression analysis. Tolerance is defined as $T = 1 - R^2$ for these first step regression analysis. Thus from the finding in coefficient table all tolerance values were less than one. See table 4.10
3. Variance Inflation Factor (VIF) – the variance inflation factor of the linear regression is defined as $VIF = 1/T$. Similarly with $VIF > 10$ there is an indication for multicollinearity to be present; with $VIF > 100$ there is certainly multicollinearity in the sample. Thus from the coefficient table all VIF values are less than 10. Simply the values are not more than 1.016(see table 4.10). This confirms us there are no violations of little or no Multicollinearity between independent variables.

Simply, when we can see table 4.7 there is no strong pair-wise correlation between the explanatory variables. As a rule of thumb, inter-correlation among the independent variables above 0.80 signals a possible multi-co linearity problem. In this study the maximum value of the correlation coefficient is 0.111 (between odd pricing and price skimming). Thus, it can be concluded that all the variables in the study have low correlation power as a result there is no multi-co linearity problem.

4.5.4 Autocorrelation Test

Fourthly, linear regression analysis requires that there is little or no autocorrelation in the data. Autocorrelation occurs when the residuals are not independent from each other Autocorrelation occurs when the residuals are not independent from each other. While a scatter plot allows you to check for autocorrelations, you can test the linear regression model for autocorrelation with the Durbin-Watson test. The value of Durbin Watson assume to be between 0 and 4, values around 2 indicate no autocorrelation. From our test, the value of Durbin Watson is about 1.721. Thus it lies between $0 < 1.721 < 4$ (see table4.8). The value of Durbin Watson is close to 2 indicates there is no violation of Autocorrelation.

Thus, from an explanation of the information presented in the entire five tests one can conclude that there is no significant data problems that would lead to say the assumptions of multiple regressions have been seriously violated.

4.6 Regression Analysis Result and Discussions

The objective of this study was to investigate the influence of pricing strategy on consumer purchase decision of Ambassador Garment industry, in Addis Ababa. In order to study the relationship between the dependent and independent variables and specify the best predictors of the dependent variable (Purchasing decision) a multiple Regression model was applied.

Multiple regressions were used for testing the model and hypotheses. It provides information regarding the significance of the variables that were included in the model while the R^2 explains how much variance in the dependent variable is explained by the model or how much the consumer purchasing decision is explained by the constructed variables. Statements of hypothesis were formulated based on the nine variables used in this study in order to come up with the results.

Table 4.8 multiple regression analysis result

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin Watson
					R Square Change	F Change	df1	df2	Sig. Change	
1	.852	.726	.715	.306	.726	69.799	5	132	.000	1.721

Table 4.11 above shows three important elements, thus R, R^2 and the adjusted R^2 . From this table, R shows a significant positive relationship of 0.852 which is 85.2%. The R^2 value =0.726 meaning 72.6% of the variance in the model can be predicted using the independent variables or in simple words 72.6% of consumer purchasing decision is explained by the constructed independent variables. However, the remaining 27.4% changes in purchasing decision in Ambassador Garment PLC in Addis Ababa city are caused by other factors that are not included in the model. Therefore, the constructed Purchasing Decision factors (such as Odd pricing, Bundle pricing, Discount, Skimming, Premium pricing) are good explanatory variables of the factors influencing customers to buy Ambassador Garment products.

4.6.1 ANOVA Analysis.

Table 4.9 ANOVA Analysis result

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	32.645	5	6.529	69.799	.000 ^b
	Residual	12.347	132	.094		

Total	44.993	137			
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a. Dependent Variable: Purchasing Decision

b. Predictors: (Constant), Odd pricing, Bundle pricing, Discount , Skimming, Premium pricing

Source: Own Research Result, 2019

From the ANOVA Analysis shows the statistically significant relationships between the five independent variables (Odd pricing, Bundle pricing, Price Discount, Skimming, Premium pricing) and Consumer purchasing decision at 5% significance level. This means, the five explanatory variables have great impact on customers choice to buy Ambassador Garment products in Addis Ababa. But it does not mean that all these factors influencing Different pricing strategies have equally significant correlation with purchasing decision.

Beside the F statistics (69.799) which is used to measure the overall test of significance of the model was presented, and the model is well fitted at 5 percent level of significance.

Table 4.10 Regression Coefficient Analysis of the model

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	.337	.170		1.984	.049		
1 Premium Pricing	.158	.025	.290	6.316	.000	.984	1.016
Skimming	.164	.023	.333	7.259	.000	.985	1.015
Discounting	.208	.022	.424	9.244	.000	.988	1.012
Bundle	.168	.021	.372	8.096	.000	.985	1.015
Odd pricing	.201	.023	.397	8.691	.000	.996	1.004

a. Dependent Variable: Purchasing Decision

Source: Own Research Result, 2019

In the table-above, coefficients indicated how much the dependent variable varies with an independent variable, when all other independent variables are held constant. The Beta coefficients indicated that how and to what extent the independent variables influence the dependent variable. Accordingly the result of coefficient value of regression analysis indicated the highest determinant factor which influence customers to choose Ambassador Garment was Pricing Discount (at Beta

value=0.424), followed by Odd pricing (Beta=0.397), Bundle Pricing (Beta=0.372), and Premium Pricing (Beta=0.290).

Thus from this finding one can infer that Price discount and Odd pricing has the most significant factors influences customers to prefer Ambassador Garment Product.

Based on the above table 4.10 finding we can develop the following regression model:

$$\text{Purchasing Decision} = 0.337 + 0.208D + 0.201O + 0.168B + 0.164S + 0.158P$$

Where, D=Price Discount

O=Odd pricing

B= Bundle Pricing

S=Skimming

P=Premium Pricing

Based on the above model result, all the explanatory variables have positive influence on Purchasing Decision of customers in Addis Ababa. The B coefficient of Price Discount =0.208 .i.e. 100% change in Price discount leads to 20.8% change in Purchasing Decision, Odd pricing=0.201 indicating that 100% change in Odd pricing leads to 20.1% increase in Purchasing Decision, Bundle pricing 0.168 signifies that 100% change in bundle pricing results to 11.1% increase in Consumer Purchasing Decision, Support= .204 implies that a one unit change in support leads to 0.168 unit increase in Consumer Purchase decision, Price Skimming0.164 signifies that a one unit change in Price Skimming results to .164 unit increase in Consumer Purchasing and Premium pricing=0.158 indicating that a one unit change in Premium pricing would leads to increase Consumer purchasing by 0.158 units.

These findings provide significant support for the reliability, transaction efficiency and ease of use literature which advocates that the variables have an influence upon customer satisfaction in Ambassador Garment PLC.

4.7 Hypothesis Testing

4.7.1 Premium Pricing

H1: premium pricing is positively affecting Consumer Purchasing Decision of Ambassador Garment PLC.

From the above regression table the results in table 4.10 show that premium pricing has a Beta coefficient of 0.290 and p-value of .000. Holding other explanatory variables constant Premium pricing was found to have a statistically significant positive association with consumer purchasing decision of Ambassador Garment PLC. Therefore, the researcher was accepted the H1 hypothesis. Therefore Premium pricing was statistically significant.

4.7.2 Price Skimming

H2: Price skimming strategy influences Consumer Purchasing Decision Ambassador Garment PLC.

The table 4.10 shows that Price skimming has a Beta coefficient of 0.333 and p-value of .000. Holding other explanatory variables constant price skimming was found to have a statistically significant Positive association Consumer purchasing decision. Therefore, the researcher was accepted the H2 hypothesis. Thus, this factor was significant.

4.7.3 Bundle Pricing

H3: Bundle pricing strategy influences Consumer Purchasing Decision of Ambassador Garment PLC.

The table 4.10 shows that bundle Pricing has standardized Beta coefficient of 0.372 and p-value of .000. Holding other explanatory variables constant bundle pricing was found to have a statistically significant Positive association Consumer purchasing decision. Therefore, the researcher was accepted the H3 hypothesis. Thus, this factor was significant.

4.7.4 Discount Pricing

H4: Price Discount strategy influences Consumer Purchasing Decision of Ambassador Garment PLC

The table 4.10 shows that Price discount has standardized Beta coefficient of 0.424 and p-value of .000. Holding other explanatory variables constant price discount was found to have a statistically significant Positive association Consumer purchasing decision. Therefore, the researcher was accepted the H4 hypothesis. Thus, this factor was significant.

4.7.5 Odd Pricing

H5: Odd pricing strategy influences Consumer Purchasing Decision of Ambassador Garment PLC.

The table 4.10 shows that Odd pricing has standardized Beta coefficient of 0.397 and p-value of .000. Holding other explanatory variables constant odd pricing was found to have a statistically significant Positive association Consumer purchasing decision. Therefore, the researcher was accepted the H5 hypothesis. Thus, this factor was significant.

Generally, from the hypothesis testing result all hypothesis such as H1,H2,H3,H4,and H5 are accepted, and therefore one can conclude that all factors(pricing strategies) has statistically positive significant correlation and influence on Consumer purchasing decision of Ambassador Garment PLL products.

4.8 Summary of Hypothesis Result

Hypothesis	Result
H1: premium pricing is positively affecting Consumer Purchasing Decision of Ambassador Garment PLC.	Accepted
H2: Price skimming strategy influences Consumer Purchasing Decision Ambassador Garment PLC.	Accepted
H3: Bundle pricing strategy influences Consumer Purchasing Decision of Ambassador Garment PLC.	Accepted
H4: Price Discount strategy influences Consumer Purchasing Decision of Ambassador Garment PLC	Accepted
H5: Odd pricing strategy influences Consumer Purchasing Decision of Ambassador Garment PLC.	Accepted

Source: own research survey, 2019

CHAPTER FIVE

5. SUMMARY, CONCLUSION, AND RECOMMENDATION

5.1 Summary

Based on the results of data analysis and interpretation in the previous chapter the following summary of major findings was given: The main objective of this research was to investigate the influence of pricing strategy on consumer purchase decision. Accordingly, this part of the research summarizes the major findings of the study from the challenge and prospect perspectives.

- The study revealed that most of the respondents were male. This shows that men have better experience behind women in buying Ambassador Garment products which may also influence consumer purchasing decision.
- Majority of the respondents were within adult age and above 30 years old.
- Most of the customers were educated so that important to deliver different pricing strategy.
- Most of the respondents were government employees
- Most of the customers consume Ambassador Products two times in a year
- Therefore, from the finding we can conclude that consumers prefer ambassador garment products regardless of their premium prices.
- Generally consumers are not preferred the firm that charges a high introductory price for new products in Ambassador garment products.
- The total grand mean value 3.61 indicates that that respondents level of agreement on price discount pricing strategy lies on agreement state. Therefore, generally one can conclude that sampled respondents willing and prefer to buy ambassador garment products which have low prices.
- The total grand mean value 3.76 indicates that the respondents' level of agreement lies on agreement state that they are willing to buy products buy 2 and take one free or by package, and Products have bundle offers (Buy one and get gift) attracts me to buy products. Thus, consumers prefer ambassador garment products with bundle pricing strategies.

- The total grand mean value 3.79 indicates that the respondents level of agreement lies on agreement state. Most of the respondents agree that customers prefer to buy products that have odd prices
- Among the variables, the highest correlation coefficient was found between price discount and purchasing (0.452), between Odd Pricing and purchasing decision (0.364),
- From the above table we can conclude that all constructed variables have positive correlation with Consumer purchasing decision because the p (sig) value is less than $\alpha=.05$ level
- The constructed Purchasing Decision factors (such as Odd pricing, Bundle pricing, Discount, Skimming, Premium pricing) are good explanatory variables of the factors influencing customers to buy Ambassador Garment products
- The ANOVA analysis result shows the statistically significant relationships between the nine independent variables (Odd pricing, Bundle pricing, Price Discount, Skimming, Premium pricing) and Consumer purchasing Decision at 5% significance level.
- From the finding one can infer that Price discount and Odd pricing has the most significant factors influences customers to prefer Ambassador product
- These findings provide significant support for the reliability, transaction efficiency and ease of use literature which advocates that the variables have an influence upon customer satisfaction in Ambassador Garment PLC.
- Generally, from the hypothesis testing result all hypothesis such as H1,H2,H3,H4,and H5 are accepted, and therefore one can conclude that all factors(pricing strategies) has statistically significant correlation and effect on Consumer purchasing decision of Ambassador Garment PLL products.

5.2 Conclusion

The study has contributed to knowledge in series of issues associated with pricing strategies and purchase decision process. The finding infer that 72.6% of the variance in the model can be predicted using the five independent variables or in simple words 72.6% of consumer purchasing decision is explained by the constructed independent variables(Premium pricing, price discount, odd pricing, price skimming, and bundle pricing).

From the finding respondents' level of agreement lies on agreement state on premium pricing consumer prefer ambassador garment products by unique properties and better to buy with their premium price and regardless of their premium prices. Therefore, from the finding we can conclude that consumers prefer ambassador garment products regardless of their premium prices.

Unfortunately, the result for price skimming of Ambassador garment PLC products indicates that Consumers are not willing to pay higher price for products that are not solid shops, they didn't preferred that to buy with high introductory price, and customers are not preferred high price for new products rather than product attributes. Generally, consumer are not preferred the firm that charges high introductory price for new Ambassador produces. Here, one can infer that Consumers are willing to consume for Ambassador Garment products but not willing to pay high price for new and introductory price regardless of its attributes.

Concerning consumers preferred cheap prices because lower price increase their willingness to buy Ambassador Garment items, and they choose items which have steady low price. The total grand mean value 3.76 of all bundle pricing indicates that the respondents' level of agreement lies on agreement state that they are willing to buy products buy 2 and take one free or by package, and Products have bundle offers (Buy one and get gift) attracts me to buy products. Thus, consumers prefer ambassador garment products with bundle pricing strategies. Additionally, consumers are preferred odd pricing strategies like 13, 99 attract them to buy ambassador items. The consumers also assume that they save their money when they buy ambassador garment products that have odd prices like 23, 21.

5.3 Recommendation

Company should more focus on the price strategy they are using because this is the only technique which can lead to the success with growth of the business.

This research has several practical implications for Ambassador Garment PLC managers. First, they may consider offering various discounts aimed at all persons. Second, they are advised to identify dynamic pricing to attract their high involvement of consumers. Third, discounts seem to attract high involvement consumers more effectively than low involvement consumers.

The company shouldn't advisable to use high price during new product introduction, it is better to Ambassador Garment to take a caution when introducing a new price promotion. Better to sell

with lower and discount price for the new items produced in the company. But, it is also advisable to reduce the price of the Ambassador Garment PLC significantly. This will increase the sales volume of the company since when consuming ambassador products with lower price.

The company is better to use bundle pricing because Products with bundle offers (Buy one and other free) attract customers to buy more Ambassador Garment products, customers are willing to buy products buy 2 and take one free or by package.

The company ought to use add pricing strategies like when selling their produces, the way of writing the prices (such as 13.99 SR) attracts customers to buy more.

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Appendix 1

Questionnaire

Addis Ababa University
College of Business and Economics
School of Commerce Marketing Management

Objective of the Questionnaire

Dear Respondents, My name is Mesfin Assefa. I am a prospective graduate of the year 2019 in the field of Marketing Management at Addis Ababa University College of Business and Economics [School of Commerce]. This questionnaire is designed to collect data on the influence of pricing strategies on consumer purchase decision particularly a case study Ambassador garment PLC.

The information gathered will be accessible by the researcher only and remains strictly confidential.

General instruction

- 1) These questions are to be answered by Customers of Ambassador garment PLC
- 2) No need to write your name on the questions paper.
- 3) Please put —number —inside the box to your response
- 4) If there is any question please contact the researcher through the following address
Mesfin Assefa Gurmu Tel. +251910540912

Section I Demographic Characteristics

1. Age 1.10- 19 2. 20- 29 3. 30 and above

2. Sex

1.Male 2. female

3. Educational level

1. 1-8 2. 9-12 3. Diploma 4. degree and above

4. Occupation

1. Government employee 2. Private Employee 3. Student

4. Merchant 5. Ambassadors 6. others

5. Do you consume Ambassador products?

1. Yes 2. No

6. How many times do you purchase per year_____

Section II. Pricing Strategies on Ambassador Garment PLC

No.	Questions	Responses				
		Strongly Disagree	Disagree	Neutral	Agree	Strongly agree
Premium pricing						
1	Compared to other brands I think it is good to buy its premium prices.					
2	I prefer ambassador garment regardless of its premium prices.					
3	I prefer ambassador garment products by unique properties and better to buy with their premium price.					
Price Skimming						
4	I am willing to pay for a higher price for product(s) that is/are not available in solid shops.					
5	I prefer the firm that charges a high introductory price.					
6	I prefer high prices for new products rather than product attributes.					
Discount Pricing strategy						
7	I may buy cheap products just because their prices are lower than the originals or expensive ones.					
8	Low prices of products increase my willingness to buy them.					
9	I prefer brands which have a steady low price.					

10	I choose Ambassador garment based on their low prices					
Bundle Pricing strategy						
11	Products have bundle offers (Buy one and other free) attract me to buy more					
12	Products have bundle offers (Buy one and get gift) attracts me to buy products					
13	I am willing to buy products buy 2 and take one free or by package					
Odd pricing						
14	When buying, the way of writing the prices (such as 13.99 SR) attracts me to buy?					
15	I prefer to buy products that have odd prices (such as SR 19,29,....ETC)					
16	I can save money when buying products that have odd prices like 23,21					

17. Please tick that how you rate the following statement that measures the level of agreement state toward consumer purchasing decision of Ambassador Garment brands.

Variables	Strongly disagree	Disagree	Neutral	Agree	Strongly Agree
Customers prefer Ambassador Garment regardless of premium prices					
Customers prefer the Ambassador that charges a high introductory price for new products.					
I prefer Ambassador garment brands which have a steady low and discount price.					

I am willing to buy Ambassador garment products with bundle pricing like buy two take one free					
I prefer to buy Ambassador garment products that have odd prices.					