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Impact of Pricing Practice Management on Performance and Sustainability of Supermarkets in the Urban Area of Enugu State, Nigeria

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Abstract: Consumer shopping behavior is becoming increasingly polarized, which has an impact on price decisions, and the performance and sustainability of supermarkets. This study sets out to empirically determine the impact that pricing practice management has on the performance and sustainability of supermarkets in the urban area of Enugu State, Nigeria. The study explicitly attempts to ascertain the impact of value-informed pricing practice, competition-informed pricing practice, and cost-informed pricing practice on supermarkets' performance and sustainability in urban Enugu. The paper also examines the impact of adopting three different pricing practices when the relative product advantage and/or competitive intensity are/is moderating variable(s). With a population of 100 supermarkets, 48 responded to the questionnaire. A multiple regression analysis was utilized to test the hypothesis formulated for the study. The study found that the adoption of a value-informed pricing practice, competition-informed pricing practice, and cost-informed pricing practice by management has no significant impact, negatively significant impact, and positively significant impact, respectively, on supermarkets' performance and sustainability in urban Enugu. The study also found that the impact of the three pricing practices on performance and sustainability of supermarkets in the urban area of Enugu State, changes significantly when relative product advantage and/or competitive intensity are/is moderating variable(s). Amongst others, this study recommends that the management of supermarkets should carry out an internal and external environmental assessment of a product before deciding on the appropriate pricing practice to adopt for that product. Critical consideration should be given to the relative product advantage and the competitive intensity of the product. Moreover, the adopted pricing practice must be situated within the overall performance objective of the firm in such a way that resources are optimized, and the maximum value attained.

Keywords: competition-informed pricing; value-informed pricing; cost-informed pricing; relative product advantage; competitive intensity

1. Introduction

The use of various pricing practices as a management tool in steering an organization towards the achievement of set goals and objectives becomes more pronounced during the period of transition from a barter economy to a money-based market system. Moreover, another layer of complexity is added when considering the effects of increased competition (due to the profound impact of globalization, which has shrunk the world into a global village). Managers have begun to realize that, in order to stay competitive and achieve improved performance (such as increased market share and revenue), they need to adopt superior pricing practices, which furthers this objective. This was founded on the belief that managers who have a deep understanding of pricing practices, and how they relate to their overall strategy and performance objectives, are more primed to succeed and achieve their company's goals. Other managers, who do not follow this route, lag behind and create opportunities for competition to set the pace on prices [1]. This usually affects performance negatively.

Management and use of appropriate pricing practices are even more profound in the retail industry, particularly supermarkets—who display an array of products that cut across fast-moving consumer goods to household electronics and appliances, as well as furniture amongst others. Given this, it is surprising that the management of most supermarkets in Nigeria, in general, and urban Enugu in particular (a state with over 100 supermarkets in the metropolis) are yet to clearly understand how to adopt a pricing practice to help drive their respective supermarkets' performance and sustainability. The need for adopting a pricing practice by supermarkets in Enugu is made more critical by the increasing polarization of consumer shopping behavior in the state, which is driven by rapid urbanization, technological innovation, changing lifestyle and taste, increasing players, and globalization amongst others. This drift is changing competition in the trade of the supermarkets, making it a more complex phenomenon, as their competitive landscape now involves the utilization of a whole arsenal of strategies, with "pricing" leading the pack.

For sustainability, there is a need for supermarkets in urban Enugu to adjust their pricing practices in order to withstand pressure from local and international rivals. The challenge, however, is that pricing practice is multifaceted. Consumers consider pricing in tandem with promotions, variety, services, and store location. All these affect pricing perceptions, and consequently, pricing practices of supermarkets. Given these multi-dimensional factors and issues facing supermarkets, pricing practice becomes a key element of their strategy. While this is widely recognized, many management scholars agree that pricing practices by retailers are varied [2–4], and supermarkets are faced with the issue of creating and adopting a pricing practice for different products in order to remain competitive [5,6].

Different studies, from varied scholars, allude to the importance of pricing strategies in effective management of firms. Ref. [7], in a study carried out in Ogun State, South-West, Nigeria, assert that customers will pay more for a product if they believe it is commensurate with the value they place on the product while [8] support this assertion and agree that pricing strategies when effectively combined, reduce product cost and maximizes the profitability of firms in Kenya. Ref. [9] also found that companies' profitability is maximized by value-based pricing and high price values. Ref. [10] also pointed out the indispensability of pricing strategies in the operations of any business enterprise, citing its over-whelming role on quantity demanded.

The need is real, as supermarkets can price their items in line with competitors, or offer lower prices, and yet be ignored by consumers [11]. Clearly, supermarkets in urban Enugu need to recognize and analyze the varied elements that influence consumer perceptions of price, worth, competition, and substitute amongst others. Moreover, they must utilize this knowledge in managing the two simultaneously, while also adopting a pricing practice that maximizes the performance of the organization. Since consumers do not evaluate prices in isolation, supermarkets should not be setting prices. Therefore, the need for a robust pricing practice that takes into cognizance the different elements of the supermarkets' value proposition (pricing, promotions, variety, services, store setting, branding, etc.) and the objectives of the organization. This stems from the recognition that supermarkets that offer a needed product at its right value would enjoy improved performance.

Supermarkets in urban Enugu need a new strategic model that includes an implementation of a sound pricing strategy, and is driven by the adoption of pricing practice. This should be the standard for all supermarkets, as promoted by [12]. Not only do effective pricing practices add to customer satisfaction and paves the way for sustainable growth, but there are downsides to pricing errors. For example, dissatisfied customers, who impact the supermarket's profit, if undercharged, or civil fines if the supermarket is found to be cheating on customers.

The use of the various pricing practices by management to improve their organization's performance and sustainability is still very low in Nigeria. Supermarkets in urban Enugu appear to manage their price in an ad-hoc manner, rather than systemically. This clearly has implications on their performance, and their ability to maximize the opportunities that the market offers. It is against this background, that this study seeks to bring to light that crucial area of pricing, in the context of its role in the supermarkets' performance and sustainability. In light of this, this study is specifically for supermarkets in urban Enugu, and will be the first attempt at examining the success of the three most successful and generally agreed pricing practices. These practices are: (1) value-informed pricing; (2) cost price of product or cost-informed pricing; and (3) competition price of product or competition-informed pricing.

This paper attempts to take on the challenges necessitated by investigating the effectiveness of pricing practices by management [3,13,14]. Studies on pricing practices are few, but necessary due to its profound effect on performance, and serious implications for the effectiveness of management. Secondly, this paper attempts to show that the impacts of value-informed pricing, competition-informed pricing, and cost-informed pricing on organizational performance rely on product and market features. Particularly, the current paper examined the regulating impacts of relative product advantage and competitive intensity on the influence of the pricing practices management on the performance and sustainability of supermarkets in urban Enugu. While many empirical studies have been done on pricing practice, few have focused on the relationship that exists between the management of pricing practice and the performance of enterprises. These few studies have been focused on the industrialized economies [15,16]. There is a lack of such studies in developing countries, especially Nigeria.

The issue of pricing is perhaps one of the least understood areas within the marketing mix, especially for supermarkets who stock a wide array of products, and are driven by various levels of demand, price, availability, and other factors. As competition increases, there is the opportunity for supermarkets in Enugu to start looking for new ways to gear up their profitability ratios by adopting various pricing practices that sits within their overall goals and objectives. While there is a strong case for this, supermarkets in Enugu suffer a general lack of knowledge on the impact that various pricing practices have on performance and sustainability—making them lose out on key growth opportunities. Current pricing practice is far from strategic, and does not allow them to lock in gains that could be generated if a robust pricing practice framework is instituted. Moreover, most pricing literatures for management have predominantly focused on normative strategies adopted by managers [17], and consumers' perceptions of price and value [18]. There are few studies on the methods organizations use in setting their price [19–22]. While the three most common and successful pricing practices as identified in the literature have diverse implications for a supermarket's performance—especially on profit margin, sales turnover, and market share) a veritable mechanism for ascertaining how it is adopted is not only absent, but understanding its impact on the supermarket's performance and sustainability is also critical. The latter is the crux of this research, with a focus on supermarkets in the urban area of Enugu State, Nigeria.

The main objective of this research is to ascertain the impact of pricing practice management on the supermarkets' performance and sustainability in the urban area of Enugu State, Nigeria. The objectives specifically sought to:

i. Determine the impact of adopting value-informed pricing practice, competition-informed pricing practice and cost-informed pricing practice on performance and sustainability of supermarkets in urban Enugu.
ii. Establish the impact of adopting value-informed pricing practice, competition-informed pricing practice, and cost-informed pricing practice on performance and sustainability of supermarkets in urban Enugu, when high relative product advantage or intense competition is a moderating variable.
iii. Establish the impact of adopting value-informed pricing practice, competition-informed pricing practice and cost-informed pricing practice on performance and sustainability of

supermarkets in urban Enugu, when high relative product advantage and intense competition are moderating variables.

To meet these objectives, a survey design was used. Structured questionnaire copies (see Appendix A) were distributed to a population of 100 supermarkets in order to collect the required data for this study.

This study, focused on the impact of pricing practice management on performance and sustainability of selected supermarkets in the urban area of Enugu State, South-East, Nigeria, and was conducted between 2017 and 2019. The focus on supermarkets was because they are the set of middlemen who are most exposed to the use and consequences of different pricing practices. The area of urban Enugu was chosen because of the strategic nature of the town as a business hub in South East, Nigeria, the vast number of supermarkets in the town, and the ease of data collection for the researchers.

This paper is structured as follows: Section 1 highlights the introduction of the study. Section 2, reviews the literature on pricing practices of cost-informed pricing practice, value-informed pricing practice, and competition-informed pricing practice. Section 3 discusses the theoretical frameworks on which used in this study—Game Theory and the Prospect Theory. Section 4 states the proposed model, together with the hypotheses. Sections 5 and 6 discuss the methodology and analysis used. Section 7 reports the results and includes a discussion of the findings. Finally, Sections 8–10 concludes the paper, and proposes direction for future research in this area.

2. Literature Review

While there are basically three sets of pricing practices that are mostly utilized across various industries [23], there a number of pricing strategies under each of these practices. We focus on three pricing practices that are based on the use of information on customer value, competition, and costs, respectively. On the basis of these types of information, firms can assess quantifications that may inform it about the price discretion. Taking decisions on price is one of the critical tasks faced by the management of organizations [24], due to the part price plays in determining competitiveness, profitability and general performance [25]. This makes the task of adopting a pricing practice a daunting one, since those involved in the process must take into cognizance an array of factors, such as cost of production, the value of the product, competition practice, distinct features of the product, level of competition, as well as the overall pricing objective of the company [25–28]. Companies which fail to manage their prices create opportunities to be overtaken by rivals, ultimately eroding their profitability and sustainability [29,30]. Consequently, firms must adopt a pricing practice that can position them for better performance by generating more revenue and increasing per unit returns of products.

It is important to note that a difference exists between pricing practice and pricing strategies. Whereas, pricing strategies are visible in the market in the form of price changes, price bundles, price levels within a product line, or otherwise [13], pricing practices are embedded in the boundaries of the organization. Previous studies on pricing literature e.g., [17] often use the term pricing methods to indicate the activities firms use to set prices. Since the term pricing methods is often interpreted to involve mutually exclusive methods, we prefer the term pricing practices, in line with qualitative evidence that firms use different types of information simultaneously in a price decision e.g., [1,31–33].

With respect to the product and market contingencies that influence the role of pricing practices on firm performance, relative product advantage and competitive intensity are examined. Firstly, relative product advantage deals with the relative superiority of the supermarket's product over competition [34]. Relative product advantage has been consistently found to be a strong predictor of organization performance [35]. Competitive intensity relates to the market in which the product is sold [34]. In marketing strategy literature, competitive intensity is seen as a major force that erodes the ability of the firm to reap the benefits of the customer value it creates e.g., [35–37].

2.1. Value-Informed Pricing Practice

This is a pricing practice that allows firms to leverage the perceived benefits and distinct features of the item being presented to the customer in making decisions of price. Management looks into what these benefits mean to customers in tandem with the price they are willing to pay [12]. A set of philosophies and organizational culture direct the way for value-informed pricing that an organization uses to drive customer attraction, customer retention, profitability and sustainability [19].

2.2. Competition-Informed Pricing Practice

Here, the pricing levels in an organization are determined using the competitor's price level as key information. Competition-informed pricing harvests information about consumer expectations observed from existing and potential competitors and uses such information to set their prices [3,38]. This approach has its downsides. The demand angle is rarely considered, and it has a tendency to elevate the risk of a price war among the various competitors in the market. Its advantage lies in operating within the range of actual pricing situation of the competitors [39].

2.3. Cost-Informed Pricing Practice

This is the simplest and most common pricing practice used by organizations. It is popular because it encourages planning and thriftiness [40]. Cost-informed pricing entails adding a margin to the costs. A standard percentage is determined and added to the products and services. The process involves the determination of sales proceeds, calculating the unit and total costs, and properly setting prices aligned to the company's profit objectives [41]. The price-setting committee/team has the responsibility to demonstrate to customers the worth on products and services and justification for whatever prices set on them [42].

The Moderating Impact of Contingencies (relative product advantage and intense competition).

First, relative product advantage is what differentiates a product from competing brands in the eyes of customers [43]. A product with high relative advantage allows managers to operate within the upper limit of its pricing discretion [44]. Consequently, as the relative product advantage increases, the more a firm is guided towards value-informed pricing and the more it contributes to performance and sustainability. On the other hand, where competition is intense or high; product advantage is readily eroded, thereby modulating the impact of upper boundary price discretion [44,45]. The result is that customer value-information becomes less of a factor in assessing the upper boundary of price discretion.

Again, it is hard to differentiate products that offer low relative advantage from competing brands [43] making it easier for customers to use competitor's prices as a reference point in matching and comparing products [44]. In this situation, the upper boundary of price discretion is assessed via competition-informed pricing. This means that the more relative product advantage decreases, the more competition-informed pricing is utilized to understand price discretion and increase performance and vice versa. In the circumstance where a high relative advantage product is sold amidst intense competition, the impact of value-informed pricing on organizations performance is expected to be neutral. Value-informed pricing impact on the performance is enhanced by relative product advantage. On the other hand, intense competition reduces this impact. It is expected that competition-informed pricing will affect performance negatively as relative product advantage diminishes the impact of competition-informed pricing. It is also expected that the decrease in performance occasioned by cost-informed pricing will be mitigated by increased performance occasioned by intense competition. The above three pricing practices have been reflected in Figure 1.

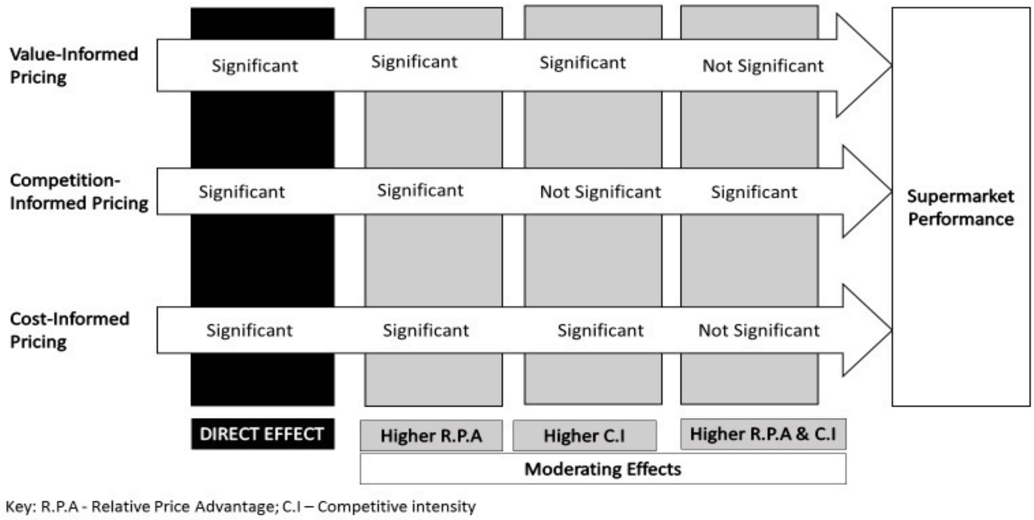

Figure 1. Hypothesized impact of price practice management in supermarket performance. Source: Authors analysis based on theoretical literature.

3. Theoretical Framework

Two theories that the study is situated on, are Game Theory and Prospect Theory.

3.1. Game Theory

The complexity and challenges managers go through in adopting a pricing practice is similar to what can be termed the "chicken and egg problem". Game Theory, however, provides a robust framework for simplifying the process of adopting better pricing practices. Experts initially created this theory in the 1940s and 1950s as a separate body of knowledge. It has since then been relevant to various other fields like management. In terms of the elements that define a game, a game usually involves interplay among players who constitute the participants, strategies which denotes the action plan of the players and payoffs. Using value-informed pricing as an example, the players may be likened to Shoprite and Next, the strategies likened to the prices they set in different circumstances, and the payoffs are the profits they generate at the end of the day. Considering that each of these players has a distinct approach, the assembly of their different approaches constitute a strategy profile. Ability to understand the strategy profile enables prediction of action by any of the players in any situation.

A key assumption in this theory is that the identities, strategies and rewards of each player are open knowledge to all players see [46,47]. This is, however, not always the case. For instance, a firm may have in its kitty, knowledge (elusive to its competitor) on how its customers react to changes in price by a rival firm. This is called the Bayesian game because it involves probability and uncertainty as key elements. We further assume that pricing decisions are rationally taken to maximize profits (in other words, improve their performance). Again, it is assumed that each player sees a co-player as being rational, and can predict competitors' choices by considering their perspective. In general, it is assumed that players have a plethora of beliefs on strategies in the game. This assumption is critical, towards unraveling how and why rival firms achieve the Nash equilibrium. A review of the Prisoner's Dilemma see [48] gives a complete analysis of the strategy profiles of companies in a Nash Equilibrium.

3.2. Prospect Theory

This theory was propounded by Kahneman and Tversky in 1979 and explained different pricing practices. It aims to give meaning to the systematic violations of "rationality in choices" [49], and is anchored on three basic points.

1. It identifies price as reference-dependent. Just like adaptation-level [11,50] and assimilation–contrast [51] theories, which lends credence to price as a reference point [52], prospect theory identifies opinions and perceptions to be relative. Appraisal of the acceptability of a new price entails comparison with a reference price, and the variations in price play a key role. The prospect theory, however, takes these theories further by declaring as gains, prices lower than the reference price, and declaring as losses, prices above the reference price.
2. Diminishing sensitivity to the variations in price. This means that the value function is concave for gains, and convex for losses. Supermarket managers are affected in two ways by this tenet. Firstly, gain or loss has a more minor effect than the equivalent prior amount. Thus, gaining or losing N1000 is not 10 times as gratifying or as unpleasant as gaining or losing N100. Secondly, proportionality rather than absolute value determines the reception of new prices. This means that an increase from N10 to N17 hits much harder than a price increase from N80 to N87.
3. Customers hate to lose. The aversion to loss is such that pain recorded at price increase is greater than the joy recorded at a price decrease. This asymmetry is evident in customers' reaction to the price of chicken, for instance, increased from N1300 to N1600 as against a decrease from N1300 to N1000. There is usually buyer's resistance in the former and a weaker sense of having gained, in the later.

Within the context of this study, the prospect theory helps set out a basis for understanding the implication of pricing practices of supermarkets.

4. Proposed Model and Hypotheses

Research Hypothesis

From the above theoretical framework, the following alternate hypotheses have been formulated:

Hypothesis 1 (H1). *Adoption of value-informed pricing has a statistically significant impact on supermarkets performance and sustainability in urban Enugu.*

Hypothesis 2 (H2). *The change in the impact of adopting the three pricing practices on performance and sustainability of supermarkets in urban Enugu is statistically significant when high relative product advantage or intense competition is a moderating variable.*

Hypothesis 3 (H3). *The change in the impact of adopting the three pricing practices on performance and sustainability of supermarkets in urban Enugu is statistically significant when both relative product advantage and highly competitive intensity are moderating variable.*

5. Research Method

The Survey design was used for this study. Survey design was used because of the high representativeness to the large population, good statistical significance and convenient data gathering. Responses were collated from respondents using questionnaire.

The primary data were collected using a structured questionnaire. The questionnaires were targeted at extracting information from the management of supermarkets to help identify the impact of pricing practice management on the supermarket's performance. Primary data were used because they are convincing and original. Secondary data were extracted from established sources; these data are not original to the researcher because another person assembled them. Hence, secondary data were obtained from materials that treated the subject and included textbooks, magazines, journals, Newspaper, internet, as well as reports of the supermarkets covered in this study—where available.

The population of the study comprised all supermarkets across various locations in urban Enugu, which the researcher had identified as 100, from a survey of the town using Google maps and from internet searches. To determine the supermarkets, we defined a supermarket as a large shop which offers a wide variety of food and household products, organized into aisles designed to allow self-service. The study, therefore, adopted a census study since the population was small. The study employed the simple random sampling techniques. This was done to avoid bias.

All our hypotheses were tested using multiple regression analysis technique, and this called for setting up of a model.

For Hypothesis 1 the following equation was used for the estimation.

$$OP = a_0 + a_1VIP + a_2CIP + a_3CTIP + \mu \quad (1)$$

$$OP = b_0 + b_1VIP + b_2CIP + b_3CTIP + b_4RPA + \mu \quad (2)$$

$$OP = c_0 + c_1VIP + c_2CIP + c_3CTIP + c_4CI + \mu \quad (3)$$

For Hypothesis 3, the following equation was used for the estimation.

$$OP = d_0 + d_1VIP + d_2CIP + d_3CTIP + d_4RPA + d_5CI\ \mu \quad (4)$$

where OP = organizational performance; VIP = value-informed pricing; CIP = cost-informed pricing; CTIP = competition-informed pricing; RPA = high relative product advantage; CI = highly competitive intensity; a_{0-3}, b_{0-4}, c_{0-4}, d_{0-5} = parameter estimates; μ = error term

Structured questionnaire (see Appendix A) and oral interview were the research instruments used in this research work. The questionnaires were formulated in line with the research questions stated in chapter one. The designed questionnaire was divided into two (2) sections. Section A questions dwelt on general information of the respondents, while Section B addressed the research questions specifically using the four-point Likert scale format. One hundred (100) copies of the questionnaire were given to the pricing managers of the supermarkets in Enugu State, Nigeria. The study equally made use of observation and interview guide to obtain additional data.

Descriptive and inferential statistics were used for data analyses. Data were presented in tables and corresponding values in percentages. Hypotheses one to five were tested with multiple regression analysis using IBM Statistical Package for Social Sciences version 21.

The validity of instrument was measured using content validity, and this was done by five management experts from the industry and the academia. From the academic, it was done by some lecturers from the Department of Management, University of Nigeria Enugu campus. While from the industry it was done by pricing manager in Game store and Shoprite. The structure and language of the instruments were modified in line with their corrections, and the questionnaire was made easy for the respondents to tick their preferred choices from the available options.

A test-retest method was adopted in establishing the reliability of the test instrument. Fourteen (14) copies of the questionnaire were administered to the respondents of the supermarkets in Enugu State, Nigeria. After two weeks, the same copies of the questionnaire were re-issued. The two sets of scores were correlated using Spearman's rank correlation coefficient, and the result gave I as 0.88. This indicates that the instrument is considered to have a high degree of items consistency.

Table 1 below shows that 35 (73%) of the respondents represent males, while 13 (27%) represent females. The table also shows that 17 (35%) of the respondents are between the ages of 20–30, 19 (40%) are between 31 and 40 years, and 12 (25%) are above 41 years. This indicates that the respondents were mostly in the 31–40 age bracket. Twenty (42%) of the respondents were single, 28 (58%) were married, none were divorced, and none were widowed. Four (8%) of the respondents had the diploma/OND qualifications, 35 (73%) had the BSc/HND degree qualifications, while 9 (19%) had postgraduate qualification. Thus, the survey reveals that there are more male respondents than female, and that the age bracket of 31–40 dominated the age bracket of respondents. It also shows that most respondents only had the first-degree qualification, i.e., the BSc/HND.

Table 1. Demographic variables.

Sex of Respondents			
	Frequency	**Percentage**	**Cumulative Percent**
Male	35	73%	73%
Female	13	27%	100%
Total	48	100%	
Age of Respondents			
	Frequency	**Percentage**	**Cumulative Percent**
20–30	17	35%	35%
31–40	19	40%	75%
41+	12	25%	100%
Total	48	100%	
Marital Status			
	Frequency	**Percentage**	**Cumulative Percent**
Single	20	42%	42%
Married	28	58%	100%
Divorced	0	0%	100%
Widowed	0	0%	100%
Total	48	100%	
Educational Qualification			
	Frequency	**Percentage**	**Cumulative Percent**
WASSCE	0	0%	0%
NCE/Diploma, OND	4	8%	8%
BSc/HND	35	73%	81%
Postgraduate	9	19%	100%
Others	0	0%	100%
Total	48	100%	

Source: Fieldwork, 2019.

Table 2 below attempts to ascertain the adequacy, level of involvement and knowledge of the respondents on the pricing practice of their respective supermarket the Enugu urban areas. The table indicates that of the total respondents, 22 (46%) of the respondents held executive management positions, 4 (8%) of the respondents were in accounts, 18 (38) of the respondents were in the store, and 4 (8%) were in customer service. A total of 42 (88%) of the respondents were in the senior category, and 6 (12%) were in the junior category. In terms of years of experience with the supermarkets pricing practice, 4 (8%) had less than one year of experience, 22 (46%) had between one year to three years' experience, 18 (38%) had between 4 and 6 years' experience, while 4 (8%) had above six years' experience. The table further shows that all respondents were involved in the determination of the pricing practice of the supermarkets. Generally, from Table 2 below, given the proportion of respondents in the requisite position/department, category of staffs, years of experience, and their involvement in price-setting practice as demonstrated in Table 2, it is clear therefore that the respondents are appropriately placed to have responded to the questionnaire.

Table 2. Adequacy and knowledge of pricing practice of respective supermarkets in urban Enugu.

Department of Respondents			
	Frequency	**Percentage**	**Cumulative Percent**
Executive Management	22	46%	46%
Accounts	4	8%	54%
Store	18	38%	92%
HR	0	0%	92%
Customer Service	4	8%	100%
Safety Department	0	0%	100%
Total	48	100%	
Category of Staff Respondents belong to			
	Frequency	**Percentage**	**Cumulative Percent**
Senior	42	88%	88%
Junior	6	12%	100%
Total	48	100%	
Years of Experience with the supermarket			
	Frequency	**Percentage**	**Cumulative Percent**
Less than one year	4	8%	8%
1–3 years	22	46%	54%
4–6 years	18	38%	92%
Above 6 years	4	8%	100%
Total	48	100%	
Involvement in the determination of pricing practice of the supermarket			
	Frequency	**Percentage**	**Cumulative Percent**
Yes	48	100%	100%
No	0	0%	100%
Total	48	100%	

Source: Fieldwork, 2019.

Item 1 of Table 3 indicates that 5 (10.4%) of the respondents strongly agreed that the advantages a product offers to consumers is considered when setting the prices of products in their supermarkets. Seven (14.6%) agreed, 25 (52.1%) disagreed, and 11 (22.9%) strongly disagreed that the advantages a product offers to consumers is considered when setting the prices of products. Item 2 of Table 3 states that the customers' perceived value of the product is considered when setting the prices of products. Two (4.2%) strongly agreed with this statement, 9 (18.8%) agreed, 25 (52.1%) disagreed, and 12 (25%) strongly disagreed with the statement. In the third item, 5 (10.4%) of the respondents strongly agreed that the advantages the product offers, in comparison to substitutes, is considered when setting the prices of products, 7 (14.6%) agreed, 23 (47.9%) disagreed, while 13 (27.1%) strongly disagreed that the benefits the product offers, in comparison to substitutes, is considered when setting the prices of products. In item 4, 2 (4.2%) of the respondents strongly agreed that the possible benefits against its possible price are considered when setting the prices of products. Ten (20.8%) agreed, 23 (47.9%) disagreed, while 13 (27.1%) strongly disagreed that the balance between the possible benefits against its possible price are considered when setting the prices of products.

Table 3. Level of adoption of value-informed pricing practice by the management of supermarkets in urban Enugu, Enugu State, Nigeria.

S/No	Questionnaire Items	Strongly Disagree	Disagree	Agree	Strongly Agree	Mean	Standard Deviation
1	The advantages a product offers to consumers is considered when setting the prices of products	11 (22.9%)	25 (52.1%)	7 (14.6%)	5 (10.4%)	2.12	0.89
2	The customers' perceived value of the product is considered when setting the prices of products	12 (25%)	25 (52.1%)	9 (18.8%)	2 (4.2%)	2.02	0.78
3	The advantages the product offers, in comparison to substitutes, is considered when setting the prices of products	13 (27.1%)	23 (47.9%)	7 (14.6%)	5 (10.4%)	2.08	0.91
4	Consideration is given to both possible benefits and possible price of product when setting the prices of products	13 (27.1%)	23 (47.9%)	10 (20.8%)	2 (4.2%)	2.01	0.81
	Total	**49**	**96**	**33**	**14**		

Source: Fieldwork, 2019.

Item 5 of Table 4 Indicates that 27 (56.3%) of the respondents strongly agreed that the price of competitors product is considered when setting the prices of products. Twenty-one (43.8%) agreed, not one respondent disagreed or strongly disagreed that the price of competitors product is considered when setting the prices of products. Item 6 of Table 4 stated that the current pricing practice/strategy of competitors is considered when setting the prices of products. Twenty-seven (56.3%) strongly agreed with the statement, 21 (43.8%) agreed, while none disagreed or strongly disagreed that the current pricing practice/strategy of competitors is considered when setting the prices of products. In item 7 of Table 4, 23 (47.9%) of the respondents strongly agreed the estimation of the competitor's strength and ability to react is considered when setting the prices of products, 25 (52.1%) agreed, none disagreed or strongly disagreed that the estimation of the competitor's strength and ability to react is considered when setting the prices of products. In item 8 of Table 4, 18 (37.5%) of the respondents strongly agreed that the degree of competition (number and strength of competitors) is considered when setting the prices of products, 30 (62.5%) agreed, none disagreed or strongly disagreed that the degree of competition (number and strength of competitors) is considered when setting the prices of products. Item 9 of Table 4 states that the competitive strength of competitors on the market is considered when setting the prices of products. Sixteen (33.3%) strongly agreed with the statement, 29 (60.4%) agreed, while none disagreed or strongly disagreed that the competitive strength 11 of competitors on the market is considered when setting the prices of products.

Item 10 of Table 5 indicates that 25 (52.9%) of the respondents strongly agreed that the cost of purchasing the product is considered when setting the prices of products. Twenty-three (47.9%) agreed, while none disagreed or strongly disagreed that the cost of purchasing the product is considered when setting the prices of products. Item 11 of Table 5 states that the price necessary for break-even is considered when setting the prices of products. Thirty (62.5%) strongly agreed with the statement, 18 (37.5%) agreed, while none disagreed or strongly disagreed that the price necessary for break-even a factor when setting the prices of products. In item 12 of Table 5, 30 (62.5%) of the respondents strongly agreed that the profit margin set by the company for each product is considered when setting the prices of products, 18 (37.5%) agreed, while none disagreed or strongly disagreed Profit margin for each product is an important factor when setting the prices of products.

Item 13 of Table 6 indicates that 28 (58.3) of the respondents strongly agreed that when a product has a higher quality in comparison with competing products, it reflects in their pricing of product. Twenty (41.7%) agreed, while none disagreed or strongly disagreed that when a product has a higher quality in comparison with competing products, it reflects in their pricing of product. Item 14 of Table 6 states that when a product solves problems that customers have with competing products, it reflects in their pricing of product. Eighteen (37.5%) strongly agreed with the statement, 30 (62.5%) agreed, while none disagreed nor strongly disagreed with the statement that when a product solves problem customers have with competing products, it reflects in their pricing of product. In item 15 of Table 6, 28 (58.3%) of the respondents strongly agreed that when a product is very innovative and substituted for another product, it reflects in their pricing of that product. Twenty (41.7%) agreed, while none disagreed or strongly disagreed that when a product is very innovative and substituted for another product, it reflects in their pricing of that product.

Table 4. Level of adoption of competition-informed pricing practice by the management of supermarkets in urban Enugu, Enugu State, Nigeria.

S/No	Questionnaire Items	Strongly Disagree	Disagree	Agree	Strongly Agree	Mean	Standard Dev
5	The price of competitors product is considered when setting the prices of products	0 (0%)	0 (0%)	21 (43.8%)	27 (56.3%)	3.43	0.50
6	The current pricing practice/strategy of competitors is considered when setting the prices of products	0 (0%)	0 (0%)	21 (43.8%)	27 (56.3%)	3.56	0.50
7	The valuation of competitor's strength and ability to respond is considered when setting the prices of products	0 (0%)	0 (0%)	25 (52.1%)	23 (47.9%)	3.47	0.50
8	The degree of competition (number and strength of competitors) is considered when setting the prices of products	0 (0%)	0 (0%)	30 (62.5%)	18 (37.5%)	3.37	0.49
9	The competitive 12 strength of competitors on the market is considered when setting the prices of products	0 (0%)	3 (6.3%)	29 (60.4%)	16 (33.3%)	3.27	0.57
	Total	**0**	**3**	**126**	**111**		

Source: Fieldwork, 2019.

Table 5. Level of adoption of cost-informed pricing practice by the management of supermarkets in urban Enugu, Enugu State, Nigeria.

S/No	Questionnaire Items	Strongly Disagree	Disagree	Agree	Strongly Agree	Mean	Standard Dev
10	The cost of purchasing the product is considered when setting the prices of products	0 (0.0%)	0 (0.0%)	23 (47.9%)	25 (52.9%)	3.5	0.50
11	The price necessary for break-even is a factor in setting the prices of products	0 (0%)	0 (0%)	18 (37.5%)	30 (62.5%)	3.6	0.48
12	Profit margin for each product is considerable factor in setting the prices of products	0 (0%)	0 (0%)	18 (37.5%)	30 (62.5%)	3.6	0.48
	Total	**0**	**0**	**59**	**85**		

Source: Fieldwork, 2019.

Table 6. Level of consideration of relative product advantage on the adoption of pricing practice by the management of supermarkets in urban Enugu, Enugu State, Nigeria.

S/No	Questionnaire Items	Strongly Disagree	Disagree	Agree	Strongly Agree	Mean	Standard Dev
13	When a product has a higher quality in comparison with competing products, it reflects in your pricing of that product	0 (0.0%)	0 (0.0%)	20 (41.7%)	28 (58.3%)	3.58	0.49
14	When a product solves problems that customers have with competing products, it reflects in your pricing of that product	0 (0%)	0 (0%)	30 (62.5%)	18 (37.5%)	3.37	0.48
15	When a product is very innovative and substituted for another product, it reflects in your pricing of that product	0 (0%)	0 (0%)	20 (41.7%)	28 (58.3%)	3.58	0.49
	Total	**0**	**0**	**70**	**74**		

Source: Fieldwork, 2019.

Item 16 of Table 7 indicates that 5 (10.4%) of the respondents strongly agreed that intense price competition is considered when setting the price of products, 10 (20.8%) agreed, 21 (43.8%) disagree while 12 (25.0%) strongly disagreed that intense price competition is considered when setting the price of products. Item 17 of Table 7 states that Strong competitor's sales, promotion, and distribution systems are considered when setting the price of products. One (2.1%) strongly agreed with the statement, 20 (41.7%) agreed, 19 (39.6%) disagreed, while 8 (16.7%) strongly disagreed that strong competitors' sales, promotion, and distribution systems are considered when setting the price of products. In item 18 of Table 7, 2 (4.2%) of the respondents strongly agreed that high quality competing products are considered when setting the price of products, 12 (25.0%) agreed, 24 (50.0%) disagreed, while 10 (20.8%) strongly disagreed that high quality competing products are considered when setting the price of products.

Table 7. Level of consideration of competitive intensity on the adoption of pricing practice by the management of supermarkets in urban Enugu, Enugu State, Nigeria.

S/No	Questionnaire Items	Strongly Disagree	Disagree	Agree	Strongly Agree	Mean	Standard Dev
16	Intense price competition is considered when setting the price of products	12 (25.0%)	21 (43.8%)	10 (20.8%)	5 (10.4%)	2.1	0.93
17	Strong competitor sales, promotion, and distribution systems are considered when setting the price of products	8 (16.7%)	19 (39.6%)	20 (41.7%)	1 (2.1%)	2.2	0.77
18	High quality competing products are considered when setting the price of products	10 (20.8%)	24 (50.0%)	12 (25.0%)	2 (4.2%)	2.1	0.78
	Total	**30**	**64**	**42**	**8**		

Source: Fieldwork, 2019.

Item 19 of Table 8 indicates that 11 (22.9%) of the respondents strongly agreed that management has achieved its sales turnover objective since adopting the current pricing practice. Twenty-three (47.9%) agreed, 14 (19.65%) disagree while none strongly disagreed that management has achieved its sales turnover objective since adopting the current pricing practice. Item 20 of Table 8 states management has achieved its profit objective since adopting the current pricing practice. Eleven (22.8%) strongly agreed with the statement, 19 (39.6%) agreed, 12 (25%) disagreed, while 6 (12.5%) strongly disagreed that management has achieved its profit objective since adopting the current pricing practice. In item 21 of Table 8, 4 (8.3%) of the respondents strongly agreed that management has achieved its market share objective since adopting the current pricing practice, 22 (45.8%) agreed, 20 (41.7%) disagreed, while 2 (4.2%) strongly disagreed that management has achieved its market share objective since adoption of the current pricing practice. In item 22 of Table 8, 1 (2.1%) of the respondents strongly agreed that management has achieved its competitive advantage objectives since adopting the current pricing practice, 13 (27.1%) agreed, 28 (58.3%) disagreed, while 6 (12.5%) strongly disagreed that management has achieved its competitive advantage objectives since adopting the current pricing practice.

Table 8. Impact of adoption of pricing practice by management in supermarkets performance in urban Enugu, Enugu State, Nigeria.

S/No	Questionnaire items	Strongly Disagree	Disagree	Agree	Strongly Agree	Mean	Standard Dev
19	Management has achieved its sales turnover objective since adopting the current pricing practice	0 (0%)	14 (19.65%)	23 (47.9%)	11 (22.9%)	2.9	0.72
20	Management has achieved its profit objective since adopting the current pricing practice	6 (12.5%)	12 (25.0%)	19 (39.6%)	11 (22.9%)	2.7	0.96
21	Management has achieved its market share objective since adopting the current pricing practice	2 (4.2%)	20 (41.7%)	22 (45.8%)	4 (8.3%)	2.5	0.70
22	Management has achieved its competitive advantage objectives since adopting the current pricing practice	6 (12.5%)	28 (58.3%)	13 (27.1%)	1 (2.1%)	2.1	0.67
	Total mean					**2.55**	

Source: Fieldwork, 2019.

6. Regression Analysis

Based on the multiple regression equation set out, we used the data generated from the field to run the following multiple regression. We have presented the result in an equation form in Table 9 below.

Table 9. Model summary.

#	Equation	Model Summary
Equation (1)	OP = 1.827 + 0.004VIP − 0.152CIP + 0.767CTIP + μ1 (0.5632) (0.6988) (0.0802) (0.0000)	R-Squared = 0.51 R-BAR-Squared = 0.48 S.E of Regression = 163.35 F-Stat. F(3,45) = 20.3449 (0.0023) Mean Dependent Variable = 87.63 DW-Statistics = 2.1
Equation (2)	OP = 1.76 + 0.053VIP − 0.345CIP + 0.523CTIP − 0.321RPA + μ2 (0.653) (0.0608) (0.0102) (0.093) (0.087)	R-Squared = 0.58 R-BAR-Squared = 0.53 S.E of Regression = 173.53 F-Stat. F(4,44) = 24.0149 (0.0023) Mean Dependent Variable = 87.63 DW-Statistics = 1.52
Equation (3)	OP = 1.892 + 0.002VIP − 0.35088CIP + 0.822CTIP − 0.234CI + μ3 (0.5632) (0.169) (0.080) (0.000) (0.0303)	R-Squared = 0.56 R-BAR-Squared = 0.49 S.E of Regression = 113.53 F-Stat. F(3,45) = 22.797 (0.0025) Mean Dependent Variable = 78.36 DW-Statistics = 1.7
Equation (4)	OP = 1.992 + 0.004VIP − 0.2601CIP + 0.789CTIP − 0.3104RPA − 0.221CI + μ4 (0.5632) (0.5443) (0.0914) (0.000) (0.0873) (0.0474)	R-Squared = 0.62 R-BAR-Squared = 0.55 S.E of Regression = 134.32 F-Stat. F(3,45) = 23.991 (0.0021) Mean Dependent Variable = 97.34 DW-Statistics = 1.9

NB: *p*-values are presented in the parenthesis under the co-efficient. Source: Authors analysis using SPSS 21. Source: Fieldwork 2019.

7. Results and Discussion

Restating and Interpreting the Tested Hypotheses

In this section, hypotheses 1, 2 and 3 stated above, have been restated to accommodate the null hypotheses and discussed below:

Hypothesis 1 (H_0). *Adoption of value-informed pricing has no statistically significant impact on the performance and sustainability of supermarkets in urban Enugu.*

Hypothesis 1 (H_1). *Adoption of value-informed pricing has a statistically significant impact on the performance and sustainability of supermarkets in urban Enugu.*

Based on the regression result in Table 9 and its analysis in Figure 2, which shows that the impact of two pricing practices on supermarket performance and sustainability is statistically significant (since the *p*-value for competition-informed pricing is 0.08, and the *p*-value for cost-informed pricing is 0.00; both of which is greater than 0.1, i.e., at the 10% level of significance), we therefore, do not accept the null hypothesis (H_0). Hence, we conclude that the impact of pricing practices on supermarkets performance and sustainability in urban Enugu is statistically significant.

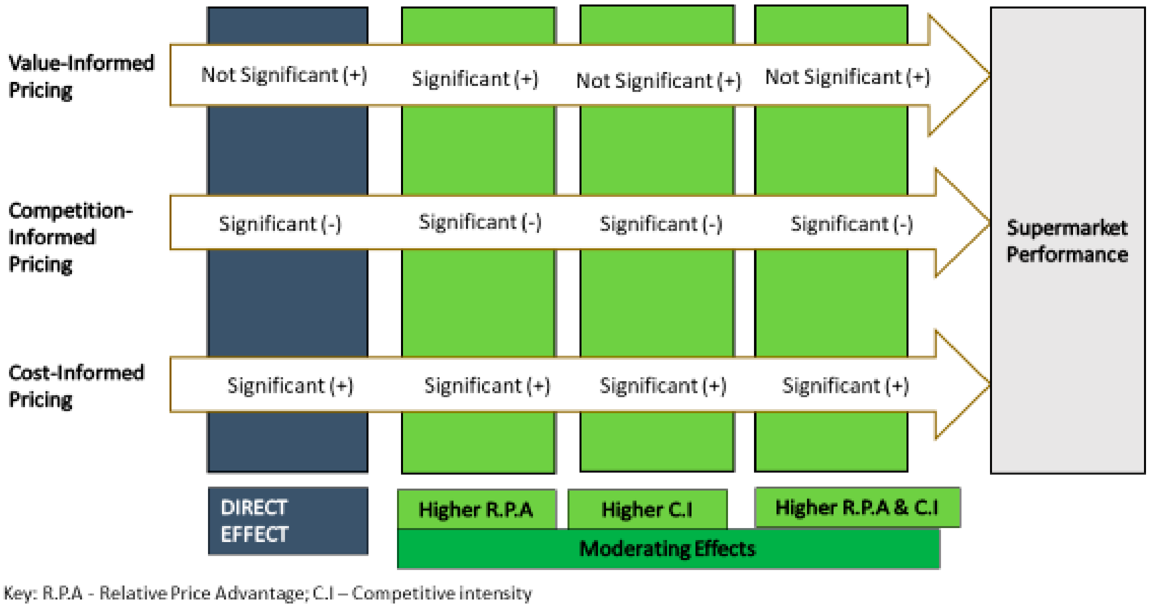

Figure 2. Analysis of the regression result. Source: Authors analysis 2019.

Hypothesis 2 (H_0). *The change in the impact of adopting the three pricing practices on performance and sustainability of supermarkets in urban Enugu is not statistically significant when high relative product advantage or intense competition is a moderating variable.*

Hypothesis 2 (H_1). *The change in the impact of adopting the three pricing practices on performance and sustainability of supermarkets in urban Enugu is statistically significant when high relative product advantage or intense competition is a moderating variable.*

Based on the regression result in Table 9 and its analysis in Figure 2, which shows that there is a statistically significant change in the impact of pricing practices on supermarket performance and sustainability in five of the six scenarios presented when RPA or CI are moderating variables. Therefore, as the *p* values in Table 8 shows, we do not accept the null hypothesis (H_0); hence, we conclude that there is a statistically significant change in the impact of pricing practices on supermarkets performance and sustainability in urban Enugu when either relative product advantage or intense competition are the moderating variables.

Hypothesis 3 (H_0). *The change in the impact of adopting the three pricing practices on performance and sustainability of supermarkets in urban Enugu is not statistically significant when both high relative product advantage and intense competition are moderating variable.*

Hypothesis 3 (H_1). *The change in the impact of adopting the three pricing practices on performance and sustainability of supermarkets in urban Enugu is statistically significant when both high relative product advantage and intense competition are moderating variable.*

Based on the regression result in Table 9 and its analysis in Figure 2, which shows that there is a statistically significant change in the impact of pricing practices on supermarket performance and sustainability in two of the three scenarios presented when both RPA and CI are moderating variables, hence, as the *p* values in Table 8 shows, we do not accept the null hypothesis (H_0). Hence, we conclude that there is a statistically significant change in the impact of pricing practices on supermarkets performance and sustainability in urban Enugu when both relative product advantage and intense competition are the moderating variables.

From our analysis of objective 1, we found that value-informed pricing practice adoption had a positive, but insignificant, impact on supermarket performance and sustainability. This is in line with the research work of [53], carried out in Austria using medium-sized companies. Ref. [28] also affirmed that perceived value-informed pricing is a critical factor that leads to a strong performance by a product and sustainability of the business in general. This makes value-based pricing a focal pricing strategy for enhanced yields and competitiveness. We also find that the adoption of competition-informed pricing affected supermarkets' performance and sustainability in a negative, but significant, way. There are many explanations that can be advanced for this surprising finding, and we attempted to touch on some here. Key amongst them is the fact that the demand angles of products are not taken into consideration in this practice, but only the competitor's price. Secondly, when it is all about competition and competitive advantage, the market is faced with the risk of price wars and its attendant consequences [39,54].

We also found that cost-informed pricing practice had an impact that was both significant and positive on the supermarket growth curve. Once the cost is the basis for setting the price, at the very minimum, a break-even will be achieved. The possibility of making losses from sales is ruled out. This is supported by studies of [43] in their analysis of 277 companies located in the United Kingdom (187) and Australia (90). It is pertinent to note that cost-informed pricing practice is the dominant strategy of supermarkets in urban Enugu.

Our analysis of objective 2 showed that a higher relative product advantage diminishes the impact of competition-informed pricing. With a low relative advantage, a product becomes indistinguishable from competing brands making price the basis for comparison by customers. The competitor's price becomes the reference price [44]. This means that competition-informed pricing guides the firm when the relative product advantage is low and contributes less to performance when the relative product advantage is high.

Value-informed pricing supports an improvement in the supermarkets performance when the relative product advantage goes up. When a firm understands its customers' insights and perceptions about a product, it is in a better position to boost its performance and sustainability when operating around the upper limit of its price. We also found that the adoption of competition-informed pricing Practice does not really help a firm in a period of intense competition. This is primarily due to the possibilities of price wars that might cut deep into the supermarkets profit with an adverse effect on sustainability.

Again, we found in our analysis of objective 4 that intense competition has a diminishing impact on the adoption of value-informed pricing. This is because product advantage is likely to disappear faster in a highly competitive environment, ultimately regulating the upper limit of price discretion. In this case, the knowledge about customers' value perceptions becomes outdated and less useful to the firm in enhancing performance.

Again, we find that high relative product advantage impacts cost-informed pricing marginally. This is because a below-the price-floor drop in price makes firms to operate around the lower limit of price discretion. A high relative product advantage, on the other hand, makes it easier for firms to operate within the upper limit. Therefore, as relative product advantage increases, the less cost-informed pricing affects growth rate (and sustainability) of the supermarket.

Furthermore, in our analysis of research question 4, we found that increased competition enhances the impact of cost-informed pricing. This is because customers' tendency to compare products with their available substitutes is rarely affected by intense competition. This also discourages the use of competition-information by firms in setting product price. A highly competitive environment encourages innovation by firms as they try to outdo each other, leading to a drop in prices. The lower limit of price discretion becomes the available route. Consequently, cost-informed pricing is utilized by firms to increase performance and sustainability in such situations.

On objective 3, we found that the net effect of both intense competition and high relative product advantage is what prevailed, in terms of the impact of pricing practices on supermarkets performance. Adoption of value-informed pricing increased its positive impact on supermarket performance and sustainability, while adoption of competition-informed pricing increased its negative impact on supermarket performance and sustainability, and cost-informed pricing increased its positive impact on supermarket performance and sustainability. All these were the fallout of the net impact of the moderating variables. Finally, it is pertinent to point out that no firm uses a single pricing practice, but varying degree of a mix of all the different pricing practices to achieve high performance and sustainability.

8. Conclusions

This study concludes that supermarkets in urban Enugu have engaged a varied mix of the three major pricing practices examined in this study. However, it was observed that cost-informed pricing was dominant, followed closely by competition-informed, and then value-informed pricing (see Tables 5–7).

This study also concludes that competition-informed pricing practice could be detrimental to the performance of supermarkets, as inappropriate benchmarking—such as in situations where the competition has some strategic advantages, like a warehousing facility, enjoys more goodwill amongst others. This could cause some supermarkets to lose significantly during price wars. Moreover, in instances where there is high relative product advantage, using competition-informed pricing could deprive supermarket of extra gains that could have been tapped from consumers.

An interesting find in this study was that supermarkets could benefit from adopting value-informed pricing practice for a particular product, when there is a high relative product advantage. However, in such instance of high relative product advantage, adopting competition-informed pricing practice and cost-informed pricing practice is not an optimum strategy, as they could further depress the performance of the supermarket. Moreover, when there is intense competition, supermarkets can benefit more from cost-informed pricing, and risk worsens their performance by adopting value-informed or competition-informed pricing practice. Again, when there is intense competition and high relative product advantage, value-informed pricing practice and cost-informed pricing practice would support better performance of the supermarket.

Conclusively, what is pertinent to note is that the supermarkets use a mix of the various pricing practices for different product categories, however, they must balance their overall performance objective, with not just the pricing practices, but also with the two identified moderating variables in this study, which are constantly interacting with the pricing practice to determine the ultimate performance of the supermarket. Competition-informed pricing practice should be used with extreme care, as full information of the competition strategy is hardly available.

Based on the findings, the following recommendations were made:

- Value-informed pricing practice should be used by the management of supermarkets when there is high relative product advantage; i.e., only when the advantages of the particular product is far superior to those of close substitutes.
- Competition-informed pricing practice should not be adopted by the management of supermarkets for products with intense competition or/and high relative product advantage.
- Cost-informed pricing practice should be a dominant pricing practice in the mix of pricing practices adopted by the management of supermarkets, as its positive impact on the performance of supermarkets is very significant, especially in instances of intense competition for the product. However, when there is a high relative product advantage, cost-informed pricing practice should not be adopted.

- The managers of pricing practices of supermarkets should critically carry out an internal and external environmental assessment of a product before deciding on the appropriate pricing practice to adopt for that product. Critical consideration should be given to the relative product advantage and the competitive intensity of the product. Moreover, the adopted pricing practice must be situated within the overall performance and sustainability objective of the firm in such a way that resources are optimized.
- Cost-informed pricing practice should be adopted by the management of supermarkets in urban Enugu, when there is both low relative product advantage and highly competitive intensity. This will help maximize the opportunities that particular product presents in terms of performance and sustainability.

9. Limitations of the Study

Limitations of this study are the inherent challenges found in studies that utilize samples, such as selection bias. Another limitation is the attitude of the respondents when it comes to giving sensitive information relating to their pricing practice and the level of their performance. Moreover, the fact that some of the respondents saw the exercise as stressful and without any commensurate immediate or direct monetary reward was a challenge. Despite all these, care was taken to ensure these challenges did not have a significant effect on the outcome of this research.

10. Areas for Further Research

The study ascertained the effect of pricing practice management on performance and sustainability of supermarkets in urban Enugu, Enugu State, Nigeria, and the implications of three major pricing practices on performance and sustainability when relative product advantage and competitive intensity are moderating variables using the survey design. However, these studies are far from conclusive, and there is still room for further studies. Suggested areas for future research include:

i. Examining the effect of pricing practice management on performance and sustainability of supermarkets in Enugu State, Nigeria using a different methodology, more than one informant in one firm and secondary data that is more objective rather than primary data that is mostly viewed as a self-reported data by professional.
ii. Examining the pricing practice management on performance and sustainability of manufacturing industry, and services industry in different geographical location, scope, and time frame, as well as using a larger population and sample size.
iii. Examining the impact of other product and market characteristics that may influence the effectiveness of different price practices.
iv. Extending the studies of pricing practice management on the patronage of the education sector in Nigeria.

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Conflicts of Interest: The authors declare no conflict of interest.

Appendix A

QUESTIONNAIRE

Please [✓] appropriately whichever is chosen

Section A: Background Characteristics

1. What is your sex?

(a) Male [ ]
(b) Female [ ]

2. Where does your age group fall?

(a) 20–30 years [ ]
(b) 30–40 years [ ]
(c) 40 yeras and above [ ]

3. What is your marital status?

(a) Single [ ]
(b) Married [ ]
(c) Divorce [ ]

4. What is your highest level of Academic qualification?

(a) M.Sc, MBA, MA or above [ ]
(b) B.Sc/HND [ ]
(c) NCE/OND [ ]
(d) WASSCE/GCE [ ]

5. Which Department do you work?

(a) Account and Clearing Department [ ]
(b) Store Department [ ]
(c) Human Resources Department [ ]
(d) Customer Services Department [ ]
(e) Production [ ]
(f) Safety Department/security [ ]
(g) Cleaning Department/engineering [ ]
(h) Others please state [ ]

6. What category of staff are you?

(a) Senior [ ]
(b) Junior [ ]

7. How long have you been a staff of this supermarkets?

(a) Below one year [ ]
(b) 1–3 years [ ]
(c) 4–6 years [ ]
(d) Above 6 years [ ]

8. Are you involved in the determination of the pricing of products of this supermarkets?

(a) Yes [ ]
(b) No [ ]

Section B

Tick [✓] against the most appropriate option to indicate the extent to which you agree with the following factors included in the price-setting process of your organization's product? In other words: to what extent did your organization take into account the following elements while determining the price of products between 2016 to 2018?

Note that:

SA Strongly Agree
A Agree
D Disagree
SD Strongly Disagree

To ascertain the level of adoption of value-informed pricing.

S/NO	OPTION	SA	A	D	SD
1	The advantages a product offers to consumers is considered when setting the prices of products				
2	The customers' perceived value of the product is considered when setting the prices of products				
3	The advantages the product offers, in comparison to substitutes, is considered when setting the prices of products				
4	Balance between the possible advantages of the product and its possible price is considered when setting the prices of products				

To ascertain the level of adoption of competition-informed pricing.

S/NO	OPTION	SA	A	D	SD
5	The price of competitors product is considered when setting the prices of products				
6	The current pricing practice/strategy of competitors is considered when setting the prices of products				
7	The estimation of the competitor's strength and ability to react is considered when setting the prices of products				
8	The degree of competition (number and strength of competitors) is considered when setting the prices of products				
9	The competitive advantages of competitors on the market is considered when setting the prices of products				

To ascertain the level of adoption of cost-informed pricing.

S/NO	OPTION	SA	A	D	SD
10	The cost of purchasing the product is considered when setting the prices of products				
11	The price necessary for break-even is considered when setting the prices of products				
12	Profit margin is set by the company for each product is considered when setting the prices of products				

To ascertain the level of consideration of relative product advantage in product pricing.

S/NO	OPTION	SA	A	D	SD
13	When a product has a higher quality in comparison with competing products, it reflects in your pricing of that product				
14	When a product solves a problem customers have with competing products, it reflects in your pricing of that product				
15	When a product is very innovative and substituted for another product, it reflects in your pricing of that product				

To ascertain the level of consideration of competitive intensity in product pricing.

S/NO	OPTION	SA	A	D	SD
16	Intense price competition is considered when setting the price of products				
17	Strong competitors sales, promotion, and distribution systems are considered when setting the price of products				
18	High quality competing products are considered when setting the price of products				

To ascertain the effect of adopting the above pricing on the supermarket's performance.

S/NO	OPTION	SA	A	D	SD
19	Management has achieved our sales turnover objective since adopting the current pricing practice				
20	Management has achieved our profit objective since adopting the current pricing practice				
21	Management has achieved its market share objective since adopting the current pricing practice				
22	Management has achieved its competitive advantage objectives since adopting the current pricing practice				

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