An Assessment of Pricing Strategies and Consumer Behaviour (Loyalty) in the Telecommunication Sector: A Case Study of the Norwegian Telecommunication Sector

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Sincerely,
Khizar Hussain Khan

Abstract

The Norwegian telecommunication industry is influenced by various competitive techniques each company installs for customer retention one of them being pricing techniques. This study evaluates the relationship between pricing techniques and customer loyalty in the industry. The research question being answered is, “what is the impact of pricing on consumer loyalty?”. The research question is further supported by 2 other additional research questions including “How does customer loyalty influence pricing?” and “What consumer challenges affect product pricing?” The study employs a primary research collecting qualitative data on what the current customers perceive of the current prices and test their likelihood to change a product vendor if prices changed drastically. The data was collected from 75 respondents with more than 80% response rate. This sample population was sufficient to meet the objective of the study, which was to evaluate the presence, or lack thereof, of pricing strategies and consumer loyalty among the Norwegian telecommunication service providers. The data collection phase employed interviews while analysis was conducted using thematic and repertory grid analysis techniques. The study found an inverse correlation between pricing and customer loyalty in the Norwegian telecommunication industry. Currently, there is no conclusive literature on the relationship between pricing and customer loyalty in the Norwegian telecommunication market. These findings will contribute to the insufficient literature on the same topic in the Norwegian industry. The findings can also be adopted or act as a reference to futuristic researches on a similar topic. Further studies would be recommended for factors influencing product preference apart from pricing.

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1.0 INTRODUCTION

1.1 Background of the Study

Since time immemorial, brand loyalty formulates the leading customer retention challenge affecting companies globally. Traditionally, the challenge affected the traditional marketing strategies where companies opted to flood their regions with their products eliminating new entrant threats. However, this strategy that has worked for other companies has faced modern challenges such as the internet. According to Internet Corporation for Assigned Names and Numbers (ICANN), the world has become a global village where consumers purchase products virtually. For instance, Airalo enables eSim registration not only in Norway but globally, allowing mobile money services, airtime purchase, and any other phone-related functions for client's convenience. Therefore, customer retention has evolved from mere regional balance to international (Osman & Subhani, 2019). With the introduction of the internet, the number of companies online has increased tremendously, leading to increased competition for customers due to ready product substitution affecting brand loyalty. According to the Norwegian Communication Authority, the increasing online presence of companies offering substitute products compromises brand loyalty as 71% of the online clients can easily purchase from another company knowingly or unknowingly as long as the product fits their demand. Therefore, the companies need to formulate strategies to enhance product preference by eliminating uniformity, which catalyzes competition through unique product marketing.

Today, companies, regardless of the manufacturer, sell products online as e-commerce agents (Hurth, e-commerce instance, Alibaba sells products from different c products from different companies, complicating. This boils down to telecommunication products globally. Today, companies have employed social media influencers who the rival also contacted. The marketer's message may contravene preference as the followers only purchase products as per the marketer's advice on adverts. This compromises brand loyalty in a significant portion. According to the Norwegian Communication Authority, almost 100% of the telecommunication companies have a significant online following. Their products can be purchased or subscribed to online. Just like any other company globally, the increasing online presence of these telecommunication companies has increased product pricing competition.

Modern organizations' customers are the core to improved sales, profitability, and brand competitiveness. Most companies focus on the people, which entails all the stakeholders with customers at the top of the chain. Essentially, companies must focus on customer loyalty. It is significant to note that companies with lower employee turnover rates often prioritize client welfare, putting their interests first. As a result, such organizations experience improved performances, employee retention, increased profitability, and high customer lifetime value (CLV). One of the significant factors influencing customer loyalty is pricing strategies. The organization's primary goal is profitability, making customer loyalty an essential component of organizational success (Novixoxo et al., 2018). Past research has revealed that pricing is one of the most fundamental factors that attract customers to a specific brand (Novixoxo et al., 2018). Customers are more likely to purchase from organizations that offer lower prices than those using premium pricing strategies. During advertising, most clients often look at the pricing element first before scrutinizing the quality of the product, implying that pricing is the topmost factor influencing customer retention and loyalty. Yakubu et al. (2019) also found that product and service prices have an enormous impact on client retention and loyalty.

According to Kapoor & Kulshretha (2019), a brand is a unique identifier of a product or a company. This could be a name, a symbol, or a sign. In the changing world, brands have become an integral part of the companies' success. It has become a crucial deal for customers to choose their most preferred brand when purchasing a product. In response, companies tend to enhance the image of the brand through various strategies aimed at enhancing customer preference, hence, brand loyalty. By definition, a brand name is the creation of a name or a product identifier (Kapoor & Kulshretha, 2019). Developing a brand name is a critical aspect of product development as it formulates the basis of the brand's image (Kapoor & Kulshretha, 2019). The brand name is important to the company and the customers since it attracts customers to purchase more products from the same company. Further, it also influences customers' repeated purchase behaviour on the same brand. Consumers tend to perceive the brand name from all perspectives. For instance, bigger brand's products such as Apple or Mercedes have taken the world by storm as far as consumer class is concerned. Associating with a certain brand name renders the consumer the adoption of the company's characteristics ranging from class to product quality and public perception.

A company's success is measured by how effective they are at attracting consumers to their product and keeping them repurchasing their products even with the increasing product substitute availability. This is achieved through customer requirement identification and formulating strategies to meet those requirements better than the competitor. Currently, there is competition, globalization, information technology development, and market saturation that play a part in consumer preference and brand loyalty. The increasing product competition and information technology advancement create customer product awareness creating a situation where optimized pricing is not the only factor influencing product preference but global brand loyalty through various avenues, including product quality. Brand loyalty is measured by the continued brand preference for a particular brand over a certain period of time. According to Saleem (2019), brand loyalists do not focus on a certain attribute but on how it makes them feel consuming the product; the satisfaction emanates from product usage. This positive evaluation emanates from past experience with the brand under consideration.

Doyle (2018) defines loyalty as the devotion towards a subject regardless of the foreseen changes or substitutions. This could be used in defining the level to which a person can invest in a product even if the product has had previous quality issues. The inclusion of the term brand in the form of "brand loyalty" captures the very essence of loyalty but from a business perspective. For the longest time now, brand loyalty has stood as the lone success unit of measure among companies globally. Manufacturers and companies have tried developing the scenario where their products are chosen or preferred to other products for the longest time possible to attract more profit. It is also the measure of customer retention and measuring their repurchasing ability (Ndiritu, 2017).

Brand loyalty is one of the key factors that managers focus on to enhance customer retention, which reflects in the company's profit margin. A consumer is considered loyal to a brand when they constantly purchase or repurchase a certain product over a certain period of time with or without persuasion from the marketing team (Rahman, 2018). In today's business environment, brand loyalty has become a major challenge to companies. Companies are trying to keep their loyal customers stay loyal while eliminating any other distraction that could influence divided attention on their products. To maintain these consumers, the companies evaluate their customer satisfaction levels, customer trustworthiness, the company's image, customer relation, perceived quality, product development, and brand trust.

Further, Kapoor & Kulshretha (2019) define brand loyalty as a factor of behaviour and attitude. According to Kapoor & Kulshretha (2019), brand loyalty is the measure of behavioural response to a certain brand based on psychological processes such as the attitude and the behaviour of the person toward the product. Brand loyalty is measured in terms of conscious decisions to repurchase a product even without the intervention of any advert. Therefore, it is pre-empted that a loyal customer will purchase a certain product regardless of the competition, even if the substitution offers better quality or lower prices than the preferred brand (Saleem, 2019; Kapoor & Kulshretha, 2019). It also implies a successful emotional attachment to the brand.

Kotler (2001) listed a series of factors he considered influential in determining consumer loyalty. He categorized these factors as market stimuli and buyer characterization. According to him, market stimuli included product, promotion, place, and price, while buyer characteristics included psychological, social, and cultural factors. Further, Kotler (2001) states the buyer’s decision relies on their product quality perception, including product choice, dealer choice, brand choice, and the purchase amount. Kotler referenced his study on consumer behaviour, thus spearheaded brand choice as an impact of product purchase. According to Kotler, pricing a product in a differentiated manner enhances the need to meet the required financial implications of the buyer as well as the seller. This is applicable in various organizations regardless of the services or products offered.

In Norway, various telecommunication companies such as Telenor, Ice, OneCall, talk more, and Telia strive for customer retention to measure brand loyalty. The companies invest in strategies that enhance customer satisfaction levels, customer trustworthiness, the company's image, customer relation, perceived quality, product development, and brand trust. Unlike the normal tangible products, brand loyalty in the telecommunication industry proves a tougher task due to the increasing customer awareness. Unlike the physical products, where customer loyalty was influenced by factors such as product quality, telecommunication service preference relies majorly on pricing. Through pricing, the customers perceive customer satisfaction, product trustworthiness, brand quality, and product development. Since this is a telecommunication company, the increasing online information on products and offers influences customer awareness which influences preference or substitution, this study evaluates the impact that pricing has on brand loyalty in the Norwegian telecommunication industry. The study begins with the introduction section, followed by the literature review, methodology, results and findings, discussion, conclusion, and recommendations sections.

1.2 Rationale and Problem Statement

The specific problem this study focuses on is the impact of pricing strategies on brand preference in the Norwegian telecommunication sector. Customer loyalty and retention have emerged as fundamental areas for organizations to consider. Companies often operate as profit-making entities, implying that the end goal is profitability. To accomplish this, organizations must build solid brand loyalty among customers. Nisa (2019) highlights that managers must find approaches to keep customers loyal to a specific firm to secure revenue. Traditionally, pricing and pricing approaches have been instrumental ways to acquire new clients and retain existing ones. Despite this recognition, most managers are still not aware of how pricing affects their customer loyalty levels. Therefore, this paper seeks to create awareness among all organizational stakeholders regarding the significance of pricing in ensuring customer retention.

1.3 Purpose of the Study

This study assessed the pricing strategies and consumer loyalty in the telecommunication sector in the Norwegian telecommunication business.

1.4 Research Questions

The study focused on the following research questions;

a. What is the impact of pricing on consumer loyalty?
b. How does consumer loyalty influence product pricing?
c. What consumer challenges affect product pricing?

1.5 Significance of the Study

This study is important to the Norwegian communication authority and the telecommunication industry as they will understand how product pricing influences consumer loyalty and preference. They may also use these findings to better the telecommunication sector to compete globally. This study's findings will put the country's communication authority in the international communication centres and the regional limelight as one of the most customer-oriented service providers in the telecommunication sector regionally, if not globally. Further, this study will provide knowledge to the telecommunication managers in Norway to help establish a critical competitive path in enhancing service provision as well as catering to the client's evolving needs. On the research front, this study will provide adequate information to future researchers on the same topic by introducing new insights into the general perception of the Norwegian telecommunication giants in terms of their perceived value for money approach to service provision. Future researchers will have a point of reference when studying a similar topic. They will reference the findings of this work quite easily and generously compare their findings to this.

1.6 Scope of the Study

The study was limited to the Norwegian telecommunication sector. The study collected data from the telecommunication network users in Norway in order to establish the influence that pricing had on brand loyalty. In this case, the researcher categorizes brand loyalty as consumer behaviour. A questionnaire was sent out to the participants via email, and they were given a 72 hours' submission deadline. They were asked to fill in the questionnaire honestly and conclusively to help with the finalization of the study. The data collection took place between March and May of 2022.

1.7 Contribution of the Study

Browsing over the internet, there was little to no information about the relationship between pricing and customer loyalty in the Norwegian telecommunication industry. This study will add the insufficient literature available online about the Norwegian telecommunication industry business model. It will also enlighten future players on factors to really consider when venturing in the business. Further, it will contribute to pricing policy formulations to aid a healthy competition within the Norwegian market.

1.7 Definition of Terms

1.7.1 Pricing

Safaeian (2019) defines pricing as assigning monetary value to a certain product following complex calculations involving the production costs, taxations, and other additional variables aimed at ensuring affordability as well as keeping the company afloat to maintain a healthy financial status.

1.7.2 Pricing Strategy

According to Gabel & Kennet (2020), pricing strategy refers to the collective actions aimed at establishing the right price for an item while ensuring the producer maintains the cost of production as well as profit in the long run. Gabel & Kennet (2020) state that strategy is quite an important aspect of the production process to ensure the sustainability and survivability of the company in different ways.

1.7.3 Consumer Behaviour

According to Chen (2020), consumer behaviour is the product perception as per the consumer's point of view. It is the general action towards the product displayed by the potential buyer. These behaviours include repetitive buying, impulse purchase, or consumer preference.

1.8 Chapter Summary

This study aims at determining the relationship, or lack of relationship, between product pricing and customer loyalty in the Norwegian telecommunication sector. The specific research questions aim to determine the effect of product pricing on consumer loyalty, the impact on product pricing, and the consumer behaviour challenges that influence pricing strategies. Chapter 2 will review literature from other researchers relevant to this topic. The third chapter is the methodology section, which details how the researcher conducted this study and the procedures followed in the process. Chapter 4 displays the findings as they are by representing them in tables and charts for statistical interpretation. Chapter 5 will discuss the findings in relation to the literature review sections from the findings section. In addition, the chapter will also provide limitations, conclusions, and recommendations from the author.

2.0 LITERATURE REVIEW

2.1 Introduction

This chapter presented the literature reviews from different authors relevant to this study. The literature reviewed aimed to answer the research questions to understand the influence of pricing on consumer loyalty, the influence of loyalty on product pricing, and the consumer behaviour challenges influencing product pricing strategies.

2.2 Price Determinants

Many authors have shown increased interest in studying the impacts of pricing strategies on customer loyalty. Price is an important factor when determining when developing a plan to achieve and retain brand loyalty. As it turns out, customers are always looking for better products at affordable prices. In this respect, developing and implementing the right pricing strategies plays a vital role in improving organizational effectiveness and sustainability.

Loyalty is partly based on reference pricing. Customer loyalty appears to include reference pricing as a key component. We tend to be most loyal to companies that match price expectations. There are suggestions that price displays on websites should include competitor pricing information. Show the price on your website and the price of your competitors, and you will encourage more, not less, loyalty to your business. That's probably because of the impact of that subconscious analysis, too – showing your competitors' prices lets your customers know you are confident, which is bound to have an impact on their decision-making.

According to Faith (2018), customers attach a value perception to companies' products and services. In this respect, companies should ensure that the prices they set for their products and service match customers' perceived value. When customers pay a higher price, they expect the quality of the products or services to be higher than that of similar products and services in the market (Kim, 2019). If the quality of products and services does not match the price paid, customers are more likely to shift to rival businesses, damaging brand loyalty.

The study also recommends, among others, that the management of Shoprite should not set prices without knowledge of market changes and differences between market segments. Also, management should consider the role of price in consumer perceptions of products/ service quality and image. Furthermore, pricing objectives must be consistent with the overall communication objectives of the firm as they relate to products/ services and their prices. This study also implies that management should improve on customer satisfaction, product involvement, perceived quality, trustworthiness, and brand trust. However, other factors like the company's trust, employees' trust, the company's image, and the importance of relationships should also be adopted to ensure absolute loyalty to the brand. Management can stimulate consumers to elaborate upon their brand choice by promoting the consumers' motivation and capacity to evaluate their brand choice. This can be done by linking the brand to some involving issue or personal situation by making differences between different brands and stressing the brand's essential characteristics.

In addition, clear and understandable information should be provided about the brand. Management should also be concerned about true brand loyalty based on commitment and avoid any factors that may cause the consumer to lose loyalty to the brand. This research study aimed to investigate the customers' attitudes and perceptions of their purchase decision and brand loyalty. Also, the researcher studied the effects of customer purchase decisions on brand loyalty. Firstly, the customer attitudes included their comprehensive component, emotional, and behavioural perspectives; they significantly influenced the customer purchase decision and brand loyalty. However, the comprehensive perspective significantly affected the customer purchase decision. Therefore, the customer perceived that the products of the Group had credible images due to the standardized and qualified manufacturing. This could help the customers easily make purchase decisions; however, they were not brand loyal. The other competitors' images were also reliable, and their manufacturing was standardized. In the research, the researcher investigated the factors that affected the consumer purchasing decision on clean food in Bangkok; the results revealed that the lifestyle and the marketing mix factors involved in the customer purchasing decision.

2.3 Effect of Price on Consumer Loyalty

2.3.1 Low-Cost Leadership

Hui et al. (2019) state companies can influence price-sensitive clients' loyalty through price reduction while maintaining product quality. According to Hui et al. (2019), price reduction enhances customer product affordability. This ensures the customer acquires a high-quality product at a lower price relative to the market price. With the increasing adoption of the similar competitive advantage technique, various organizations flock to this pricing technique making it harder to achieve the desired results (Hui et al., 2019). Hui et al. (2019) state that for the success of the strategy, the organization has to offer similar if not an equal quality to the competitor products. If the price of the product reduces as well as the quality, the company is at risk of losing quality-sensitive clients (Hui et al., 2019). They noted the new entrants have widely adopted this technique. According to (), the new entrants lower their prices below the industry price to attract price-sensitive clients while earning a larger market share. From their perspective, the company realizes profits via economy of scale (Hui et al., 2019). They state the economy of scale states the more sales realized, the higher the profit.

Gullstrand et al. (2018) conducted a study on the influence of pricing on consumer loyalty among mobile users in Oslo, Norway. A descriptive statistics technique was adopted to study the univariate variables involved in the study; the price and the likelihood to continue using a certain mobile service provider. The study applied a simple stratified sampling technique to attain 150 respondents. The participants were issued an open-ended questionnaire where they were to explain their decision to keep using the services of their current mobile service provider at the current pricing. The obtained raw data were analyzed using the SPSS v25's descriptive statistics formula. The findings indicated the price of the product highly influenced brand loyalty, thereby enhancing competitiveness. Apart from the high quality of the service provided, the respondents stated pricing was also influenced by the first internet connectivity, airtime promotions, coupons, agents to determine customer satisfaction, and continued network preference.

2.3.2 Differentiation Pricing

Companies venture into differentiation pricing from cost leadership pricing by enhancing the product quality to attract more customers while maintaining the industry product prices (Chen et al., 2018). According to Chen et al. (2018), differentiation pricing enhances the quality of the product through added value. Added value ensures the product has various features that meet the user's needs in relation to the competitors. Chen et al. (2018) stated in some cases, price differentiation increases product pricing due to the value-added. However, due to the quality enhancement, the increased pricing helps the company maintain its current customers and at the verge of attracting even more clients. According to Chen et al. (2018), the increasing prices in value-added products introduce some premium charges in the industry compelling a class difference between companies' products.

According to Leslie (2019), companies can implement price differentiation through various avenues. One, they could increase the product quality through additional features. This may help meet further client demands. Secondly, the company may implement price differentiation by increasing the product choices and creating a one-stop-shop for the client's needs (Leslie, 2019). Thirdly, price differentiation is achievable through technological advancement in the production process or service provision. Other techniques are implementable in enhancing product pricing, such as creating a superior service through quality manufacturing (Leslie, 2019). According to Leslie (2019), differentiation may last longer if implemented at the production phase on technical superiority, product quality and reliability, and innovations.

Berezvai (2020) investigated differentiation techniques among mobile service providers in Pakistan. The researcher relied on product differentiation factors that may influence competitive advantage among service providers. The research adopted the qualitative aspect of the study using open-ended interview questions to solicit information from the various mobile service provider managers on product differentiation. The study's findings stated that various Pakistan mobile service providers implement pricing differentiation as a mode of achieving competitiveness. The companies applied similar strategies such as a 20% offer on data bundles and reduced off-net call rates while maintaining the same quality in luring new while maintaining the old clients (Berezvai, 2020). The study failed to determine the impact of differentiation pricing on consumer loyalty.

Kapunda (2019) conducted a study to evaluate the influence of differentiation in the UK telecommunication market. The researcher used pricing, packages, and services as the major differentiation techniques. From the analysis, Kapunda (2019) realized the UK mobile service providers competed on the basis of pricing, packages, and services. Despite implementing similar differentiation strategies, various companies adopted different strategies dictated by their client's demands. Packaging was the leading and easily applicable product differentiation in the UK telecommunication industry. However, it was not definite to state which company led in providing the most lucrative packages for their service subscribers.

Hitchens (2020) also investigated a specific type of call rate differentiation between the on and off-net calls. The researcher used a random sampling technique to determine the most appropriate study population. The aim of the study was to determine the impact of pricing in on and off-net calls on consumer loyalty to the product. From the study, the researcher realized most respondents stated the on-net calls were quite cheaper than the off-net; hence, higher consumer loyalty to the product. Generally, there was an inverse correlation between price increase and consumer loyalty for the products while maintaining similar product quality.

2.3.3 Psychological Pricing

Psychological pricing is based on a theory that certain prices influence an individual's psychological impacts, such as their product perception, buyer behaviour, and attitudes. Loginova (2019) found out that psychological pricing is a leading pricing strategy adopted by various companies in marketing their products. For instance, Loginova (2019) found that products with prices ending with a 9 were more likely to be bought than products whose prices ended with a zero or any other whole number. According to Loginova (2019), when a company reduces their prices by a cent to have the price ending with a nine, the consumer views such prices differently compared to the whole numbers. According to Loginova's (2019) argument, purchasing airtime for $4.99 could be highly attractive to a client than the flat $5.0 price.

2.4 Factors influencing pricing

There are a lot of factors that influence the pricing decisions of a company. A marketing manager should always carry out the task of identifying these factors that affect pricing. A company's price level can send a great signal about the quality of the products to the consumer the product (Kuo et al., 2018). Most customers compare the company's prices with those of the competitors. Some competitors also keep an eye on the price level of the company. Low prices may also bring about price wars with insufficient additional features, or the quality invites terrible publicity.

Here are some of the main factors affecting pricing in a company or an organization. The factors need to be classified because there are many factors that affect pricing can be divided into internal factors and external factors.

2.4.1 Internal factors

These are internal factors that influence pricing. They are factors that are controllable by the company. Depending on the effect perceived, the internal factors could be controlled. These factors are bipolar in that they can be positive or negative. The negative pricing factors influence pricing negatively, while the positive factors have added an advantage to pricing strategies. The internal factor includes but are not limited to the following;

i. **The objective of the firm**

Pricing makes a significant contribution to ensuring the company attains its main objectives (Kuo et al., 2018). The firm may have several goals, such as maximizing profit, market share, customer value, image and position maintenance, and stable price Maintenance. The pricing policy should only be established after the company's objectives have been agreed upon and well understood (Kuo et al., 2018).

ii. Organizational factors

The decision of pricing at the company takes place at higher and lower levels. The higher level is the management level, where the managers determine the price range and price policies (Fassnacht et al., 2018). The management ensures the price ranges complement the company's profit objectives. This is achieved through price policy enactment. As the higher levels formulate pricing policies, the lower management does actual price determination. At the lower level of management, the actual pricing policy enforcement is realized. The organization relies on marketers and business partners to ensure product pricing (Fassnacht et al., 2018).

iii. Price-quality relationship

Safaeian (2019) studies the consumer's behaviour and due to product pricing in relation to quality. Product quality defines its ability to meet the client's requirements as well as the industry standard. According to Safaeian (2019), products have a distinctive quality standard provided by the governing body. Every country has its minimal production standards that a certain product must conform to for clearance of use. If the product fails to meet the basic standards, it is classified as poor. When purchasing a product, one considers its monetary value as a measure of quality. The highly-priced goods may portray higher quality compared to the low-priced ones (Lunn & Lyons, 2018). The company determines both price and quality. Hence, the price should be complementary to the quality of the product.

iv. Marketing mix

Here pricing is only one element of the marketing mix. The other elements hold the same importance in enabling the success of the company's strategies. A shift in any aspect significantly impacts different marketing mix elements (Fassnacht et al., 2018). A company that implies changes such as an increase in price will only be accepted if it is coupled with sufficient up-gradation in the product’s features (Chen, 2020).

v. **Product differentiation**

Product prices mainly depend on the nature and features of the product itself. A differentiated product has value-added features such as quality, color, and size, which may attract more charges than other products in the same production line (Chen, 2020). However, product differentiation may not only attract price changes; it may also attract diversification and production abundance. Diversification implies the production of relative products usable alongside the main product (Lunn & Lyons, 2018). For instance, a mobile cellphone company may diversify in wristwatch production (Lunn & Lyons, 2018). Various companies, including Apple Inc, have widely adopted this strategy.

vi. **Cost of product**

The close relation between cost and price is relatable, although they are very independent. The company comes up with a price that will be realistic to the customers based on the demand, competition, and capability (). The company also considers the production cost so that the product itself would not sell below the price of production based on long-term investment plans (Kuo et al., 2018).

vii. **Cost of Goods Sold**

The cost of goods sold is the total amount incurred in selling a product (Asamoah & Chovancová, 2018). Companies must ensure low costs when selling goods since higher costs may incur higher losses. It is within the company’s capabilities to regulate the cost incurred in selling a unit product.

viii. **Explicability**

This is the ability to explain the pricing strategy used in a product sale. Sometimes, the customer may disagree with the product's price, leading to an imminent rejection. To achieve sales, the customer may require an additional explanation of the pricing technique. The seller should expound on the production cost and the costs incurred during production, and how these costs influenced the changes in product prices (Goldsmith et al., 2019).

ix. Earning high profits

Just like losses, the company is also responsible for the resulting profits from the sales. When quoting sales, it is paramount to stipulate the losses as well as the profits that may emanate from a product sale. If the company intends to achieve higher profits, it may include price differentiation or use cost leadership but lower the production cost while maintaining a relatively similar quality. Through economies of scale, cost leadership may attract higher profits when the demand is right.

x. Negotiating margins

A customer may want the supplier to reduce the commodity's price through negotiations. These negotiating margins ought to be built, allowing prices to drop from list price levels but still leading to transactions that are still profitable. A company plays the role of building discounts that grant to gain and retain business and make some adjustments to the list price accordingly (Asamoah & Chovancová, 2018). In cases where the company does not build discounts to its list prices, the values will have to be generated from the company's profits (Asamoah & Chovancová, 2018).

2.4.2 External factors

These are factors out of the company's control. They are macro-environmental factors influencing company pricing. These may include political factors, environmental, social, technological, as well as legal issues. In business, these factors may include competition, demand, and supply, as discussed below;

i. Competition

According to Goldsmith et al. (2019), competition is a major pricing determinant globally. As the name suggests, competitive pricing relies on the competitor. A company may resort to lowering its prices to attract more customers while reducing its production cost and adopting low-cost production models. When they do so, the competing company may also reduce its pricing. However, if they fail to identify the new model that allows the competitor to reduce their prices, they may run into losses. On the other hand, another company may increase its prices while increasing the quality of its products using price differentiation. The competitors may also increase their pricing, but without the desired quality, the competitor may lose clients as time goes on (Kuo et al., 2018).

To ensure a company's success, competitors must anticipate reactions to the pricing policies. The competitors can reduce the advantages that a company may be hoping to make with the policies of prices. A company can decide to reduce its cost to gain market shares. Several competitors can choose to match the cut, therefore thwarting the company's ambitions to gain market share. However, not all competitors are the same, and their approaches plus reactions to the move in pricing are very different from each other. Competitors can have the same ambitions to increase their market share (Fassnacht et al., 2018).

In a market with many competitors, prices should be competitive without compromising quality (Goldsmith et al., 2019). However, in a monopolistic market, prices can be determined by the market leader irrespective of the competitors' pricing strategy.

ii. Demand

Demand is the amount of a commodity or service that consumers may be willing and able to purchase at a specific rate (Lunn & Lyons, 2018). As per the law of supply and demand, prices are likely to rise when the demand for a good or service is higher than the supply.

The high demand for a product significantly impacts its pricing policy (). If the order is not elastic, the higher prices may be fixed, but prices will be competitive if the market is flexible.

iii. Supplies

An increase in raw material prices leads to the finished products' prices going up. The supplier's policy has a direct influence on the merits. Scarcity or abundance of raw materials will also become a determinant; therefore, its prices affect the overall price (Goldsmith et al., 2019).

iv. Economic conditions

Economic conditions influence pricing strategies through recessions and booms. During recessions, product prices go down to enhance affordability as money circulation is greatly reduced. However, during boom periods, the product costs rise due to the increased money circulation (Fassnacht et al., 2018).

v. Buyers

How buyers behave will also impact the decision of pricing. Their capability of buying and their willingness to make payment of a specific price for a product should not be given a blind eye by the marketer. The buyers may be willing to spend money on luxury items but not ready to spend money on necessities (Kuo et al., 2018). Buying motives of the consumer must be taken into account when the marketer wants to fix the price of a product.

vi. Government

The government may also exercise some price control measures by enacting specific legislation. These measures are taken to protect the people's interests and everyone. The government fixes prices for goods such as petrol, gas, and electricity, and the consumer has to pay the fee the government has set (Goldsmith et al., 2019). Prices sometimes become out of line with the manufacturing costs leading to political pressure and forcing prices to go down. Monopoly exploitation also leads to short-term profits, but there may be a lot of backlashes from the public about the policies of pricing imposed by the government (Lunn & Lyons, 2018).

2.5 Brand Loyalty

A brand is simply a symbol, sign, or even a product's name that uniquely identifies a product or a company. Brands are very important, especially during product shopping. Brand loyalty is paramount for marketers and consumer researchers (Fassnacht et al., 2018). This is because it is a critical decision for the consumers. A company's success can also be measured by its capability to attract consumers to its brand. This can be achieved by identifying customer needs and the requirements and meeting the conditions much better than the competitors. Competition has been globalized, leading to global market saturation. The development of information technology has enhanced customer awareness and created a situation where long-term success is no longest achieved through optimized product prices and qualities. Instead, companies build their success on long-term customer relationships (Kuo et al., 2018).

On the other end, loyalty is associated with the feeling of being devoted or having an attachment and affection. So, brand loyalty is one of the critical factors for managers when they need to improve customer retention, which will, in the end, have a favourable impact on the margin of gaining profits.

Fassnacht et al. (2018) described brand loyalty as a behavioural response and a function of psychological processes, which means that it is a function of behaviour and attitude. Rehman and Akhtar, 2011, brand loyalty is the repeat purchase of any customer that reflects his conscious decision to continue buying that product in the future.

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2.6 Consumer Behaviour Influence on Pricing Strategies

Several factors affect the brand loyalty of products among consumers. These factors are customer satisfaction, perceived quality, and brand trust that, in the end, enhances brand loyalty, product involvement.

2.6.1 Customer satisfaction

This concept is psychological and involves the pleasure and well-being that the results obtained are what one expects or has hopes for from an appealing product (Huchzermeier et al., 2021). It is also seen as a judgment based on attitude following the purchase act or series of consumer product interactions (Ofalabi & Ojo, 2017). Satisfying the customer depends on the product's perceived performance relative to the buyer's expectations. When the interpretation matches the expectations, the customer will be delighted (Ofalabi & Ojo, 2017). It is believed that customers buy not only the items but also the satisfaction; hence the marketing managers must always be constantly concerned with the quality of the products. The quality and happiness depend on the total product offering (Guéguen et al., 2019). Asamoah & Chovancová (2018), although customer satisfaction and quality seem essential for most companies, happiness is more critical for loyalty in industries like banks, insurance, mail order, and automobiles.

Lancioni (2018) views satisfaction as a dominant factor in purchase intentions concerning brand loyalty. Lancioni (2018) explored those decisions related to purchases by the loyal customer may become a habit in nature, even relatively simple, and provide satisfaction with current brands.

2.6.2 Product quality perception

MartinezRuiz et al. (2018) explain the quality of the product as the fitness of the conformance to the customer requirements. How the product offered satisfies the needs of the customers and how the product communicates the brand image to build brand loyalty are crucial. The quality of the product covers the features, aroma, and characteristics of a product allowing the satisfaction to be definite or the inferred needs of customers. Reason seen quality was included because the quality became an essential framework for choosing the brand to buy. MartinezRuiz et al. (2018) opinioned that for a product brand to be regarded as necessary, it should be seen primarily in its impact on consumers' choice and loyalty towards the brand through identification and differentiation of quality.

Customers are more likely to become loyal to a brand when the brand is perceived to provide the level of quality that can meet what the customer expects. MartinezRuiz et al. (2018) found out that there was a positive relationship between perceived service quality and service loyalty as a series of studies were conducted for several different service industries.

2.6.3 Involvement

Involvement is often implemented in item production and marketing. According to Xu et al. (2019), a company may involve a client in the production process in the design phase. This provides a leeway for modifications to meet the intended use. During marketing, involving clients in adverts may make the client think the company has their interest at heart, influencing product preference. Nadia et al. (2018) stated product involvement is the perceived relevance of a product based on the customer's interests, needs, and values. According to researchers, the behaviours of consumers contribute hugely to the product involvement variable. As shown by the studies, product involvement influences the decision-making process in regards to the product, to an extent in which consumers search for extra information on the development, the adoption timing of the product, how attitudes of consumers regarding the product are influenced, how the consumer's perception of alternatives in the same product category and brand loyalty.

Nadia et al. (2018) conducted an empirical analysis to find that involvement in a product class was directly related to one's commitment to a brand within the product class. Schiffman & Kanuk (2020) also suggested that the features of a product or a brand or even their usage contexts could stimulate the consumer's involvement. Schiffman & Kanuk (2020) state the existence of a direct relationship between perceived product quality and the participation of the product says that the product involvement affected how quality reports and cues that the involvement of the product made a significant predictor of the quality perceived.

2.6.4 Trustworthiness

Trust is an essential factor in developing marketing relationships. It exists when a party has confidence in the exchange partner's reliability and integrity (Nadia et al., 2018). Nadia et al. (2018) argued that trust arises when a customer perceives the actions of the company are compatible or complementary to their demands. For a client to trust a brand, the consumer must perceive the quality as a suitable object. A consumer's trust in a particular brand may lead to brand loyalty, resulting in the association and commitment of that customer together with the brand, then creating high-value exchange relationships. The brand loyal customers may be more willing to pay more for a particular brand. This is mainly because they see it as having a unique value in the brand that other brands cannot match (Nadia et al., 2018). Most of the unique nature probably comes from the greater brand trust in a brand's reliability or the more favourable effect when customers use a particular brand. The commitment trust theory states that trust is very in developing a desire to maintain the customer's relationship (Morgan & Hunt, 2017). Morgan & Hunt (2017) also found out that there may be possible connections of trust to the notion of loyalty, which drives the authors to mainly put their focus on the analysis of the relationships existing among the concepts subsequently as suggested the results that brand trust plays a vital role in the generation of customers' commitment towards the brand or brand commitments towards a particular product.

2.6.5 Customer attitude

It is defined as one's perception, understanding, and feeling about something (Reenata & Janeen, 2017). The experience or environment could affect their reaction towards something by either accepting or refuting it. Reenata & Janeen (2017) noted that attitude mainly consists of the Cognitive component, which is the attitude that reflects on one's knowledge, belief, and opinion. The view exposes the cognition of the person or things and how they overall think (Reenata & Janeen, 2017). The behavioural component defines the possibility of a certain action towards a product. It evolves as a person's specific feelings or attitudes.

2.6.6 Customer Purchase Intent

Purchase intent is the intention to buy a certain product. Generally, the intention is need-driven. The needs also align with the product preference. There are cases where products may fail to meet user requirements yet are still purchased due to an opportunity cost (Reenata & Janeen, 2017). This implies that the client may not have intended to purchase the product on a real level playing field. However, due to the intended use and the subsequent need for the product, they are compelled to a purchase (Reenata & Janeen, 2017).

2.6.7 Post-purchase behaviour

Xu et al. (2019) define post-purchase behaviour as the aftermath of any purchase. It is the consideration of the value of money. At this point, the client evaluates the monetary value of the product. According to Xu et al. (2019), 75% of the time, a client with a ready product substitution may question the value for money after purchasing a certain product. This may influence future product preference.

2.6.8 Awareness of brand product quality

Schiffman & Kanuk (2020) claim that brand quality reflects how it meets the client's demands while enhancing productivity. In the telecommunication sector, it is the quality of receiver services the clients gain from choosing a certain network provider. This boils down to the internet speeds, bandwidth stability, and product differentiation. According to Schiffman & Kanuk (2020), brand awareness stipulates a penetrative exposure of the brand to a potential market. It displays the brand to the potential customers effectively. Brand quality awareness displays the difference in the quality of the product in relation to the product in the same line (Schiffman & Kanuk, 2020). Brand quality awareness attempts to differentiate a product from the rest using value addition. This enhances client perception of the product while increasing demand for the same.

2.7 Price Policy

Price policy entails the pricing protocols applicable in determining futuristic product prices in relation to the production trends. The policy dictates the possibility of highs and lows in pricing a product. Depending on the production cost, the policy regulates the final price to ensure affordability while ensuring company profitability. According to Berezvai (2020), price policy goes hand in hand with the social exchange theory of production. According to the social exchange theory, the company is obliged to reward clients who also feel obligated to remain loyal to the company. Further, to remain loyal, the company must implement price differentiation or cost leadership pricing strategies. Product differentiation avails different products in high demand to a client, deeming it as a one-stop-shop. This improves the company's overall outlook as far as service provision is concerned (Fassnacht et al., 2018). On the other hand, cost leadership provides the company with a loophole to reduce prices while maintaining the same quality. This attracts new customers while maintaining the current ones.

Companies can compromise their pricing strategies for increased loyalty; this is called loyalty discounts (Fassnacht et al., 2018). However, there are other ways of increasing loyalty by not compromising pricing. These include less costly alternatives such as special treatments by sales personnel, expedient service, or rewards where the value perceived by the customer exceeds the financial cost for the company (Fassnacht et al., 2018). They can include free products or components. However, customer-oriented service is more likely to match products that have been around for a long time and have built a good reputation and can therefore help customers see that they are buying a high-quality product (Fassnacht et al., 2018).

Many customers are always trying to minimize the risk of encountering a need or desire to buy something outside their budget. Either they are worried about getting the wrong product, or they are spending a lot of money on low-value products. Price display triggers psychological price perception (Fassnacht et al., 2018). Customers always look at a price and immediately decide whether to buy the item or not based on a set of intrinsic values.

2.8 Pricing Rate and Customer Satisfaction

The pricing rate has significant implications on sales, profits, and abilities to retain customers. Subaebasni et al. (2019) studied the impacts of the pricing rate on customer satisfaction, focusing on price, quality of service, and the brand image in Jakarta. The researchers used a qualitative approach to gather feedback from a sample of 171 participants (Subaebasni et al., 2019). The data were analyzed using structural equation modelling. The researchers found that the price, the quality of service, and the brand image had positive and significant impacts on customer satisfaction (Subaebasni et al., 2019). Here, it is important to note that satisfied customers are likely to become loyal to the company's products and services. In this respect, setting the right prices and providing quality products and services will help in improving the brand image. Setting the right prices will especially be important when dealing in the telecommunication industry since there is increased competition for the same clients whilst the companies offer almost similar product quality.

Khoironi et al. (2018) conducted a closely related study to determine pricing, brand image, and product quality impact on customer loyalty. The researchers started by hypothesizing that customer loyalty is a critical determinant for a firm's long-term success in the retail industry. As such, the researchers included 225 respondents from UMKM customers of EmpingMelinjo Industrial Sector in Banten Province (Khoironi et al., 2018). Data were analyzed using structural equation modelling. The research's main finding was that price, brand image, and product quality positively and significantly impact customer satisfaction.

Additionally, the researchers found that product quality had the most impact on customer satisfaction. At the same time, the researchers found that customer satisfaction had the most impact on customer loyalty (Khoironi et al., 2018). Although price is not the dominant factor influencing customer satisfaction and customer loyalty, its impacts are positive and significant. Therefore, when developing a plan to improve organizational effectiveness and sustainability, telecommunication companies need to adopt the right pricing strategies and set the right prices. When one chooses to implement a pricing strategy that provides products for a higher cost to the customer, many things are to consider. Although intuitively, higher prices would deter customers, this may not be the case. Higher prices may signal that your product is exceptionally well-made or sound quality, which can attract many people. However, setting too high a price may also backfire and contribute to a lack of customer retention. Therefore, management must use a pricing strategy that balances the two extremes. The high price is a factor causing customer dissatisfaction, so customers are reluctant to use the services provided by the company. The price of a good or service is very influential on customer satisfaction. Consumers use the price as a consideration in determining the purchase of a product, when the purchase should be made, and how much they need for products purchased by the ability of consumer purchasing power. A product must be precise in the determination and determination of the selling price so that consumers can accept it by not neglecting the quality of the product. Under normal circumstances, demand and prices have a negative or reversed relationship. The higher the price is set, the more negligible the demand.

Suppose a business, from the outset, chooses this low pricing strategy. In that case, they can run into trouble in the future if they need to increase prices to offset “behind the scenes” expenses such as ordering, freight, or manufacturing costs. Starting with meagre prices and then suddenly increasing prices puts you at risk of losing a whole group of customers who now perceive that your product is no longer the best deal available.

2.9 Customer Retention and Customer Lifetime Value

Retaining customers is an important part of stimulating sales and profitability. In most cases, retaining customers gives the business advantage over competitors, as it strengthens the customer base and creates reliable sales for the business. The benefits of customer retention are measured through the Customer Lifetime Value (CLV), which measures the revenue generated from a customer since joining the business or the brand. The longer the business retains the customers, the higher the CLV will be. Del Rio Olivares et al. (2018) studied the impacts of initial price discounts and rational price discounts on customer retention. Specifically, the researchers conducted two large-scale field studies on property insurance and car insurance companies, focusing on hypothesized patterns and empirical support. The researchers found that moderate initial discounts had positive impacts on customers' expectations of future relational benefits. The findings indicate that price discounts increase customer loyalty. Moreover, the findings have significant implications on CLV (Del Rio Olivares et al., 2018).

Méndez-Suárez and Crespo-Tejero (2021) contribute to the discussion by explaining their findings on the interaction between profit and customer retention. Specifically, the researchers examine why banks retain unprofitable customers using the real options theory. Specifically, the researchers examine the thresholds that guide banks in determining whether to keep a customer. The researchers use data gathered from the customers of al lading bank in Spain (Méndez-Suárez & Crespo-Tejero, 2021). The results indicate that banks choose to maintain unprofitable customers because optimal divesting points are more likely to increase the CLV (Méndez-Suárez & Crespo-Tejero, 2021). The findings are important because they help in explaining how banks make decisions relating to prices and customer loyalty. As it turns out, banks are willing to maintain unprofitable customers or reduce prices to build brand loyalty and retain customers. When banks reduce prices or maintain unprofitable customers, the goal is to gain from a higher CLV.

Dachyar et al. (2019) take a different approach to determine the interaction between CLV and loyalty improvement in the Indonesian Local Brand Fashion. Specifically, the researchers wanted to determine how the loyalty level influenced the design of CLV improvement among shoppers on the online platform. In this respect, the researchers applied RFM analysis and the K-means algorithm to evaluate data collected from three popular e-commerce brand fashions in Indonesia (Dachyar et al., 2019). The researchers found that the most important customer segmentations included potentially invaluable, average, potentially valuable, and the best. In addition to this, the researchers found that increasing customer trust, improving service quality, and maintaining customer experience were the most important factors for retaining potentially invaluable, average, and potentially valuable customers (Dachyar et al., 2019). Information on the relationship between CLV and loyalty improvement will help in determining the right pricing strategy for Norwegian telecommunication companies.

2.9.1 Repurchase Rate and Net Promoter Score

Customers usually repurchase a product when they are convinced that its price matches the quality and the value it will generate. Therefore, products with higher repurchase rates are considered better and more valuable. At the same time, products with a higher repurchase rate will give the business an additional competitive and stimulate growth and sustainability. Business analysts measure customer satisfaction and experiences using the Net Promoter Score (NPS). Specifically, an NPS predicts business growth and sustainability by measuring customer experience and the level of customer satisfaction. A higher score indicates an improved customer experience and satisfaction (Fisher & Kordupleski, 2019). In addition to satisfaction with the quality and value of products and services, customers need to ensure that they get products and services at the right prices. Therefore, fair prices will increase the NPS by improving customer experiences and satisfaction.

Liang et al. (2018) carried out a study to understand consumers repurchase intention at Airbnb. The researchers focused on three main factors: price sensitivity, electronic word-of-mouth, and perceived authenticity. As such, the researcher conducted 395 surveys in the United States and Canada (Liang et al., 2018). The main finding from the study was that risk has negative impacts on customers repurchase intention and perceived values. Additionally, the researchers found that an improved perceived value positively impacted customers repurchase intention. At the same time, the researchers found that price sensitivity had minimal impact on customers' perceived risk, although it influenced them to purchase Airbnb products (Liang et al., 2018).

The findings are important because they provide a detailed review of the interaction between repurchase intention and prices. Specifically, higher prices have negative impacts on customers repurchase intention. In this case, developing a strategy that will reduce prices will play a crucial role in retaining customers. However, the pricing strategy will need to be moderate, as lowering service charges would be negatively perceived on the quality. Lower prices than the market rates may negatively impact customers' perception of quality or value.

When customers doubt the quality and value of the existing products and services, they are more likely to move to shift to competitors' products and services. The pricing-quality model is designed to help companies position their services and products relative to those of rival companies. The pricing-quality model is implemented in the form of a matrix that includes nine basic components, premium, overcharging, rip-off, high value, average, false economy, superb value, good value, and economy (Hanlon, 2021). Figure 1 in the appendix section shows the pricing-quality matrix for businesses to improve the repurchase rate and increase the NPS. They need to balance price and quality. Average price and quality will provide business companies with the best opportunity for retaining customers and promoting their brands.

Sahir and Situmorang (2020) studied the impact of emotional value and customer experience on the Net Promoter Score (NPS), focusing on middle-class millennials. More accurately, the researchers wanted to determine how the NPS changed following changes in the middle-class's experience and emotional value. As such, the researchers included 150 responses and 96 brands to record the daily needs of a respondent, including travels, gadgets, cafes, and clothes (Sahir & Situmorang, 2020). In this case, the customer experience was examined based on how they interacted with their brands. Negative and positive emotions were the main dependent variables. A multiple regression analysis was used to analyze the data. The researchers found that there was a positive relationship between the net promoter score, emotional value, and customer experience (Sahir & Situmorang, 2020). The findings' main implication is a business with a higher NPS will attract and retain more customers. Since NPS is closely aligned with a higher perceived value, setting the right prices will add value to the business. In this case, the telecommunication companies need to ensure that the set prices resonate with the NPS and customer experiences.

2.9.2 Competition Rivalry and Industry Prices

The level of competition has significant impacts on business growth and sustainability. In most cases, increased competition reduces sales revenue and profits, especially when companies are offering similar or related products. According to Falahat et al. (2020), competition is an integral part of sustaining operations in an industry because it determines the price. More precisely, higher prices encourage manufacturers and sellers to avail more products and services until the market is saturated. When the market of filled with a wide variety of products and services, consumers have more to choose from. In this case, competition sets in as businesses' creative ways of achieving and retaining competitive edges. Notably, price is among the tools that companies use to stay ahead of the competition. In most industries, lower prices attract a huge following as customers find ways of maximizing value (Zhang et al., 2018). However, lower prices do not guarantee that the business will attract and retain customers.

Gaudin (2018) studied the main drivers of countervailing power, focusing on retaining competition and vertical bargaining. Specifically, the researchers examined the impacts on the market concentration of equilibrium prices in a supply network. In this case, the researcher applied a bilateral bargaining model to understand how downstream and the general forms of retail competition and demand affect upstream factors (Gaudin, 2018). The researchers found that there was no direct connection between countervailing buyer power and reduced retail prices. In addition to this, the researchers found that the heightened market power at the retail level prevented firms with countervailing power from reducing retail prices (Gaudin, 2018). The findings indicate that prices and the level of competition are driven by the prices of products and services. When prices are higher, competition increases as more businesses join in to take advantage of higher profits.

Nonetheless, many other factors determine the level of competition in an industry. Other factors influencing competition in the telecommunication industry in Norway include the number and size of the competitor, existing market barriers, switching costs, industry growth, product differentiation, and capacity. The theory of competitive pricing is based on the idea that businesses have better chances of achieving and retaining competitive advantages if they set prices at the same level as competitors. Additionally, the theory explains that prices should be at equilibrium because businesses sell similar or closely related products (Poldrugovac et al., 2019). In the Norwegian telecommunication industry, the theory of competitive advantage will guide businesses in setting the right prices to maximize revenue, build competitive advantages, and improve customer loyalty.

2.9.3 Pricing Strategies

Businesses use different pricing strategies depending on their plans, goals, market positions, and commitment to meeting customers' needs. When effectively applied, a pricing strategy will guide managers and the marketing team in setting prices that resonate with the company's goals and objectives (Agbaeze et al., 2020). The proposed business strategy is purchasing credit and paying as you go. One can pay for telecommunication services such as sending SMS using credit from the company or buying the airtime and sending the SMS. Availing the customer with such airtime purchasing options enables them to make an informed decision on the pros and cons of purchasing airtime or borrowing credit from the company. Zhao and Huchzermeier (2019) studied the effectiveness of purchase order financing and advance payment discounts in managing the supplier's financial distress. More precisely, the researchers examined the simplicity of buyer-backed purchase ordering and advance payment discounts on pre-shipment finance instruments (Zhao & Huchzermeier, 2019). The main finding was that the advance discount system was preferred in certain conditions. Additionally, the researcher found that the incentive alignment system effectively reduced penalty costs attributed to competition (Zhao & Huchzermeier, 2019).

Other evaluated pricing strategies included surge pricing, differential pricing, and penetrative pricing. Huarng and Yu (2020) studied the impacts of surge pricing on a business's ability to retain customers. More precisely, the researchers examined the level of customer satisfaction when they experienced surge pricing. The researchers used a qualitative comparative analysis. The researchers found that loyal riders were more likely to tolerate surge pricing than non-loyal ones (Huarng & Yu, 2020). Zhao et al. (2021) based their study on differential pricing. Specifically, the researchers studied the application of differential pricing on ride-sharing platforms, focusing on the driver's and customers' experiences and reactions (Zhao et al., 2021). The researchers found that a platform applied differential pricing when the number of customers was below certain thresholds. Additionally, the researchers found that customers complained when companies applied differential pricing to reduce the level of competition (Zhao et al., 2021).

Azad and Singh (2019) focused their study on penetrative pricing. Specifically, the researchers examined the impact of pricing strategy on customer retention in Kurdistan. The researcher applied a quantitative study to determine the relationship between customer retention and pricing strategy in several businesses in Kurdistan. The researcher found that using the right pricing strategies helped retain customers (Azad & Singh, 2019). The research findings are close to those of Huarng and Yu (2020) and Zhao et al. (2021) in that they emphasize the need to use the right pricing strategy to acquire and retain customers.

Additionally, the research findings emphasize the need to align customer retention and pricing goals. When the goals are aligned, the businesses will be able to build and retain competitive advantages.

Developing and implementing the right pricing strategy plays a vital in improving organizational competitiveness and sustainability. For the most part, setting the right prices improves competitiveness by strengthening the customer base and improving relationships between the business and the customers. At the same time, adopting the right pricing strategy helps in retaining customers, mainly by ensuring that they get value for their money. However, other factors other than price and customer retention need to be addressed when developing a competitiveness strategy. In this respect, additional research is needed to find new information regarding the interaction between pricing strategy, brand loyalty, and customer satisfaction.

2.9.4 How does pricing affect brand loyalty?

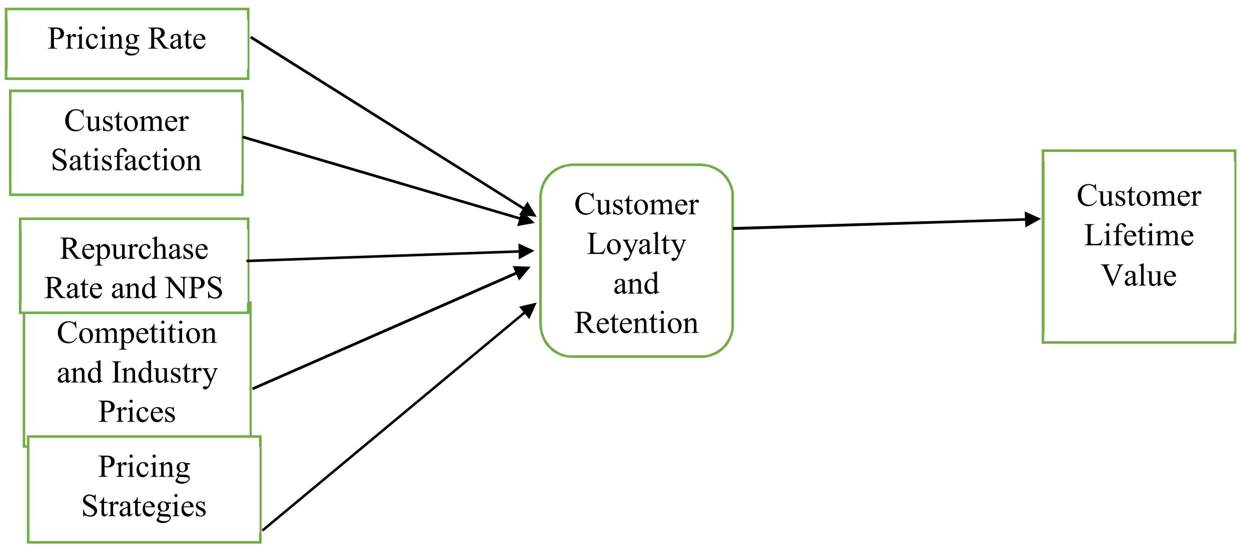
This is the main research question for this study. There are other studies that have found a relationship between pricing and brand loyalty for other products. However, there is no extensive study on the influence of pricing strategies on brand loyalty in the Norwegian telecommunication sector. This is the research gap explored in this study.

It is prudent to state that factors, including pricing, influence brand loyalty. According to Nadia et al. (2018), customer satisfaction, a company's image, product development, and perceived product quality formulates a series of factors influencing brand loyalty. Nadia et al. (2018) claim customer satisfaction determines how the client may opt for the same product as others. The company's image influences preference and elevates customer relations (Nadia et al., 2018). The product development process defines the progression in production while involving the customer's input. Customer inclusivity in the production phases enhances their consumption of the product as it meets the desired user requirements (Nadia et al., 2018). Further, the perceived quality also defines the extent to which a product may compare to the other product line from another company. According to Nadia et al. (2018), a client is likely to sort after a high-quality product that a second. Collectively, these factors influence brand loyalty.

Safaeian (2019) investigated the extent to which customer satisfaction, company image, product development, perceived product quality, and pricing influence brand loyalty.

The researcher used a sample of 200 respondents. They were asked to choose the factor they felt had a higher influence on their brand loyalty. Safaeian (2019) found product pricing as the leading brand loyalty determinant in the study. According to the study, the respondents argued pricing influenced affordability; hence if one fails to meet the financial obligation of acquiring a product, they have the chance to substitute with a cheaper product with similar qualities.

2.9.5 Research Model



2.9.6 Hypotheses

H1: There is a statistically significant correlation between pricing strategies and brand loyalty in the Norwegian telecommunication industry, as clients could perceive pricing as a major factor influencing consumption.
H2: There is a statistically significant correlation between customer satisfaction and brand loyalty in the Norwegian telecommunication industry.

H3: There is a statistically significant correlation between perceived product quality and brand loyalty in the Norwegian telecommunication industry.
H4: There is a statistically significant correlation between product trustworthiness and brand loyalty in the Norwegian telecommunication industry.

2.9.7 Theoretical Framework

Pricing approaches have an enormous influence on brand loyalty. Customers would primarily consider the price of a product before looking at other features, including the quality and usefulness of the product, during advertising. It means that advertisers must consider the product or service's price to ensure high client retention and loyalty rates. Brand loyalty is defined as the state where customers select a specific organization's brand over others for a long time. Here, clients deliberately buy from the company whenever they feel they require a particular product category. This decision is mainly influenced by the customer's price for the product or service, the value they would receive, and the perceived usefulness of purchasing the product.

It is essential to note that organizations use different pricing strategies, often influencing their ability to maintain customer loyalty and retain many clients. Despite the customer experience revolution within the past few years, the price remains a priority for the modern consumer. More than three-quarters of customers cite price as the primary reason they chose a specific brand, indicating that clients are more likely to become loyal if offered competitive and excellent prices. The immediate instinct when one decides to purchase or not is the amount they are going to pay for the product. After considering the price, customers will proceed to examine the perceived value of the product, which entails information on the authenticity and the ability of the good to deliver on the set goals and objectives of the purchase.

Looking at it, loyalty is a more old-fashioned but significant term within the business world. In reality, organizations are increasingly focused on creating and building an enthusiastic client base, willing to purchase their products and services at any time. Consumer loyalty is considered a fundamental factor determining a company's profitability. The primary goal is to make clients feel happy, motivated, and good about using the product and their willingness to keep using it (Chen, 2020). Essentially, customer loyalty motivates clients to use the product more consistently, spend an appropriate amount of money, and harbour a positive feeling concerning their experience. A competitive organizational environment should help attract clients to a familiar product or service. Besides, maintaining long-term customer loyalty can help an organization reduce marketing expenses because the cost of retaining consumers is lower than acquiring new ones (Chen, 2020). Overall, satisfied and loyal customers are less likely to consider other brands since they positively feel about the organization.

There are different pricing strategies with varied impacts on customer loyalty. A promising reward after purchase is one of the intelligent pricing approaches that companies should consider to build a loyal client base. Some companies have adopted the strategy of applying coupons or discounts for new customers, which might be detrimental because it isolates clients who feel left out of the reward offered. As a result, organizations can do better by drawing clients with the promise of compensation after the first purchase. For instance, rather than providing a $4 discount during the first purchase, a company can give an $8 coupon code, preferably sent through email after the initial purchase. This will ensure that the customers come back to enjoy the coupon. This should be applied to new clients, and all customers should enjoy this coupon to build a loyal base. It can be noted that the reward approach brings instant gratification, building trust and encouraging them to return. The reward should be used for new customers and should include those clients who have purchased from the organization several times.

Furthermore, companies seeking to build customer loyalty can reward customers for bulk purchases. For instance, the firm can advertise, encouraging customers to get a $50 or free delivery for product purchases above $100. Alternatively, a firm can provide a 30% discount on all products above $100, encouraging clients to buy more. Promotional offers are another effective pricing strategy for companies seeking to ensure brand loyalty. For instance, firms can advertise with tags like "buy one get one free" and "buy two for the price of one" to ensure that customers come back after the first purchase. It is essential to note that companies often deploy promotional offers to improve sales, attract new clients, and retain regular customers. Specifically, the retail industry is renowned for using promotional offers to increase sales, generate additional revenue, and maintain high-level consumer loyalty.

Moreover, differential pricing has been credited with increased customer loyalty. Differential pricing involves organizations issuing different prices for the same product based on the client type, the number of ordered items, the delivery time, and payment terms. Also referred to as multiple or discriminatory pricing, this technique can force retailers or other organizations to reduce prices for particular customer groups. Other companies also consider dynamic pricing, providing them with the criteria of rewarding customers for making smart purchasing choices. Today, this approach is increasingly automated through software that permits a highly flexible method for setting prices for a specific product or service. The system automatically adjusts prices to respond to market demands. Besides, pricing bots control pricing, often acting as software agents to collect information and deploy algorithms to change or adjust pricing based on specific market rules. Such guidelines usually consider different factors, including the client's location, time, competitor's pricing, and market demand.

There are further looks into purchasing credit as a pricing strategy. This is the main pricing strategy I want to look into. We can see from various game developers such as Blizzard and Square Enix who have created a credit system that has increased brand loyalty by a huge margin. We can see from research done before about the addictiveness of these games and how likely people are to come back. Blizzard is currently dealing with some social issues with how its employees act. But, if we are to look into the historical viewpoint of World of Warcraft (WoW), we can see that credit has been an important factor in creating customer retention and brand loyalty by proxy.

Furthermore, other organizations use a lower pricing strategy, offering customers reduced prices rather than adopting executive pricing. Naturally, people will prefer brands that provide them with lower prices than those selling their products expensively. Offering clients decreased prices increase their possibility of coming back and purchasing from the same brand. Finally, organizations can also consider members-only pricing to build massive customer loyalty. The best way of accomplishing this is by introducing the membership card provided to clients who make regular purchases and new ones. Issued free, these cards allow customers to save through redeemable points that they can use to shop. For instance, grocery stores deploy membership cards to improve customer loyalty. Significantly, it is cheaper to shop with a card than using cash for the whole process, which might be expensive. Overall, these strategies are fundamental for organizations seeking to improve customer loyalty and retention.

2.9.7 Chapter Summary

This chapter reviewed the relevant literature addressing the three study objectives aimed at evaluating the presence, or lack thereof, of pricing strategies and consumer loyalty among the Norwegian telecommunication service providers. Chapter 3 documents the methods and procedures used to carry out the study.

3.0 RESEARCH METHODOLOGY

3.1 Introduction

This chapter documents the general methods and processes used in the research. The chapter details the research design, population and sample, data collection methods, research procedures, and data analysis used in the study.

3.2 Research Design and Method

3.1.1 Research Design

According to Lukassen & Wallenburg (2019), the research design is the choice of a study design effective in choosing the right subjects, the right study area, and an effective data collection and analysis technique to answer the desired research questions. This study adopted the case study design. Case study research is often viewed as a flexible but challenging approach (Krusenvik, 2016). This method is usually used in social sciences but can also fit any field of research due to its high flexibility. The case study design involves the identification of the study's potential target population or sample and collecting data from the specific sample to generate insights. According to Krusenvik (2016), case studies are an increasingly legitimate approach suitable for qualitative and quantitative research. Significantly, this method primarily focuses on the understanding and changing interlinked complexities linked to the interpersonal processes emerging within a broader social context. This flexibility makes case studies a dynamic and preferred research approach.

Additionally, Krusenvik (2016) reports that case studies can allow the research to close in on real-life circumstances and test opinions and experiences directly linked to the specific phenomenon as they unfold in practice. Besides, case studies also allow for detailed analysis of data to generate generalizable insights. The data gathered through case studies are also relevant because they are based on real-time experiences. The data collected is not usually taken out of context, while the study entails different variables that extensively explain the results. As a result, case studies have high internal validity, making the study highly valuable. Further, with case studies, the researcher can expect to collect not initially available data. This makes case studies ideal for generating comprehensive hypotheses and testing them. Such hypotheses can be fundamental in structuring future studies. This means that case studies play a significant role in advancing the knowledge base within the specific field of study.

Moreover, case studies are the most appropriate approach to turning observations into usable data. Through direct observations of clients, case study data is usually verifiable. In this case, customer usage of the product can provide sufficient evidence to justify the collected data. It is also fundamental in turning participant opinions into facts. It is essential to note that case studies offer facts, the information generated in real-time. Case studies are also cheaper. The method only involves costs of accessing data that can be done for free. There are also minimal costs of reviewing the data, especially when interviews are involved. Finally, case studies can be completed remotely.

3.1.2 Method

Venkatesh et al. (2018) state a research method as a series of data collection and analysis procedures to answer a certain research question. This is descriptive qualitative research that involves gathering and analyzing non-numerical data. Qualitative research was chosen because it has several benefits that make it fit the research topic and focus. Firstly, this research method describes the participant's opinions, feelings, and experiences while interpreting their behaviours' meanings (Rahman, 2020). It is essential to note that qualitative research allows the investigator to gather rich and genuine ideas from a specific population. The views are transformed into data that can be deployed to generate valuable content, reflecting the brand messaging provided. Additionally, using this method makes it possible for the research to gather and understand participant attitudes. It is essential to highlight that customer patterns might change, and a qualitative approach can be the best method to investigate and understand why there has been a change in attitude.

Additionally, qualitative research was preferred because it allows the researcher to holistically and comprehensively understand the human experience within specific environments. According to Rahman (2020), qualitative research is an increasingly interdisciplinary field encompassing an expanded range of epistemological perspectives, research approaches, and interpretative methods of understanding participant or human experiences. Understanding human experiences is fundamental in investigating the current research topic because it seeks to examine how customers feel about price influence on customer retention. During data collection, it is possible to explore and understand participant body cues to provide additional information that cannot be said verbally. This would be fundamental in the current study since it entails an examination of human experiences with organizational pricing strategies.

Another benefit of using qualitative research in this study is based on its cost-effectiveness. Adopting a qualitative approach is the best way to save money because the researcher does not spend enormous data collection and analysis resources. Cost-saving also comes because the approach allows the researcher to gather more information from every participant. Besides, this method also permits the investigator to use a smaller sample size, which reduces the cost of data collection. Further, the qualitative process is usually open-ended. This means that the researcher can comprehensively gather exceptional insights to address the research topic comprehensively.

3.3 Population and Sampling Design

3.3.1 Population

Venkatesh et al. (2018) define a population as the list of participants from which a response is acquired on the study topic. The population selected for this study included customers of different telecommunication service providers. The paper focused on customers within the telecommunication sector in Norway. This population was chosen because they would provide evidence-based information concerning their feelings and experiences with different pricing strategies and their impact on customer loyalty. The population was also selected because of the possibility of collecting accurate data since customers provide real-time data on product preference and pricing. Therefore, customers are ideal for this study.

Table 1: Population distribution

Variable	*N*= Population	%
Gender		
Female	22	44.00
Male	28	56.00

3.3.2 Sampling Design and Selection

L'Eplattenier (2017) defines sampling design as a framework used to determine the study population from the entire study population. Five companies are going to be selected for the study, including Telenor, Ice, OneCall, TalkMore, and Telia telecommunication companies. The selection of the participants involved the use of convenient sampling. The Lists of customers are going to be obtained from the public whilst they are using the product. Participants will be aged between 18 and 80 years, including males and females. The study relies on a sample population of 75 respondents. Each company will have 15 respondents, 5 of which have used more than 1 telecommunication service provider within the last 5 years. This is why the convenience sampling technique is used rather than random sampling.

3.4 Data Collection

The study collected primary data using an open-ended questionnaire, which was administered to the respondents in the form of an interview. The questionnaires were distributed through SurveyMonkey, an online survey company. This saved the researcher more time as well as the respondents. The questionnaire was either emailed, or a link was shared via WhatsApp or SMS to the respondents due to the current COVID-19 travel restriction policies. Emailing the questionnaire was chosen because they are cost-effective, allows for scheduling flexibility, is convenient, and breaks the geographical barrier. Essentially, online data collection (email) permits the participant and the researcher to schedule filling in the questionnaire at the most appropriate time, avoiding inconveniencing the two parties. The researcher used an open-ended questionnaire. Open-ended questions allowed for detailed data collection because they did not limit respondents. Besides, open-ended questions provided real insights, provided rich data, and permitted the participants to provide an infinite range of responses.

3.5 Literature Search Procedure

The literature search process begins by looking for materials and articles relating to brand loyalty and pricing strategies, focusing on the Norwegian market. The Norwegian market has been selected because it provides huge potential for the telecommunication industry. Google Scholar has been used as the main search tool for materials and articles relating to pricing strategies and customer loyalty. Google Scholar is a public search engine containing scholarly literature materials on multiple topics. To narrow the search, multiple keywords were used, including "pricing strategies," "customer satisfaction," "retention rate," "customer lifetime value," "repeat purchase rate," "net promoter score," "purchasing credit strategy," "surge pricing," "differential pricing," and "penetrative pricing." These keywords have been selected because they are aligned with the research questions, goals, and objectives. Additionally, the keywords have been selected because they will provide meaningful information for supporting or refuting the research hypothesis. Information gathered from these articles will be used to develop meaningful conclusions regarding the impact of pricing strategies on brand loyalty in the telecommunication industry in the Norwegian market.

The total number of materials gathered for the literature review is 20, mainly composed of journal articles and other scholarly materials; Journal articles and related sources have been selected because it is easy to confirm their validity, relevancy, and accuracy. The approach used to test for relevancy is ensuring that the materials are connected or related to the main topic. On the other hand, validity and accuracy were tested by evaluating the authors' experiences and qualifications. Only materials written by experienced authors in the field of business and economics were included in the study. In addition to confirming the accuracy and validity of the articles, the researchers confirmed that the information from the articles was closely aligned with the research questions. Most essentially, materials were selected based on their simplicity and understandability. Ensuring that the materials are understandable helps retrieve the needed information and focus on finding meaningful answers to the research questions.

3.6 Data Analysis

According to Goldsmith et al. (2019), data analysis is the process of cleaning, analyzing, transforming, and modelling collected data to provide meaning with the aim of answering the study questions. The collected data were analyzed using thematic and repertory grid analysis. It involves identifying common themes from the data set and analyzing them to answer the research question and test the hypothesis. Thematic analysis is often preferred because of its accuracy and ability to generate detailed findings. According to Nowell et al. (2017), thematic analysis is increasingly flexible and can be adjusted to meet the needs of the research, offering a detailed and rich data account. Besides, this method does not need detailed theoretical or technological knowledge, implying that it provides an increasingly accessible analysis method, especially for people without statistical knowledge. In essence, this approach is straightforward and easy to use. Significantly, thematic analysis is a practical approach for exploring the perspectives of diverse participants, providing similarities and variations while generating unanticipated insights (Nowell et al., 2017). It is also appropriate to summarize primary features of extensive data, assisting in producing an organized and precise final research report. Therefore, thematic analysis was the most suitable for this study due to its increased flexibility, simplicity, and detailed findings.

3.7 Scale Reliability and Validity using Cronbach's Alpha

Validity and reliability are significant concepts in research that the investigator must consider. These concepts are fundamental in enhancing the quality of the study. While reliability is concerned with the consistency of the measure, validity focuses on the measure's accuracy (Middleton, 2021). Essentially, reliability measures the degree to which the study findings can be reproduced if the research is redone under similar conditions (Middleton, 2021). On the contrary, validity concentrates on the degree to which the findings measure their intended variable or concept. To ensure the validity of the study results, the researchers used a suitable methodology that considered the characteristics of the study. Further, an appropriate sample method was selected while participants were not pressured to provide specific answers to the questions.

Different methods will be used to ensure increased reliability of the research findings. To enhance reliability, the study will use sufficient questions that assess competence, a consistent environment for the research respondents, and regular item analysis to eliminate poorly performing questions in the study. The data also will come from different, reliable sources, including interviews and secondary online research. Therefore, it is essential to ensure the study has high reliability and validity to ensure that the findings are accurate and generalizable.

A pilot study was conducted on the study variables to determine the reliability and validity of the questionnaire in collecting the relevant information using a sample of 26 active mobile phone users. Using the Cronbach's Alpha test, a reliability analysis of the findings showed the impact of pricing on brand loyalty had a Cronbach Alpha of 0.794. This shows the scale used in the questionnaire is quite effective in measuring the consistency among the responses.

Table 2: Reliability Test for Study Variables

Scale	Cronbach's Alpha	Number of Items
Impact of pricing on brand loyalty	.794	26

3.8 Ethical Considerations

The study also considers various ethical concerns that might have impacted the research process. These include informed consent, anonymity and confidentiality, respect for participant privacy, and beneficence (Fouka & Mantzorou, 2011). An informed consent form is provided at the beginning of the grid. Participants will be required to read, understand, and fill out before answering the interview questions. The informed consent form contained different information, including explaining the research purpose, benefits of participation, and any potential challenges of taking part in the study. The primary aim of the informed consent was to ensure that the respondents took part in the research knowingly, intelligently, and willingly. Participants were free to withdraw by refusing to respond to the questions.

Confidentiality and anonymity were also addressed in the study (Fouka & Mantzorou, 2011). To ensure anonymity, the participant's identities will not be associated with their answers (Fouka & Mantzorou, 2011). Significantly, private information was managed to safeguard the respondents' identity. Participant information can only be shared with third parties if they consent. It is essential to note that participants were not required to provide their private information. However, if they offered the same, it was handled carefully to not compromise their confidentiality. Further, the beneficence principle provides that research should be conducted to benefit and not harm anyone. Here, this study will try to benefit companies and managers in designing an appropriate pricing strategy that can help them maintain high customer loyalty. Any organization can deploy the research findings to improve customer loyalty and retention rates. Finally, the research also considered participant privacy. Essentially, respondents will have the freedom to determine the place, time, and conditions for sharing or withholding private information from third parties. Overall, participant approval will be required to share their confidential information.

3.9 Chapter Summary

Chapter 3 vividly described the methods and considerations used in achieving the study objectives. The research methodology was presented under the following headings, research design and method, population and sampling design, data collection, literature search procedure, data analysis, scale reliability and validity testing using Cronbach's Alpha, and ethical considerations. Chapter 4 will cover data analysis and presentation of the findings.

4.0 RESULTS AND FINDINGS

4.1 Introduction

This chapter presented the research findings on the influence of pricing strategies on consumer loyalty in the Norwegian telecommunication industry. The study collected primary data by administering questionnaires online using emails. The researcher drafted the questionnaire in SurveyMonkey and shared the links via emails, SMS, and WhatsApp for convenience. Sharing the responses via online channels was effective in this setting due to the

COVID-19 traveling protocols. The researcher used SPSS v25 in testing questionnaire scale reliability and validity using the Cronbach's Alpha test. In addition, MS Excel was used for descriptive and inferential statistics such as calculation of means, standard deviations, graphical generations, and frequencies. The main challenge experienced was the delayed time for a response; that is why the researcher resorted to the online data collection platform.

The study issued 75 questionnaires; 66 were fully filled in the research question section, with 50 in the demographic section. The researcher settled for the 66 responses since they mattered to the study's final conclusions. This translated into an 88.00% response rate. This was efficient for the study, as seen in table 3 below;

Table 3: Response Rate

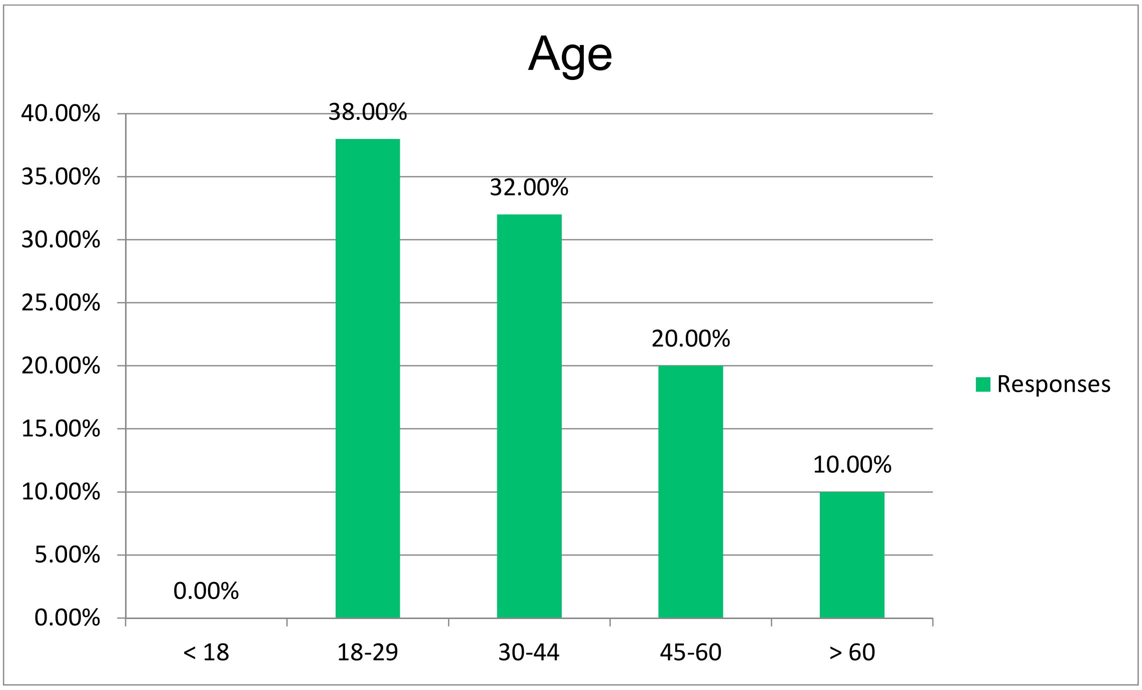
Variable	*N*	%
Filled and returned	66	88.00
No response	9	12.00
Total	75	100.00

4.2 Demographic Information

4.2.1 Respondents Age

Respondent's age analysis shows there was no response from anybody below the age of 18. However, 19 respondents between the ages of 18 and 29, making 38% of the total respondents who made the majority. Those aged between 30 and 44 formulated the second largest group of respondents, making 32% of the total study sample. The last response was from those aged 60 and above, who formulated 10% of the respondents, followed by those aged between 45 and 50, making up 20% of the respondents.

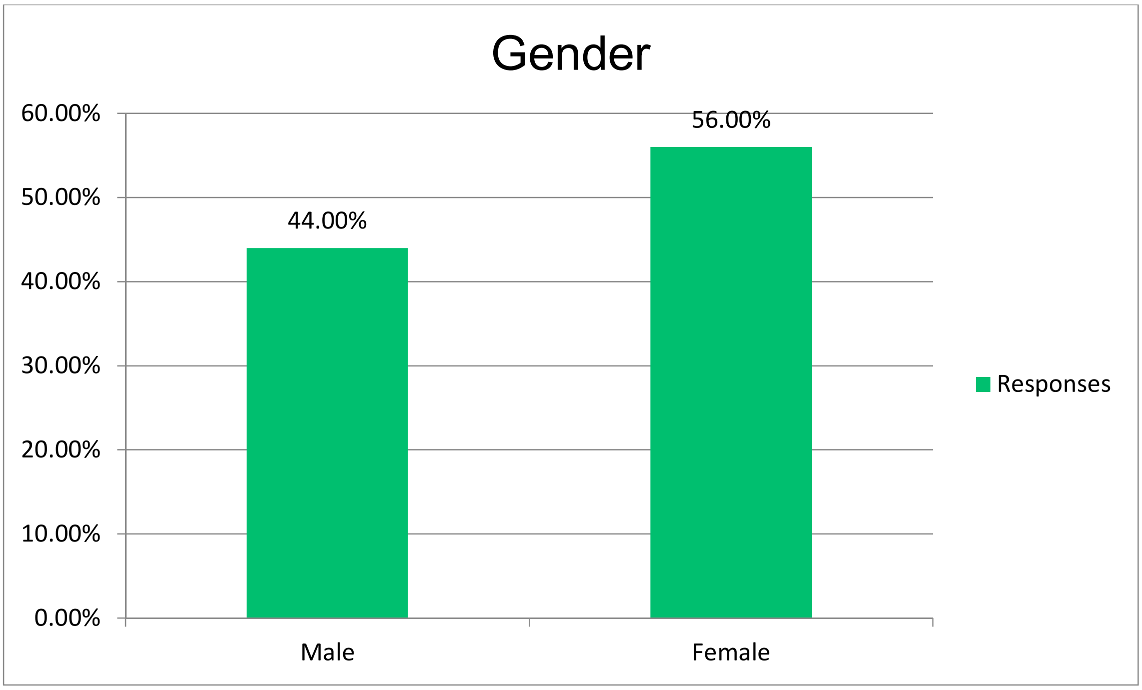
Figure 1: Respondent's Age



4.2.2 Respondents Gender

As shown in figure 2 below, females constituted the majority of the respondents, 56% of the 50 respondents who did not skip the gender section. Further, the male came in second with 44% of the respondents who filled the gender section.

Figure 2: Respondent's gender bar graph



4.3 Effect of Pricing on Consumer Loyalty

The study sought to evaluate the impact of pricing on consumer loyalty. The study formulated questions related to the impact of pricing and its influence on brand preference to achieve the objective. Using a five-point Likert scale, the researcher instructed the respondents to rate their responses as 1- Strongly Agree, 2- Agree, 3- Neutral, 4- Disagree, and 5-Strongly Disagree.

4.3.1 Descriptive Statistics of the Impact of Pricing on Customer Loyalty

The majority of the respondents agreed that they were affected by the brand when subscribing to a certain telecommunication service provider in Norway (M= 2.12); they also agreed that they could often purchase from the preferred brand without an attempt to shift products (M = 1.83). Further, the majority of the participants agreed they are tempted to shift brands (M =2.59). However, their ability or desire to substitute their current provider was neutral to hardly (M =3.02). On the other hand, the majority agreed that they could still purchase from the preferred service provider if the price changed (M =2.44). Even if it changed by 1%, they could still purchase from the same provider (*M* =2.19). However, the respondents disagreed that they could still purchase from the same service provider if the price changed by a whopping 50% (3.87). Further, almost every respondent strongly disagreed that they could continue purchasing products from the same provider if the prices changed by 100% (*M* =4.14). The majority agree (*M* = 2.27) that economic prizing could help maintain clients, while another majority are neutral that skimming could be a better pricing technique to ensure client retention (*M* =2.77). Generally, the majority of the respondents agree that pricing has everything to do with brand loyalty (*M* =2.26).

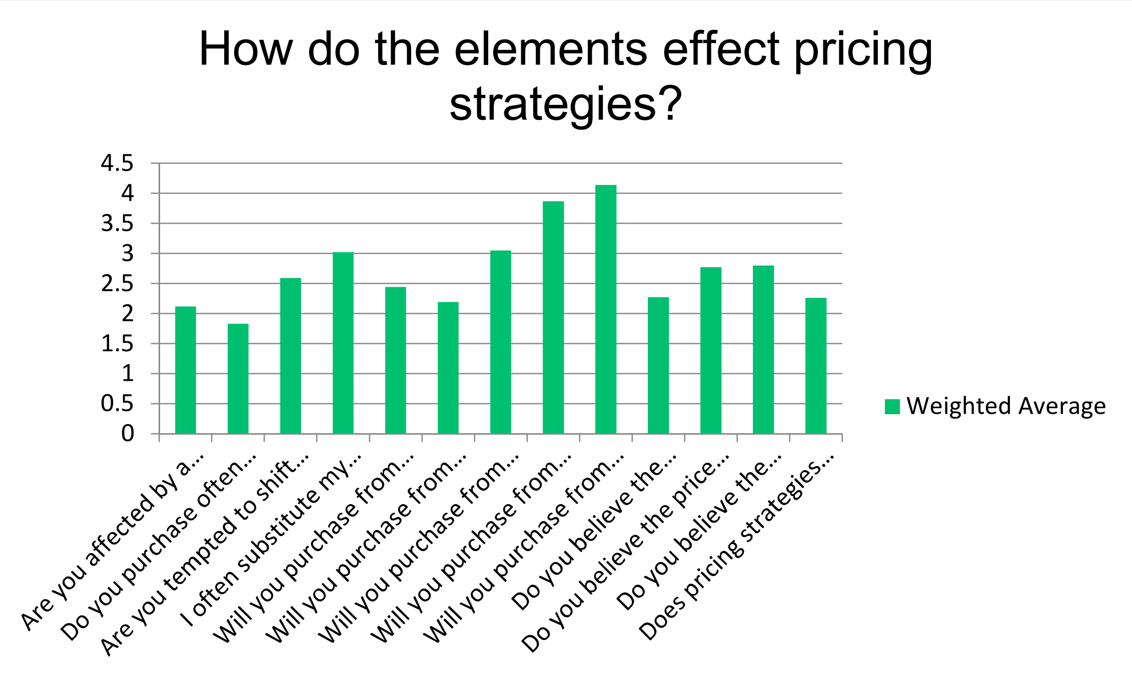
Table 4: Descriptive Statistics of the Impact of Pricing on Customer Loyalty

Variable	*N*	1	2	3	4	5	*M*
Are you affected by a brand when purchasing a product?	66	15	32	15	4	0	2.12
Do you often purchase from your preferred brand?	64	25	30	5	3	1	1.83
Are you tempted to shift brands?	63	4	29	19	11	0	2.59
I often substitute my preferred brand?	64	4	17	20	20	3	3.02
Will you purchase from your preferred brand if the price changes?	64	11	26	17	8	2	2.44
Will you purchase from your brand if the price increases by 1%?	64	16	32	6	8	2	2.19
Will you purchase from your brand if the price increases by 10%?	64	6	16	16	21	5	3.05
Will you purchase from	63	6	5	8	16	28	3.87

your brand if the price increases by 50%?							
Will you purchase from your brand if the price increases by 100%?	64	7	5	4	4	44	4.14
Do you believe the economic pricing strategy used by your preferred brand is effective in maintaining clients?	63	11	31	16	3	2	2.27
Do you believe the price skimming strategy used by your preferred brand is effective in maintaining clients?	64	8	19	20	14	3	2.77
Do you believe the premium pricing strategy used by your preferred brand is effective in maintaining clients?	64	9	15	24	12	4	2.8
Does pricing strategies affect your brand loyalty?	61	11	30	14	5	1	2.26

4.3.2 Purchasing from the Same Provider if Prices Changed Massively

The collected responses show it is highly unlikely that one could purchase from the same service provider if the prices changed largely (*M*= 4.14). As shown in the figure below, the likelihood of purchasing from the same provider becomes increasingly unlikely with the increase in the percentage price change. A price change by 1% would still influence lesser chances of not purchasing from the same provider (*M*=2.19); however, an increase of 10% got the respondents thinking of substituting the service provider with a cheaper one (*M*=3.05). Further, an increase in price change by 50% is likely to attract a negative client response, while a change by 100% will result in a strong disagreement on the pricing structure (*M*=4.14).



4.4 Effect of Pricing on Consumer Loyalty Across Age

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	.367	1	.367	.501	.482[b]
	Residual	41.768	57	.733		
	Total	42.136	58			

a. Dependent Variable: Does pricing strategies affect your brand loyalty?

b. Predictors: (Constant), Open-Ended Response

From the regression analysis, there is no statistically significant influence of age on brand loyalty considering the implemented pricing strategy by any network provider in the Norwegian telecommunication market (R^2 = .09, F (1, 58) = .501, p = .482).

4.5 Effect of Pricing on Consumer Loyalty Across Gender

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.138	1	1.138	1.499	.228[b]
	Residual	32.640	43	.759		
	Total	33.778	44			

a. Dependent Variable: Does pricing strategies affect your brand loyalty?

b. Predictors: (Constant), Gender

Gender did not predict the effect of pricing strategies on customer loyalty (R^2 = .034, F (1, 44) = 1.499, p = .228). The regression indicates, no matter the gender, pricing strategy influenced customer loyalty in some way, but there is no specific trend.

4.6 Correlations between the 13 Research Questions

		Does pricing strategies affect your brand loyalty?
Are you affected by a brand when purchasing a product?	Pearson Correlation	.102
Does pricing strategies affect your brand loyalty?	Pearson Correlation	1
Do you purchase often from your preferred brand?	Pearson Correlation	.181
Are you tempted to shift brands?	Pearson Correlation	.155
I often substitute my preferred brand?	Pearson Correlation	.319*
Will you purchase from your preferred brand if the price changed?	Pearson Correlation	.124
Will you purchase from your brand if price increased by 1%?	Pearson Correlation	.079
Will you purchase from your brand if price increased by 10%?	Pearson Correlation	.028
Will you purchase from your brand if price increased by 50%?	Pearson Correlation	-.070

Will you purchase from your brand if price increased by 100%?	Pearson Correlation	-.158
Do you believe the economic pricing strategy used by your preferred brand is effective in maintaining clients?	Pearson Correlation	.144
Do you believe the price skimming strategy used by your preferred brand is effective in maintaining clients?	Pearson Correlation	.153
Do you believe the premium pricing strategy used by your preferred brand is effective in maintaining clients?	Pearson Correlation	-.075

There was a strong positive correlation between an increase in price by 10% and customer loyalty ($p < .05$). However, all other correlations were statistically insignificant in relation to their influence on the final research question "Does pricing strategies affect your brand loyalty?" ($p > .05$).

4.7 Chapter Summary

This chapter presented the results from the data analysis, including the demographic as well as the research question responses. The descriptive statistics, including the mean, have been drafted within the tables. Chapter 5 will document the discussions of the results from the finding section in relation to the literature review.

5.0 DISCUSSION, CONCLUSION, AND RECOMMENDATIONS

5.1 Introduction

This chapter presented the analysis of the results as stipulated in chapter 4 in relation to the literature review from chapter 2. The analysis determined the consistency between the publications reviewed in chapter 2 and the findings in this study. The aim is to evaluate the extent to which the findings are consistent with the reviewed publications in determining the influence of pricing on consumer loyalty, the impact of product preference on pricing strategies, and the challenges of consumer loyalty.

5.2 Study Brief

The study aimed at establishing the relationship or the lack thereof between pricing strategies and consumer loyalty among mobile phone service providers in the Norwegian telecommunication industry. The study outlaid three research questions aimed at evaluating the relationship between price and consumer loyalty, the influence of brand loyalty on pricing strategies, and the challenges emanating from such pricing strategies due to preference.

The research implemented the descriptive qualitative research model with 75 respondents from different telecommunication service providers. A convenient sampling technique was implemented since the researcher aimed at 15 respondents per the 5 (Telenor, Ice, OneCall, TalkMore, and Telia) mobile networks studied in the research. A questionnaire was sent to the respondents through emails, SMS, and WhatsApp. The researcher designed a SurveyMonkey questionnaire and generated a link that was shared with the stipulated respondents. Out of the 75 samples, 66 responded to the research questions formulating an 88% response rate, which is a major success for the study. SPSS v25 was used in reliability testing using Cronbach's Alpha technique. From the Cronbach's Alpha, the scale proves reliable in measuring individual study variables' changes in relation to customer loyalty.

The study conducted descriptive statistics for the study variables where the independent variables influenced the dependent variable (customer loyalty). The study realized most people somewhat agreed that brand affected their purchase in the telecommunication industry from the research questions. Most respondents also somewhat agreed that they could frequently purchase from their preferred mobile service provider. The likelihood of buying from the same provider as the price changes upwards are reduced with the increase in price changes. Generally, there was an inverse correlation between price increase and the likelihood of maintaining a brand even if they provide higher quality.

The results established that consumer interests influence the general product preference in the Norwegian telecommunication industry. The major factors influencing product loyalty in the market include product differentiation, cost leadership, and psychological pricing techniques. Further, consumer behaviours such as involvement, customer satisfaction, product quality perception, awareness, and attitude towards the brand constitute a major influence on product loyalty.

5.3 Discussion: Effects of Pricing Strategies on Consumer Loyalty

The study found an existing relationship between brand and product purchase. According to the study findings, the majority of the respondents agreed they are affected by brand preference during product purchases. This is consistent with Hui et al. (2019) findings that stated brand preference influences customer attitude toward a purchase. According to Hui et al. (2019), when a client opts to purchase a product among a list of companies, they would first prefer their intended brand prior to settling for any other brand. Therefore, the purchase depends on the same product's availability from their client's preferred brand. In this case, the clients state when purchasing airtime or any other mobile services, they first go for their desired brand prior to any substitution. For instance, when subscribing to Wi-Fi services, the clients would opt for their current mobile service provider prior to any other option available.

The results also indicated most people would purchase products often from their preferred network provider. This implies the client would continuously purchase airtime from their preferred network provider without considering another option. The finding is consistent with Guéguen et al. (2019) findings that stated clients purchase products from the same service provider due to pricing and convenience. According to Guéguen et al. (2019), clients opt for a particular company's network services since they have already acquired the required devices compatible with the company's services. When purchasing a sim card, every company embeds its programs in the card that is monopolistic (Guéguen et al., 2019). The need to use these services compels the client to use the same company's services repeatedly (Guéguen et al., 2019).

The study also found most of the respondents were neutral on the chances of changing brands. According to the study, more respondents did not disagree or agree that it was easy to change a network service provider quite easily. However, a good number agreed that they could somewhat change the service provider under some circumstances. This is consistent with Gullstrand et al. (2018) findings on product substitution. According to Gullstrand et al. (2018), product substitution results from the availability of a better service provider with similar or almost similar quality but at lower prices. When a new entrant ventures into a market, they tend to increase their market share through techniques such as product differentiation, psychological pricing, and cost leadership (Gullstrand et al., 2018). They intend profits through economy of scale in that the higher the sales, the higher the profits. With their quality in relative measures to the competitor's quality, lower production cost enhances their application and realization of the prices lower than the market prices (Gullstrand et al., 2018). This influences brand shifting from varied angles.

The analysis also realized it was not easy for one to substitute their current network service provider in the Norwegian market. The majority of the respondents were relatively neutral about the topic. They neither agreed nor disagreed with the conviction that they could easily shift or substitute their preferred network service provider. This is consistent with Berezvai's (2020) findings on product substitutions and the likelihood of their occurrence. According to Berezvai (2020), product substitution, especially for the established companies, becomes relatively difficult since they lead in most if not all pricing strategies alongside quality provision. According to Berezvai (2020), the established service providers play a big role in price fluctuations; hence, the entrant is likely to lose when involved in the pricing war. Berezvai (2020) states that established companies can reduce their prices but still make more profits due to economies of scale.

Further, the majority of the respondents somewhat agreed they could shift brands if the prices changed. However, there was a limit to these changes. The study found respondents could not easily shift from one network service provider if the prices changed by 1%. On the other hand, an increase in prices by more than 10% inflicted divided opinions about pricing. Most of the participants agreed they could easily shift to another brand if their preferred network service provider increased the prices by more than 50%. Fassnacht et al. (2018) studied the increase in pricing and its impact on consumer behaviour. According to Fassnacht et al. (2018), price changes influence consumer product decisions. This is reliant on the product's perceived quality. When a company intends to increase the price with regard to the competitors, the company may adopt a different production model, such as reducing prices while implementing low-budget production or introducing product differentiation (Fassnacht et al., 2018). Low-cost production provides a margin that could be exploited to reduce product prices lower than the industry prices. However, price differentiation may be implemented when this customer satisfaction strategy fails to achieve the desired objective. Product differentiation may introduce more features to the product or expand the product line by introducing a one-stop shop for a certain group of clients (Fassnacht et al., 2018).

In addition, the study found the majority of the respondents agreed that the economic pricing technique is an avenue to customer retention in the Norwegian telecommunication market. Loginova (2019) defines economic pricing as the stipulation of product prices in relation to the typical production cost. In this regard, a higher production cost influences a higher product price. However, as Loginova (2019) claims, the telecommunication industry is a service provider hence a relatively lower production cost and thus the lower pricing. According to this study, the majority somewhat agreed that the economy pricing strategy was efficient in product pricing hence customer retention. This is consistent with Loginova's (2019) findings that stated economy pricing enables price fluctuations. The fluctuations could be negative or positive. Loginova (2019) found the fluctuations were negative 75% of the time as the company's production cost reduced with an increase in demand. Therefore, the economy pricing reduced prices attracting new clients while maintaining the old ones.

The researcher also found out the majority of the respondents agreed that price skimming also enhanced customer retention. According to Agbaeze et al. (2020), price skimming is applicable in the initial product marketing stages. It defines the pricing strategy's low and highs (Agbaeze et al., 2020). Through skimming, the company understands the affordability of the desired customer base (Agbaeze et al., 2020). This study found there is a positive correlation between price skimming and customer retention. According to Agbaeze et al. (2020), price skimming provides the general outlook of the intended prices of the product. Once the customer identifies the price variations, they may resort to that product. Even if the product price increases, the customer could understand the limit by which the price may increase (Agbaeze et al., 2020). Therefore, they can easily determine the level of acceptable price change and wait for the maximum change before shifting brands (Agbaeze et al., 2020).

The study found the majority were neutral on the influence that premium pricing had on customer maintenance. According to the study, it is unlikely that premium pricing may lead to increased customer retention probability or loss. The majority claimed a neutral perception of the pricing technique in relation to customer retention. This is consistent with Huarng and Yu's (2020) findings on customer retention and pricing techniques. According to Huarng and Yu (2020), premium pricing is 75% more effective in retaining clients when the product surpasses the intended quality. Otherwise, it may lead to an increased customer brand shifting. In this study, very few respondents strongly agreed with the idea of a customer retention model, and even fewer strongly disagreed. This implies the pricing technique could be effective in customer retention in the Norwegian telecommunication industry to some extent, or it may fail.

Finally, the study found a larger majority either agreeing or strongly agreeing there is a relationship between product pricing and customer loyalty in the Norwegian industry.

According to the findings, the majority stated pricing strategies affected brand loyalty. This implies that the pricing strategy adopted extensively references the product preference direction. This is consistent with Nadia et al. (2018) conclusions that stated a higher price for the good of similar quality to the competition reduces customer preference. However, with product differentiation, an increase in price may be justified. According to Nadia et al. (2018), improving receiver quality, faster-browsing speed, and reduced network lagging compensates for any increase in pricing in the networking industry. However, if the quality reduces with increased prices, there is a higher chance a larger customer base would shift for a new entrant or a competitor.

5.4 Conclusion on Effects of Pricing Strategies on Consumer Loyalty

The Norwegian telecommunication industry is on the uprising trend, and so are the client's needs hence the need for an effective pricing strategy to enhance quality service provision. Various competitive factors are considered by various network providers in Norway due to the common market, with pricing being the first consideration. Companies such as Telenor, Ice, OneCall, TalkMore, and Telia strive to enhance their customer retention capabilities. As found in this study, one of the most effective ways is pricing. According to this study, pricing strategies influence the overall product preference. However, the companies may manipulate product preference through various product marketing programs such as cost leadership, psychological pricing, and price differentiation. Cost leadership implies the company may reduce the prices of their products arbitrarily to attract more clients. However, this strategy is only effective when the quality of the resulting product is relatively higher or closer to the competitors. Further, price differentiation would also influence product preference. As defined in this study, product differentiation is value addition. The telecommunication industry achieves this by adding various features to the respective network provider's products. The study found that increased browsing bandwidth, enhanced receiver quality, and improved satellite connections in areas less covered by the competitors could achieve this.

On the other hand, psychological pricing may also play a decent role in customer retention. As defined in the study, psychological pricing lures a client's perception of the product quality. The client may perceive the end product as cheaper when prices vary by a single discount. The study documented that prices ending with nine are likely to attract more customers than solid prices. For instance, purchasing airtime for $4.99 would seem less expensive than a $5.00 purchase.

5.5 Limitations

Like every other primary study, COVID-19 travel ban and safety control affected the face-to-face interview, which was the initial data collection methodology for the study. The study also relied on the participant's responses and cooperation some of whom may not be genuine in answering the research questions; hence, the validity of the information provided could be utterly tested statistically, but not through their own initial response. Finally, the inaccessibility to various confidential information from these telecommunication giants made it impossible to verify some of the responses from the clients, especially, on how they purchase products and services from them.

5.6 Recommendations of Further Studies

The study recommends further studies on factors influencing product preference apart from pricing. The study found the respondents were neutral on some questions. The researcher assumed that this was due to the lack of other factors that influenced product preference framed in the questionnaire. Therefore, for an extensive and comprehensive analysis of the product preference in different consumer groups, the researcher recommends the inclusion of other factors that may influence brand loyalty. The researcher also recommends the adoption of the price differentiation technique as the main pricing strategy for the Norwegian telecommunication giants. The companies should diversify their products to introduce a one-stop shop for mobile network services.

5.7 Contribution to Practice

The findings of this study provides a relative position of the existing business environment model in the Norwegian telecommunication industry in relation to pricing and customer retention. Therefore, the information obtained from this research is applicable in policy formulations that would aid a cooperation between the client and the company to avoid losing clients due to unsuitable pricing mechanisms. Further, these findings could be a reference for other researchers who intend to conduct futuristic studies on a similar topic. Finally, the findings on the relationship between pricing and customer loyalty can be used by the Norwegian companies in stipulating product prices for clients' convenience.

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Appendix A: Questionnaire

Impact of Pricing Strategies on Brand Loyalty Questionnaire

Please, answer all the questions honestly and with utmost accuracy

Demographic Questions

a. What is your name?

b. How old are you?

c. Are you married?

d. What was your last job?

e. Were you involved in pricing strategies for your company?

Research Questions

Kindly answer the following questions conclusively. Explain as much as you can. The more explanation, the better.

1. Have you always paid attention to changes in pricing? And has that affected your brand choice?
2. Do you think your brand preference could have anything to do with pricing? Can changes in prices change your preference?
3. Are you affected by a brand when purchasing a product?
4. How often do you purchase from your preferred brand?
5. Are you attempted to shift brands?
6. How often do you substitute your preferred brand?
7. Will you purchase from your preferred brand if the price changes?
8. Will you purchase from your brand if the price changes by 1%?
9. Will you purchase from your brand if the price changes by 10%?

10. Could you justify why you believe the economic pricing strategy used by your preferred brand is effective in maintaining clients?
11. Do you believe the price skimming strategy used by your preferred brand is effective in maintaining clients?
12. Do you believe the premium pricing strategy used by your preferred brand is effective in maintaining clients?
13. Do pricing strategies affect your brand loyalty?

Appendix B: Thematic Analysis

Open code	Axial code	Theoretical codes
Have you always paid attention to changes in pricing? And has that affected your brand choice? • I have seen that the prices have increased over certain brands over the years, but it has made me look at other brands but not actually change. • The prices slowly creep up every year. But the telephone providers always have a new customer deal in place. • I have stayed with Telenor for a long time now and have left it as it is. So no. • Yes, I have swapped from a couple of brands due to the price. • Yes	• Price change had not influenced brand change • Price change has not influenced their brand preference. • Their brand preference is not reliant on price change. • They rely on pricing. • They rely on pricing	Price change affects brand choice to some extent.
Do you think your brand preference could have anything to do with pricing? Can changes in prices change your preference? • It can definitely affect my choice of the brand, but it depends on how much the price changes. • Yes, I do not need much data, so I try to keep it to the lowest subscription • I looked more towards the best service and brand in itself. Telenor is international and has the best service. • Yes, it can. • Yes	• Yes, it can. • Yes it can • Yes • Yes • Yes	Brand preference has everything to do with pricing.
Are you affected by a brand when purchasing a product? • Depends on the type of product; if it is more technology-based sure. Suppose it is related to cars, sure. But for smaller items, the brand rarely matters. • No, I have tried pretty much all providers and can say that there is little to no difference. • Yes, I have had Telenor since my first phone. • Not as a telephone provider. • No	• Not really • Not affected by the band during purchase. • Brand affects purchase • Not affected • Not affected	Brand affects the least of people when purchasing products such as airtime.
How often do you purchase from your preferred brand? • Again depends on the type of product. But fairly often in terms of phones. • If I were to choose one, I would say Talkmore is more preferred as it provides the signal of Telenor but prices of Ice. • I have not swapped but I have changed the subscription a few times to increase the	• 80% of the participants stated they could purchase quite often from their preferred brand.	There is a higher chance of repeat purchases from the preferred brand.

data. • Every year or so • I do not have a preferred brand in the telecom industry		
Are you attempted to shift brands? • Yes, the phone providers have increased their prices, and the temporary deal that I was getting is about to run out. So in the future, I will be looking to change. • I usually hop around different brands depending on which one gives the best deal at the time. • No, I am quite happy with Telenor. • No • Yes	• Most of the respondents stated they are not quite attempted to shift brands.	There is a lower chance of shifting brands regardless.
How often do you substitute your preferred brand? • Not very often • Every 3-4 months.	• 1 in every respondent agreed to substitute the preferred brand.	• Low brand substitution probability.
Will you purchase from your preferred brand if the price changes? • Depends on how it changes and by how much • If it increases, maybe not, I would just get Telenor at that point. • Well, it already has changed, and I have stayed, so yes. • No	• The majority stated they could purchase even if the price changed but to some extent.	• Price change could affect purchases to some extent.
Will you purchase from your brand if the price changes by 1%? • Probably yes • Probably • Yes • Yes	• A larger percentage agreed they could still purchase from the preferred brand if the price changed by 1%	• A 1% price change did not influence brand preference.
Will you purchase from your brand if the price changes by 10%? • No • If it increased 10%, I would swap to a different provider. • This seems to be the limit for me anymore, and I would probably change • No	• A larger percentage agreed they could change brands if prices went up by more than 10%	• Price change of more than 10% influenced brand loyalty.
Could you justify why you believe the economic pricing strategy used by your preferred brand is effective in maintaining clients? • Well, you get the true value of the product + the little extra that the company wants to make. So, the prices are more transparent, and that is quite nice. • If they were to change to this, I guess they would just set higher profit margins in comparison to the other companies. • There would be a set price over the years,	• Economic pricing influenced client maintenance.	• Economic pricing affected brand loyalty.

so yes. • Yes, a reliable price may help in maintaining clients.		
Do you believe the price skimming strategy used by your preferred brand is effective in maintaining clients? • Your starting customers will enjoy the reduction in price, so it may be effective. But getting the initial customers may be hard, so it depends on whether you can market effectively. • In the long run, it would provide a cheaper experience for all involved, and as the prices reduce, there will be more customers as well. So this is probably the best option • This could work, but the service quality may change later on, so I am not sure. • It works for the phone market as they want you to buy new phones after 1 year. But, for a service, I am not sure. • People will just swap and wait for the company to reduce its price and change them.	• This method may be effective in the initial marketing stage. However, the price skimming technique would affect future sales.	• Price skimming influences product preference.
Do you believe the premium pricing strategy used by your preferred brand is effective in maintaining clients? • You corner yourselves to one side and already reduce your choices. But the customers you actually get may be more loyal as they expect a more premium service. • They have had this pricing strategy in comparison to the other companies, and it has worked. • No • No	• Premium pricing affects brand preference negatively, with a smaller portion understanding its benefits. The rest of the telecom users just need the normal services.	• Premium pricing largely affects brand preference.
Do pricing strategies affect your brand loyalty? • Yes, given that I am a student, the lower the price, the more likely I am to go to that provider, given that the service is good enough. • Yes, I am always looking for the next deal to change to. If a company can provide low prices continuously, I would probably not change. • Well, if Telenor kept the same product and service with a different pricing strategy, I do not think it would affect my brand loyalty towards them. It all depends on how much they increase or decrease. Look at iPhone prices I still have one after the price increase. • Pricing strategies I do not know, but the price does. • An excellent low and reliable price would increase my loyalty to the telecom industry. The prices for some data packages are ridiculously high.	• At the end of the interview, all other respondents agreed that pricing influenced brand loyalty.	• Pricing influences brand loyalty.

Appendix B: Repertory Grid

	Element (Yes= 1, No= 0)
Constructs	**Telecommunication industry**
Price change affects brand choice to some extent.	0
Brand preference has everything to do with pricing.	1
Brand affects the least of people when purchasing products such as airtime.	0
There is a higher chance of repeat purchases from the preferred brand.	1
There is a lower chance of shifting brands regardless.	1
Low brand substitution probability.	1
Price change could affect purchases to some extent.	0
A 1% price change did not influence brand preference.	0
Price change of more than 10% influenced brand loyalty.	1
Economic pricing affected brand loyalty.	1
Price skimming influences product preference.	1
Premium pricing largely affects brand preference.	1
Pricing influences brand loyalty	1