



Pricing Strategies and Consumers Purchasing Decisions in Small and Medium Enterprises in Benin City, Edo State

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Abstract. This study examined the pricing strategies employed by Small and Medium Enterprises (SMEs) in Benin City and their impact on purchasing decisions. A quantitative research design was adopted, and a structured questionnaire was administered to 311 respondents. The results show that SMEs in Benin City prioritize offering competitive prices, discounts, and bundled packages to attract customers. Price transparency was found to be critical in building trust with customers and influencing purchasing decisions. The correlation analysis revealed significant relationships between price transparency, price discount, and price bundling, and purchasing decisions. The regression model identified price transparency as the most significant predictor of purchasing decisions. The study concludes that SMEs in Benin City should prioritize transparency in their pricing strategies to attract and retain customers. The findings provide valuable insights for SMEs in Benin City, highlighting the importance of competitive pricing, discounts, bundled packages, and price transparency in driving business success. Recommendations are made for SMEs to improve price transparency, offer competitive prices, use price bundling strategically, invest in customer education, and monitor and adjust pricing strategies regularly.

Keywords: Competitive Pricing, Pricing Strategies, Purchasing Decisions, Price Transparency, Small and Medium-sized Enterprises (SMEs)

1. Introduction

Pricing strategies are a crucial component of the marketing mix that can significantly influence consumers' purchasing decisions, particularly in the

context of small and medium enterprises (SMEs) (Kotler & Keller, 2020). As noted by Kumar and Sharma (2020), pricing is a complex and dynamic process that requires careful consideration of various factors; including costs, competition, and customer value (Nagle & Müller, 2022). Effective pricing strategies can enable SMEs to differentiate themselves from competitors, attract and retain customers, and generate revenue (Hall, 2022). In Nigeria, SMEs are a vital constituent of the economy, accounting for a substantial proportion of the country's GDP and employment (CBN, 2022). However, SMEs in Nigeria face numerous challenges, including intense competition, limited access to finance, and inadequate infrastructure (World Bank, 2022). Pricing strategies can play a critical role in helping SMEs overcome these challenges by enabling them to respond to changing market conditions, customer needs, and competitor activity (Xia, Monroe, & Cox, 2020).

In spite of the importance of pricing strategies in SMEs, research has shown that many SMEs struggle to develop and implement effective pricing strategies (Carson, 2020). This can lead to reduced profitability, decreased competitiveness, and poor customer satisfaction. Furthermore, the impact of pricing strategies on consumer purchasing decisions in SMEs is not well understood, particularly in the context of developing economies like Nigeria (Monroe, 2020). Benin City, Edo State, is a major commercial centre in Nigeria, with a large and growing population of consumers. The city is home to a diverse range of SMEs, from retail and hospitality to manufacturing and services. However, there is limited understanding of the pricing strategies used by SMEs in Benin City

and their impact on consumers' purchasing decisions (Kumar & Sharma, 2020).

The significance of this study lies in its potential to provide valuable insights for SMEs in Benin City, Edo State, and beyond. Understanding the impact of pricing strategies on consumer purchasing decisions enables SMEs to develop more effective pricing strategies that meet the needs of their customers and drive business growth. The study's findings will have implications for business owners, managers, and policymakers, informing decisions about pricing strategies that can lead to improved profitability, competitiveness, and customer satisfaction.

This study aims to address this knowledge gap by examining the impact of pricing strategies on consumer purchasing decisions in SMEs in Benin City, Edo State. Specifically, the study will examine the impact of price level on consumer purchasing decisions in SMEs in Benin City, Edo State; investigate the impact of price discount on consumer purchasing decisions in SMEs in Benin City, Edo State; examine the impact of price bundling on consumer purchasing decisions in SMEs in Benin City, Edo State; investigate the impact of price transparency on consumer purchasing decisions in SMEs in Benin City, Edo State; and examine the impact of price value on consumer purchasing decisions in SMEs in Benin City, Edo State.

2. Literature Review

2.1 Conceptual Review

2.1.1 Pricing Strategies

Pricing is a critical element of the marketing mix that can meaningfully influence a firm's revenue and profitability. According to Kumar and Sharma (2017), pricing is a complex and dynamic process that requires careful consideration of various factors, including costs, competition, and customer value (Nagle & Müller, 2017). A well-crafted pricing strategy can help businesses differentiate themselves from competitors, attract and retain customers, and generate revenue. One common pricing strategy is penetration pricing, which involves setting a low initial price to quickly gain market share and attract customers. As noted by Hall (2017), penetration pricing can be an effective way to enter a new market or to disrupt an existing market. However, this strategy can also lead to reduced profits and revenue in the short term. Another pricing strategy is skimming pricing, which involves setting a high initial price to maximize profits and then gradually reducing the price as the market becomes

more competitive. According to Xia, Monroe, and Cox (2018), skimming pricing can be an effective way to generate revenue and profits, especially for businesses that offer unique or innovative products or services.

Competitive pricing is another common pricing strategy, which involves setting prices that are similar to those of competitors. Grewal, Monroe, and Krishnan (2011) assert that competitive pricing can be an effective way to attract price-sensitive customers and to maintain market share. However, this strategy can also lead to reduced profits and revenue if businesses are unable to differentiate themselves from competitors. Value-based pricing is a pricing strategy that involves setting prices based on the perceived value of the product or service to the customer (Monroe, 2003). Value-based pricing can be an effective way to generate revenue and profits, especially for businesses that offer unique or premium products.

Price level is also a critical pricing strategy that involves setting prices at a specific level, such as premium, economy, or budget (Hall, 2017). Businesses can use price level to position their products or services in the market and to appeal to specific target markets (Kumar & Sharma, 2017). For example, a business may use a premium pricing strategy to position its products as high-end or luxury items, while a budget pricing strategy may be used to appeal to price-sensitive customers. Lastly, psychological pricing involves using pricing tactics that take into account the psychological factors that influence customer purchasing decisions. As noted by Grewal et al. (2011), psychological pricing tactics such as charm pricing, bundle pricing, and price anchoring can be effective ways to influence customer purchasing decisions.

2.1.2 Small and Medium Enterprises

Small and Medium Enterprises (SMEs) are businesses that have a limited number of employees and a relatively small amount of annual revenues. According to the World Bank, SMEs are typically defined as businesses with fewer than 500 employees and annual revenues of less than \$100 million (World Bank, 2020). Similarly, the International Labour Organization (ILO) defines SMEs as businesses with fewer than 250 employees and annual revenues of less than \$50 million (ILO, 2019). The definition of SMEs can vary depending on the country and industry. For example, in the European Union, SMEs are defined as businesses with fewer than 250 employees and annual revenues of less than €50 million (European Commission, 2020). In Nigeria, SMEs are defined as

businesses with fewer than 50 employees and annual revenues of less than ₦10 million (CBN, 2020).

Despite the varying definitions, SMEs are often characterized by their flexibility, innovation, and ability to respond quickly to changes in the market (Hall, 2017). They are also often driven by entrepreneurial spirit and a focus on customer satisfaction (Kumar & Sharma, 2017). SMEs play a vital role in many economies, providing employment opportunities, driving innovation, and contributing to economic growth (Xia et al., 2018). According to the World Bank, SMEs account for over 90% of businesses in most countries and provide employment opportunities for millions of people (World Bank, 2020). In Nigeria, for example, SMEs account for over 90% of businesses and contribute significantly to the country's GDP (CBN, 2020).

In spite of their importance, SMEs face numerous challenges, including limited access to finance, inadequate infrastructure, and intense competition (Hall, 2017). According to a study published in the *Journal of Small Business and Enterprise Development*, SMEs in Nigeria face significant challenges in accessing finance, with over 70% of SMEs relying on personal savings and informal sources of finance (Hall, 2017). Another significant challenge facing SMEs is the lack of adequate infrastructure, including roads, electricity, and water (Kumar & Sharma, 2017). According to a study published in the *Journal of Business and Management*, the lack of adequate infrastructure is a major constraint to the growth and development of SMEs in Nigeria (Kumar & Sharma, 2017).

In addition to these challenges, SMEs also face intense competition from larger businesses and multinational corporations (MNCs) (Xia et al., 2018). SMEs in Nigeria face significant competition from MNCs, which have greater resources and marketing muscle (Xia et al., 2018). Despite these challenges, SMEs can still compete effectively by adopting innovative marketing strategies and leveraging technology (Yadav & Monroe, 2017). According to a study published in the *Journal of Marketing*, SMEs can use digital marketing channels, such as social media and email marketing, to reach a wider audience and compete with larger businesses (Yadav & Monroe, 2017).

2.2 Consumer Purchasing Decisions and Price Level, Price Discount, Price Bundling, and Price Transparency and Price Value

The relationship between consumer purchasing decisions and price value is a significant one. Research has shown that consumers' perceptions of price value can significantly influence their purchasing decisions (Xia et al., 2018). When consumers perceive a product or service as offering good value for money, they are more likely to make a purchase. In fact, study has found that price value is a key driver of consumer purchasing decisions, and that consumers are willing to pay a premium for products and services that offer high value (Xia et al., 2018). In addition to price value, price discounts can also play a significant role in influencing purchasing decisions. Research has shown that consumers are more likely to make a purchase when they perceive a product or service as being discounted (Grewal et al., 2011). In fact, a study published in the *Journal of Retailing* found that price discounts can increase consumer purchasing intentions by up to 20% (Grewal et al., 2011).

Price bundling is another independent variable that can influence purchasing decisions. Research has shown that consumers are more likely to make a purchase when they perceive a product or service as being bundled with other complementary products or services (Yadav & Monroe, 2017). Study has found that price bundling can increase consumer purchasing intentions by up to 15% (Yadav & Monroe, 2017). Price transparency is also an important independent variable that can influence purchasing decisions. Investigation has shown that consumers are more likely to make a purchase when they perceive a product or service as being priced transparent (Kumar & Sharma, 2017). Research has found that price transparency can increase consumer trust and loyalty by up to 25% (Kumar & Sharma, 2017).

The relationship between purchasing decisions and various independent variables, including price value, price discount, price bundling, and price transparency, is complex. Understanding how these variables influence purchasing decisions enables businesses to develop effective pricing strategies that meet customers' needs and expectations. Therefore, this study hypothesizes in the null form that:

H01: Consumer purchasing decisions do not have impact on price level, price discount, price bundling, price transparency and price value

2.3 Theoretical Review

Value-Based Pricing Theory is a pricing strategy that sets prices based on the perceived value of a product or service to customers. The concept of value-based pricing has been discussed in various forms and contexts, but it gained significant attention in the

marketing and pricing literature in the late 20th century (Monroe, 2003). While it is challenging to attribute the development of Value-Based Pricing Theory to specific individuals or dates, the works of Kent B. Monroe, Thomas Nagle, and Reed Holden have been influential in shaping the concept (Nagle & Holden, 2002).

Value-Based Pricing Theory is a pricing strategy that involves setting prices based on the perceived value of the product or service to the customer (Kotler & Keller, 2020). This theory suggests that customers are willing to pay a premium price for a product or service that provides them with unique benefits and value. The core idea behind Value-Based Pricing Theory is that the price of a product or service should reflect its value to the customer, rather than its cost of production (Nagle & Müller, 2017). This approach requires businesses to understand the needs and preferences of their target market and to develop products or services that meet those needs.

Value-Based Pricing Theory is based on several key principles. First, it recognizes that customers have different perceptions of value and are willing to pay different prices for the same product or service (Lancioni, 2020). Second, it acknowledges that businesses have different costs and revenue structures, and that pricing strategies must take these factors into account (Hinterhuber, 2008). One of the key benefits of Value-Based Pricing Theory is that it allows businesses to differentiate themselves from their competitors and to establish a premium brand image (Kotler & Keller, 2020). Focusing on the unique value proposition of their products or services allows businesses to attract customers who are willing to pay a premium price for that value.

However, Value-Based Pricing Theory also has some limitations. One of the main challenges is that it can be difficult to measure the perceived value of a product or service, particularly in markets where customers have different needs and preferences (Nagle & Müller, 2017). Additionally, businesses may struggle to communicate the value proposition of their products or services to customers, particularly in markets where there is a lot of competition (Hinterhuber & Liozu, 2012). Value-Based Pricing Theory remains highly relevant in today's business landscape, particularly in industries where customers are willing to pay premium prices for unique value. Understanding customer

needs and preferences enables businesses to develop effective pricing strategies that drive revenue growth, customer loyalty, and premium brand image (Kotler & Keller, 2020).

3. Research Methodology

The study employed a quantitative research design, precisely a survey research design. This design is appropriate for collecting data from a large sample size and for analyzing the relationship between variables. The population of the study consists of consumers who have purchased products or services from small and medium enterprises (SMEs) in Benin City, Edo State. The study's sample size was determined using the infinite population sample size determination formula by Cochran (1977):

$$n_o = \frac{Z^2 pq}{e^2}$$

Where; n_o = Sample size; Z = selected critical value of desired confidence level; p = estimated proportion of an attribute that is present in the population; $q = 1-p$ while e = margin of error

$$Z = 1.96; p = 0.5; q = 1 - 0.5 = 0.5; e = 0.05$$

By applying given data in the formula, we have thus:

$$n = \frac{(1.96)^2 \times 0.5 \times 0.5}{0.05^2} = \underline{385}$$

Therefore, the sample size of this study is 385.

The study employed a convenience sampling technique, which involves selecting participants based on their availability and willingness to participate. This technique is suitable for collecting data from a large sample size and for analysing the relationship between variables.

The study used a structured questionnaire as the data collection instrument. The questionnaire consisted of closed-ended questions that were designed to collect data on the demographic characteristics of the respondents, their purchasing behaviour, and their perceptions of the pricing strategies used by SMEs. The data was analysed using descriptive statistics, such as means, frequencies, and percentages, to describe the demographic characteristics of the respondents and their purchasing behaviour. Also, inferential statistics, such as regression analysis and correlation analysis was used to examine the relationship between the pricing strategies used by SMEs and the purchasing behaviour of consumers.

4. Analysis of Results and Discussion of Findings

Table 1: Demographic Characteristics of the Respondents

Categories	Frequency	Percentage
Gender		
MALE	121	39.5
FEMALE	185	60.5
Missing Value	5	1.6
Total	311	100
Age		
Under 20 years	185	59.5
21-30	96	30.9
31-40	15	4.8
41-50	17	2.3
Above 60 years	1	0.3
Missing Value	7	2.3
Total	311	100.0
Education		
Primary	2	0.6
SSCE/WAEC or Equivalent	194	62.4
OND/NCE or Equivalent	20	6.4
B.Sc./B.A., HND or Equivalent	54	17.4
Postgraduate Degree	23	7.8
Missing Value	18	5.8
Total	311	100

Source: Researcher's Fieldwork (2025)

Table 1 provides the demographic information about a group of 311 respondents. In terms of gender, the majority (60.5%) are female, while 39.5% are male. There are also 5 individuals (1.6%) whose gender is not specified. The age distribution of the group shows that nearly 60% (59.5%) are under 20 years old. The next largest age group is 21-30 years, which accounts for 30.9% of the respondents. The remaining age groups (31-40, 41-50, and above 60 years) make up smaller percentages, ranging from 0.3% to 4.8%. There are also 7 respondents (2.3%) whose age is not specified. In terms of education level, the majority (62.4%) of the respondents have obtained an SSCE/WAEC or equivalent qualification. The next largest group (17.4%) holds a HND or equivalent degree. Smaller percentages of respondents have obtained primary education (0.6%), OND/NCE or equivalent (6.4%), or postgraduate degrees (7.8%). There are also 18 respondents (5.8%) whose education level is not specified.

Table 2: Purchasing Decisions and Pricing Strategies

S/N	Variables	Descriptive Statistics	
		Mean	Std. Dev.
	Price Level		
1	SMEs in Benin City offer competitive prices for their products/services.	3.90	1.17
2	SMEs in Benin City offer premium prices for high-quality products/services.	3.63	1.19
3	SMEs in Benin City offer low prices for their products/services.	2.58	1.35
	Price Discount		
4	SMEs in Benin City offer regular discounts and promotions for their products/services.	3.05	1.37
5	SMEs in Benin City offer deep discounts for bulk purchases of their products/services.	3.38	1.25
6	SMEs in Benin City offer loyalty discounts for repeat customers.	3.38	1.25
	Price Bundling		
7	SMEs in Benin City offer bundled packages of their products/services at a discounted price.	3.36	1.22
8	SMEs in Benin City offer customizable bundles of their products/services.	3.32	1.09
9	SMEs in Benin City offer bundled packages of their products/services with complementary products/services.	3.26	1.19
	Price Transparency		
10	SMEs in Benin City provide clear and transparent pricing information for their products/services.	3.46	1.27
11	SMEs in Benin City provide easy-to-understand pricing information for their products/services.	3.47	1.19
12	SMEs in Benin City provide comparable pricing information for their products/services.	3.47	1.13
	Price Value		
13	SMEs in Benin City offer high-quality products/services that are worth the price.	3.46	1.25
14	SMEs in Benin City offer unique products/services that are not easily available elsewhere.	3.07	1.25
15	SMEs in Benin City offer convenient products/services that save time and effort.	3.69	1.07
	Consumer Purchasing Decisions (Dependent Variable)		
16	I consider the price of a product/service when making a purchasing decision.	4.21	1.04
17	I am willing to pay a premium price for a high-quality product/service.	3.93	1.11
18	I compare prices among different SMEs before making a purchasing decision.	4.05	1.08
19	I consider the value offered by a product/service when making a purchasing decision.	4.13	1.02
20	I am influenced by discounts and promotions when making a purchasing decision.	3.93	1.22

Source: Researcher's Fieldwork (2025)

Table 2 presents the results of a study examining the pricing strategies of Small and Medium Enterprises (SMEs) in Benin City and their impact on purchasing decisions. The table is divided into several sections, each focusing on a specific pricing strategy, including price level, price discount, price bundling, price transparency, and price value.

Starting with the price level section, the results show that SMEs in Benin City tend to offer competitive prices (mean = 3.90) and premium prices for high-quality products/services (mean = 3.63). However, they are less likely to offer low prices (mean = 2.58). This suggests that SMEs in Benin City prioritize offering competitive and premium prices to attract customers.

The price discount section reveals that SMEs in Benin City offer various types of discounts, including regular discounts and promotions (mean = 3.05), deep discounts for bulk purchases (mean = 3.38), and loyalty discounts for repeat customers (mean = 3.38). These findings indicate that SMEs in Benin City recognize the importance of offering discounts to incentivize customers.

The price bundling section shows that SMEs in Benin City offer bundled packages of their products/services at discounted prices (mean = 3.36), customizable bundles (mean = 3.32), and bundled packages with complementary products/services (mean = 3.26). This suggests that SMEs in Benin City use price bundling as a strategy to offer value to customers.

The price transparency section indicates that SMEs in Benin City prioritize providing clear and transparent pricing information (mean = 3.46), easy-to-understand pricing information (mean = 3.47), and comparable pricing information (mean = 3.47). These findings suggest that SMEs in Benin City recognize the importance of transparency in their pricing strategies.

The price value section reveals that SMEs in Benin City focus on offering high-quality products/services that are worth the price (mean = 3.46), unique products/services that are not easily available elsewhere (mean = 3.07), and convenient products/services that save time and effort (mean = 3.69). This suggests that SMEs in Benin City prioritize offering value to customers through their products/services.

Finally, the purchasing decisions section examines the factors that influence customers' purchasing decisions. The results show that customers consider the price of a product/service (mean = 4.21), are willing to pay a premium price for high-quality products/services (mean = 3.93), compare prices among different SMEs (mean = 4.05), consider the value offered by a product/service (mean = 4.13), and are influenced by discounts and promotions (mean = 3.93). These findings suggest that customers prioritize price, quality, value, and discounts when making purchasing decisions.

Table 3: Correlation Analysis of Research Variables

Variables	PL	PD	PB	PT	PV	CPD
Price Level (PL)	1.000					
Price Discount (PD)	.409**	1.000				
Price Bundling (PB)	.416**	.521**	1.000			
Price Transparency (PT)	.416**	.521**	.488**	1.000		
Price Value (PV)	.375**	.431**	.377**	.468**	1.000	
Consumer Purchasing Decision (PD)	.169**	.220**	.224**	.282**	.208**	1.000

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

Source: *Researcher's Fieldwork (2025)*

The correlation analysis reveals significant relationships between various pricing strategies and their impact on purchasing decisions. The results show that Price Level is positively correlated with Price Discount ($r = 0.409$), indicating that businesses that offer competitive prices tend to also offer discounts. Similarly, Price Level is positively correlated with Price Bundling ($r = 0.416$), suggesting that businesses that offer competitive prices also tend to offer bundled packages. The analysis also reveals strong correlations between Price Discount, Price Bundling, and Price Transparency. The correlation between Price Discount and Price Bundling ($r = 0.521$) indicates that businesses that offer discounts tend to also offer bundled packages. Similarly, the correlation between Price Bundling and Price Transparency ($r = 0.488$) suggests that businesses that offer bundled packages tend to also provide transparent pricing information.

In terms of the relationship between pricing strategies and purchasing decisions, the results show that all the pricing strategies are positively correlated with Purchasing Decision. However, the correlations are relatively weak, ranging

from 0.169 (Price Level) to 0.282 (Price Transparency). This suggests that while pricing strategies do influence purchasing decisions, other factors may also play a role. Generally, the correlation analysis provides insights into the relationships between various pricing strategies and their impact on purchasing decisions. The results suggest that businesses can benefit from offering competitive prices, discounts, bundled packages, and transparent pricing information to influence customer purchasing decisions.

Table 4: Estimation of Regression Model

Independent Variable	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics		Decision
	B	Std. Error	Beta			Tolerance	VIF	
(Constant)	2.884	.224		12.848	.000			
Price Value	.036	.060	.038	.592	.554	.744	1.344	Reject
Price Discount	.045	.054	.058	.830	.407	.618	1.619	Reject
Price Bundling	.061	.059	.072	1.036	.301	.620	1.613	Reject
Price Transparency	.159	.057	.191	2.780	.006	.639	1.565	Accept
Purchasing Decision	.045	.058	.051	.772	.441	.690	1.449	Reject

R = 0.102; Adj R² = 0.087; F-Statistic = 6.773; F-Statistic (Prob) = 0.000; Durbin-Watson = 1.731; Dependent variable: Purchasing Decision

Source: Researcher's Fieldwork (2025)

The regression model examines the relationship between purchasing decisions and various independent variables, including price value, price discount, price bundling, and price transparency. The model summary statistics indicate that the model is significant (F-Statistic = 6.773, p = 0.000) and explains approximately 10.2% of the variance in purchasing decisions (R² = 0.102). The adjusted R² (0.087) suggests that the model's explanatory power is slightly lower when accounting for the number of predictors.

Among the independent variables, price transparency is the most significant predictor of purchasing decisions, with a standardized coefficient (Beta) of 0.191 and a p-value of 0.006. This indicates that a one-unit increase in price transparency is associated with a 0.191-unit increase in purchasing decisions. In contrast, the relationships between price value, price discount, and price bundling and purchasing decisions are not statistically significant.

The collinearity statistics (Tolerance and VIF) indicate moderate multicollinearity among the independent variables, suggesting that some variables may be correlated with each other. However, the Durbin-Watson statistic (1.731) indicates that there is no significant autocorrelation in the residuals.

Overall, the regression model suggests that price transparency is the most important factor influencing purchasing decisions, followed by price discount, price bundling, and price value. However, the relationships between these variables and purchasing

decisions are relatively weak, and the model's explanatory power is moderate. These findings can be used to inform business strategies and improve customer satisfaction.

5. Discussion of Findings

The findings of this study provide insights into the demographic characteristics of the respondents and their purchasing decisions. The results show that the majority of the respondents are female (60.5%), which is consistent with previous studies that have found that women are more likely to make purchasing decisions than men (Xia et al., 2018). The age distribution of the respondents also shows that nearly 60% are 9less than 20 years old, which suggests that young people are more likely to make purchasing decisions than older people (Hall, 2017).

The results of the study also show that SMEs in Benin City prioritize offering competitive prices, discounts, and bundled packages to attract customers. This is consistent with previous studies that have found that pricing strategies are critical to the success of SMEs (Kumar & Sharma, 2017). The findings also suggest that SMEs in Benin City recognize the importance of transparency in their pricing strategies, which is consistent with previous studies that have found that price transparency is critical to building trust with customers (Yadav & Monroe, 2017).

The correlation analysis reveals significant relationships between various pricing strategies and their impact on purchasing decisions. The results show

that price transparency is positively correlated with purchasing decisions, which suggests that customers are more likely to make purchasing decisions when they perceive prices as transparent (Xia et al., 2018). The findings also suggest that price discount and price bundling are positively correlated with purchasing decisions, which is in consistent with previous studies that have found that discounts and bundled packages can increase customer loyalty and retention (Kumar & Sharma, 2017).

The regression model examines the relationship between purchasing decisions and various independent variables, including price value, price discount, price bundling, and price transparency. The results show that price transparency is the most significant predictor of purchasing decisions, which suggests that customers prioritize transparency when making purchasing decisions (Yadav & Monroe, 2017). The findings also suggest that price discount and price bundling are not statistically significant predictors of purchasing decisions. Generally, the findings of this study provide insights into the demographic characteristics of the respondents and their purchasing decisions. The results suggest that SMEs in Benin City prioritize offering competitive prices, discounts, and bundled packages to attract customers, and that price transparency is critical to building trust with customers. The findings also suggest that price transparency is the most significant predictor of purchasing decisions, which highlights the importance of transparency in pricing strategies.

6. Conclusion

In conclusion, this study provides valuable insights into the demographic characteristics of respondents and their purchasing decisions in relation to the pricing strategies of Small and Medium-sized Enterprises (SMEs) in Benin City. The findings suggest that SMEs in Benin City prioritize offering competitive prices, discounts, and bundled packages to attract customers, and that price transparency is critical to building trust with customers. The study's results also highlight the importance of price transparency in influencing purchasing decisions. The positive correlation between price transparency and purchasing decisions suggests that customers are more likely to make purchasing decisions when they perceive prices as transparent. This finding is consistent with previous studies that have emphasized the importance of price transparency in building trust with customers (Yadav & Monroe, 2017). The regression model's results, which show that price transparency is the most significant predictor of purchasing decisions, further reinforce the importance of transparency in pricing

strategies. This finding has implications for SMEs in Benin City, suggesting that they should prioritize transparency in their pricing strategies to attract and retain customers. Generally, this study contributes to the existing literature on pricing strategies and their impact on purchasing decisions

7. Recommendations

The study recommends as follows:

- SMEs in Benin City should prioritize offering competitive prices for their products/services to attract customers. Also, SMEs can also consider offering premium prices for high-quality products/services to differentiate themselves from competitors.
- SMEs in Benin City should offer regular discounts and promotions to incentivize customers. In addition, they can also consider offering deep discounts for bulk purchases and loyalty discounts for repeat customers.
- SMEs in Benin City should offer bundled packages of their products/services at discounted prices to provide value to customers. Similarly, SMEs can also consider offering customizable bundles and bundled packages with complementary products/services.
- SMEs in Benin City should prioritize providing clear and transparent pricing information to build trust with customers. SMEs should also ensure that pricing information is easy to understand and comparable.
- SMEs in Benin City should focus on offering high-quality products/services that are worth the price. They can also consider offering unique products/services that are not easily available elsewhere and convenient products/services that save time and effort

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