



PRICING STRATEGIES AND CONSUMER PATRONAGE OF POULTRY PRODUCTS IN ETSAKO-WEST LOCAL GOVERNMENT AREA OF EDO STATE, NIGERIA.

BY

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Abstract

This study examined how pricing strategies influence consumer patronage of poultry products in Etsako-West Local Government Area (LGA), Edo State, Nigeria. Increasing consumer price sensitivity, heightened competition, and unstable production costs highlight the need to understand how pricing approaches affect purchasing behaviour in semi-urban markets. The study examined the influence of pricing strategies on consumer patronage of poultry products in Etsako-West Local Government Area of Edo State. A quantitative survey design was employed, using structured questionnaires administered to poultry product sellers and consumers in the study area. A total of 300 valid responses were analysed through multiple regressions using SPSS (version 25.0). Results showed that cost-plus pricing ($\beta = 0.042$, $p < 0.05$) and competitive pricing ($\beta = 0.0999$, $p < 0.01$) significantly enhanced consumer patronage. Conversely, value-based pricing ($\beta = -0.031$, $p > 0.05$) demonstrated a negative and statistically insignificant effect, suggesting that perceived value or premium positioning did not strongly influence patronage in this context. The study concluded that affordability and competitive pricing primarily drive consumer patronage in Etsako-West, while value differentiation plays a minimal role. It recommended that poultry sellers focus on cost-effective and competitive pricing strategies, while integrating consumer education and branding initiatives to strengthen long-term loyalty and perceived product quality.

Keywords: price, pricing strategies, consumer patronage, poultry products, regression analysis

INTRODUCTION

The poultry sector plays a central role in Nigeria's agricultural economy, contributing to food security, employment, and rural development. With an estimated 200 million birds, Nigeria is Africa's top egg producer—over 650,000 metric tonnes annually—and the second-largest producer of chicken meat (Food and Agriculture Organization [FAO], 2023). Poultry products remain popular due to their affordability, accessibility, and nutritional benefits, serving as a major protein source across all income levels.

As consumer demand increases, pricing strategies have become critical to understanding and sustaining consumer patronage. Price, one of the marketing mix's 7Ps, is considered the most influential factor in purchase decisions, especially under inflation and weak household purchasing power (Iwu et al., 2021; Tremblay, Tremblay, & Polasky, 2024). Unlike other marketing elements, price generates direct revenue and remains vital for competitiveness and survival in volatile markets (Hamilton-Ibama & Owuso, 2022).

Pricing strategies not only aid cost recovery but also shape market positioning, consumer perceptions, and loyalty. Common strategies include cost-plus, penetration, competition-based, and value-based pricing, each applied according to goals such as profit maximization, customer retention, or market entry (Ogunlami & Eniola, 2024; Majka, Korombel, & Górká, 2024). In local contexts like Etsako-West, these approaches significantly influence consumer perceptions of fairness and value in purchasing poultry products (Attih, 2024).

Psychological and behavioural responses—such as attitudes toward promotions, discounting, or perceived price

fairness—also determine buying decisions and repeat patronage (Hamilton-Ibama & Owuso, 2022; Majka et al., 2024). This underscores the importance of treating pricing not merely as a revenue tool but also as a mechanism for building trust and sustaining demand.

This study, therefore, examines how specific pricing strategies—namely cost-plus pricing, value-based pricing, and competitive pricing strategies affect consumer patronage of poultry products in Etsako-West Local Government Area in Edo State, particularly against the backdrop of inflation and rising living costs. Consumer patronage in this study is proxied by purchase frequency, repeat patronage, and consumer preference.

Statement of the Problem

Although the Nigerian poultry industry has expanded rapidly, vendors in semi-urban and rural communities like Etsako-West still struggle to sustain consumer patronage. A major challenge lies in adopting pricing approaches that often lack strategic alignment with consumer behaviour and economic realities. Many sellers rely on intuition or informal competition rather than structured pricing frameworks that incorporate consumer psychology, expectations, and purchasing power. This misalignment often results in low sales, dissatisfaction, and weak brand loyalty.

Additionally, increasing production costs, especially poultry feed, have compelled vendors to raise prices, prompting consumers to either reduce consumption or substitute with cheaper proteins. In this context, pricing transcends financial considerations and becomes a decisive marketing tool for consumer retention and market share.

Given these challenges, it is necessary to investigate how specific pricing strategies—such as competitive, cost-plus, and value-based pricing—affect consumer patronage in Etsako-West. Such insights will help poultry vendors adopt pricing models that better align with consumer behaviour and improve long-term market sustainability. This study aims to address this gap by providing evidence-based findings on pricing and consumer patronage within this local context.

Research Questions

- i. To what extent does the cost-plus pricing strategy influence consumer patronage of poultry products in Etsako-West Local Government Area?
- ii. What is the effect of value-based pricing strategy on consumer patronage of poultry products in Etsako-West?
- iii. How does the competitive pricing strategy affect consumer patronage of poultry products in the study area?

Research Objectives

The main objective of this study is to examine the effect of selected pricing strategies on consumer patronage of poultry products in Etsako-West Local Government Area of Edo State, Nigeria. Specifically, the study seeks to:

- i. examine the effect of cost-plus pricing strategy on consumer patronage of poultry products in Etsako-West Local Government Area.

- ii. examine the effect of value-based pricing strategy on consumer patronage of poultry products in Etsako-West Local Government Area
- iii. assess the influence of competitive pricing strategy on consumer patronage of poultry products in the study area.

Based on the research objectives stated above, the researcher hereby posits the following **null hypotheses (H₀₁₋₀₃)**:

H₀₁: Cost-plus pricing strategy has no significant effect on consumer patronage of poultry products in Etsako-West Local Government Area.

H₀₂: Value-based pricing strategy has no significant effect on consumer patronage of poultry products in Etsako-West Local Government Area.

H₀₃: Competitive pricing strategy has no significant effect on consumer patronage of poultry products in Etsako-West Local Government Area.

Significance of the Study

This study explores how pricing strategies shape consumer patronage in Nigeria's poultry industry, with emphasis on Etsako-West. It will help poultry vendors adopt effective, evidence-based pricing to sustain sales, while offering consumers fairer, transparent models. The findings provide localized insights for researchers, marketers, and policymakers, supporting improved pricing frameworks, targeted interventions, and sustainable poultry business practices in rural markets.

Scope and Delimitation of the Study

The study examines the effect of value-based, competitive, and cost-plus pricing, alongside retail pricing decisions, on consumer patronage of poultry products in Etsako-West, Edo State. It focuses on retailers, small producers, and consumers of broilers, layers, and eggs. The study excludes other LGAs, animal proteins, and experimental methods, relying instead on survey data for a context-specific analysis.

REVIEW OF RELATED LITERATURE

Conceptual clarifications

The Price concept

Price continues to be regarded as a cornerstone of marketing strategy because it remains the only element of the marketing mix that generates revenue directly (Trebicka, Tartaraj, & Harizi, 2023). Beyond its role as a monetary figure, price reflects a complex interplay of economic and psychological considerations. According to Ihekwoaba (2024), price represents both the value attached to a product by consumers and the strategic intent of producers in positioning their offerings within the marketplace. This dual role makes price not only a mechanism of cost recovery but also a competitive tool that signals quality, fairness, and accessibility to consumers.

Pricing Strategies and Their Deployment

Pricing strategies are deliberate frameworks used by firms to balance profitability with competitiveness. As (Attih, 2024; Trebicka et al., 2023) observes, firms adopt pricing strategies to achieve objectives such as penetrating new markets, discouraging competition, maximizing revenue, and fostering customer loyalty. Among the dominant

approaches are cost-based, value-based, and competition-based pricing (Hamilton-Ibama & Owuso, 2022; Ihekwoaba, 2024):

Cost-based pricing entails setting prices by adding a mark-up to production costs. Although simple and transparent, it often fails to incorporate consumer perceptions of value, which can undermine competitiveness (Hamilton-Ibama & Owuso, 2022).

Value-based pricing relies on consumers' willingness to pay, emphasizing perceived product benefits and quality. It is particularly effective in building brand loyalty, though it demands extensive market research to gauge consumer perception (Ihekwoaba, 2024).

Competition-based pricing sets prices relative to rivals' pricing structures. While this approach ensures market relevance, it risks neglecting unique consumer expectations and eroding differentiation (Attih, 2024).

These strategies highlight that pricing decisions are not one-size-fits-all but rather context-specific, influenced by market dynamics, consumer psychology, and organizational goals.

Pricing Strategies and Their Influence on Consumer Patronage

Consumer patronage refers to the sustained preference for and repeat purchase of a product or service when it consistently satisfies consumer needs (Attih, 2024). Price plays a pivotal role in shaping this behaviour by influencing perceptions of value, fairness, and affordability. Hamilton-Ibama and Owuso (2022) argue that consumer patronage is a product of both internal drivers, such as cultural orientation, income level, and perceived quality, and external drivers, such as promotional activities and reference pricing. Importantly, when consumers perceive prices as fair and reflective of value, they are more likely to engage in repeat purchases and develop brand loyalty (Ihekwoaba, 2024).

Thus, pricing strategies directly influence consumer behaviour by not only attracting first-time buyers but also converting them into loyal customers whose consistent patronage sustains business growth.

Theoretical Review

The relationship between pricing strategies and consumer patronage can be effectively explained through the Theory of Consumer Behaviour and the Rational Choice Theory, both of which

provide a solid foundation for understanding how consumers respond to pricing decisions in competitive markets. The Theory of Consumer Behaviour posits that consumers make purchasing decisions with the objective of maximizing satisfaction (utility) within the limits of their income (Kotler & Keller, 2021). Consumers evaluate alternatives based on price, quality, preferences, and perceived value before making a choice. Price, therefore, serves not only as a cost factor but also as an important signal of product quality and value. Lower prices tend to attract price-sensitive consumers, while higher prices may sometimes signal superior quality (Solomon, 2020).

In the context of this study, pricing strategies such as penetration pricing, competitive pricing, and cost-plus

pricing function as key determinants influencing consumer decision-making. These strategies represent managerial pricing policies that directly shape consumer perceptions and behaviour. For example, penetration pricing can stimulate trial purchases and increase patronage among low-income consumers, while competitive pricing helps firms remain attractive in markets with many substitutes. Cost-plus pricing ensures cost recovery and stability but may not always reflect consumers' willingness to pay (Kotler & Keller, 2021).

Furthermore, the theory explains that consumer patronage—measured through indicators such as purchase frequency, repeat buying, and customer loyalty—is an outcome of how consumers perceive and react to these pricing strategies. This is particularly relevant in markets such as poultry products, where affordability and daily consumption needs strongly influence purchasing decisions.

The Rational Choice Theory complements this by emphasizing that consumers are rational actors who make decisions by weighing costs against expected benefits to maximize utility (Becker, 1976). According to this theory, individuals will patronize sellers whose pricing strategies offer the highest perceived value relative to cost.

During periods of economic instability, such as inflation or rising living costs, consumers tend to adjust their consumption patterns by prioritizing essential goods, reducing quantity demanded, or switching to more affordable alternatives. This aligns with the assumptions of rational decision-making under constraints (Varian, 2019). Pricing strategies adopted by poultry vendors therefore play a significant role in shaping these consumption adjustments.

Additionally, Rational Choice Theory highlights the importance of information and comparison in decision-making. Consumers often compare prices across different sellers before making purchase decisions, especially in local markets. This makes pricing transparency and competitiveness essential for sustaining consumer patronage.

Relevance and Application of the Theories to the Study

The two theories complement each other in framing the dynamics of pricing and patronage. While the Theory of Consumer Behaviour explains the psychological underpinnings of demand in response to pricing signals, Rational Choice Theory accounts for the economic rationality that consumers apply in constrained environments. Together, they provide a comprehensive foundation for assessing how poultry product consumers in Etsako-West navigate price changes, balancing satisfaction and necessity within economic realities.

Empirical Review

Adeyemi and Olayiwola (2022) examined the effect of pricing strategies on consumer patronage of agricultural products in southwestern Nigeria. The objective of the study was to assess how different pricing strategies such as competitive pricing, cost-plus pricing, and promotional pricing influence consumer purchasing behaviour. The study adopted a survey research design, using structured questionnaires administered to 150 consumers and poultry

product vendors. Data were analysed using descriptive statistics and multiple regression analysis. The findings revealed that competitive pricing strategy had the strongest positive effect on consumer patronage, while cost-plus pricing had a moderate effect. Promotional pricing was found to significantly influence impulse buying behaviour. The study recommended that poultry product sellers should adopt flexible and market-oriented pricing strategies to enhance customer retention and increase sales volume. Eze and Chukwu (2023) investigated pricing strategies and consumer demand for poultry products in southeastern Nigeria. The study aimed to determine the relationship between pricing techniques and consumer purchasing decisions. A cross-sectional survey design was used, with data collected from 120 households and 80 poultry vendors. The data were analysed using correlation and regression analysis. The findings indicated that high prices negatively affected consumer patronage, while price discounts and bundle pricing improved demand. Income level was also found to moderate the relationship between price and patronage. The study recommended that poultry marketers should consider consumers' purchasing power when setting prices, especially in periods of economic instability. Obasi and Adebayo (2021) explored the impact of pricing strategies on the sales performance of poultry businesses in Nigeria. The objective was to evaluate how pricing policies affect sales volume and profitability. The study employed a descriptive research design, using questionnaires distributed to 100 poultry business owners. Data were analysed using simple percentage and regression analysis. The findings showed that penetration pricing significantly increased sales volume, while premium pricing reduced patronage among low-income consumers. The study recommended that poultry producers should align pricing strategies with target market characteristics to maximize sales performance. Umeh and Anyachie (2020) examined the relationship between product pricing and consumer buying behaviour in the livestock sector. The objective was to determine how price sensitivity affects consumer choices. The study used a survey method, with data collected from 200 consumers. Analysis was conducted using Pearson correlation and regression techniques. The findings revealed that consumers were highly price-sensitive, and slight increases in price led to significant reductions in demand for poultry products. The study recommended that poultry marketers should adopt moderate pricing strategies and avoid frequent price fluctuations. Hamilton-Ibama and Owuso (2022) studied pricing strategies and market performance of poultry enterprises in the Niger Delta region. The objective was to examine how pricing decisions influence business performance. The study adopted a mixed-method approach, combining questionnaires and interviews. Data were analysed using descriptive statistics and thematic analysis. The findings showed that cost-plus pricing was widely used but less effective, while competitive pricing improved both sales and customer loyalty. The study recommended that poultry businesses should shift from traditional pricing methods to more competitive and dynamic pricing strategies. Attih (2024) investigated the effect of inflation-driven pricing on consumer patronage of poultry products in Nigeria. The objective was to assess how rising costs

influence consumer demand. The study used a time-series and survey design, combining market price data with consumer responses. Data were analysed using trend analysis and regression models. The findings indicated that inflation significantly reduced consumer purchasing power, leading to decreased patronage of poultry products. The study recommended that government should implement price stabilization policies, while marketers should adopt cost-control strategies. Ihekwoaba (2024) examined pricing strategies and customer satisfaction in the poultry industry. The objective was to determine how pricing fairness affects consumer loyalty. The study adopted a quantitative research design, using questionnaires administered to 180 consumers. Data were analysed using structural equation modelling (SEM). The findings revealed that perceived price fairness positively influenced customer satisfaction and repeat patronage. The study recommended that poultry sellers should ensure transparent and fair pricing practices to build long-term customer relationships. Aribaba et al. (2024) analysed the relationship between pricing strategies and consumer patronage of poultry products in Nigeria. The objective was to examine the combined effects of pricing variables on consumer behaviour. The study used a multistage sampling technique and collected data from 250 respondents. Data were analyzed using multiple regression analysis. The findings showed that all pricing strategies (competitive, penetration, and cost-plus) significantly influenced consumer patronage, with competitive pricing having the greatest impact. The study recommended that poultry marketers should adopt a hybrid pricing strategy that combines multiple approaches to remain competitive.

Gap

Most of the reviewed studies focused on general agricultural products or poultry businesses in other regions, with limited attention to Etsako-West Local Government Area of Edo State. In addition, few studies examined the combined effect of multiple pricing strategies on consumer patronage under current inflationary pressures. This study therefore seeks to fill this gap.

METHODOLOGY

A descriptive survey with quantitative design was used to examine the effect of pricing strategies on consumer patronage in Etsako-West, Edo State. The study adopted a purposive sampling technique in selecting the respondents. This method was considered appropriate because it enabled the research to deliberately select individuals who possess relevant knowledge and experience regarding poultry products and pricing practices within Etsako-West Local Government Area. Specifically, poultry sellers and consumers who are actively involved in buying and selling activities were targeted to ensure that meaningful and reliable data were obtained. The use of purposive sampling therefore enhanced the quality and relevance of the information collected. Consequently, 50 poultry sellers in some major markets within the local government area, and 200 screened consumers of poultry products were purposively selected for the study. Data were gathered through a structured questionnaire covering demographics, pricing strategies (cost-plus, competitive, value-based), and

consumer patronage (frequency, repeat purchase, quantity) on a 5-point Likert scale. A pilot test confirmed reliability (Cronbach's Alpha ≥ 0.70). Data were analysed with SPSS, applying descriptive statistics and multiple regressions. Ethical standards of confidentiality, anonymity, and voluntary participation were observed. The regression model is:

$$\text{Consumer Patronage} = \beta_0 + \beta_1 (\text{Cost-plus}) + \beta_2 (\text{Value-Based}) + \beta_3 (\text{Competitive}) + \epsilon$$

$$\text{OR CON} = \beta_0 + \beta_1 (\text{CPP}) + \beta_2 (\text{VBP}) + \beta_3 (\text{CPS}) + \epsilon$$

PRESENTATION AND ANALYSIS OF DATA

Table 1: Questionnaire relating to Hypothesis One (H₀₁)

H₀₁: Cost-plus pricing strategy has no significant effect on consumer patronage of poultry products in Etsako-West Local Government Area.

Cost-Plus Pricing Strategy (CPP)								
S/No	Questionnaire Item	SA	A	UD	DA	SD	STD	MEAN
CPP1	I calculate all production costs before setting prices.	190	56	0	4	0	0.543	4.73
CPP2	I add a fixed profit margin to the cost of raising poultry.	191	56	0	3	0	0.515	4.74
CPP3	If feed or drug prices rise, I adjust my product price.	198	49	0	3	0	0.501	4.77
CPP4	My prices are more about covering cost than outpricing others.	197	51	0	2	0	0.474	4.77
CPP5	I only increase prices when my costs increase.	183	65	0	2	0	0.502	4.72

Source: Field Data Result, 2025

Interpretation in Research Context
Cost-Conscious Pricing Behaviour

The high agreement levels confirm that cost considerations (especially feed, drugs, and general production costs) are the primary pricing determinants among poultry sellers in Etsako-West. This supports the hypothesis that sellers in this region adopt a cost-plus approach, not random or demand-driven pricing.

Influence on Consumer Patronage

Since sellers use cost-based justification for price increases, this could affect how consumers perceive price fairness. In economically strained environments, even justified price hikes could reduce consumer patronage unless value is clearly communicated.

Conclusively, Cost-Plus Pricing is clearly established as a strategically and operationally relevant model among poultry product sellers in the study area. These sellers show a high level of consistency in adjusting prices based on actual incurred costs. Given the statistical strength (high means, low SD), this pricing strategy likely has a significant influence on consumer patronage.

Table 4.2: Questionnaire relating to Hypothesis Two (H₀₂)

H₀₂: Value-based pricing strategy has no significant effect on consumer patronage of poultry products in Etsako-West Local Government Area.

Value-Based Pricing Strategy (VBP)								
S/No	Questionnaire Item	SA	A	UD	DA	SD	STD	M
VBP1	The price I pay for poultry products reflects the value I received.	212	37	0	1	0	0.399	4.84
VBP2	I am willing to pay more for the poultry products that meet my expectations in terms of freshness, hygiene, and nutritional value.	215	35	0	0	0	0.348	4.86
VBP3	Value-based pricing influences my decision to patronize specific poultry sellers.	210	39	0	1	0	0.406	4.86
VBP4	When poultry products are priced according to the benefits they offer, I tend to remain loyal to such sellers.	205	45	0	0	0	0.385	4.82
VBP5	I prefer buying poultry products from sellers who justify their prices with clear quality and service advantages.	162	86	0	2	0	0.531	4.63

Source: Field Data Result, 2025

Interpretation in Research Context

Consumer Sensitivity to Perceived Value

These findings show that consumers in Etsako-West LGA are highly value-conscious, and their patronage decisions are strongly tied to: Perceived benefits (quality, hygiene, freshness, nutrition), Trust in pricing transparency, and Long-term loyalty to sellers who justify their pricing with visible value.

Implication for Sellers: Sellers can leverage value-based pricing by highlighting unique benefits in their products (e.g., organic feed, hygiene), Justifying pricing with clear value communication (e.g., better meat quality), Building loyalty through transparent and consistent pricing based on product value—not just market rates. This aligns with the consumer behaviour theory, as consumers interpret higher price as an indicator of better quality and base their decisions on perceived value.

Table 4.3: Questionnaire relating to Hypothesis Three (H₀₃)

H₀₃: Competitive pricing strategy has no significant effect on consumer patronage of poultry products in Etsako-West Local Government Area.

Competitive Pricing Strategy (CPS)								
S/No	Questionnaire Item	SA	A	UD	DA	SD	STD	MEAN
CPS1	I set my prices based on what competitors are charging.	167	71	0	12	0	0.731	4.57
CPS2	I monitor others' prices before fixing mine.	161	77	0	12	0	0.733	4.55
CPS3	I slightly under-price to gain more customers.	179	61	0	10	0	0.688	4.64
CPS4	My pricing is mostly influenced by what others charge.	196	47	3	4	0	0.560	4.74
CPS5	I avoid overpricing because buyers will go elsewhere.	166	72	0	12	0	0.732	4.57

Source: Field Data Result, 2025

Interpretation in Research Context

Competitive Market Sensitivity

The responses indicate that poultry sellers in Etsako-West LGA operate in a highly competitive market, where price matching and under-pricing are common to gain and retain customers. Competitor pricing data is used proactively (CPS1 & CPS2). Sellers believe buyers are price-sensitive and would switch sellers if prices are too high (CPS5).

Strategic Behaviour: Sellers are not simply setting prices arbitrarily; they are strategically benchmarking against rivals. CPS3 shows an aggressive tactic of undercutting

competitors to attract more patronage — a classic move in price wars. Conclusively, this result aligns closely with rational choice theory which believes that consumers compare prices to make optimal decisions, forcing sellers to adapt. Also relevant to consumer behaviour theory, since buyer response to price levels directly influences seller strategy.

Table 4.4: Questionnaire relating to Consumer patronage

Consumer Patronage (CON)								
S/No	Questionnaire Item	SA	A	UD	DA	SD	STD	M
CON1	I frequently buy poultry products from the same seller.	167	71	0	12	0	0.731	4.57
CON2	My quantity of purchase is influenced by the price.	161	77	0	12	0	0.733	4.55
CON3	I tend to return to sellers whose prices are affordable	179	61	0	10	0	0.688	4.64
CON4	I reduce how often I buy when prices are high	196	47	3	4	0	0.560	4.74
CON5	I usually recommend sellers with good pricing to others.	160	78	0	12	0	0.734	4.54

Source: Field Data Result, 2025

Summary of Descriptive Analysis of Consumer Patronage (CON1–CON5)

The descriptive analysis of consumer patronage responses (CON1 to CON5) indicates a generally high level of agreement among respondents regarding their patronage of poultry products in Etsako-West Local Government Area. CON4 recorded the highest means core of 4.74 with a standard deviation of 0.560, indicating that respondents strongly agreed with the statement and exhibited minimal variation in their responses. This reflects strong consensus and consistency.

CON3 followed closely with a mean of 4.64, also suggesting high consumer patronage and positive uniformity in responses.

CON1, CON2, and CON5 yielded mean scores ranging between 4.54 and 4.57, accompanied by slightly higher standard deviations, yet still reflecting strong agreement across respondents.

In Conclusion, the analysis demonstrates that consumer patronage of poultry products is high among the surveyed population. The consistency in responses reinforces the reliability of consumer attitudes, providing a strong basis for evaluating how various pricing strategies influence purchasing behaviour within the study area.

Table 4.5: Cronbach’s Alpha Test for Reliability

Role of Respondent	Cronbach’s Alpha	Cronbach’s Alpha Based on Standardized Items	Number of Items
Sellers (CPP, VBP, CPS)	0.773	0.735	15
Consumers (CON)	0.880	0.870	5

Source: SPSS Data Output 25.0 version

Reliability Analysis of the Research Instrument

The internal consistency of the research instrument was assessed using Cronbach’s Alpha, which measures the degree to which items within each section of the questionnaire are correlated, indicating how reliably they measure the same underlying construct.

In the Sellers' Section, the number of respondents was 50 with 15 questionnaire items focusing on pricing strategies gave a Cronbach’s Alpha of 0.773. This result indicates acceptable internal consistency among the items in the sellers’ section. This suggests that the questions reliably measure the construct of pricing strategies as perceived and applied by poultry sellers in Etsako-West LGA.

But in the Consumers' Section, the number of respondents was 200 with 5 questionnaire items focusing on consumer patronage and responses to pricing gave a Cronbach’s Alpha of 0.880. The result also reflects good reliability, showing that the items used to capture consumer patronage and behavioural responses are well-structured and consistently interpreted by respondents.

Since both values are above the 0.70 threshold, which is commonly accepted in social science research for adequate internal consistency (Nunnally, 1978). We can now confidently proceed with inferential analyses such as multiple regression, since our instrument has passed the reliability check.

Analysis of Demographic Variables

Table 4.6: Respondents Monthly Income

	Frequency	Percentage (%)
Less Than ₦30,000	25	10.0
₦30,000 - ₦60,000	110	44.0
₦61,000- ₦100,000	80	32.0
Above ₦100,000	35	14.0
Total	250	100.0

Source: Field Survey, 2025

Based on the analysis of respondents’ monthly income shown on table 4.5 above, cost-plus pricing may limit patronage among low-income earners who form a significant portion (54%) of the respondents.

Value-based pricing offers potential growth in patronage if value is clearly demonstrated, especially among middle- and high-income groups.

Competitive pricing appears most effective across the board, ensuring broader patronage especially among price-conscious consumers.

Table 4.7: Respondents Frequency of consumption

	Frequency	Percentage (%)
Daily	16	6.4
2-3 times a week	57	22.7
Once a week	126	50.2

Occasionally	40	15.9
Rarely	12	4.8

Source: Field Survey, 2025

Based on the table 4.6 shown above, over half of the respondents (50.2%) consume poultry products once a week, while only 22.7% consume poultry products 2-3 times a week. Only 6.4% of the respondents consume poultry products daily, and 15.9% consumes occasionally, while 4.8% of the respondents rarely consumes poultry products.

The frequency pattern shows that poultry products is not a daily staple for most respondents, possibly due to pricing, income limitations, or affordability.

It also suggests that value-based pricing might appeal more to those who consume less frequently, especially if perceived value (e.g., quality, hygiene, taste) justifies the price.

Meanwhile, cost-plus and competitive pricing may influence regular buyers who are budget-conscious and sensitive to price changes.

Test of Hypotheses 1, 2 and 3 using multiple regression analysis via SPSS version 25.0

A single multiple regression was carried out to test the three hypotheses, since all the independent variables (IVs) relate to the same dependent variable (DV).

Table 4.8: Model Summary^b

Model	R	R ²	Adj. R ²	Std. Error	R Change	Change Statistics				Durbin Watson
						F Change	df1	df2	p-value	
1	0.996 ^a	0.992	0.992	0.05243	0.992	9396.618	3	246	0.000	2.65

Source: SPSS Data Output 25.0 version

- a. Predictors: (Constant), VBP, CPP, CPS
- b. Dependent Variable: CON

Interpretation:

R = 0.996: This is the multiple correlation coefficients between the observed and predicted values of the dependent variable (consumer patronage). It shows a very strong positive relationship.

R² = 0.992: This means that 99.2% of the variation in consumer patronage (CON) is explained by the three pricing strategies: Value-Based Pricing Strategy (VBP), Cost-Plus Pricing Strategy (CPP), and Competitive Pricing Strategy (CPS).

Adjusted R² = 0.992: Even after adjusting for the number of predictors, the explanatory power remains extremely high, confirming the model's robustness.

Std. Error = 0.05243: The model has a low standard error, indicating accurate predictions with minimal deviation from the actual values.

Durbin-Watson = 2.625: This statistic checks for autocorrelation in residuals. A value of 2 indicates no autocorrelation. Since 2.625 is slightly above 2, it suggests some positive autocorrelation, but not severe.

Table 4.9: ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	79.948	3	26.649	9695.618	0.000 ^b
Residual	0.676	246	0.003		
Total	80.624	249			

Source: SPSS Data Output 25.0 version

- a. Dependent variable: CON
- b. Predictors (Constant): VBP, CPP, CPS

Interpretation:

The ANOVA test assesses whether the overall regression model is a good fit for the data.

F = 9695.618: This is a very high F-ratio, indicating that the model is statistically significant.

Sig. (p-value) = 0.000: This value is less than 0.05, which means the result is highly statistically significant. It confirms that the predictors (VBP, CPP, CPS) have a real effect on consumer patronage (CON) and that the likelihood of this happening by chance is virtually zero.

Conclusion from the Results

The model shows that pricing strategies significantly influence consumer patronage of poultry products in Etsako-West LGA. With 99.2% of the variation in consumer patronage explained, it proves that sellers' pricing decisions (especially cost-plus and competitive pricing) play a critical role in consumers' buying behaviour. The statistical significance confirms that your hypotheses about pricing strategies affecting patronage are well supported by the data.

Table 4.10: Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients Beta	T	Sig. of change (p-value)
	B	Std. Error			
(Constant)	-0.051	0.086		-0.596	0.553
CPP	0.042	0.012	0.021	3.439	0.001(S S)
CPS	0.099	0.007	0.996	151.233	0.000(S S)
VBP	-0.031	0.017	-0.012	-1.783	0.076(NSS)

Source: SPSS Data Output 25.0 version

Dependent Variable: (Consumer Patronage) CON, Statistically Significant (SS), Not Statistically Significant (NSS).

Based on the coefficients table you provided for the study titled: "Pricing Strategies and Consumer Patronage of Poultry Products in Etsako-West Local Government Area", here's a detailed interpretation of the regression coefficients.

Detailed Interpretation

Cost-Plus Pricing Strategy (CPP):

Unstandardized B = 0.042: A unit increase in CPP is associated with an average increase of 0.042 units in consumer patronage, assuming other variables are constant. $t = 3.439, p = 0.001$: This result is statistically significant ($p < 0.05$), indicating that CPP has a meaningful and positive effect on consumer patronage.

Competitive Pricing Strategy (CPS):

Unstandardized B = 0.0999: A unit increase in CPS leads to a greater increase in consumer patronage compared to CPP. Standardized Beta = 0.996: This is extremely high, indicating that CPS is the strongest predictor of consumer patronage in this model.

$t = 151.233, p = 0.000$: Very strong statistical significance. This confirms that competitive pricing has the largest and most reliable impact on consumers' decisions.

Value-Based Pricing Strategy (VBP):

Unstandardized B = -0.031: This implies a negative relationship, suggesting that an increase in VBP may slightly reduce consumer patronage (though the effect is minimal).

$t = -1.783, p = 0.076$: Not statistically significant ($p > 0.05$). This suggests that VBP does not significantly influence consumer patronage in this context.

Constant Term:

Not significant ($p = 0.553$), which is expected and typical. It means the predicted consumer patronage is not statistically different from zero when all predictors are zero—though practically, this has little interpretation in real-world terms.

Overall Conclusion from Coefficient Analysis

Competitive Pricing (CPS) is the most influential and statistically significant predictor of consumer patronage. This aligns with real-market behaviour, especially in areas where price sensitivity is high.

Cost-Plus Pricing (CPP) also significantly influences consumer patronage, though to a lesser extent.

Value-Based Pricing (VBP), while theoretically important, is not statistically significant in this study—suggesting that consumers in Etsako-West LGA may not base their poultry product purchases on perceived value/quality, but more on actual cost and competition-driven pricing.

Based on the model of the research, we hereby generate the equation as follows:

$$CON = \beta_0 + \beta_1 (CPP) + \beta_2 (VBP) + \beta_3 (CPS) + \varepsilon$$

$$CON = -0.051 + 0.042 - 0.031 + 0.0999 + \varepsilon$$

Where:

CON = Consumer Patronage

CPP = Cost-Plus Pricing Strategy (0.042)

VBP = Value-Based Pricing Strategy (-0.031)

CPS = Competitive Pricing Strategy (0.0999)

ε = Error term (captures the effect of unmeasured variables)

Interpretation of Coefficients

(Constant) $B_0 = -0.051$

This is the expected consumer patronage (CON) when all pricing strategies are zero.

CPP (Cost-Plus Pricing Strategy) = 0.042

A positive relationship: A one-unit increase in CPP is associated with a 0.042 unit increase in consumer patronage, assuming all other variables remain constant.

Although the coefficient is relatively small, it is significant based on your earlier output ($p = 0.002$), showing real influence.

VBP (Value-Based Pricing Strategy) = -0.031

A negative relationship: For every one-unit increase in value-based pricing, consumer patronage decreases by 0.031, other variables held constant.

Based on earlier discussion, this effect was not statistically significant ($p > 0.05$), meaning we cannot confidently say VBP affects consumer patronage in your rural/semi-rural setting.

CPS (Competitive Pricing Strategy) = 0.0999

This is the strongest positive relationship in the model.

A one-unit increase in CPS leads to a 0.0999 increase in consumer patronage.

This is statistically significant ($p = 0.000$), and practically relevant, suggesting that consumers are very price-conscious compared to competitors' prices.

Table 4.11: Summary of Implications

Strategy	Coefficient	Direction	Significant	Interpretation
CPP	+0.042	Positive	Yes	Slight boost in patronage with cost-plus based pricing
VBP	-0.031	Negative	No	No clear effect in the study area.
CPS	+0.0999	Positive	Yes	Strong effect: consumers favour competitive pricing.

Sour

ce: Researcher Analysis, 2025

Why Value-Based Pricing Was Not Significant

In rural or semi-rural areas like Etsako-West LGA, several factors limit the effect of value-based pricing:

- i. Low consumer awareness of "value": Many buyers focus on price and quantity rather than perceived product value or quality.
- ii. Price sensitivity is high: Households with limited income are more responsive to affordable pricing than product differentiation or perceived value.
- iii. Weak brand loyalty: Consumers often switch brands easily based on price rather than long-term value.
- iv. Limited exposure to branding strategies: Sellers rarely use storytelling, branding, or packaging that conveys value beyond cost.

So, while value-based pricing may work in urban or high-income areas, it may not be appropriate or effective in low-income, semi-urban communities where survival spending dominates.

Discussion of Findings

Regression analysis revealed a significant positive effect of cost-plus pricing on consumer patronage ($B = 0.042, p = 0.001$). This aligns with Oyewole and Olawale (2020), who found that poultry farmers in South-West Nigeria improved profitability and consumer trust by applying transparent mark-ups. Customers perceive this strategy as fair, encouraging loyalty and repeat purchases.

Competitive pricing was the strongest predictor of consumer patronage ($\beta \approx 1.000$, $p < 0.001$). Eze and Ogechi (2021) similarly reported that Nigerian agro-product consumers respond most to sellers who align with or slightly undercut competitors' prices. In highly price-sensitive markets, this strategy is essential for both attraction and retention.

Value-based pricing did not significantly influence patronage ($\beta = -0.031$, $p = 0.076$). This contrast with Ayoade and Adigun (2022), which showed that perceived value, can shape pricing decisions in agribusiness. However, in contexts like Etsako-West, affordability appears to outweigh perceived added benefits, limiting the effectiveness of this approach.

SUMMARY, CONCLUSIONS, AND
RECOMMENDATIONS

Summary of Findings

The study established that cost-plus and competitive pricing significantly enhance consumer patronage of poultry products, while value-based pricing showed no effect. Overall, patronage levels were high, driven primarily by fairness and affordability.

Conclusions

Cost-plus pricing fosters trust and repeat patronage, while competitive pricing remains the most influential strategy in price-sensitive markets such as Etsako-West. Conversely, value-based pricing is less relevant in this context, as consumers prioritize affordability over perceived benefits.

Recommendations

In alignment with research objectives, the researcher hereby posited the following recommendations:

- i. Poultry sellers should apply Cost-plus pricing moderately, ensuring transparency in cost build-up to maintain consumer trust and repeat patronage. However, they should avoid over-reliance on CPP, since excessive cost transfer to consumers can reduce affordability in a price-sensitive market.
- ii. Value-Based Pricing appears less effective in rural markets like Etsako-West, as consumers are more focused on affordability than perceived value. Sellers should therefore limit the use of value-based pricing (VBP) and instead combine it with other strategies, such as offering small-size packaging or promotional discounts that appeal to local purchasing power.
- iii. Since Competitive Pricing (CPS) showed the strongest positive influence, sellers should closely monitor competitor prices and adjust accordingly to remain attractive. Emphasis should be placed on striking a balance between competitiveness and profitability, ensuring sustainability while maintaining consumer loyalty.

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