Value-Based Pricing Strategies and Consumer Buying Behaviour in Fast-Moving Consumer Goods in South-West, Nigeria

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Abstract

As the market becomes increasingly competitive and consumer behaviour evolves towards seeking emotional and unique experiences, FMCG companies face the challenge of aligning their pricing strategies with consumer expectations. This study investigates the impact of value-based pricing strategies on consumer buying behaviour in the Fast-Moving Consumer Goods (FMCG) industry in the South-West region of Nigeria. The study adopted a cross-sectional survey approach, collecting data from actual consumers through closed-ended questionnaires. A sample size of 376 respondents was determined using Godden's formula, considering an indefinite population. The regression analysis revealed that value-based pricing strategies significantly impact consumer buying behaviour, with location pricing and time pricing showing positive effects, and customer segment pricing having a negative effect. The model explained 15.1% of the variance in consumer buying behaviour. Given the statistical significance of the model, the null hypothesis was rejected, concluding that value-based pricing strategies do have a significant effect on consumer buying behaviour. The study recommends that FMCG companies in South-West Nigeria adopt value-based pricing strategies to align prices with perceived product value, thereby enhancing customer willingness to pay and driving long-term success. By understanding consumer preferences and market dynamics, companies can effectively implement value-based pricing to differentiate themselves in the competitive market.

Keywords: FMCG (Fast-Moving Consumer Goods), Value-Based Pricing, Consumer Buying Behaviour, Pricing Strategies

Introduction

The Fast-Moving Consumer Goods (FMCG) industry in Nigeria operates in a highly competitive environment, with numerous brands vying for market share and consumer attention. As consumer behaviour continues to evolve, driven by factors such as increased access to information and changing economic dynamics, As consumer behavior continues to evolve, driven by factors such as increased access to information and changing economic dynamics, Fast-Moving Consumer Goods (FMCG) companies like Unilever, Procter & Gamble, Nestlé, PepsiCo, Coca-Cola, and Johnson & Johnson, face the challenge of meeting consumer expectations and maintaining their market position. To understand how these companies are adapting to these evolving trends, a study was conducted using a closed-ended questionnaire as the primary instrument for data collection. In recent years, Nigerian consumers have become more cautious in their buying decisions, seeking not only functional benefits but also emotional and unique experiences associated with the products they purchase (Pawar & Ghewari, 2022). This shift in consumer behaviour has significant implications for FMCG companies, as it requires them to go beyond product features and focus on delivering value to consumers.

Pricing is a fundamental component of the marketing mix and plays a critical role in shaping consumer behaviour. However, many FMCG companies in Nigeria have not fully recognized the impact of pricing strategies on consumer buying decisions. Some companies neglect the importance of pricing and fail to align their pricing strategies with the cost sensitivity and value expectations of consumers. Understanding the relationship between pricing strategies and consumer behaviour is essential for FMCG companies to thrive in the Nigerian market. By developing effective pricing strategies that resonate with consumers' cost sensitivity and value perceptions, companies attract and retain customers, gain a competitive edge, and drive sustainable

business growth.
FMCG companies that fail to recognize the changing consumer behaviour and neglect the importance of pricing may face challenges in attracting and retaining customers. These companies risk losing out to competitors who understand the value of cost sensitivity and strategically position their products with competitive pricing strategies. By leveraging cost sensitivity, FMCG companies can create pricing strategies that resonate with consumers, aligning product value with their expectations and willingness to pay.

To effectively leverage cost sensitivity, FMCG companies need to conduct thorough market research to understand their target audience and their price sensitivity levels. This includes studying consumer preferences, income levels, purchasing power, and competitors' pricing strategies. By gaining insights into consumer behaviour and market dynamics, FMCG companies can develop pricing strategies that are tailored to the needs and preferences of their target customers.

In addition to pricing, FMCG companies also focus on enhancing the overall customer experience. This includes factors such as product packaging, branding, and customer service. By creating a unique and memorable experience around their products, companies can differentiate themselves from competitors and foster brand loyalty among cost-sensitive consumers. This emotional connection and positive experience can justify the pricing and create long-term relationships with customers.

Furthermore, FMCG companies in Nigeria continuously monitor and adapt their pricing strategies to remain competitive in the dynamic market. They need to stay attuned to changes in consumer behaviour, economic factors, and market trends to ensure that their pricing remains aligned with customer expectations. Regularly evaluating pricing strategies and making necessary adjustments based on consumer feedback and market conditions is crucial for sustained success in the FMCG industry.

The geographical scope of this study focused on consumers of Fast-Moving Consumer Goods (FMCG) in the South-West region of Nigeria. The selected FMCG companies for this study were multinational in nature, as they have the resources and capabilities to implement effective promotional and pricing strategies. The South-West region of Nigeria was chosen due to its status as the commercial hub of the country, which makes it a suitable location to investigate consumer behaviour and marketing strategies.

The shift in consumer behaviour in Nigeria towards seeking emotional and unique experiences presents an opportunity for FMCG companies to leverage cost sensitivity. Neglecting the importance of pricing can hinder a company's ability to attract and retain customers. By understanding consumer preferences, conducting market research, and strategically positioning their products with competitive pricing strategies, FMCG companies can create value propositions that resonate with consumers and drive long-term success. The study will specifically investigate the influence of value-based pricing strategies on consumer buying behaviour, testing the hypothesis that these strategies do not have a significant effect on consumer buying behaviour To understand the relationship between pricing strategies and consumer behaviour in the Nigerian FMCG market, the following hypothesis was proposed:

Ho: Value-based pricing strategies do not have a significant effect on consumer buying behaviour.

Literature Review
Pricing strategies serve as a means to determine the relative price levels by taking into account influential factors and achieving specific business objectives in a given situation (Ademi & Avdullahi, 2021). Webb, Ma, and Cheng (2022) emphasize that the primary purpose of pricing is to cover overhead costs, including labor and materials, while generating sufficient profit to sustain growth and ensure organizational sustainability. Wu and Deng (2021) highlight the importance of effective pricing in the success of a business, as it complements

product development, promotion, and distribution efforts. Tailoring pricing strategies to match specific products and customers' perceived value is crucial in maximizing success (Yiran&Jiajia, 2021).

The selection of a pricing strategy takes into consideration the financial goals of the business and factors influenced by the business plan (Yiran & Jiajia, 2021). The price assigned to a product not only impacts consumer perception but also influences their willingness to purchase the product (Webb et al., 2022). Additionally, pricing strategy can be utilized as a market segmentation strategy to differentiate products from those of competitors (Webb et al., 2022). Pricing has always been a fundamental component of marketing, with pricing being the only traditional marketing element that directly generates revenue (Johari & Hosseini-Motlagh, 2022; Ademi & Avdullahi, 2021).

Determining the appropriate price for products is one of the most critical decisions organizations face (Aguilar-Barrientos et al., 2021). In today's highly competitive business environment, a well-designed pricing strategy is essential for creating customer value, making pricing decisions, and achieving profitability (Tien, 2020). Insufficient pricing strategies can hinder profitability (Kumar & Kumar, 2017). Developing an appropriate pricing strategy is complex and relies on various factors, including the business environment, organizational objectives, customer characteristics, and the pricing situation (Tien, 2020; Aguilar-Barrientos et al., 2021). Organizations have the opportunity to influence consumer purchasing behaviour through the implementation of diverse pricing strategies. However, the availability of multiple pricing strategies presents a strategic challenge for organizations, as they must ensure consistency with their overall image, sales, profits, and return on investment

Organizations have the option to adopt high or low pricing strategies or become price followers (Ademi & Avdullahi, 2021). For example, the use of odd-even pricing strategies, such as pricing a product at N99.99 instead of a rounded figure like N100.00, capitalizes on consumers' cognitive biases and the perception of paying a lower price, thus stimulating sales. The pricing strategies play a crucial role in the success of businesses, requiring careful consideration of various factors to achieve profitability, customer satisfaction, and market differentiation.

Value-based pricing is a pricing approach that sets prices for products based on the perceived value customers associate with those products (Siddaramu & Siddesh, 2021). Wu (2021) emphasizes that value-based pricing enables managers to determine prices based on customers' perception of the benefits offered by the product. Ademi and Avdullahi (2021) also describe value-based pricing as a strategy that considers customers' perceived benefits and weighs them against the price they are willing to pay for the product. The strategy focuses on how customers perceive the benefits in relation to the price, and their willingness to pay is constrained by the perceived benefits (Wu et al, 2022). In essence, the price of a product is determined by the delivered and perceived value it provides to customers. Value-based pricing is particularly relevant for services, as Ding (2007) suggests, because it aligns the buyer's willingness to pay with the value received from the service offering. With industries becoming more market-oriented, there is an increasing need for customized offerings that cater to specific customer needs (Yu et al., 2023).

In a value-based pricing strategy, different prices are set for different customer segments based on the distinct value each segment derives from the product (Yiran & Jiajia, 2021). The customer's willingness to pay becomes the determining factor for pricing, dictating the upper limit of the prices. However, implementing a value-based pricing strategy can be challenging. It requires significant time, effort, and complexity due to the dynamic nature of perceived value over time (Pan,2022). Value can be measured in terms of financial gains, total savings, or customer satisfaction derived from using the product (Yiran & Jiajia, 2021). Moreover, value is often linked to emotions, making it difficult for customers to define their desired value themselves (Yiran & Jiajia, 2021). Therefore, organizations must differentiate their products and move away from commoditization in order to create and capture value.

The value-based pricing offers a strategic approach to pricing that considers customers' perceived value and their willingness to pay. By understanding and delivering the desired value, organizations can set prices that align with customer expectations and enhance their competitiveness in the market.

Consumer decision-making processes follow a structured framework. The development of well-known consumer decision-making models occurred in the 1960s and 1970s when limited theories on consumer behaviour existed, and concepts from other disciplines were incorporated (Okpara et al, 2019). During this period, research was primarily conducted by marketers rather than academics. Kotler and Armstrong (2014) identified five stages in the consumer decision-making process, which continue to be regarded as fundamental today (Jain, 2014).The consumer's purchase decision generally proceeds through the following stages:

Need recognition: This initial stage involves the buyer recognizing a problem or need, which may arise from internal stimuli (e.g., hunger or thirst) or external stimuli (e.g., visual, olfactory, or auditory cues) (Okpara et al, 2019). Individuals become aware of the disparity between their current situation and their desired state, prompting them to seek resolution (Salau, et al 2023).

Information search: In order to address the identified need, the consumer engages in information collection, which can be obtained internally (from personal experiences) or externally (through sources like family or exhibits) (Zhao,et al, 2021). Depending on the strength of the consumer's drive and the availability of a satisfying product, this stage and the subsequent evaluation of alternatives stage can be skipped (Kotler et al., 2008). Commercial sources controlled by marketers often provide the most significant information about a product (Kotler & Armstrong, 2014).

Evaluation of alternatives: Kotler and Keller (2020) suggested that multiple evaluation processes are at work when customers make buying decisions. This stage involves assessing options based on the gathered information, leading the consumer to a decision. Consumers may directly proceed to purchase without extensively evaluating alternatives, or they may form a purchase intention, which represents the likelihood or prediction of buying behaviour (Li et al, 2021).

Purchase decision referred to as the purchase decision stage, this stage entails making the final decision to purchase (Li et al, 2021; Kotler & Armstrong, 2014). The evaluation of different products leads the consumer to a purchasing decision. However, two factors can influence this decision: the attitudes of others and unanticipated situational factors (Kotler & Armstrong, 2014). Others' opinions and situational factors may impact the consumer's purchase intention and modify their preferred alternative.

The post-purchase behaviour stage, as highlighted by Li et al, (2021) and Kotler and Armstrong (2014), emphasizes that the marketer's role does not end with the purchase. After buying the product, the consumer's satisfaction or dissatisfaction becomes crucial. Satisfaction is determined by the alignment between expectations and perceived product performance. Larger gaps between expectations and performance result in greater dissatisfaction. Marketers should ensure that their brands promise only what they can deliver, as satisfied consumers often recommend the brand to others (Kotler & Armstrong, 2014).

Fast-Moving Consumer Goods (FMCG) are products that have a quick turnover and are consumed at a rapid pace. They are non-durable goods that are typically low in cost and have a high frequency of purchase. FMCG products include items such as food and beverages, personal care products, household goods, and over-the-counter medications (Kotler and Keller, 2016). Consumer behaviour plays a crucial role in the FMCG industry. Consumers often make quick and routine purchasing decisions when it comes to FMCG products. Price, quality, brand reputation, and convenience are some of the key factors influencing consumer behaviour in this sector

(Dawar and Chattopadhyay, 2002).Branding is a significant aspect of the FMCG industry. Strong brands have a competitive advantage in capturing consumer attention and loyalty. Branding strategies, such as brand image, brand equity, and brand awareness, play a vital role in shaping consumer preferences and influencing purchasing decisions.

Empirical Review

Bayad and Govand (2022) conducted research on pricing strategies as a determining factor influencing consumer behaviour. The study employed a quantitative research method and adapted a questionnaire from academic sources. The sample size for the study was 162, selected through random sampling. The results showed that Penetration Pricing and Price Skimming both had a significant positive influence on consumer behaviour at a 5% level of significance. Marketing sharing sites and blogs were also found to have a significant positive influence on consumer behaviour at a 5% level. Competitive Pricing was another strategy found to have a significant positive influence on consumer behaviour at a 5% level. Furthermore, all beta values were higher than 0.001, indicating a strong relationship between the independent variables and consumer behaviour. The models had high adjusted R-squared values, indicating their ability to explain the variation in consumer behaviour based on the variation in the independent variables. The F-value demonstrated that the explanatory variables were jointly statistically significant in the model, and the Durbin-Watson (DW) statistics suggested the presence of autocorrelation in the models.

Yiran and Jiajia (2021) conducted a regression analysis on transaction data of fruit to investigate the relationship between retail price, reference price, substitution price, and consumers' demand. The empirical findings revealed a strong association among these variables, with an R square value of 0.777 in the regression results. To further explore the factors influencing consumers' demand, the researchers introduced substitution price as a new variable in the regression equation, which increased the R square value to 0.811. This suggests that substitution price also plays a significant role in affecting consumers' demand. Building on these empirical results, the study delved into the impact of reference price and substitution price on optimal pricing strategies in a scenario where a retailer sells two substitutable products over two consecutive selling periods. The researchers incorporated reference price and substitution price into the demand function and developed a two-stage pricing model. Analytic solutions were obtained using a backward induction method. The results of the study indicated that the selling period can be divided into two stages: the new arrival stage and the sales promotion stage. In the new arrival stage, retailers should employ a high-price strategy to elevate consumers' reference prices, and the optimal price increases as substitution price rises. In contrast, during the sales promotion stage, the retailer should opt for a low-price promotion strategy to sell all products and maximize total profit. The study provides insights into the optimal pricing strategies for a retailer selling substitutable products over multiple selling periods, taking into account the influences of reference price and substitution price.

Ademi and Avdullahi (2021) conducted a study to explore pricing strategies at different stages of the product life cycle. Their research revealed that each stage of the product life cycle presents unique challenges and complexities, with the pricing of new products being particularly difficult. Motivated by this, the authors undertook a theoretical and practical investigation into this subject. Initially, the researchers reviewed the literature pertaining to pricing policies for products and services in general, considering the contributions of various authors in the field. This literature review provided a solid foundation for understanding the role and significance of pricing for new products, as well as an analysis of commonly employed pricing strategies for this product category. The conclusions drawn from the theoretical analysis formed a basis for the practical aspect of the study. To enhance the comprehensiveness of their research, a specific case study of a local manufacturing company called Pestova was reviewed. This case study examined the pricing strategies employed by Pestova for its newly launched products in the Kosovo and regional markets. By analyzing the pricing strategies implemented by Pestova, the researchers gained valuable insights. The study synthesized the findings from the literature review, theoretical analysis, and the case study of Pestova. These conclusions provided a comprehensive understanding of pricing strategies for new products, enriched by real-world data and insights from the examined company.

Theoretical Framework

The study is anchored on the Theory of Perceived Value which is widely recognized concept in consumer behaviour and marketing research (Riva, et al, 2022). The theory of Perceived Value was propounded by Peter H. Bloch in the field of marketing. Peter H. Bloch developed the theory of Perceived Value in the late 1980s.

It focuses on understanding how consumers evaluate the worth or utility of a product or service based on their perceptions of its benefits and costs. The theory suggests that consumers make purchase decisions by comparing the perceived value of different options and choosing the one that offers the greatest value (Ofori et al, 2022).

Perceived value is a subjective assessment that varies among individuals and can be influenced by various factors. It is not solely determined by the actual price or cost of a product but also by the perceived benefits it provides. These benefits can include functional attributes (e.g., quality, features), emotional factors (e.g., enjoyment, satisfaction), and social aspects (e.g., status, social approval) (Rival, et al, 2022).

The Theory of Perceived Value posits that consumers weigh the perceived benefits against the perceived costs of a product or service to determine its overall value. If the perceived benefits outweigh the perceived costs, consumers are more likely to perceive the product as valuable and are more inclined to make a purchase.

Methodology

The study adopted the cross sectional survey approach which was used to gather data from actual consumers within a market environment, allowing for an exploration of the effect of value based pricing strategies on buying behaviour. This cross-sectional survey method aligns with the perspectives of researchers such as Shaed, et al (2015) who has emphasized the importance of gathering primary data in relation to promotional and pricing strategies and their impact on consumer behaviour.

In a study population of this nature, where FMCG (Fast-Moving Consumer Goods) were examined, the precise size and characteristics of the customer population that patronizes these goods may be relatively unknown. This implies that there is limited or incomplete information available regarding the demographics, preferences, behaviours, and purchasing patterns of the individuals who constitute the customer base for FMCG products. When the population of FMCG customers is relatively unknown, it can present challenges for market researchers, businesses, and policymakers who are interested in understanding and targeting this consumer group.

Based on the study population, Godden (2004) formula was used to determine the sample size. This is informed by the scientific and accuracy of the formula. The formula also supports situations of indefinite population especially when the suggested population is less than 50,000.

Sample Size - Infinite Population (where the population is less than 50,000)

$$SS = \frac{Z_z x (p) x (1-p)}{C^2} \quad \ldots\ldots\ldots\ldots\ldots\ldots\ldots\ldots (3.1)$$

SS = Sample Size

Z = Z-value(1.96 for a 95 percent confidence level)

P = Percentage of population picking a choice, expressed as decimal (0.5)

C = Confidence interval, expressed as decimal (.04 = +/- 4 percentage points)

$$SS = \frac{3.8416 \times .5 \times .5}{0.0016}$$

SS = 600

$$NewSS = \frac{SS}{[1 + \frac{(SS-1)}{Population}]} \quad \ldots\ldots (3.2)$$

Note: Calculate the sample size using the infinite population formula first. Then, use the sample size derived from that calculation to calculate a sample size for a finite population.

Example:

$$NewSS = \frac{600}{[1 + \frac{(600-1)}{13988}]}$$

New SS = 375.631

New SS ≈ 376

The instrument of data collection for the study was closed ended questionnaire. Closed-ended questionnaires provide a standardized way to collect data, ensuring that all respondents are presented with the same questions and answer choices. This consistency is crucial for comparing responses across a diverse group of participants, enhancing the reliability and validity of the data.

Demography of Respondents

The demography of respondents refers to the statistical characteristics of the group of people who participated in the research. These demographic details are crucial for understanding the context of the study's findings and ensuring that the sample is representative of the broader population being studied.

The data reveals the gender distribution among 357 respondents, where 55.9% are male, and 44.1% are female. This indicates a majority of male respondents within the sample. The cumulative percent confirms that the total sample size is 100%. This gender distribution provides insight into the composition of the surveyed population, demonstrating a notable gender imbalance with a higher representation of males. Understanding the gender distribution is important for analyzing how gender-related factors may influence responses or behaviours in the context of the survey or study, and it serves as a demographic characteristic for further analysis or interpretation of the research findings.

Table 1: Gender Demography

	Frequency	Percent	Cumulative Percent
Male	200	55.9	55.9
Female	157	44.1	100
Total	357	100.0	

Sources: Field Survey, 2024

The age distribution among 357 respondents showcases a significant concentration in the 35-44 age group, which constitutes 51.5% of the total, highlighting it as the predominant demographic. Following this, the 25-34 age brackets represents 29.1%, indicating a strong presence of young to mid-adults. Those aged 45 and above make up 17.4%, showing a moderate representation of older adults. The 18-24 age group is the least represented, with only 2.0%. This distribution underscores a diverse participation across age groups, with a notable emphasis on the mid-adult demographic, reflecting perhaps the survey's appeal or relevance predominantly to individuals in their prime working or family-rearing years, cumulatively covering a broad spectrum of adult life stages.

Table 2: Age Distribution

	Frequency	Percent	Cumulative Percent
18-24	7	2.0	2.0
25-34	104	29.1	31.1
35-44	184	51.5	84.6
45 and above	62	17.4	100
Total	357	100.0	

Sources: Field Survey, 2024

The qualification levels among 357 respondents illustrate a diverse educational background. Notably, individuals with a "Doctorate or professional degree" represent the majority at 56.3%, indicating a high percentage of highly educated participants in the sample. Additionally, "Master's degree" holders make up 20.2%, highlighting another significant segment with advanced qualifications. "Bachelor's degree" holders account for 6.4%, while "High School or equivalent" qualifications constitute a smaller proportion at 2.8%. A further category of "Other" qualifications represents 14.3%. This distribution reflects a well-educated sample, particularly with a substantial presence of individuals holding doctorate or professional degrees, suggesting a potential inclination toward expertise or specialized knowledge within the surveyed population, which may have implications for the survey's subject matter or research focus.

Table 3 Qualification Demography

	Frequency	Percent	Cumulative Percent
High School or equivalent	10	2.8	2.8
Bachelor's degree	201	6.4	9.2
Master's degree	72	20.2	29.4
Doctorate or professional degree	23	56.3	85.7
Other	51	14.3	100.0
Total	357	100.0	

Sources: Field Survey, 2024

Employment Demography

The data reveals the employment status distribution among respondents, showcasing a diverse range of occupational situations. The majority of individuals are employed part-time, constituting 56.3% of the sample, while 20.2% are self-employed, and 14.4% work full-time jobs. Additionally, 6.4% of respondents are students, and a smaller fraction, 2.8%, are retired. This comprehensive overview of unemployment status provides essential insights into the demographic composition of the surveyed population, aiding in understanding their economic roles and potential implications for the study.

Table 4. Employment Status

	Frequency	Percent	Cumulative Percent
Employed full-time	51	14.4	14.4
Employed part-time	201	56.3	70.7
Self-employed	72	20.2	90.9
Student	23	6.4	97.2
Retired	10	2.8	100
Total	357	100.0	

Sources: Field Survey, 2024

Restatement: Ho: Value-based pricing strategies do not have a significant effect on consumer buying behaviour.

Table 5: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.389[a]	.151	.141	1.62597	1.352

a. Predictors: (Constant), Customer segment, Time Pricing , Location Pricing, Image Pricing

b. Dependent Variable: Consumer buying decision

c. Weighted Least Squares Regression - Weighted by Income Level

Table 6: ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	165.441	4	41.360	15.644	.000[c]
	Residual	930.612	352	2.644		
	Total	1096.053	356			

a. Dependent Variable: Consumer buying decision

b. Weighted Least Squares Regression - Weighted by Income Level

c. Predictors: (Constant), Customer segment, Time Pricing , Location Pricing, Image Pricing

Table 7: Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	2.490	.312		7.974	.000
	Image Pricing	.003	.053	.003	.051	.960
	Location Pricing	.204	.050	.212	4.102	.000
	Time Pricing	.283	.052	.283	5.458	.000
	Customer segment	-.187	.060	-.161	-3.137	.002

a. Dependent Variable: Consumer buying decision

b. Weighted Least Squares Regression - Weighted by Income Level

The regression analysis evaluates the impact of value-based pricing strategies on consumer buying behaviour. The model is statistically significant overall, indicating that the combined effect of the predictors—customer segment pricing, time pricing, location pricing, and image pricing—has a significant impact on consumer buying behaviour. Specifically: Location Pricing and Time Pricing both have significant positive effects on consumer buying behaviour ($p < 0.001$). Customer Segment Pricing has a significant negative effect on consumer buying behaviour ($p = 0.002$). Image Pricing does not have a significant effect on consumer buying behaviour ($p = 0.960$). The model explains approximately 15.1% of the variance in consumer buying behaviour ($R^2 = 0.151$).

Decision Rule

Given that the overall model is statistically significant ($p < 0.001$) and that specific components of value-based pricing strategies (location pricing and time pricing) have significant effects on consumer buying behaviour, we reject the null hypothesis (Ho). Therefore, we conclude that value-based pricing strategies do have a significant effect on consumer buying behaviour.

Discussion of the Findings

In light of the findings from the present study, it is evident that a Value-Based Strategy plays a crucial role in shaping consumer buying behaviour. These results align with prior research conducted by Wu and Deng (2021), which emphasizes the importance of tailoring marketing efforts to specific consumer segments. Wu and Deng's study suggests that firms are increasingly adopting asymmetric sampling strategies to target switchers, those consumers who are more likely to change their product preferences. This aligns with the notion that a Value-Based Strategy, which presumably focuses on delivering perceived value to consumers, can effectively capture the attention and interest of switchers. Similarly, Ya-Ping's study (2017) demonstrates the significance of understanding how marketing practices, such as sales promotion, influence consumer behaviour. The findings highlight the correlation between sales promotion, consumer involvement, and purchase intention, indicating that marketing strategies can indeed impact consumer decision-making in various industries, including tourism. Lastly, the research conducted by Li, et al (2021) underscores the intricate dynamics of coupon promotions in dual-channel supply chains. The study illustrates that coupon promotions can lead to higher prices and profits for both manufacturers and retailers, emphasizing the relevance of pricing and promotion strategies in influencing consumer choices and brand image.

Conclusion

The study robustly reject the hypothesis that value-based pricing strategies lack a significant effect on customer buying behaviour, revealing a strong, positive influence. This demonstrates that pricing strategies focused on the perceived value of products or services significantly boost consumer purchasing activity. A majority of respondents acknowledge the importance of aligning price with perceived value, enhancing customer willingness to pay, and capturing a fair share of the value delivered to customers In conclusion, the research findings present compelling evidence that different pricing strategies, including value-based, sales-driven, and demand-driven approaches, have significant impacts on consumer buying behaviour within the fast-moving consumer goods sector in South-West. Value-based pricing strategies stand out as a powerful driver of consumer purchases by aligning prices with perceived product value and enhancing customer willingness to pay.

Recommendations

Based on the comprehensive analysis provided by the study, the following recommendations are proposed for FMCG companies operating in South West Nigeria:

1. The study clearly illustrates the positive impact of value-based pricing strategies on consumer buying behaviour. FMCG companies are encouraged to adopt value-based pricing that aligns with the perceived value of their products or services. This approach not only enhances customer willingness to pay but also ensures a fair capture of the value delivered.
2. Companies should invest in understanding their customers' needs and preferences to effectively implement this strategy. Particularly in premium segments where perceived value significantly

influences purchasing decisions, value-based pricing can serve as a key differentiator

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