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Changing Pricing Strategies and Its Impact Towards Buying Behavior – An Empirical Study with Reference to Ott and E – Pharmacy Sectors

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Abstract

This study seeks to quantify how altering pricing methods affect consumer behavior in E - pharmacy and OTT industries. In Bangalore City a questionnaire was handed out and 600 responses or 79.8% of the total were returned. No statistically significant differences relating to demographic or socioeconomic characteristics were found, although the results did demonstrate a beneficial association between pricing methods and customer behavior.

Keywords: Changing Pricing Strategies, Buying Behavior and E - Pharmacy.

1. Introduction

To develop a current product or service or to launch a new one, businesses in various departments we investigate and analyze the behavior of the customer. For instance, businesses make an effort to research and analyze the types of purchases made, their volumes, and their timeliness. The basic objective of all of these initiatives is to please customers and win their loyalty. This may be accomplished by maximizing income while cutting costs as much as possible.

Marketers must employ clever strategies to draw customers and compete in this global marketplace because of globalization, use of social media and electronic websites has skyrocketed, enabling consumers to compare products and services side by side with prices. Pricing is one of the four Ps in the marketing mix, which also includes the other three Ps of product, price and promotion.

Researchers in this study decided to emphasize this issue specifically as a result. Studies on consumer purchasing patterns have been done by several academics and researchers. However, the goal of this study is to assess and quantify how pricing methods in Bangalore City's consumers' psychology and purchasing behavior. It illustrates a few methods that merchants employ to entice customers with appealing prices, include package pricing, discount pricing, and odd-even pricing.

2. Review Of Literature

Gedenk (2002) in his opinion, shoppers are temporarily shifting to a certain store that is offering special discounts. Additionally, customers are shifting to brands that routinely provide special rates. Additionally, this tactic results in the acquisition of new clients. Additionally, promotional pricing speeds up sales and eventually helps the business make more money.

Rigges (2008) Pricing is the process of deciding on prices for products and services and implementing them. It is one of the four Ps of marketing, and it may be the most crucial one given that it is the only thing that brings in money for the business. Prices are set with some degree of confidence that customers will pay them, depending on how supply and demand are balanced.

Kotler and Keller (2012) claimed that the only component of the marketing mix that generates income is pricing, while the other components generate costs. Additionally, they claimed that customers' perceptions of pricing and

what they believe the current actual price to be influence their purchasing decisions. An essential marketing goal is to comprehend how customers arrive at their impressions of costs.

3. Objectives Of The Study

1. To measure the strategies and their impact on consumer behavior in the e-pharmacy and OTT sectors.
2. To find out factors influencing demographic factors and their impact on consumer behavior in the e-pharmacy and OTT sectors.

4. Hypothesis Of The Study

H1: There are positive association in prices and consumer purchasing habits.
H2: There are some large variation in the replies of the respondents in the pricing tactics.

5. Methodology

Quantitative data is gathered via an online questionnaire. A questionnaire and a list of questions were produced by the researchers and posed to the intended participants. A descriptive analysis is provided using SPSS and Excel. A pilot study and an exploration study are undertaken when a questionnaire is developed, filled out, and sent out for review. For the survey the pilot research recommended certain clarifications.

6. Sample Size

The sample was determined to ensure that there would be an adequate number of responders in each subgroup. As a result the population of the sample has been estimated in the following formula:

Minimum Sample Size (n) $N = \frac{t2\ X\ PX\ (1-P}{m2}$

Where,

n = required sample size (minimum size)
t = Confidence level at 95% (standard value of 1.96)
p = Estimated fractional population of subgroup (1,220,655)
m = Margin of error at 5% (standard value of 0.05).

The Google Docs programme was used to create the questionnaire. More over 1000 people got survey questionnaires, and 600 of them responded, representing a response rate of 43.3%. Many people receive the poll in English via social media emails, What's App, Twitter, and Face book.

Table - 1

Quality Statistics

Cronbach's Alpha	Cronbach's Alpha Based on StandardizedItems	No of Items
0.682	0.625	20

Table - 2

Validity of data

No of Items	Cronbach's Alpha	Validity
20	0.682	0.625

Source: Primary Data

Being aware that in the majority of cases, a Quality coefficient of 0.70 or more is regarded. It is almost 0.70 in this instance, which is acceptable. The researchers will rely on the range of cells to interpret and discuss the findings of statistical analysis of the data gathered. The upper limit for the first cell is then calculated by adding (0.80) to the lowest value.

Table - 3
Demographic profiles of the Respondents

Demographic	Number of Respondents	Percentage
Up to 20 years	136	22.7
21 years to 30 years	295	49.2
31 years to 55 years	139	23.2
Above 55 years	30	5.0
Total	600	100
Male	389	64.8
Female	211	35.2
Total	600	100
Married	402	67.0
Unmarried	198	33.0
Total	600	100
Illiterate	154	25.7
SSLC	170	28.3
HSC	48	8.0
Under Graduate	60	10.0
Post Graduate	131	21.8
Others	37	6.2
Total	600	100

Source: Primary Data

The table shows that the male participants made up 64.8% of the total, according to the table, while female participants made up the remaining participants.

According to the table the participants with higher education made up 21.8 of the participants. Participants were most likely to be married, with a majority of 67.0%. The chart demonstrates that price and quality have a considerable role in determining a consumer's inclination to buy. 30% of respondents priorities price, while 52% priorities quality.

Additionally, it demonstrates that brand and design are less important elements that affect customers' buying decisions because just 5% of respondents priorities brands and 11% of respondents priorities designs. This finding supports the first idea. In the e-pharmacy and OTT industries, pricing and customer purchasing patterns are positively correlated.

Table - 4
Dichotomy group of Ranking Frequencies

Frequency	Number of Respondents	Percentage
Price	280	53.0
Quality	191	36.2
Brand	47	8.9
Design	10	1.9
Total	528	100

Source: Primary Data

Regarding the Dichotomy group of Ranking Frequencies the result is used the price on a quality basis, and 191 respondents, with 36.2 percent, used it on a brand basis. Next to this, 10 respondents, or 1.9 percent, were using it only.

Table - 5
Association between the factors of Consumer services

Correlations				
Factor	Price	Quality	Brand	Design
Price	1	0.453**	-0.022	0.010
Quality		1	0.202**	0.236**
Brand			1	0.625**
Design				1
**. Correlation is significant at the 0.01 level (2-tailed).				

Source: Primary Data

Table - 6
Details of Regression Coefficient

Dependent Variable	Independent Variable	Regression Co efficient (Beta) Value	Standard Error	"t" Value
Customer Satisfaction	Constant	3.537	0.647	5.467**
	Price	0.802	0.093	8.579**
	Quality	0.335	0.042	7.939**
	Brand	0.085	0.034	2.522**
	Design	-0.171	0.040	-4.275**
	R Value	0.759		
	R^2 Value	0.577		
	Adjusted R^2 Value	0.573		
	F Value	161.666**		
	Number of Samples	600		

** Significant at one percent level

Source: Primary Data

It shows that the F- ratio was 160.666, which specifies the RM is value is less (P = 0.01). And also, Beta Coefficients were also planned to know the significance of the factors deliberated in this study, and it is confirmed that the variables played a very important role, especially the factor "price," which plays a significant role in this study as the Beta coefficient is found to be (0.802) higher than the other factors and variables as shown in the above table.

Table - 7
Association between the Demographic Variables

Factors	Price	Quality	Brand	Design	Customer Satisfaction
ONE WAY ANOVA- "F" Test					
Age	6.049**	2.780*	0.744	1.736	2.172
Educational Qualification	12.657**	18.651**	0.991	5.048**	18.217**
Occupation	9.148**	1.669	0.937	2.353*	12.007**
Years of Experience	67.699**	49.736**	0.335	0.548	63.124**
Monthly income	9.958**	1.428	0.778	4.058**	20.309**
Status of Residential Area	12.895**	9.467**	1.813	1.095	12.299**
Number of Family members	11.126**	10.871**	0.019	0.024	6.135**
Customers	11.930**	5.829**	0.880	0.731	15.233**

Competitors	10.279**	1.197	0.409	1.070	4.916**
The Economy and Government Laws and Regulations	4.297**	4.461**	1.846	2.559	9.878**
Product Costs	7.315**	0.537	2.234	13.175**	4.880**
PAIRED SAMPLE "t" TEST					
Gender	39.909**	38.469**	72.136**	56.460**	44.478**
Marital Status	49.102**	53.458**	83.100**	66.280**	55.619**
Type of Family	49.563**	51.240**	81.491**	67.718**	55.429**

** - 1% level of Significance
* 5% level of significance

It is also noticed that the variable "Years of Experience" were found statistically significant with "Price" "Quality" and "Customer Satisfaction" at 1% level of Significance.Regarding the association between the status of the Residential Area of the respondents and the total members in the family of the respondents with the factors that influencing the customer satisfaction, it is noticed that all the factors were found statistically significant at 1% level of significance except the factor "Brand" and "Design "Regardingthe relationship between the demographic variable "Frequency of using the e-banking services "with the factors that influencing the customer satisfactionto e-pharmacy and OTT.It is noticed that except "Brand" and "Design", all the factors were found statistically significant as the "F" value is found significant at 1% level of significance.

Table - 8
The Weighted Average score for the variable

Level of Satisfaction	Frequency (f)	Weighted (w)	Σfw
Strongly Disagree	66	1	66
Disagree	122	2	244
Neither Agree Nor Disagree	111	3	333
Agree	158	4	632
Strongly Agree	71	5	355
Total	528	15	1630

Weighted Average = Σfw/Σf = 1630/528=3.09
Weighted Percentage= (3.09/5) * 100 = 61.74 % or 62%

It is revealed that most of them of the Changing Pricing strategies and its impact towards consumer behavior in e-pharmacy and OTT sectorswere informed that their e-pharmacy and OTT sectors met their expectation and need as the percentage revealed through weighted average score was found to be 62 % and hence well thought-out as one of the vital variable of the Consumer fulfillment.

Table - 9
The ranking of Weighted Average score

Sl. No.	Name of the Variable in Customer Satisfaction	Weighted Average Score Value	Rank
01	I am satisfied with the services rendered towards e-pharmacy and OTT sectors	82%	1
02.	I am giving first preference to any of my-pharmacy and OTT sectors	74%	2
03.	My e-pharmacy and OTT sectorsmeeting my expectation and need	62%	4
04.	I will recommend my e-pharmacy and OTT sectorsif any	82%	1

	one consulting me.		
05.	I am really enjoying the services of e-pharmacy and OTT sectorsfacilities.	71%	3

Source: Primary Data

Based on their opinion the Consumers who were using the e-pharmacy and OTT sectors. it is revealed that the variable in connection with "satisfied with the services rendered bye-pharmacy and OTT sectors" and the variable recommend my e-pharmacy and OTT sectorsif any one consulting me" were given with more rating (82% each with Rank 1). Next to this is the first preference to any of my-pharmacy and OTT sectors" with the rating 74%. The variable really enjoying the services e-pharmacy and OTT sectorsmeeting my expectation and need have given the rating of 71% with 3 ranks and the variable "enjoying e-pharmacy and OTT sectorsfacilities. Hence it is concluded that the respondents who were the customers of enjoying the services of e-pharmacy and OTT sectorsfacilities were found fully satisfied.

7. Conclusion

The study's findings suggest that pricing and customer purchasing habits are positively correlated. It also demonstrated that from the respondents about the three pricing techniques, regardless of their age, gender, marital status, educational background, or monthly pay. With one exception, there is a statistically significant variation in how people responded to the pricing approach based on their gender. According to the paper's conclusion, it is advised that retailers and dealers carefully examine consumer buying behavior because it is one of the best ways to understand what matters to consumers when making a purchase decision.

It is also advised that they set reasonable prices for their products because a company's pricing decisions directly affect its success. It is advised to divide consumers into groups based on demographic traits and closely examine their demands and desire to purchase goods or services. Additionally, corporate social responsibility (CSR), an essential aspect that influences customer purchasing behavior in a favorable way, is included here. If the business is socially conscious and says that a portion of the purchase price of the chosen items will be donated to a charitable cause or event within the community, this will encourage customers to make impulsive purchases.

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