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Y Drindod Dewi Sant
UNIVERSITY OF WALES
Trinity Saint David

Module Title:

Dissertation

Module Code:

LCMB7020

Course:

**MASTER OF BUSINESS ADMINISTRATION IN
(GENERAL MANAGEMENT)**

Dissertation Topic:

**Analysing the impact of Competitive Pricing
of Asda on Brand Preference of the
consumers in the retail industry**

Lecturer:

Dr. Jia Miao



Master's Degrees by Examination and Dissertation

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Chapter 1: Introduction

1.1 Introduction

The introduction chapter acquaints the readers with the themes and the concepts that will be included in the research. In this chapter, an overview of the study background will be given, along with a brief information about the company being investigated. Further, it will illustrate the broader aim, objectives and research questions, followed by the research rationale and significance of the study. This chapter will finally outline the structure of the entire dissertation.

1.2 Background of the Research

Price plays a significant role in shaping a company's competitive position in the business world, as the consumers use it to assess the quality of a brand and to make purchase decisions from among these brands (Rosa, et al., 2011). It is regarded as the highly adaptable component of the marketing mix, having the potential to adjust based on the changing market conditions. Consequently, businesses in the retail industry invest substantial time and resources in identifying the most effective pricing strategies for their product and services, as adopting a wrong strategy can result in loss of valuable consumers as well as a subsequent reduction in the sales and profitability (Nagle and Muller, 2018).

According to Hinterhuber (2008), there are different pricing strategies available to the retailers which they can choose based on their customer segment as well as the industry of their operation. Broadly, there are three types of pricing strategy highly considered by the retailers – cost-oriented pricing, competition-oriented pricing and value-oriented pricing. However, the focus of this study is narrowed down to competition-based pricing. This pricing strategy, as illustrated by Blythe (2005), uses the pricing structure of the competitor as a benchmark for setting the initial price.

According to Rosa, et al. (2011), competitive pricing is regarded as an important indicator of brand preference, persuading the perception as well as purchase intention of the consumers. Pride and Ferrell (2019) pointed out that marketers have realised that consumers use competitive pricing to differentiate between products

having similar characteristics and therefore this strategy is highly considered by the companies to differentiate between substitute products.

Retailers who neglect or undervalue competitive pricing strategies may remain behind the rival firms, giving them the opportunity to set the product price in the market (Ahmetoglu, et al., 2014). This can negatively impact the consumers' perception about the company and lead to decrease in market shares due to price-power of the competitors. Therefore competitive pricing is a key factor in gaining competitive edge, increasing market shares, influencing the brand preference as well as selection and purchase intentions of the consumers.

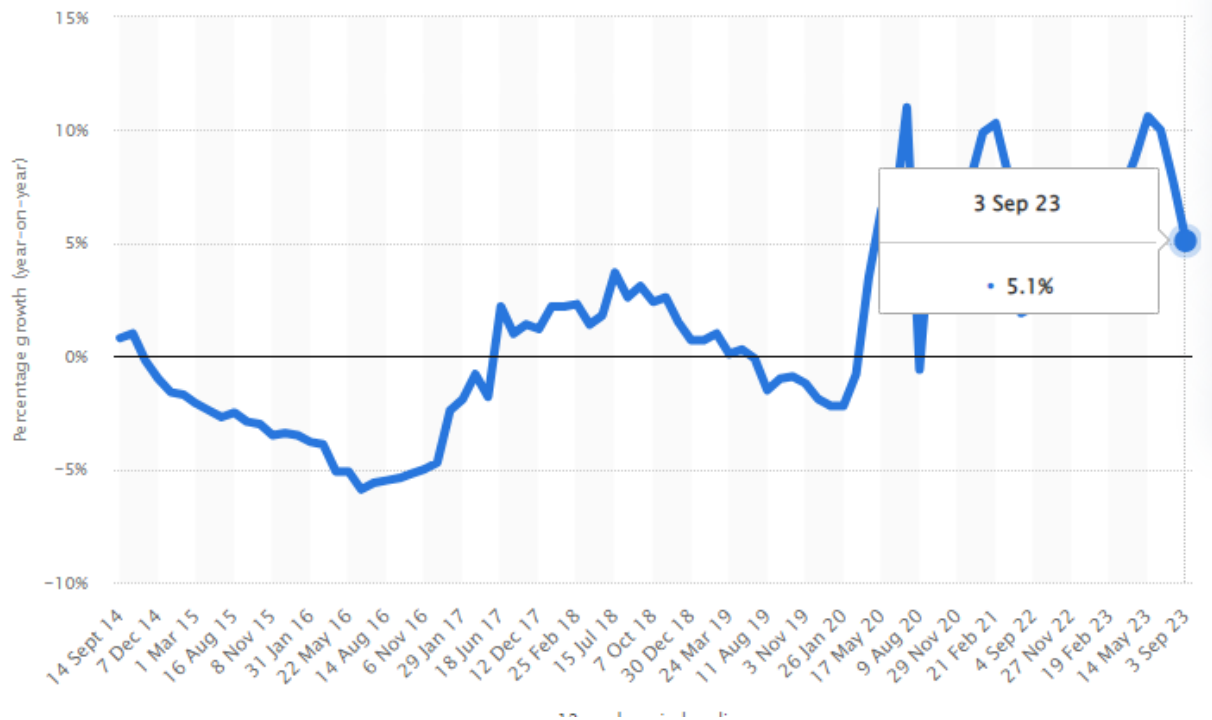
1.3 Background of the Company

Asda, the company chosen for the purpose of this dissertation, is a highly recognised largest grocery retail store in the United Kingdom (UK). The first store of Asda was established in Yorkshire following Asquith supermarket's merger with Associated Dairies in 1965. Over the years, Asda has widened and diversified its product range which encompasses grocery and fresh foods, health and beauty products, merchandise, homewares, electronic items, and many more items, that are offered under different brand names, like Asda, Just Essentials, George, etc. The company currently has 735 stores having 145,000 employees serving more than 18 million customers everyday (Asda, 2023).

According to Retail Insight Network report (2023), Asda's like-for-like sales in the 2nd quarter of 2023 had increased by 9.6% as compared to the year 2022. As of September 2023, Asda's sales had risen by 5.1% (Refer to Fig. 1) in comparison to the same period in 2022 (Bedford, 2023).

ASDA's mission statement highlights its overarching business objective which is *"to be Britain's best-value retailer, exceeding customer needs always"*. Additionally, the main purpose of the company is to create products and services that are highly affordable for all the consumers. This purpose provides clarity to the stakeholders about the existence of the company. Moreover, Asda's value statement is centred on 'respect for one another' (Asda, 2023).

Figure 1: Percentage change in Asda's sales



Source: Bedford (2023)

1.4 Aim and Objectives

The aim of this research is to examine the influence of competitive pricing strategy of Asda on the brand preference, especially in terms of selection and purchase decision, of the consumers in the retail industry. Under the proposed aim, the specific objectives of this research are:

- To investigate the competitive pricing strategies used in the retail industry as well as in Asda
- To identify the advantages and disadvantages of competitive pricing strategy for the retailers
- To examine the relationship between competitive pricing strategy and brand preference

1.5 Research Questions

In alignment with the aim and objective of this study, the 3 proposed research questions include:

- What competitive pricing strategies are used in the retail industry as well as by Asda?
- What are the advantages and disadvantages of the competitive pricing strategy for the retailers?
- What is the relationship between competitive pricing strategy and brand preference?

1.6 Research Rationale

Currently, supermarket retailers are functioning in a fiercely competitive market place which is characterised by stagnant sales growth and intense price competition. A recent report from the Competition and Markets Authority (2023) also identified a surge in the retail competition due to the price deflation and increase in the expansion of mass discount retailers in the industry. The rise of these discount retailers have exerted increasing pressure on the prices, causing convergence in price frequencies across the industry. As a result, the brands in the discount-powered retail market are compelled to adjust their product prices in accordance with the price set by the competitors (Deloitte, 2023). Thus, to win the competitive race in the retail industry and to gain advantage over rival firms, it is essential for the brands to adopt a well-designed competitive pricing strategy.

In marketing, pricing is a fundamental concept, extensively researched by academic scholars and practitioners (Gerpott and Berends, 2022). However, there have been research gaps in terms of determining the best competitive pricing strategy that a company can use to influence the brand preference and purchase intention of the consumers. This study is therefore conducted to gain a deeper insight into how competitive pricing can impact the brand preference and brand selection as well as purchase decision of the consumers.

1.7 Significance of the Research

It is highly significant to study the impact of competitive pricing on consumer brand preference as it can offer a strategic insight into identifying the most effective pricing strategy that the retailers can use to enhance consumer purchase intention, their loyalty as well as the market shares. The participant responses collected in this research can help to evaluate how consumers weigh pricing against other factors, like quality and brand name. Additionally, knowledge about effective competitive pricing strategy can aid the retailers to better position themselves among the target audience and gain competitive edge by adopting effective pricing strategy relative to its competitors (Pride and Ferrell, 2021). Nevertheless, a good understanding about the impact of pricing strategy on consumer preference can help the retailers to design pricing policies that aim at gaining competitive edge while protecting consumers' interests.

1.8 Structure of the Dissertation

The structure of a research is made-up of various chapters wherein each chapter has a specific role within the study. This dissertation structure consists of 5 chapters as explained below:

Introduction: This chapter sets a background for the research study, giving a brief overview about the topic being researched and the company under investigation. It also highlights rationale behind executing this research, the significance of it, and the aim, objectives, and research questions guiding the entire study.

Literature Review: In this chapter, extensive assessment of the pertinent literature with regards to the research topic is presented. Based on the literature available in the secondary sources, like journals, research articles and papers, this chapter will lay a foundation for supporting further analysis of data, derived from primary source, to gain in-depth understanding.

Research Methodology: In this chapter, different techniques and approaches considered by the researcher for gathering and analysing data are presented. The chapter will provide rationale for selecting specific research methods as well as address the ethical considerations.

Data Analysis and Discussion: This chapter will scrutinise the quantitative data obtained from research participants through survey. The results of the analysed data will be presented using pie charts, line graphs, bar graphs and tables. The data shared by the respondent on each survey question will be thoroughly interpreted and discussed in relation to the literature presented in chapter 2.

Conclusion and Recommendations: This final chapter will conclude the research by restating the aims and objectives identified in chapter one and by examining their successful accomplishment. Furthermore, constructive recommendations will be offered to Asda to further enhance their competitive pricing strategy as well as to help them influence consumer preference and purchase intention. Nevertheless, this study will set direction for future research and address limitations experienced when executing this research.

Chapter 2: Literature Review

2.1 Introduction

This chapter presents a comprehensive examination of the past research and scholarly work in relation to competitive pricing and its impact on brand preference and purchase intention of the consumers in the retail industry. It synthesises and critically evaluates theoretical concepts, empirical studies and key ideas, leading to a robust understanding of the context, gap in the literature and important debates in the field. A thorough explanation of the existing literature with regards to how and why competitive pricing influences consumers' brand preference can create a strong foundation for successive discussion, analysis and interpretation of the key findings, contributing to an in-depth knowledge of the research problem (Nakano and Muniz, 2018).

2.2 What is Competitive Pricing (CP)?

Competitive pricing (CP), also known as competition-based or competitor-based pricing, is a strategy that businesses use to set the price of their products and services, in line with or slightly higher or below their competitors' prices (Gerpott and Berends, 2022). According to Prisync's research (2017), 25% of the companies in the UK take competition or market conditions into account when determining their pricing strategy.

CP is explained and defined by different authors from different perspective –

Kotler and Armstrong (2010) defined CP as, determining the product and service price on the basis of the competitors' pricing and this strategy is mostly considered by the companies selling similar products wherein service attributes may vary, but the product attributes remain same. On the other hand, Porter (1985) emphasised on integration of product differentiation within the CP strategy to earn high profitability and market shares.

A varying perspective was shared by Bharadiya (2023) who stated that CP involves analysis of past sales data, change in demand trends and cost of production, whereas Rao, Bergen and Davis (2000) suggested that CP contains careful

examination of market condition, customer behaviour and competitors' cost structure that helps a business to effectively compete as well as maintain its profitability.

Thus, the above-given definitions vary in terms of focus, wherein some definitions emphasise on the reactive nature of price setting based on the competitors' pricing, whereas others highlight considering differentiation, customers and market dynamics.

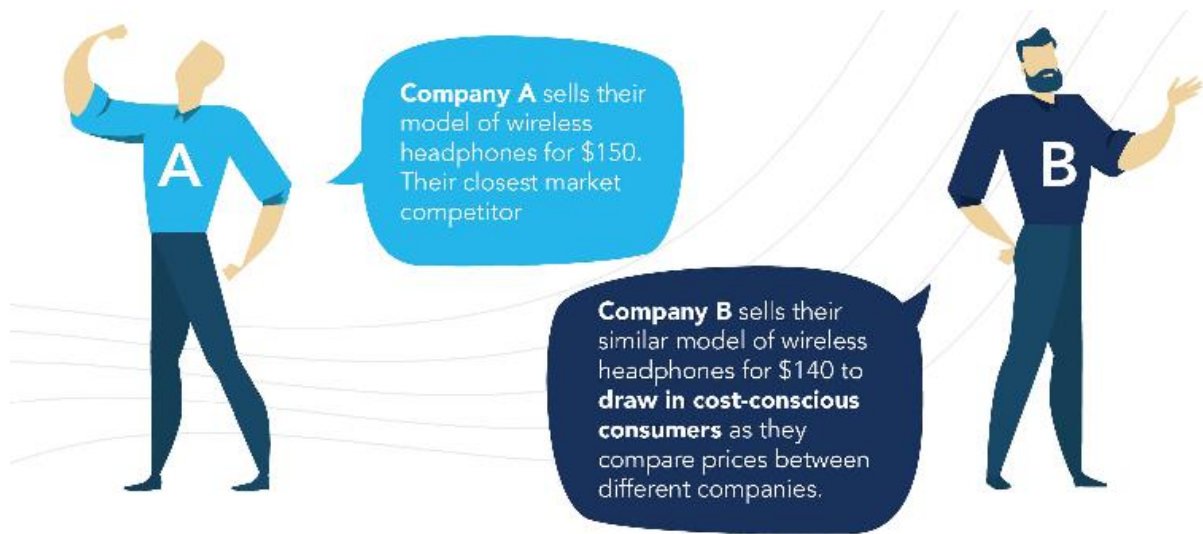
2.3 Analysis of CP Strategies in Retail Industry

Today, different types of CP strategies are considered by the retailers to achieve competitive edge and succeed for long-run in the market. A study by Volpe, et al. (2017) identified that competitive pricing contributes to 5.5% variance in retail pricing. Therefore it is important for retailers to set the right CP strategy to influence brand preference and consumer behaviour as well as to gain more market shares and profitability (Sudhir, 2001). The most commonly used CP strategies in the retail industry include – low price strategy, high price strategy and equal price strategy.

2.3.1 Lower Price Strategy

Lower price strategy is defined by Danziger, et al. (2014) as a CP strategy and a marketing approach wherein companies offer their products and services at lower price than the competitors using different methods, such as discounts, vouchers, bundles, etc., to entice customers. This strategy is widely used by the retailers who sell a large volume of products, such as supermarkets, grocery shops, stores in supermarkets and malls, etc. According to Kilroy, et al. (2017), most retailers offer 1/5th of their products at very low price in order to appear as a cost-effective brand and to remain competitive. Some retailers price their products low to penetrate new markets or enter existing markets with new product-line (Gilbert, 2003). However, the ultimate goal of a low-price strategy is to attract cost-conscious customers and to maximise sales and market shares (Refer to Fig. 2).

Figure 2: Lower price strategy



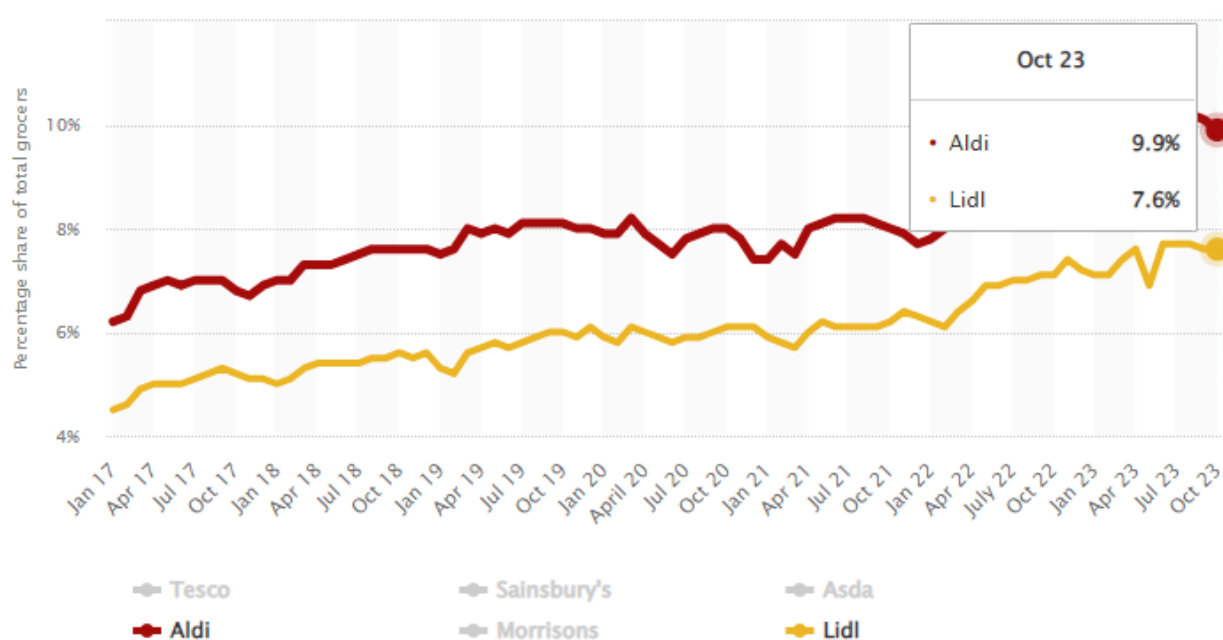
Source: PROS, Inc. (2023)

To influence the brand preference of the consumers, retailers use various low-price approaches. These are –

2.3.1.1 Everyday Low Price (EDLP)

EDLP is a price management technique which allows retailers to constantly offer their products at low-price to their customers rather than offering them discount events, coupons or promotional pricing (Pride and Ferrell, 2021). Hill (2022) reported that the exponential growth of Aldi and Lidl in recent years is attributed to EDLP strategy, contributing to 9.9% and 7.6% market shares holding for Aldi and Lidl respectively (Refer to Fig. 3). A study by Olbrich, et al. (2017) identified that EDLP strategy is generally used by private label brands and it highly influences the brand preference of low-income consumers. Similarly, Danziger, et al. (2014) also identified that EDLP influences the purchase intention and brand loyalty of the consumers. However, contradicting results were presented by DeVecchio and Puligadda (2012) who identified that consumers associate EDLP with low quality brands and products.

Figure 3: Market share growth of Aldi and Lidl

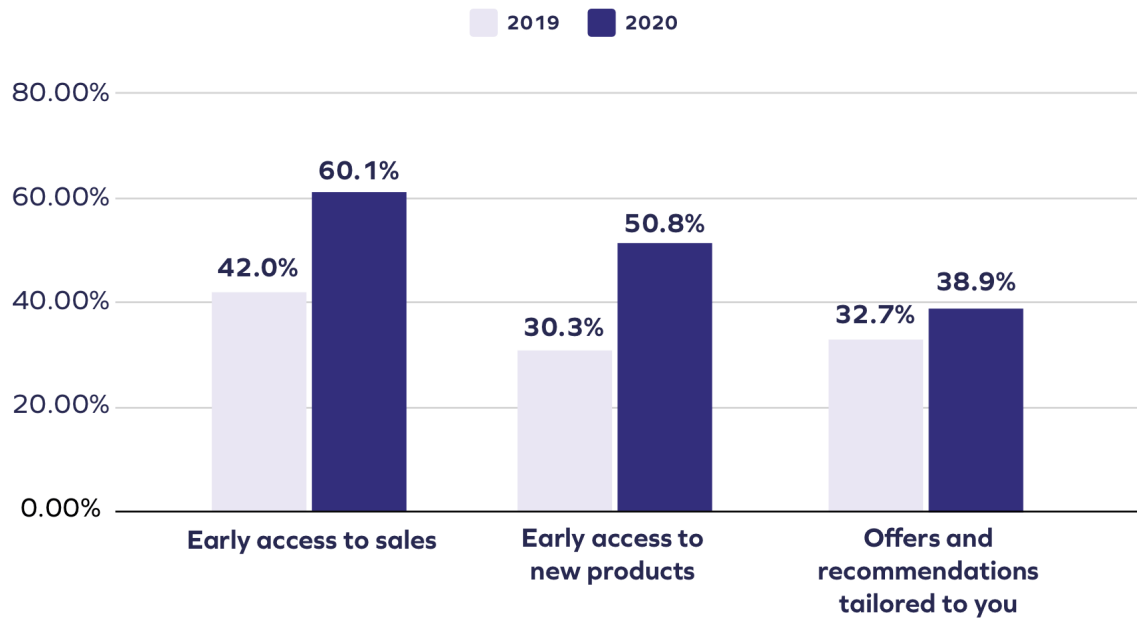


Source: Bedford (2023)

2.3.1.2 Promotional Pricing

Promotional pricing involves discount, seasonal or holiday sales, clearance sales, special offers, promotional events, vouchers and coupons that are offered by the retailers to increase product demand among the consumers and stimulate sales (Camilleri, 2018). A survey by SheerID (2018) identified that 80% of the marketers use price discount and promotions to acquire customers, while Tighe (2022) reported that 44% of customers' store preference is influenced by discount coupons and Yopto (2021) reported that 60.1% (in 2020) loyal customers preferred early access to sales (Refer to Fig. 4). Similarly, Familmaleki, et al. (2015) had identified a significant positive relation between sales promotion and customer purchase intention and customer satisfaction, however, contradicting results were presented by DeVecchio, et al. (2006) who reported promotional pricing can either increase or decrease brand preference based on its characteristics and products under promotion.

Figure 4: Preference of loyal consumers



Source: Yopto (2021)

2.3.1.3 Bundle Pricing

Bundle pricing is a strategy concerned with bundling several products and selling them at a lower price than the individual price of each product (Pride and Ferrell, 2021). This approach is used in retail and e-commerce, such as The Body Shop, Amazon, etc., to persuade customers into bulk buying while making them feel that they are getting a best deal and good value for the price. According to the survey conducted by AMG Strategic Advisors (2023), the most preferred (93% of consumers) bundle pricing is 'buy one, get one free' (Refer to Fig. 5).

Figure 5: Bundle pricing strategies



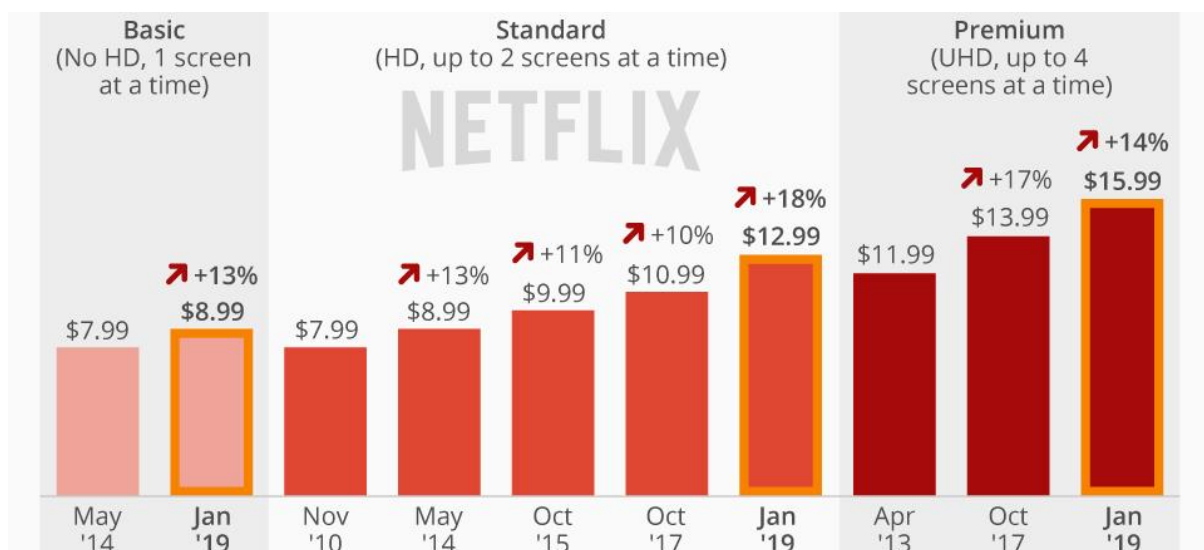
Source: Convertcart (2023)

In terms of bundle pricing and brand preference, a study by Knutsson (2011) showed that product bundling strategy has a positive impact on brand preference and customer satisfaction, similarly, Dominique-Ferreira and Antunes (2020) identified that price bundling boosts purchase intention and reduces customers' price sensitivity. On the other hand, Martins, et al. (2021) opined that this strategy may negatively impact consumer preference if there is no or minimal discount on bundle products.

2.3.1.4 Penetration Pricing

Penetration pricing is a disruptive pricing technique generally used by businesses when entering a new market or highlighting new products and services at lower initial price or below-average price than the competitors, to grab the attention of the potential customers and to quickly boost the market shares (Sammut-Bonnici and Channon, 2015). For example, Netflix had used this strategy when introducing its subscription plans in the market and had slowly raised the price after the service was well established (Refer to Fig. 6).

Figure 6: Penetration pricing strategy of Netflix



Source: Richter (2019)

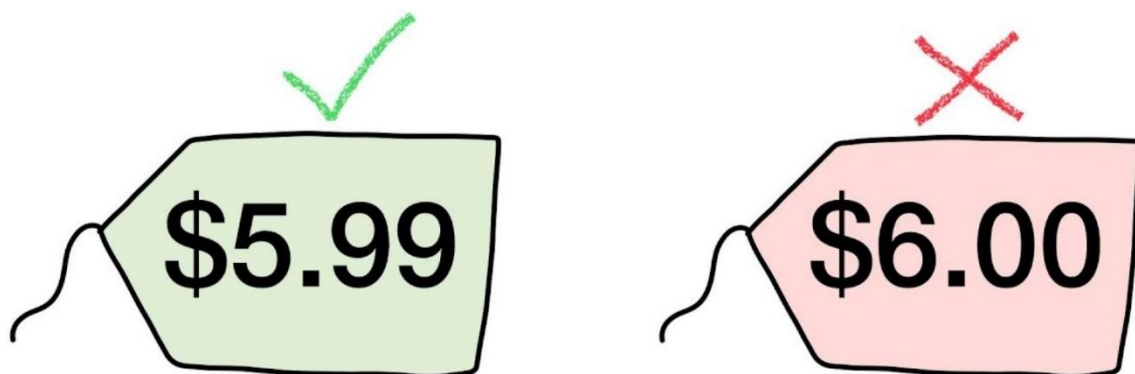
In relation to the impact of penetration pricing on consumers, the regression analysis results of the study by Ali and Anwar (2021) identified that this pricing strategy had a significant positive correlation with consumer behaviour at the level of 5%. Similarly,

Lowe and Alpert (2010) identified positive influence of penetration pricing on purchase intention of the consumers.

2.3.1.5 Psychological Pricing

Hillen (2021) explained that psychological pricing strategy incorporates techniques, like offering the products at price ending in 9 or 99 cents (charming pricing) or providing different quantities of products at varying prices (tiered pricing). The psychology behind lowering the extreme left digit is to give a perception of low price to the consumers (Refer to Fig. 7) which further influences their buying behaviour and helps companies to boost their sales. MIT and the University of Chicago researchers have studied that charming price increases product demand among the consumers (Wu, 2004). Similarly, Poundstone (2011) stated that psychological pricing has the potential to boost sales by an average 24% in comparison to 'rounded' or whole number prices.

Figure 7: Psychology pricing strategy



Source: PM Interview (2023)

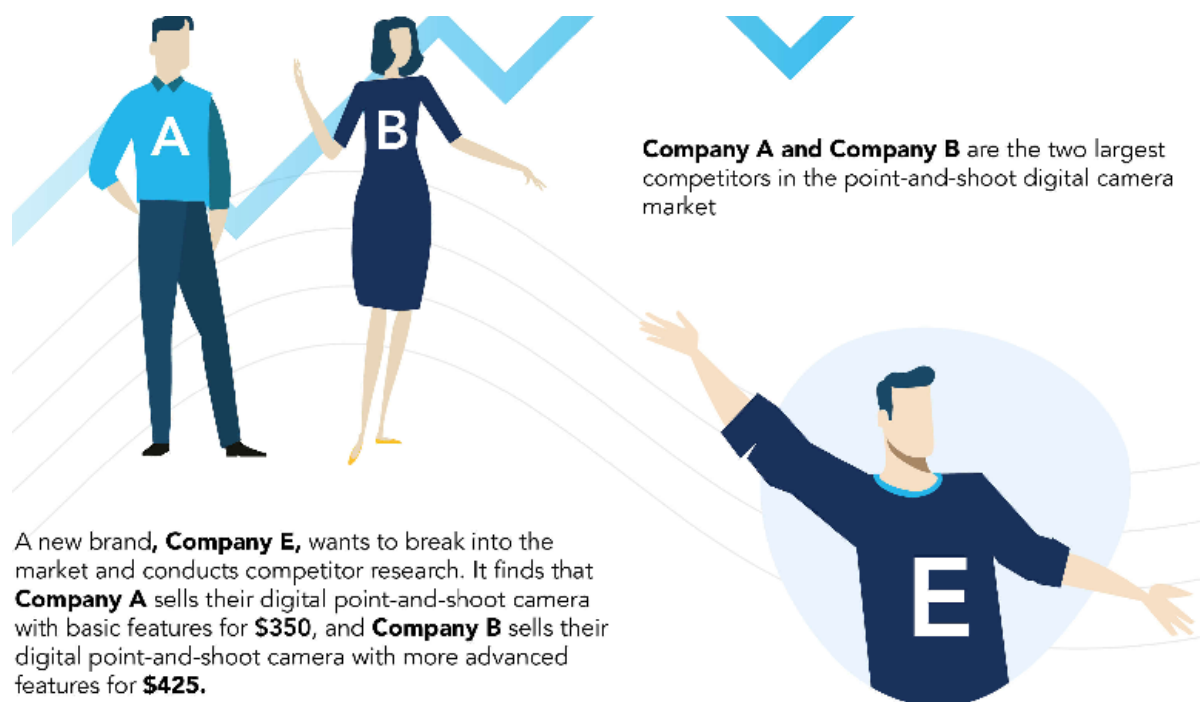
2.3.2 Higher Price Strategy

According to Nagle and Muller (2018), higher pricing, also known as premium pricing, is a marketing tactic in which the company's products and services are relatively expensive than the competitors' similar offerings (Refer to Fig. 8). This approach is adopted by the businesses when they offer additional benefits or functionality that the competitors' products lack, when there is increasing demand

from the premium market segment, and when they want to create a superior brand or product image among the consumers (Porter and Heppelmann, 2014).

When analysing the influence of higher price strategy on brand preference, past studies have revealed varying outcomes. A study by Yasri, et al. (2020) identified that a customer's willingness to pay premium price and their preference for a brand is influenced by high value products and service. On the other hand, Zhao, et al. (2021) found that higher price has a negative relation with brand preference and purchase intention.

Figure 8: Higher price strategy



A new brand, **Company E**, wants to break into the market and conducts competitor research. It finds that **Company A** sells their digital point-and-shoot camera with basic features for \$350, and **Company B** sells their digital point-and-shoot camera with more advanced features for \$425.

Company E then decides to manufacture a “premium” digital point-and-shoot camera with even more advanced features and prices it at \$500.

While Company E's price is higher, consumers can justify the additional costs because it offers more features.



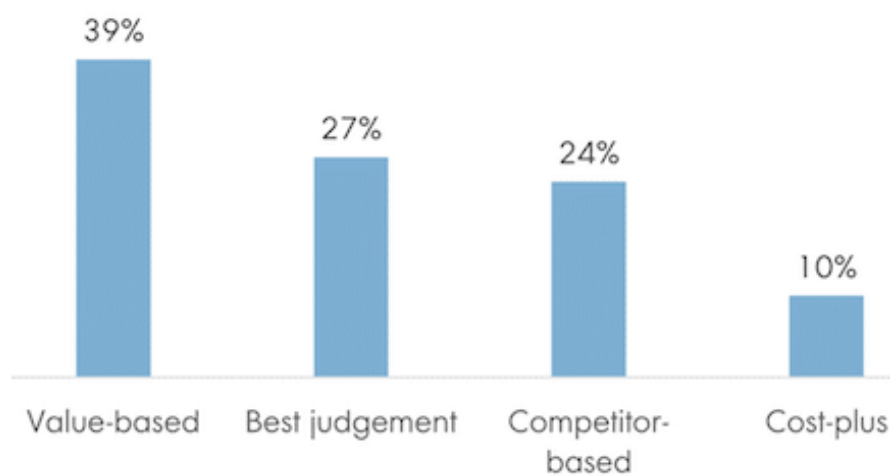
Source: PROS, Inc. (2023)

2.3.2.1 Value-based Pricing

This pricing strategy gives increasing importance to the perceived value of a product or a service rather than completely relying on cost of production or competitors'

pricing structure when determining the product/service price. Using this strategy, businesses can set a premium price for their products by highlighting its salient features and value propositions (Liozu, et al., 2012). According to a pricing survey conducted by SaaS, 39% of the large size companies use value-based pricing strategy (Poyar, 2021) (Refer to Fig. 9). Further, a research executed by First Insight (2021) identified that quality and value of the products ranked 51% higher than their price (30%). Overall, this strategy is considered by the retailers to attract quality-conscious consumers.

Figure 9: Pricing survey by SaaS

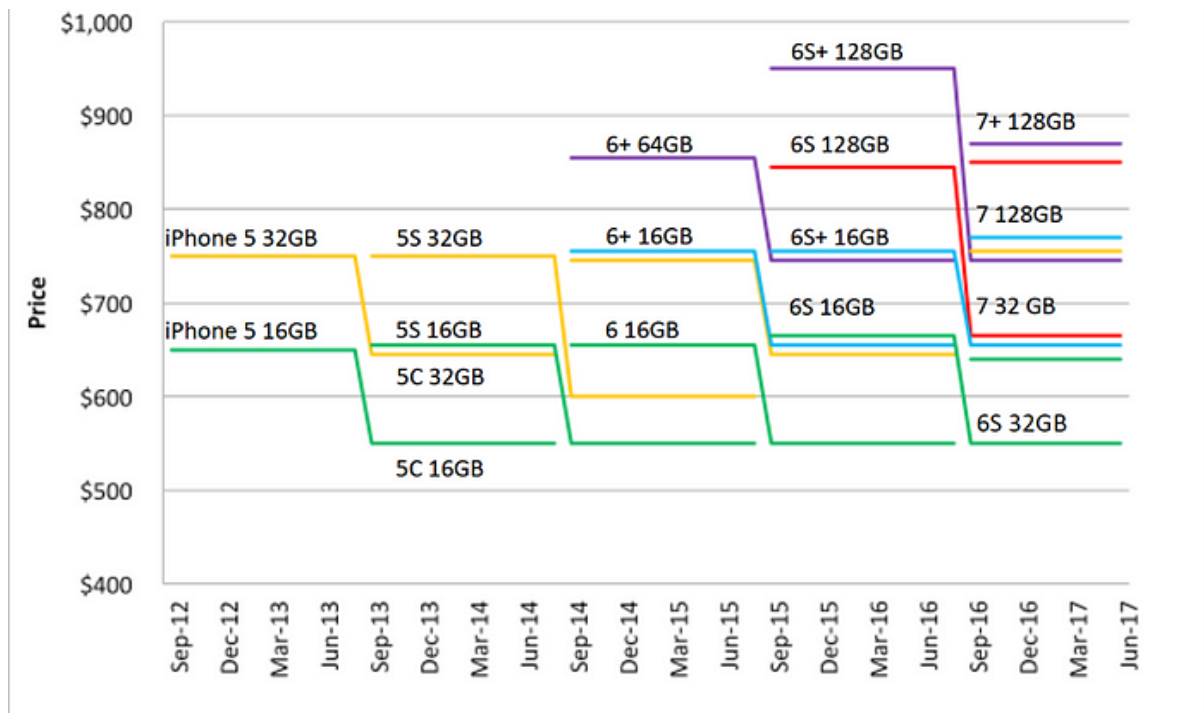


Source: Poyar (2021)

2.3.2.2 Price Skimming

In this pricing technique, companies usually set a high price when their products and services are newly entering the market and then gradually lower the price over a period of time to generate demand among the price-conscious consumers (Spann, 2015). This strategy is mostly used by premium brands to quickly attract premium consumers and to rapidly increase the sales and profitability. According to Prisync (2023), fashion brands (Zara, H&M, etc.) and smart phone companies (Apple, Samsung, etc.) are good examples of companies using price skimming strategies (Refer to Fig. 10).

Figure 10: Price skimming strategy of iPhone

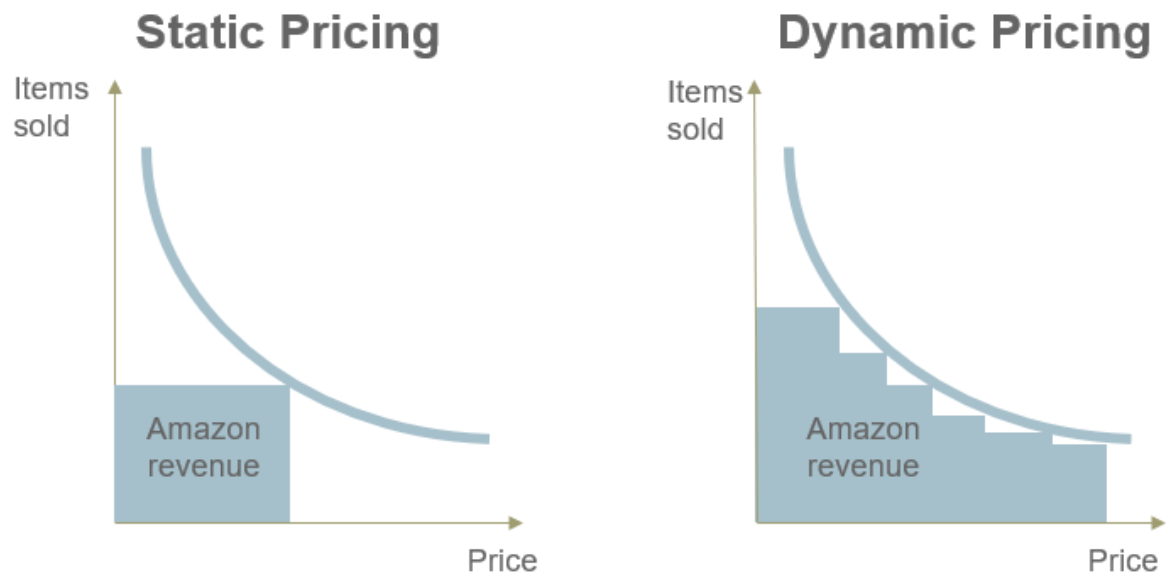


Source: Pavlish (2017)

2.3.2.3 Dynamic Pricing

In the advanced business world, retailers use dynamic pricing strategy which involves the application of data analytics and algorithms to set the product price in real-time on the basis of consumer trends and demands, product stock level, seasonality and competitors' pricing structure (Dasu and Tong, 2010). Using this strategy, retailers can increase their profit margin by setting high prices during an increased demand period and conversely lower the price when demand drops. According to the report of Investors' Chronicle, this pricing strategy is used by around 25-30% of the retailers in the UK and Europe, resulting in increased growth in industries, like consumer goods, grocery, sportswear, electronics, home furnishing, etc. (Taylor, 2022). Dynamic pricing is extensively used by Amazon wherein the company uses advanced algorithms and machine learning to explore customer data and accordingly adjust their product pricing throughout the day to maximise their profit (Rajgopal, 2023) (Refer to Fig. 11).

Figure 11: Amazon's dynamic pricing strategy for maximum profitability



Source: Rajgopal (2023)

2.3.3 Equal Price Strategy

Equal price strategy, also known as the price matching, is the most preferred retail pricing strategy wherein a company promises to offer its customers an equal or competitive price before and after they buy its products and services. This strategy assures the consumers to get a better deal than the competitive firm which helps to gain their trust and loyalty for the long-term. The results of BDO USA (2015) poll revealed that equal pricing is the 2nd most successful marketing strategy adopted by the retailers. According to eMarketer (2015), in 2014, only 10% retailers were practising this strategy and this statistic had increased to 18% in the following year. Further, a research by Blue Yonder (2015) identified that equal pricing strategy is increasingly used by consumers in the age range 45-54 (14%) as compared to those aged 16-24 (8%). This strategy is highly considered by the retailers due to the associated benefits. For instance, at the pre-purchase level, this strategy builds a brand image of low-price which further decreases consumer perception risk and influences their buying behaviour. However, at the post-purchase level, it assures recompense for any monetary loss of the consumers which further aids in improving consumer-brand relationship, winning their loyalty and preventing them from going to the competitors (Bashir, et al., 2018).

Figure 12: Equal pricing strategy



Company A is a popular brand in the bio-acetate sunglasses market.

Company B wants to break into the market, so it conducts competitor research on **Company A**.

It finds that **Company A** sells its bio-acetate sunglasses for \$90.

Using an equal price competitive pricing strategy, **Company B** decides to sell their similar bio-acetate sunglasses for \$89 to entice customers into paying a “lower” price.



Source: PROS, Inc. (2023)

In the highly competitive retail environment, a successful and win-win pricing strategy involves a mixture of approaches wherein retailers constantly examine the market trends, consumer demands, competitors' move to adjust their pricing strategy for increased profitability and growth.

2.4 Evaluation of ASDA's CP Strategies

The CP strategy of Asda is mainly based on its commitment to offer affordable prices to its customers. The wide range of CP strategies used by Asda includes, EDLP, price matching, price leadership, value based products and promotion and discounts.

2.4.1 EDLP

The EDLP business model of Asda emphasises on offering a wide range of products at a lower price. This strategy is used by the company to entice price-sensitive consumers as well as to gain their long-term loyalty. The clear and consistent EDLP strategy of Asda had helped the brand to boost its like-for-like sales by 0.5% in the second quarter of 2014 (Harrison, 2014).

2.4.2 Price Leadership

In the supermarket industry, Asda has positioned itself as a low cost leadership brand. Price leadership is defined by OECD as a condition where in price setting and price change is announced by a dominating company in the industry, which has established itself as a leader and which compels other companies to adopt and follow the same pricing strategy (Seaton and Waterson, 2013). Asda constantly compares its pricing with the competitors' price structure in order to offer the best deal and affordable products in comparison to the rivals. In terms of 'price' attribute, Simmonds and Walsh (2024) analysis had found that Asda was considered among the cheapest supermarkets, in a January 2024 survey, for a wide range of groceries (Refer to Fig. 13).

Figure 13: Cheapest supermarket in January 2022

Supermarket	Average price for 188 items	Supermarket	Average price for 72 items
Asda	£475.06	Aldi	£129.24
Morrisons	£496.68	Lidl	£132.37
Ocado	£504.82	Asda	£145.75
Tesco	£506.12	Tesco	£149.11
Sainsbury's	£516.82	Sainsbury's	£153.50
Waitrose	£519.43	Morrisons	£156.05
		Ocado	£157.15
		Waitrose	£170.44

Source: Simmonds and Walsh (2024)

2.4.3 Price Matching

ASDA has recently introduced price-matching initiatives to align with both Aldi and Lidl, covering a wide array of popular everyday products, totalling around 287 comparable grocery items. These efforts have resulted in an average price reduction of 17%, ensuring that ASDA matches the lowest price offered by either discounter on these products. Included in this price match are essential grocery items such as milk, bread, cheese, tea, coffee, fresh meat, fresh fruits and vegetables, baked beans,

pasta, rice, and breakfast cereals (ASDA, 2024). This move underscores ASDA's dedication to providing competitive prices and instilling consumer confidence in their purchases. However, when the company had conducted 'Independent Taste Tests' of its products against the rival's (Marks & Spencer) products, the results revealed that fresh food items as well as Asda's private-labelled food products were of good taste and quality (Asda, 2023).

2.4.4. Promotions and Discounts

Although ASDA's primary strategy revolves around EDLP, the retailer also implements occasional promotions and discounts, albeit not as prominently as some other retail chains. These promotions typically coincide with seasonal shifts or specific events. ASDA's sporadic promotional efforts include offerings such as the Blue Light Card, which provides discounts on select grocery items, the Reward App allowing customers to earn money rather than points, cashback deals, and various discounts (Asda, n. d.).

2.4.5 Private Label and Value Brands

ASDA places significant emphasis on its private label and value brand products, providing quality items at more affordable prices compared to renowned brands. ASDA's own-brand lines, including the 'Smart Price' and 'Extra Special' ranges, have earned a reputation for delivering quality products at accessible prices. These private-label offerings foster customer loyalty and set the company apart from its competitors. Such a strategy resonates particularly well with price-conscious consumers seeking high value (Amani, 2022). A news article by Rogers (2021) had identified that besides great value and price of the products, Asda also focuses on quality of its products as well as on services offered to the customers.

ASDA's CP strategy has played a pivotal role in its triumph within the UK retail sector. By prioritising affordability, supplemented with periodic promotions and a focus on private label products, ASDA has effectively secured a substantial market share and cultivated a loyal customer following. This CP strategy has proven successful in attracting a broad customer base seeking budget-friendly options.

ASDA's commitment to EDLP fosters a sense of transparency and reliability among consumers. However, in the ever-evolving retail environment, ongoing innovation and adaptability are imperative for sustaining this competitive edge. Moreover, maintaining profitability while consistently offering low prices presents its own set of challenges. Effective execution demands meticulous cost control, streamlined supply chain operations, and strategic product assortment management to strike a balance between affordability and sustainable profit margins. Furthermore, amidst fierce competition from major supermarket chains like Tesco, Sainsbury's, and Aldi, ASDA must continually monitor prices and make adjustments to retain its competitive advantage.

2.5 Advantages and Disadvantages of CP in Retail Industry

2.5.1 *Advantages of CP*

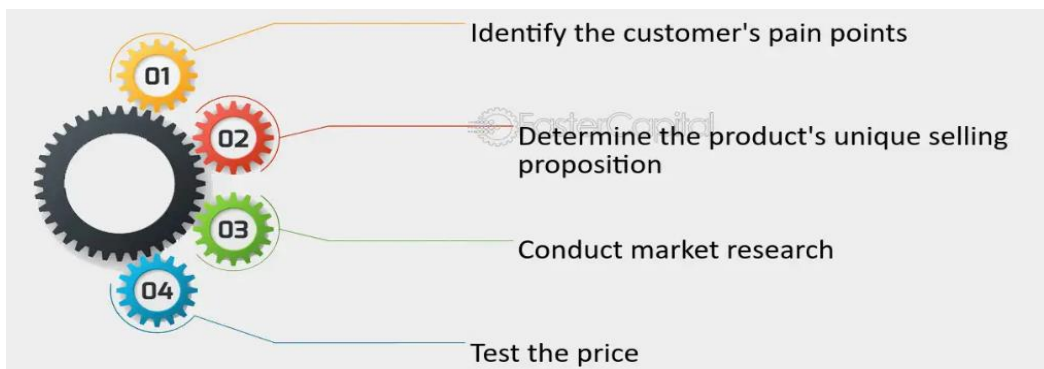
CP emerges as a potent strategy within the retail sector, having significant influence over consumer preferences and market positioning. Its advantages within the retail landscape encompass:

- **Attracting Customers:** In competitive markets, consumers frequently engage in price comparisons prior to making purchases. Employing a (CP) approach, such as discount strategies, sales campaigns, leadership pricing, or offering low prices, can assist retailers in enticing price-sensitive customers actively searching for favourable deals. This tactic helps generate more leads and boosts sales. Peachey (2022) found that six out of ten consumers perceive competitive pricing, particularly lower pricing, as a significant factor influencing their brand preferences.
- **Increasing Sales and Profit Margin:** Reducing prices has the potential to boost sales volume significantly. When consumers perceive a product as reasonably priced or more affordable compared to alternatives, they are more likely to favour the brand and complete a purchase. If a company's offerings are priced lower than its competitors', it may have the opportunity to raise prices while still maintaining competitiveness and improving profit margins. This is especially true if the company's products or services provide a unique value proposition (UVP) compared to those of its rivals. By identifying and

capitalising on specific product features such as distinctive packaging or additional accessories that enhance value for customers and increase their willingness to pay, a business can set itself apart from competitors. Effectively integrating such insights into its competitive pricing strategies ensures that pricing remains aligned with the market and profitable. Another approach involves delivering customers with distinctive and seamless shopping experiences that outshine those provided by competitors. According to Chan et al. (2015), adept pricing strategies and tactics can result in a 2 to 7% increase in return on sales.

- **Market Share Expansion:** Competitive pricing serves as a potent tool for capturing market share by enticing customers away from rivals. This is particularly effective when the quality and value offered are comparable to or superior to competitors. Upholding quality and value enables retailers to marginally raise prices to secure a larger market share. Baker et al. (2014) noted that, on average, a 1% price increase results in an 8.7% rise in operating profits (assuming no loss of volume). Employing a competitive pricing strategy, especially through methods like price matching or price leadership, empowers businesses to seize market share from competitors. However, discerning customers consistently conduct price comparisons, both in-store and online, to secure the best possible deal. Therefore, employing effective tactics is essential to either retain customers or entice them away from the competition.
- **Win Customer Loyalty:** In mature markets, consumers have established familiarity with price ranges and hold firm expectations regarding value. When consumers perceive value in a retailer's competitive pricing (CP) and experience high-quality products or services, their inclination to revisit for future purchases is enhanced, nurturing loyalty. Consequently, by prioritising the perceived value offered, retailers can cultivate customers' willingness to invest more, consequently driving up revenue and bolstering customer satisfaction. However, in determining the CP aligned with the value proposition, retailers must take into account specific considerations (Faster Capital, 2023), as shown in Fig. 14.

Figure 14: Value-based price setting



Source: Faster Capital (2023)

- **Clear Differentiation:** A retail brand maintaining a steadfast CP model, such as EDLP, can solidify its position as a market cost leader, setting itself apart from competitors with higher price points. Conversely, a retailer employing a price matching CP strategy can distinguish itself by innovating in areas such as crafting distinctive shopping experiences or presenting more appealing product alternatives. For instance, utilising sustainable materials or manufacturing processes to appeal to environmentally conscious consumers can serve as a noteworthy differentiator.
- **Adaptability:** Observing competitors' pricing enables agile adjustments in response to fluctuating variables such as raw material expenses, market demand, seasonal shifts, inventory levels, and freight charges. These strategies additionally furnish retailers with insights into pricing patterns across various comparable products within their market, including fluctuations in competitors' pricing. The capability to strategically position prices in the market is particularly crucial in eCommerce channels, where buyers have the ability to thoroughly research and compare similar products prior to making purchasing decisions. Retailers can promptly adapt to market shifts, ensuring competitiveness and continued relevance.
- **Clear Communication:** Competitive pricing streamlines marketing messages by straightforwardly conveying value to customers through lower prices, eliminating the necessity for intricate advertising campaigns.

While competitive pricing provides the aforementioned benefits, it's essential to strike a balance with other factors like quality, customer service, and brand perception.

Excessive reliance on low prices could potentially jeopardise profitability and long-term viability if not complemented by other value propositions.

2.5.2 Disadvantages of Competitive Pricing Strategy

Although competitive pricing can present advantages, it also carries potential disadvantages for the retail sector. These disadvantages encompass:

Reduced Profit Margins: Consistently lowering prices to maintain competitiveness may result in diminished profit margins. This challenge is particularly pronounced when the cost structure is not optimised or when the market becomes excessively price-sensitive. Furthermore, if a retailer solely concentrates on competing with other market players, there's a risk of failing to cover production and overhead costs adequately, potentially resulting in margin losses. Moreover, if a retailer's products offer superior quality and value and are supported by robust marketing tactics, they may justify higher pricing. However, imitating competitors' low-price competitive pricing (CP) strategies could ultimately lead to reduced profits.

Customer Perception Issue: Consumers might link lower prices with inferior quality and value, posing a considerable hurdle for retailers aiming to establish themselves as purveyors of top-notch products or services. Customers may wonder why a brand is offering discounts and may infer that there's something amiss with the product. This scepticism can impact their inclination to make a purchase and their overall perception of the brand. A study by Lee and Chen-Yu (2018) revealed a noteworthy correlation between price discounts and perceived quality, indicating that higher price discounts were perceived by consumers as indicative of lower product quality.

Brand Erosion: Excessive focus on competitive pricing (CP) can degrade the brand image and diminish the perceived value of products or services, associating the brand more with low-cost offerings rather than quality or innovation. This shift can impede the capacity to command premium prices down the line. For example, retailers heavily discounting their premium products run the risk of diminishing their exclusivity and premium status, ultimately damaging their brand perception.

Lack of Innovation: Depending solely on price competition could deter investment in innovation or distinctive features. Retailers might hesitate to introduce new

products or services if they fear it could compromise their ability to sustain low prices. Kang's study (2023) revealed that competitive pricing diminishes individual firm investment incentives in equilibrium. Conversely, with decreased price-based competition, firms establish prices above marginal costs and yield greater profits, thereby furnishing financial resources for innovation.

Vulnerability to Price Wars: Participating in price wars with competitors can trigger a downward spiral, where profit margins for all parties involved are constricted. Such a situation can prove to be unsustainable in the long term and adversely affect the entire industry. Research conducted by Omnia Retail (2018) discovered that over a third of respondents (34%) felt compelled to frequently adjust their prices due to pressure from competitors' pricing strategies.

Customer Loyalty Based Solely on Price: Customers acquired through competitive pricing (CP) strategies may exhibit lower loyalty if a competitor presents a more attractive price. Establishing enduring relationships becomes difficult when price becomes the primary determinant of brand preference. According to Kim (2019), regular price promotions may heighten customers' sensitivity to prices, potentially leading to diminished brand loyalty and/or brand equity.

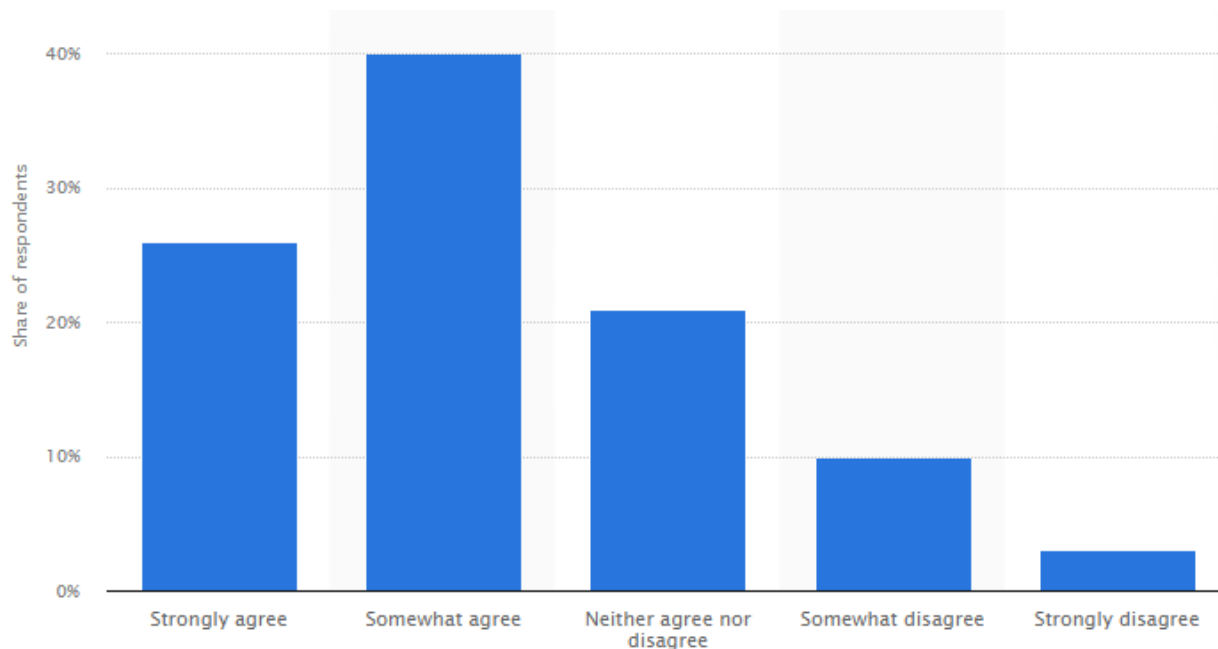
Negative Impact on Service Quality: In striving to reduce expenses and uphold competitive prices, retailers might sacrifice aspects like customer service or other components crucial for a favorable shopping experience. Research by Bain and Company (2022) reveals that a customer is four times more inclined to choose and buy from a competitor when the issue pertains to service rather than price or product.

Retailers must meticulously weigh the repercussions of a competitive pricing (CP) strategy and strike a balance that harmonises with their overarching business objectives and customer value proposition. Integrating CP with other strategic facets such as product distinctiveness, exceptional customer service, and a robust brand presence can assist in alleviating some of the drawbacks mentioned above.

2.6 Impact of CP on Brand Preference of the Consumers

CP has considerable impact over consumer brand preferences, enhancing the perceived value for money. When consumers perceive they're receiving quality products or services at a reasonable cost compared to rivals, it positively shapes their brand inclinations. Tighe (2021) found that 66% of the respondents strongly agreed that price is the most important factor when deciding what to buy (Refer to Fig.15). Similarly, a survey conducted by Mohammad (2023) also found that quality was weighed by 51% of the consumers as the highly important factor rather than price when making a purchase.

Figure 15: Importance of price among consumers



Source: Tighe (2021)

Lower prices render products or services more accessible to a wider demographic, fostering increased brand preference, particularly among budget-conscious consumers. Different studies have identified increased price sensitivity of student groups as they have minimal disposable income and may have to manage their expenses for house rent, university fees, food, travelling, study resources, and so on (Desai and Talukdar, 2003; McConnochie, et al., 2017). A contradicting view was presented by Thangavel, et al. (2019) and Secretaria, et al. (2023), which identified that Gen Z consumers are extremely price sensitive than older adults. However, Manley, et al. (2023) found that 39% Gen Z and 42% millennials are less price

sensitive to sustainable goods and services. Nevertheless, Ruff (2019), identified that 80% of the Gen Z and young millennials weighed 'price' as the most important factor when making decisions.

Through CP, a retail brand can carve out a distinct position in the market. Consistently offering lower prices may position a retailer as a budget-friendly option, appealing to consumers prioritising affordability. Given the prevalence of price comparisons in consumer decision-making, retailers with competitive or perceived higher value pricing are likely to be preferred during the purchasing process.

CP can foster customer loyalty, especially among those prioritising cost savings. By maintaining competitive prices without sacrificing quality, retailers can cultivate a loyal customer base. Pricing strategies also shape overall brand perception, with consumer-friendly and market-savvy retailers often associated with competitive pricing. However, excessively low prices may raise quality concerns. When CP is perceived as fair and transparent, it aids in building trust, a pivotal factor in brand preference.

In certain markets, premium retail brands uphold higher prices to convey exclusivity and quality. The results of Retail Dive survey showed that 67% of the respondents' purchase decision was influenced by brand name as it offered them assurance about the product quality and standards (Ruff, 2019). Yet, CP can still sway consumer preferences, particularly if it aligns with shifting perceptions of value and prestige. Price comparison may prompt consumers to switch brands, altering market share dynamics. Wiser Solutions (2019) identified that 96% of the shoppers make price comparison before making a purchase. On the other hand, Akirin (2021) has identified that consumers compare selective products, like beauty products, electronic appliances and devices, automobiles, decoration items as well as holiday trips. Additionally, retailers frequently offering discounts or promotions may foster customer attachment, though it's imperative to manage the long-term impact on perceived value.

Understanding the nuanced interplay between competitive pricing and consumer preferences is crucial for retailers in formulating effective marketing and pricing strategies. Impact can vary based on product type and target audience needs,

necessitating regular market research and consumer feedback to adapt pricing strategies to evolving preferences.

2.7 Brand Preference Model

2.7.1 Consumer Attitude Model

Martin Fishbein's model of consumer attitude and brand preference, formulated in the 1960s, serves as a theoretical framework aimed at comprehending and forecasting consumer behaviour rooted in their attitudes towards products or brands (Cohen, et al., 1972). This model holds widespread application in marketing and consumer research, pivotal for deciphering consumer preferences. Its fundamental components, which Asda can consider, encompass:

Attitude toward the Brand: This denotes the consumer's holistic assessment or sentiment towards Asda, typically gauged on a scale ranging from negative to positive. Attitudes of consumers towards Asda can be shaped by diverse factors including product pricing, quality, brand reputation, marketing communications, and previous interactions (Bose and Khan, 2012). Asda can constantly offer its products and services at a discounted rate as well as use different promotional and sales strategies to create a positive brand image among the consumer which will eventually influence their attitude towards the brand.

Beliefs about the Brand:

Beliefs encompass the distinct attributes or traits that consumers link with Asda, which can be functional (e.g., price, durability, performance) or emotional (e.g., status, prestige). Typically, beliefs about Asda can be assessed through surveys or interviews, where consumers rate the significance of various attributes (Ajzen, 2012). When influencing the beliefs of the consumers towards the brand, Asda should ensure that while offering the price discount, the company should not compromise on the quality of the products as it can negatively impact the trust of the consumer towards the brand.

Evaluation of Brand Attributes: Evaluation pertains to the consumer's judgement regarding the significance or worth of each attribute linked to Asda. Consumers assess Asda's attributes based on their individual preferences, requirements, and needs. Typically, the evaluation of Asda's attributes is gauged through rating scales or direct questions regarding the importance of each attribute (Bose and Khan, 2012).

The model presupposes that consumers are logical decision-makers who methodically consider the significance of various brand attributes when shaping attitudes toward Asda. It further posits that attitudes toward Asda can directly impact brand preferences and purchase intentions (Ajzen, 2012).

Researchers and marketers leverage Fishbein's model to pinpoint the pivotal attributes that shape consumer attitudes toward Asda, evaluate the efficacy of marketing strategies in moulding brand perceptions, and forecast consumer behaviour, encompassing brand selection and loyalty. However, it's imperative to acknowledge that consumer behaviour is shaped by an array of factors beyond attitudes, including social influences, situational circumstances, and individual disparities.

2.8 Summary

In this chapter, an extensive review of past literature pertaining to the research topic is presented. It is observed that numerous researchers and scholars have generated varied findings, which will assist the researcher in understanding the relationship and reliability of previous study outcomes through real-time analysis of responses from research participants. The main emphasis of this chapter revolves around competitive pricing and its impact on consumers and their brand preferences. Chapter 3 will detail the methods utilised by the researcher to gather data for this study.

Chapter 3: Methodology

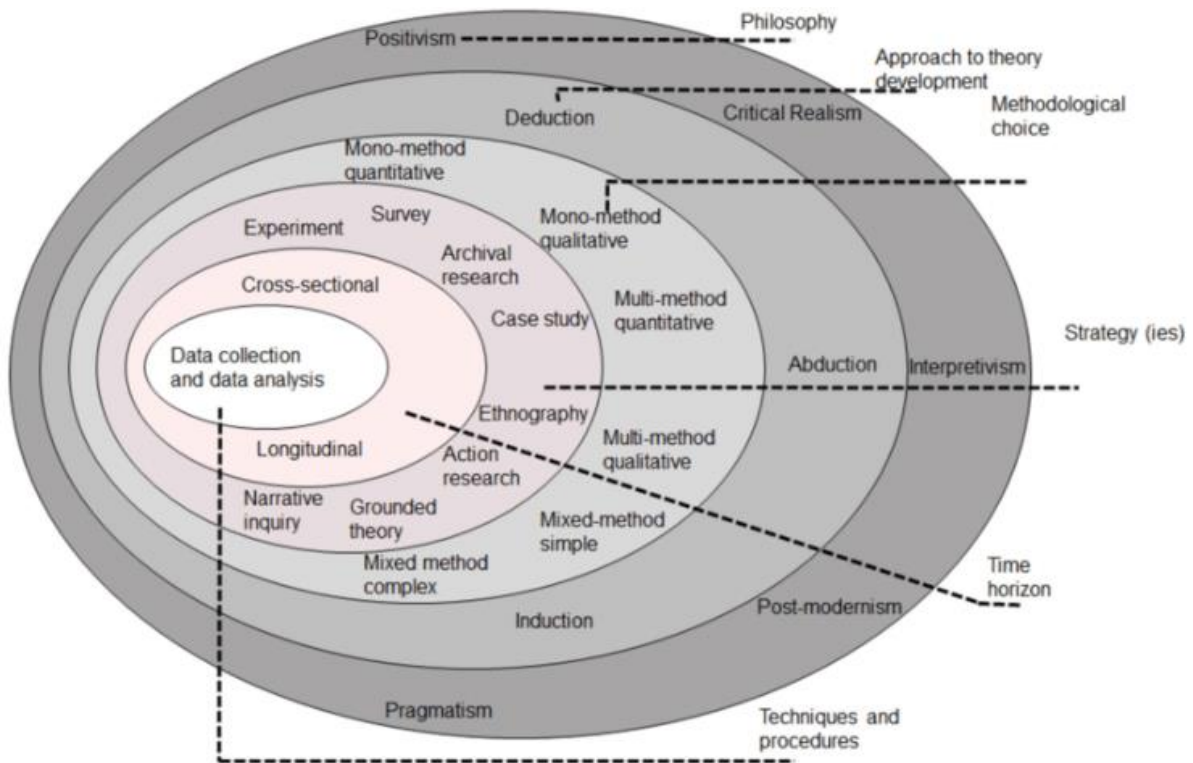
3.1 Introduction

This chapter briefly describes different methods used to evaluate research aims and objectives. It plays a significant role in enhancing the credibility and reliability of this study findings (Bougie and Sekaran, 2020). It explains the process of data collection, data analysis and data interpretation considered by the researcher. The structure of this chapter covers a brief overview on research design, highlighting the key elements that shape the research. It presents the rationale for selecting specific research philosophy, approach and method in this study. Nevertheless, it also illustrates the sample and the sampling technique considered as well as the ethics addressed in this study.

3.2 Research Design

Research design is an important aspect of the methodology chapter which illustrates the entire study plan (Saunders, et al., 2019). The design of this study is based on the 'research onion framework' designed by Sanders (Refer to Fig. 16). This framework encompasses different layers of steps that a researcher can use when developing the research strategy (Cooper, 2019). Using this framework, this study researcher carefully selects appropriate philosophy, approach, method and strategy that will aid in ultimately accomplishing the research aims and objectives. In addition, data collection and analysis methods are chosen based on the resources available and the scope of this study.

Figure 16: Research Onion Framework



Source: Saunders, et al. (2019)

3.2.1 Philosophy

In research, a philosophy aids in determining the execution process based on the knowledge of the surrounding environment (Bell, et al., 2022). When conducting an academic study, a researcher may consider two main philosophies, i.e., positivism and interpretivism. According to Saunders, et al. (2019), positivism philosophy highlights observation of humans, while interpretivism emphasises on their perception. The underpinning philosophy used, to evaluate the impact of competitive pricing strategy on brand preference and purchase intention of the consumers, is **positivism philosophy**. Under this philosophy, the researcher will test the research questions based on the analysis and interpretation of the data collected from the participants. Further, this philosophy is highly advantageous as it allows collection of logical evidence from the past studies as well as from the research participants, to assess the topic under investigation.

3.2.2 Approach

An approach in a research indicates the action plan considered when gathering, analysing and interpreting data (Ghauri, et al., 2020). Inductive, deductive and abductive the three research approaches usually considered when undertaking a study. Saunders, et al. (2019) stated that in a deductive research approach, a theory is first created and then tested with the help of appropriate strategic tools. However, inductive research allows collection and interpretation of data in the beginning and then formulation of the theory based on the data analysis and findings. Abductive approach involves collection of data to firstly develop a theory and then additional collection of data to further test that theory. As this study uses positivism philosophy, **deductive approach** is considered appropriate wherein the research questions were first illustrated in this study and then information from secondary and primary sources were gathered to later address the research questions and justify the aims and objectives. The positive aspect of deductive approach is that it allows access to relevant data and gathering of required information to answer the research questions (Ghauri, et al., 2020).

3.2.3 Methodological Choice

According to Wilson (2014), methodological choice refers to strategic consideration used to gather information from appropriate sources that will further aid in justifying and answering research objectives and questions. The research onion framework, as shown in Fig. 2, describes different methodological choices that can be used when conducting a study. However, in this study mixed research method was considered as it focused on collecting qualitative data from the secondary sources, like books, articles, journals, academic papers, etc., and quantitative data from the research participants to investigate the impact of competitive pricing on brand preference and purchase intention of the consumers. The benefits of mixed research methods involve better and in-depth understanding about the research consumer preference and competitive pricing phenomena (Wasti, et al., 2022).

3.2.4 Research Strategies

Research strategies indicate steps undertaken by the researcher to gather data that will ultimately aid in accomplishment of research aims and objectives (Easterby-Smith, et al., 2018). From all the strategies illustrated in the research onion framework, this study used a **survey strategy** to collect information from a specific group of respondents through a survey questionnaire (Refer to Appendix) related to the topic being investigated. Survey strategy is a quantitative technique that uses a list of questions to access information from a wider research sample (Saunders, et al., 2019). This strategy is beneficial in terms of time and money, and hence it was the most appropriate method for this study which was required to be completed within a specific time frame.

3.2.5 Time Horizon

Time horizon means the length of time available to complete a given research (Bell, et al., 2022). The two most common time horizons are cross-sectional and longitudinal. In cross-sectional research, short time duration is given to gather data and conduct a study, whereas in longitudinal study, a longer time duration (several months or years) is allowed to constantly collect the data and perform the study (Saunders, et al., 2019). As mentioned earlier, there was a specific time duration of approximately 3 months given to complete this study and therefore cross section time horizon was used to study the impact of competitive pricing on brand preference of Asda's customers.

3.2.6 Data Collection Techniques

3.2.6.1 Sample Size

The size of the sample refers to the number of people belonging to a larger group, chosen during the course of a research (Cooper, 2019). In this research, a small sample (30 participants) was selected to investigate the impact of competitive pricing on consumers' brand preference. The main reason for choosing a smaller sample size was the lack of time and resources available to the researcher to conduct this study. On the other hand, a large sample size of 100-500 participants would have

consumed a lot of time for collecting and analysing data. However, when the responses of the participants were collected, it was identified that **31 participants** had responded to the questionnaire.

3.2.6.2 Sample Type

To study the impact of competitive pricing on consumers' brand preference, this research involved male as well as female participants, aged 18 and over. Further, the sample consisted of people (friends, college mates, and work colleagues) in the researcher's social group. It is important to note that these participants were located in the UK.

3.2.6.3 Sampling Method

Sampling method indicates the technique used to select people from among the larger group (Saunders, et al., 2019). Although it is the widely used technique, there are certain limitations of this method as stated by Lavrakas (2008). Firstly, there is a high possibility of bias wherein participants with specific characteristics may be selected which further limits generalisation of the results to a wider population. Secondly, this study used convenience sampling due to time constraints which may further reduce research validity as samples are selected based on convenience and preference of the researcher. Lastly, small sample size may not be able to assess variability present in the large population, resulting in less reliable data and reduced statistical efficiency.

3.2.6.4 Type of Data

There are two types of data usually collected in a research study – primary data and secondary data. Saunders, et al. (2019) described primary data as the first-hand data obtained straight from the participants using data collection tools, like interview, survey, experiments, etc. On the other hand, secondary data indicates already published data that are available for other people to use. This data is obtained from textual sources, like journals, research papers, books, websites, and so on (Bougie

and Sekaran, 2020). In this study, both primary and secondary data were used to better understand the topic and to gather vast information that can aid in justifying the research objectives and questions. Secondary data was gathered from academic sources available on Google Scholar, EBSCOHost database, university library and authentic websites, like the official website of Asda, Statista site, McKinsey & Company webpage, etc. Additionally, primary data was collected from 31 research participants through surveys.

3.2.6.5 Data Collection Method

Several parameters were considered when collecting data for this research purpose. Firstly, a survey questionnaire, consisting 25 questions (4 demographic questions related to age, gender, occupation and income of the study sample, and 21 close-ended questions designed in line with the research aim and objectives), was drafted in Google Form. This application was selected to create the questionnaire as it is available free of cost and has additional features – customise the form based on the requirements, add images wherever required, download the responses in Pivotal table format, send the link directly to participants through WhatsApp, email, etc., check the number of responses received, etc. When drafting the questionnaire, the researcher had ensured to incorporate different types of questions, like multiple choice, specific selection from a list given, and Likert scale question. At the top of the questionnaire, information about the purpose of conducting the study, duration of the survey, contact details of the researcher, and confidentiality aspects considered in the study, was given. A consent statement was also mentioned at the beginning of the questions which was regarded as the proof of respondents' voluntary participation.

Once the final draft of the questionnaire was ready and approved by the academic supervisor, participants were sent questionnaire links through email, WhatsApp, and text messages.

3.2.7 Data Analysis Method

Microsoft Excel was used to statistically analyse the data collected from the respondents using survey questions. The results of the analysis were visually illustrated in this study using pie charts, bar graphs, line graphs and tables.

3.3 Ethical Consideration

When conducting a research study, it is essential to adhere to ethical rules and guidelines so as to safeguard the rights and well-being of the participants as well as to ensure that the study is conducted in the highest ethical standards (David, 2015).

An ethical form, describing the standards considered when conducting this study, was submitted by the author to the University of Wales Trinity Saint David, before commencing the research.

In order to maintain the confidentiality of the participant, the survey was conducted in a safe and secure manner via online platforms. The respondents' personal details, like name and email ID were not shared with any other person, except the supervisor allocated to the researcher. Additionally, participants' responses were stored in the Google Drive of the author and were not shared with any third person, except the supervisor. Further, the Microsoft Sheet containing the survey analysis results was stored in the laptop of the researcher which was password protected. The researcher intends to save the Google Form responses as well as the analysis results for a period of a year, after which they will be permanently deleted from the researcher's laptop.

Chapter 4: Data Analysis

4.1 Introduction

The data analysis chapter will delve into the process of analysing, interpreting and generating meaningful insight from the data collected through survey questionnaires. Participants' responses on each question and its frequency (in percentage) will be visually depicted using tables and charts. Further, this chapter will explain and identify if the results of this study were in alignment with the past literature reviewed in Chapter 2.

4.2 Result of the Data Analysis

Question 1: Gender

Gender	Responses	Percentage
Male	23	74.2%
Female	8	25.8%
Total responses	31	100%

Table 1: Gender

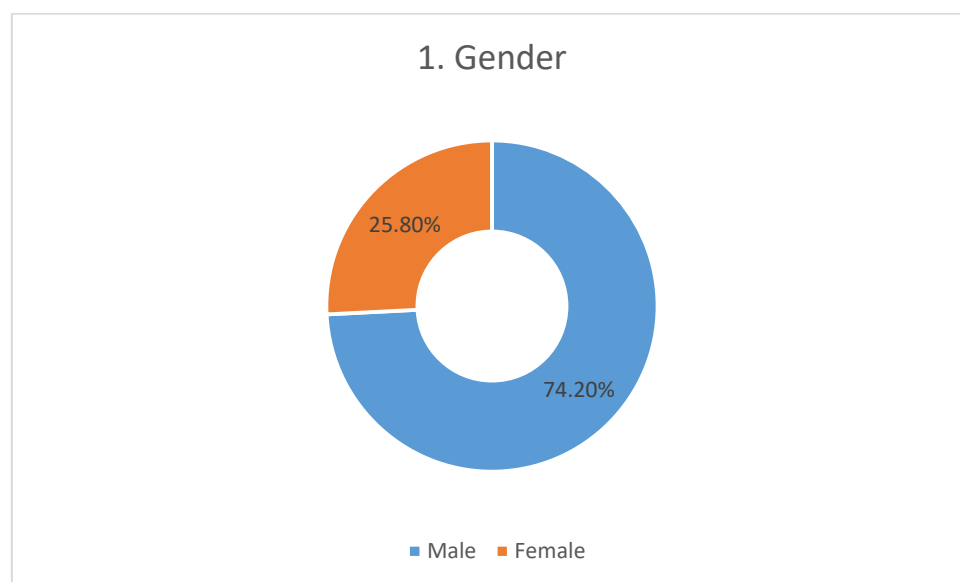


Figure 13: Gender

Findings: As shown in Table 1, the survey participants comprised 23 males 7(4.2%) and 8 females (25.8%).

Discussion: As shown in Fig. 13, the survey analysis results show that there were nearly three quarters of male samples, forming the largest participant group, against a quarter of female samples. It is essential to note that there was no specific criteria used to select the participants and were randomly chosen from among the peer group, classmates and colleagues. However, there are possibilities that the author must be having more male friends and colleagues, resulting in more male participants in this study.

Question 2: Age group

Age Group	Responses	Percentage
18-25	15	48.3%
26-35	14	45.2%
36-45	2	6.5%
46-55	0	0%
Over 55	0	0%
Do not prefer to say	0	0%
Total responses	31	100%

Table 2: Age group

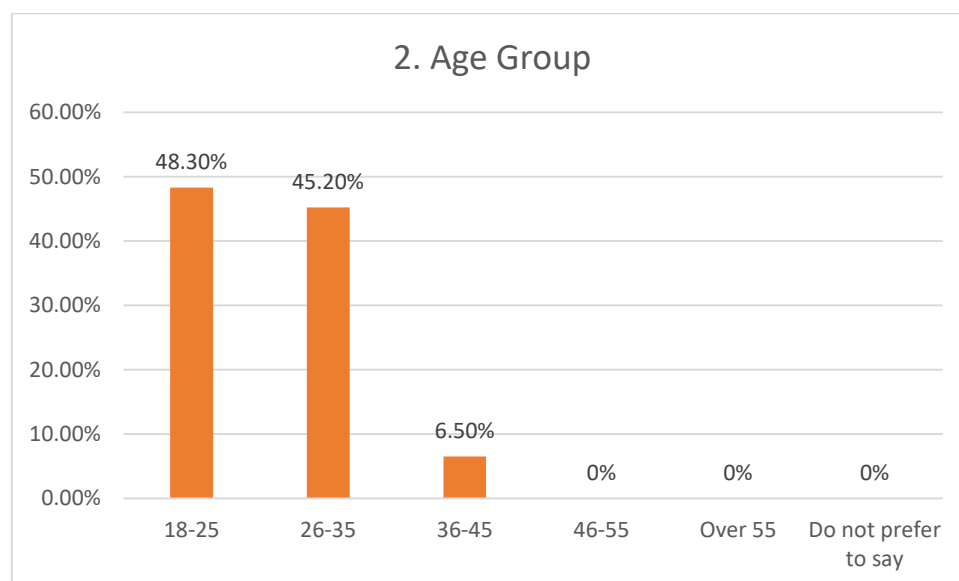


Figure 14: Age group

Findings: Of 31 participants in this study, nearly half of the participants (15), as shown in Table 2, belonged to the age range 18-25 years (48.30%), followed by those in the range 26-35 years of age (45.20%). A small number of the participants (2 of them, accounting for 6.5%) had 36-45 years of age. In this study, all the participants showed willingness to share their age and there was no participant over the age of 45.

Discussion: It can be interpreted from the survey results illustrated in Fig. 14 that a significant portion of the participants consisted of younger age groups, with the vast majority being Generation Z (12-27 years) and millennials (28-42 years). As the sample type in this study included friends, classmates and colleagues of the author (belonging to Gen Z age range), there are possibilities that participants in the age range 18 to 35 were conveniently available for this study survey.

Question 3: Occupation

Occupation Types	Responses	Percentage
Employed	19	61.3%
Unemployed	0	0%
Entrepreneur/Self-employed	1	3.2%
Student	10	32.3%
Do not prefer to say	1	3.2%
Total responses	31	100%

Table 3: Occupation

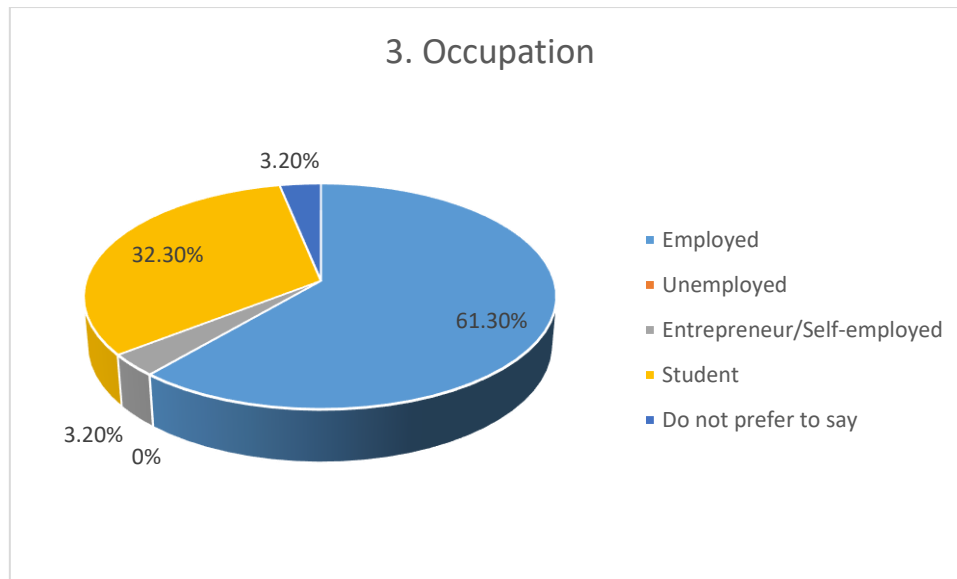


Figure 15: Occupation

Findings: Based on results shown in Table 3, it can be identified that the majority of the participants were in some kind of employment (19 of 31 participants), whereas 10 of them were students. However, there was only 1 participant who preferred not to reveal his/her occupation, while 1 participant marked his/her occupation status as entrepreneur or self-employed.

Discussion: It can be interpreted from the survey results shown in Fig. 15 that although 1/3rd of the participants were students, there are possibilities that they may be employed in some part-time occupation. These student participants may have marked themselves as 'employed' and so a high number of participants were in this category. Further, the author of this academic research is a student and therefore the ratio of student participants in this study is higher than the 'unemployment' and 'entrepreneur' categories.

Question 4: Income (in GBP)

Income Range	Responses	Percentage
£500-£1000	11	35.5%
£1001-£1500	4	12.9%
£1501-£2000	6	19.4%
£2001-£5000	5	16.1%

Over £5000	0	0%
Do not prefer to say	5	16.1%
Total responses	31	100%

Table 4: Income

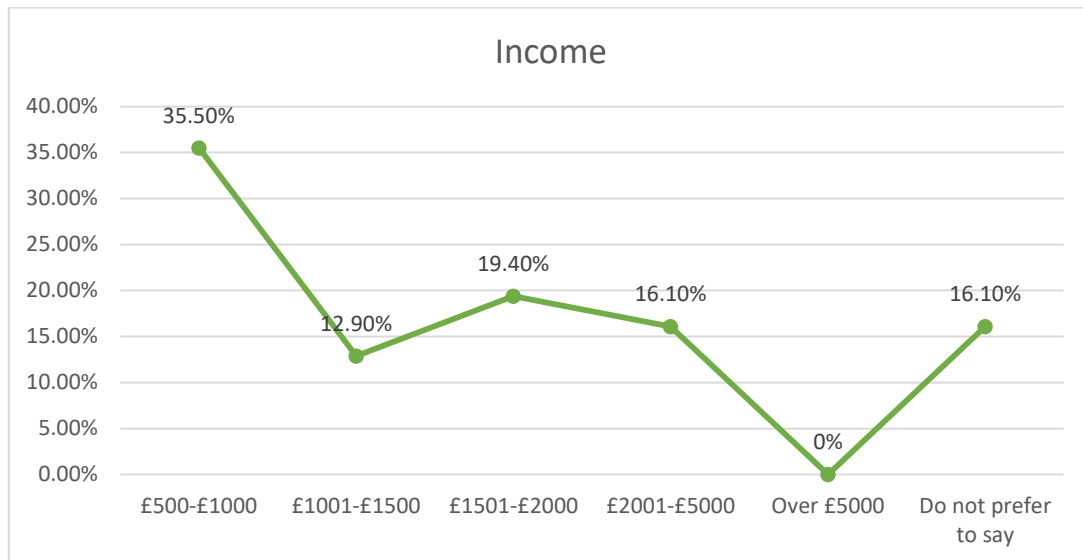


Figure 16: Income

Findings: The survey results revealed that most participants' (11 out of 31) income was in the range £500 to £1000. Further, a nearly equal number of participants stated that their income ranged from £1001-£1500 (4 participants), £1501-£2000 (6 participants) and £2001-5000 (5 participants). No participants had their income over £5000, however, there were 5 participants who preferred not to reveal their income status in this study.

Discussion: As demonstrated in Fig. 16, most participants in this study (35.50%) earned a monthly income of £500-£1000, which is usually the part-time wages of a person working 20 hours/week in the UK (Gov.UK, n. d.). This justifies that most participants who had marked 'employed' in the previous question must be in part-time employment. Additionally, students in the UK are allowed to work part-time as per government regulation (UK Council for International Student Affairs, 2023), and therefore it can be assumed that this study included maximum student participants, working in part-time employment and earning a monthly salary of £500-£1000.

Question 5: Are you a price sensitive consumer?

Options	Responses	Percentage
Yes	23	74.2%
No	4	12.9%
Not sure	4	12.9%
Total responses	31	100%

Table 5: Price sensitive consumers

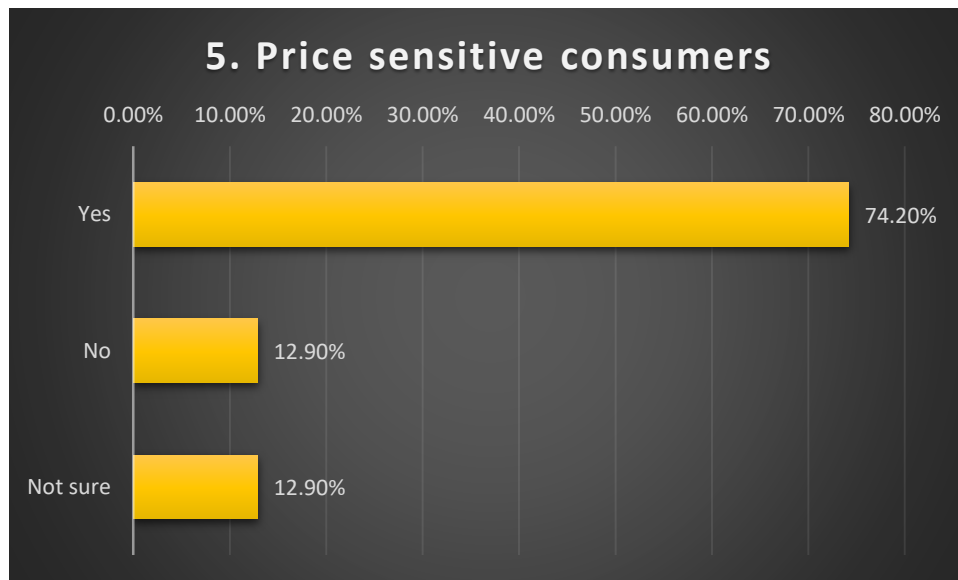


Figure 17: Price sensitive consumers

Findings: The survey data in Table 5 revealed that nearly 3/4th of the participants (74.20%) stated that they were 'price sensitive consumers'. However, an equal number of participants (4 out of 31) mentioned that they were not price sensitive or were not aware (4 out of 31) about their sensitivity to price.

Discussion: It can be observed in Fig. 17 that the maximum number of the participants in this study were highly price sensitive. This can be attributed to the fact that most participants were students (either millennials or Gen Z), working in part-time employment and belonging to the low income spectrum (£500-£1000). Various studies, as mentioned in the literature review, have identified that students are more price sensitive (Desai and Talukdar, 2003; McConnochie, et al., 2017) as they have lower disposable income and have to manage their budget for other essential things, such as rent, university fees, study materials, etc. On the other hand, this study results match with the studies conducted by Thangavel, et al. (2019) and Secretaria,

et al. (2023), which identified that Gen Z consumers are highly price sensitive than older adults. However, Manley, et al. (2023) found that 39% Gen Z and 42% millennials are less price sensitive to sustainable goods and services.

Question 6: Does pricing influence your brand selection in the retail/supermarket industry?

Options	Responses	Percentage
Yes	29	93.5%
No	2	6.5%
Not sure	0	0%
Total responses	31	100%

Table 6: Influence of pricing on brand selection in the retail/supermarket industry

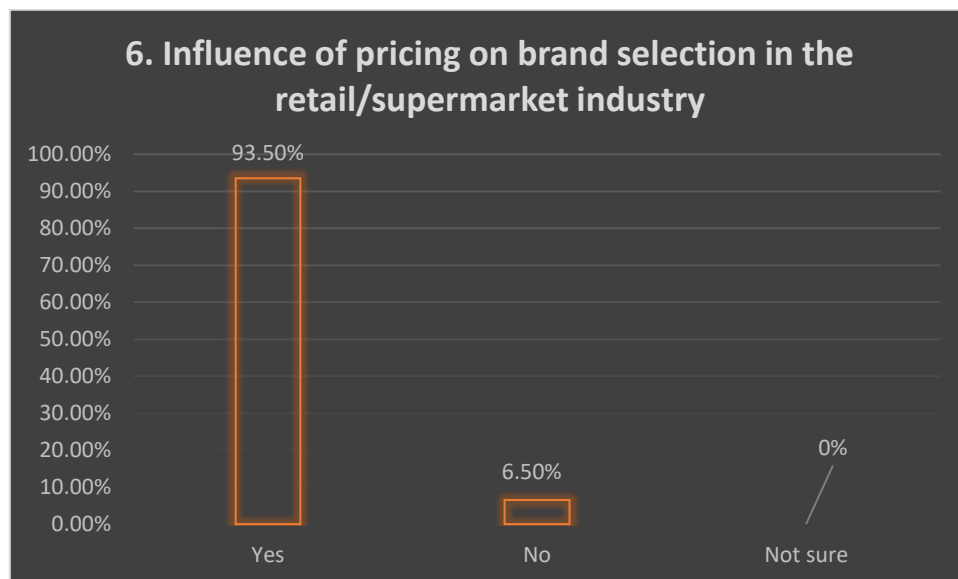


Figure 18: Influence of pricing on brand selection in the retail/supermarket industry

Findings: Table 6 and Fig.18 shows that a vast majority of the participants (29 of them or 93.5% of total participants) in this study are influenced by price when it comes to brand selection in the retail industry. However, only 2 participants (6.5%) stated that price is not the deciding factor in retail brand selection. No participant was unsure about the question asked.

Discussion: As interpreted in the previous question, most participants in this study being students and Gen Z, were highly influenced by price. Past literature has also reviewed that students and Gen Z as well as millennials are highly price-conscious and their brand preference in retail is highly influenced by price (Desai and Talukdar, 2003; Thangavel, et al., 2019). This study results somewhat matched with the statistics revealed by Ruff (2019), which identified that 80% of the Gen Z and young millennials weighed 'price' as the most important factor when making decisions.

Question 7: What influences your brand selection in the retail industry?

Options	Responses	Percentage
Price of the products	12	38.7%
Quality of the products	15	48.4%
Brand name	1	3.2%
Discount and promotion	3	9.7%
Others (Please specify)	0	0
Total responses	31	100%

Table 7: Factors influencing brand selection in the retail industry

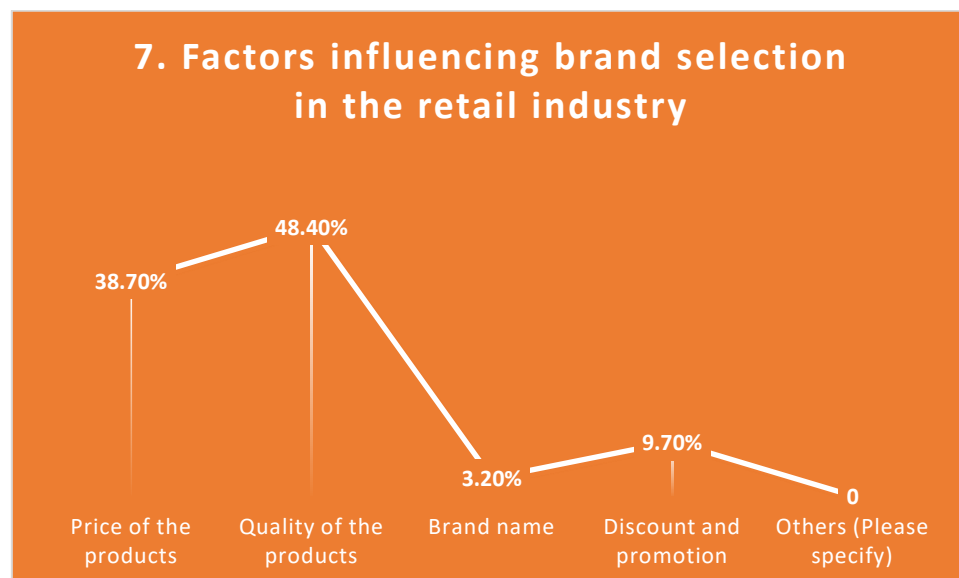


Figure 19: Factors influencing brand selection in the retail industry

Findings: When the participants were asked about the most influential factor in the retail industry that persuaded their brand selection, nearly half of the participants (48.40%) mentioned that quality of the products influenced their decision, as shown

in Fig. 19. Following this, 12 participants (38.70%) stated 'price of the product' influenced their brand selection and 3 of 31 respondents (9.70%) were persuaded by discount and promotion, as depicted in Table 7. However, only 1 participant (3.20%) was influenced by 'brand name' when it came to brand selection. There was no other specific factor mentioned by the participants for brand selection.

Discussion: This study results coincided with the results published by First Insight (2021) wherein 51% of the Gen Z and millennial shoppers ranked quality or value of the product over its price (30%). Although only 1 participant in this study was influenced by the brand name, the results of Retail Dive survey showed that 67% of the respondents' purchase decision was influenced by brand name as it offered them assurance about the product quality and standards (Ruff, 2019). These study results showed that only 9.70% of the participants selected brands based on 'discount and promotion', however, a literature review chapter highlighted that a report by Tighe (2022) identified that discount coupons influenced 44% of the consumers' brand preference.

Question 8: Which pricing strategy do you prefer?

Options	Responses	Percentage
Seasonal sales	5	16.1%
Promotional codes	2	6.5%
Everyday low price	10	32.3%
Discounted price over a period	2	6.5%
All of the above	12	38.6%
Total responses	31	100%

Table 8: Pricing strategy preference

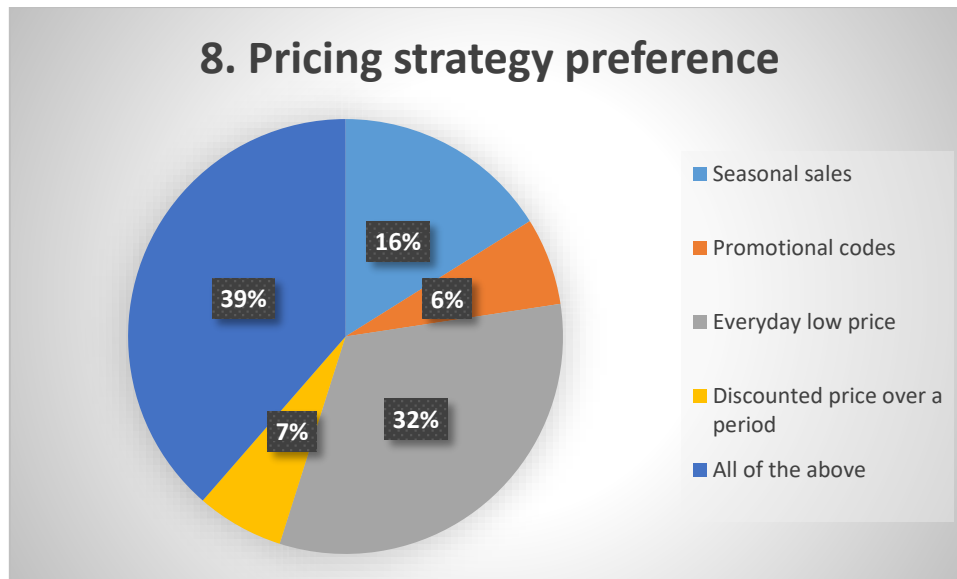


Figure 20: Pricing strategy preference

Findings: When the participants were asked about their most preferred pricing strategy, 12 of them (39%) stated that they preferred all kinds of pricing strategies, such as seasonal sales, promotional codes, EDLP as well as discount price over a period of time. In response to each of these strategies individually, as illustrated in Table 8 and Fig. 20, 10 participants (32%) preferred EDLP, whereas 5 of them (16%) rated seasonal sales as the most preferred pricing strategy. Further, nearly equal percentage of participants, 6% and 7%, respectively selected ‘promotional codes’ and ‘discounted price’ as the preferred pricing strategy.

Discussion: This study results correlates with the result published by Zhao (2021) which highlighted that lower price strategies, such as discounts, promotions, sales, EDLP, etc., have a significant influence on the consumer behaviour and preference. The opinion of the participants, who ranked EDLP as the most preferred pricing strategy, matched with the previous study results of Olbrich, et al. (2017) who opined that EDLP highly influences low-income groups, as identified in this study, i.e., students and Gen Z. In this study, a total of 29% of the participants marked seasonal sales, promotional codes and discount as the preferred pricing strategy and their responses matched with the Familmaleki, et al. (2015) study which identified positive relation between sales promotion and customer buying preference as well as satisfaction.

Question 9: Which retail/supermarket brand offers low priced products?

Options	Responses	Percentage
Asda	12	38.7%
Tesco	5	16.1%
Aldi	4	12.9%
Lidl	8	25.8%
Sainsbury's	2	6.5%
Others (Please specify)	0	0
Total responses	31	100%

Table 9: Retail/supermarket brand offering low priced products



Figure 21: Retail/supermarket brand offering low priced products

Findings: This survey question required respondents to select the retail/supermarket brand that offered the lowest-priced products. As depicted in Table 9, the top ranked brand, as per the respondents, to offer low-priced products was Asda (12 responses), followed by Lidl (8 responses), Tesco (5 responses), and Sainsbury's (2 responses). No responses were recorded for 'others' options.

Discussion: The result of the survey analysis revealed that of all the supermarket brands in the UK, Asda offers its products at the lowest price. This is evident from the facts, described in the literature review, that Asda consistently offers EDLP on around 1000 food and everyday fresh items and uses price matching strategy on dairy products, beans, pasta, and so on (Harrison, 2014). Additionally, Asda's Blue

Light Card and Reward App allows customers to benefit from discount and cash back offers on most of the grocery items (Asda, n. d.). Furthermore, Asda's private label products are known among the consumers for its quality and affordable price (Amani, 2022). Hence, participants must have marked Asda as the low-priced brand in the market.

Question 10: How frequently do you purchase from Asda?

Options	Responses	Percentage
Once a week	13	41.9%
Once in 2 weeks	7	22.6%
Once a month	8	25.8%
Never purchased	3	9.7%
Total responses	31	100%

Table 10: Frequency of purchase from Asda

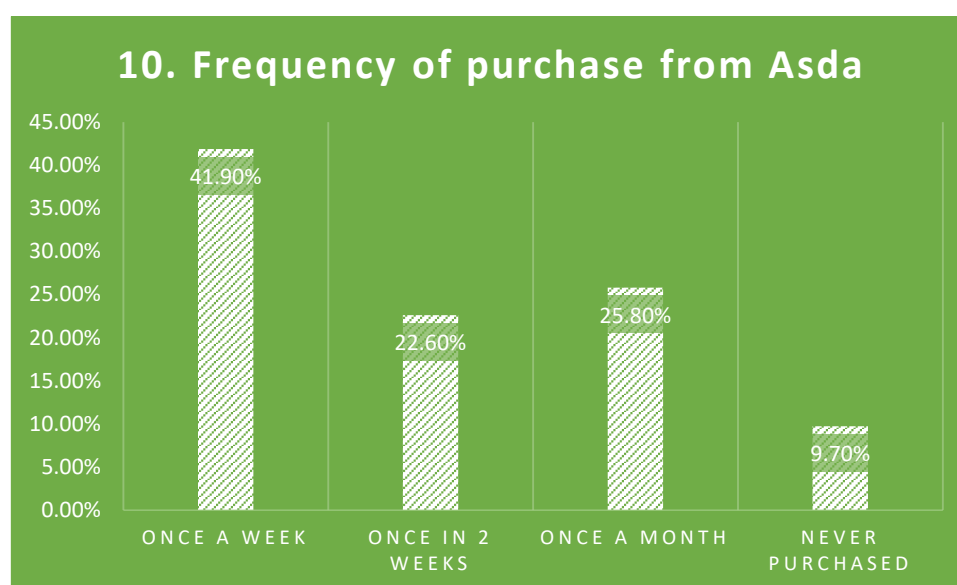


Figure 22: Frequency of purchase from Asda

Findings: As demonstrated in Fig. 22, the survey participants displayed diverse purchase frequencies from Asda. From 31 participants, 13 (41.90%) purchased 'once a week' from Asda, 7 (22.60%) purchased 'once in 2 weeks', 8 (25.80%) purchased 'once a month' and 3 (9.70%) had never purchased any products from Asda.

Discussion: The findings in Table 10 indicates that most of the participants (13 of 31 participants) were the frequent consumers of Asda products, suggesting that customers' highly preferred Asda over other supermarket brands for grocery shopping. Almost equal number of the participants, 7 and 8 of them, respectively visited Asda once in 2 weeks and once in 4 weeks, suggesting regular engagement of the customers with Asda for 15 days or monthly grocery. However, it is essential to note that there were 3 respondents who had never purchased from Asda which could be due to the loyalty towards other brands like, Tesco, Lidl, Aldi, etc. for the less expensive grocery products.

Question 11: Which of the following attributes do you associate with Asda?
(Select at the most 2 options)

Options	Responses	Percentage
Affordable price	27	87.1%
Quality products	29	93.5%
Good customer service	6	19.4%
Others (Please specify)	0	0
Total responses	62	200%

Table 11: Attributes associated with Asda

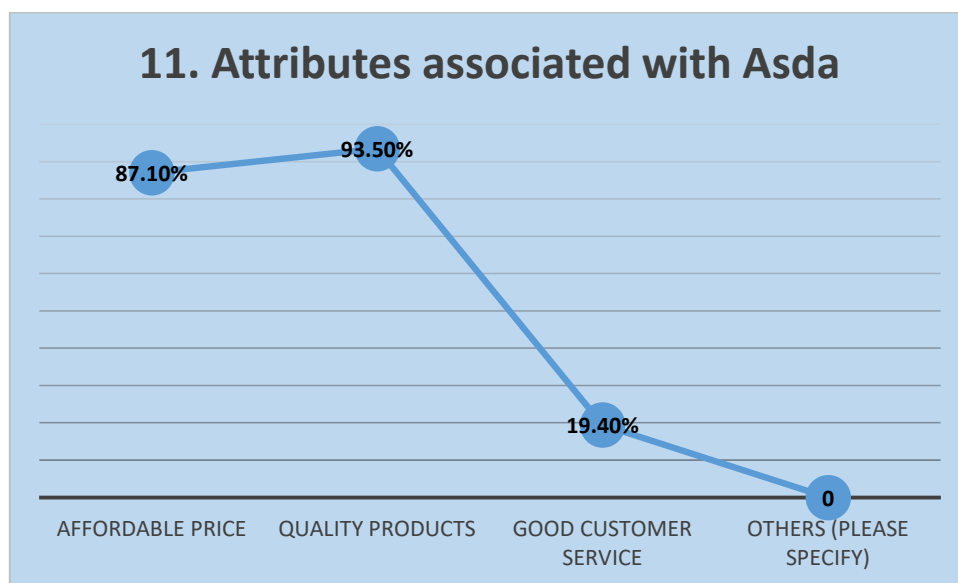


Figure 23: Attributes associated with Asda

Findings: When the participants were asked about the salient features or attributes of Asda, a vast majority of them (93.50%), as shown in Fig. 23, mentioned quality of its products as the most associated attribute with Asda. A second highest among the listed attributes was ‘affordable price’ of Asda’s products as suggested by 27 participants (87.1%). However, customer service was rated by 6 participants (19.40%) as the least known attribute of Asda. There was no other specific attribute mentioned by the participants that they can associate with Asda.

Discussion: As explained in Chapter 2, a news article by Rogers (2021) had identified that besides great value and price of the products, Asda also focuses on quality of its products as well as on services offered to the customers. Further, Asda’s private-labelled and fresh food products were voted by the consumers as superior in quality and tastes than Marks and Spencer’s products. In terms of ‘price’ attribute, Simmonds and Walsh (2024) analysis had found that Asda was considered among the cheapest supermarkets, in a January 2024 survey, for a wide range of groceries. Similarly, this study findings also showed that maximum participants associated ‘quality’ and ‘price’ attributes with Asda.

Question 12: When I purchase from Asda, I am more concerned about the price of the product.

Options	Responses	Percentage
Strongly agree	11	35.5%
Agree	9	29%
Neither agree nor disagree	7	22.6%
Disagree	4	12.9%
Strongly disagree	0	0%
Total responses	31	100%

Table 12: Product price concern of the participants when purchasing from Asda

12. Product price concern of the participants when purchasing from Asda

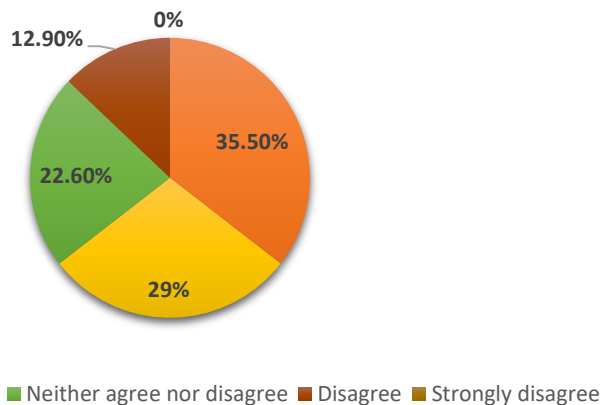


Figure 24: Product price concern of the participants when purchasing from Asda

Findings: The survey respondents had given mixed opinion on question 12 which asked them about their product price concern when purchasing from Asda. The results presented in Fig. 24 showed that 35.5% of them strongly agreed with the question, while 12.9% of them had disagreed with the statement. Although 29% of them had marked 'agree' when answering the question, 22.6% of them had given their neutral opinion. It is important to note that no participant had strongly disagreed with the statement.

Discussion: According to the findings, a total of 64.50% of the participants stated that product price was the major concern when purchasing from Asda. In support of these findings, a survey published by Tighe (2021) revealed similar findings wherein 66% of the UK respondents 'strongly agreed' to 'somewhat agreed' that price is the most important factor when deciding what to buy. Nevertheless, in terms of disagreement, in Tighe's study a combined of 13% had disagreed with the price being the most important factor and this study had shown nearly the same results where 12.90% of the participants had disagreed with the statement.

Question 13: When I purchase from Asda, I am more concerned about the quality of the product.

Options	Responses	Percentage
Strongly agree	16	51.6%
Agree	8	25.8%
Neither agree nor disagree	5	16.1%
Disagree	2	6.5%
Strongly disagree	0	0%
Total responses	31	100%

Table 13: Product quality concern of the participants when purchasing from Asda

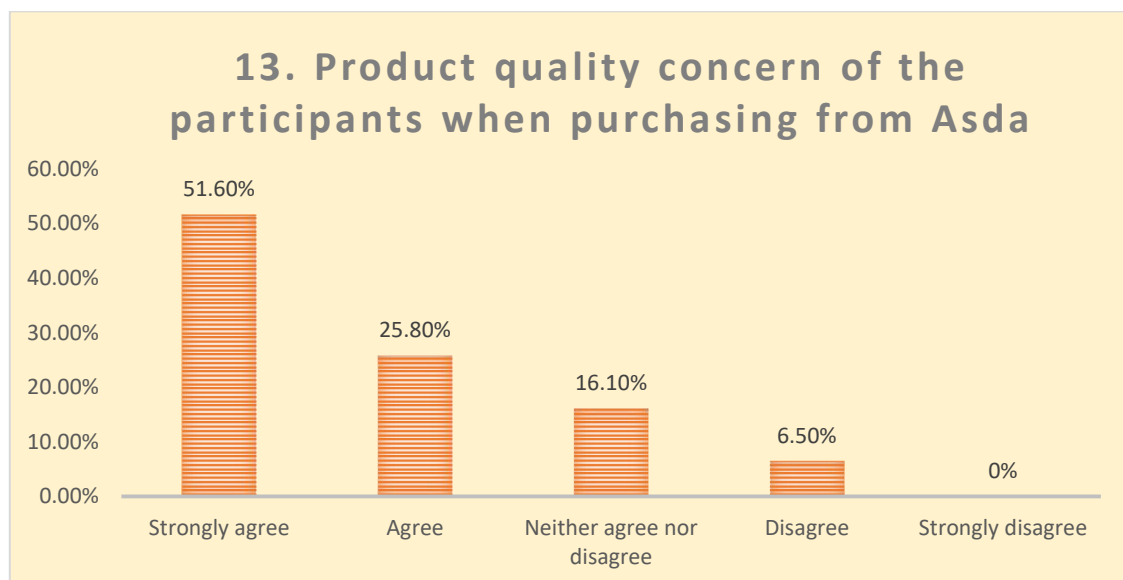


Figure 25: Product quality concern of the participants when purchasing from Asda

Findings: Like in the previous question, when participants were asked about their product quality concern when purchasing from Asda, over half of the participants (51.60%), as evident from Fig. 25, showed their strong agreement. Consecutively, a quarter of them (25.80%) had agreed with their product quality concern when purchasing from Asda, 6.50% had shown their disagreement, while 16.10% had a neutral opinion about it. Even for this question, as seen in the previous question, no participants had strongly disagreed with the statement.

Discussion: This study results relate with the survey conducted by Mohammad (2023) who found that quality was weighed by 51% of the consumers as the highly important factor rather than price when making a purchase. As stated earlier, the responses on the given question also correlates with First Insight's (2021) survey results which identified 'quality of the product' as the top ranked factor by 51% of the Gen Z and millennial consumers.

Question 14: Before purchasing from Asda, I compare the price offered by different supermarkets so that I get the best priced product.

Options	Responses	Percentage
Strongly agree	13	42%
Agree	12	38.7%
Neither agree nor disagree	5	16.1%
Disagree	1	3.2%
Strongly disagree	0	0%
Total responses	31	100%

Table 14: Price comparison of the participants before purchasing from Asda

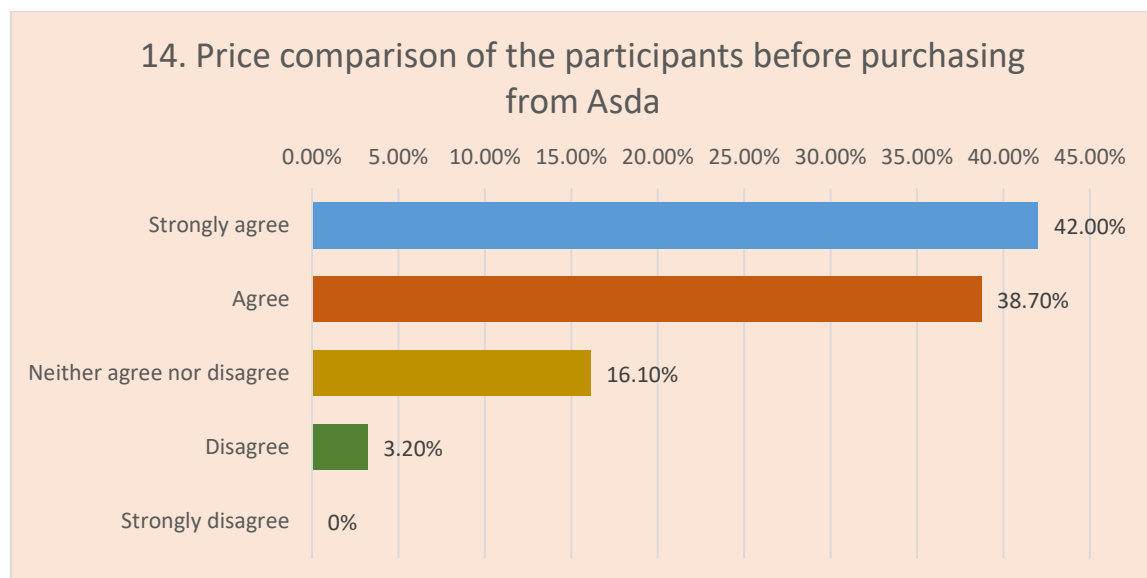


Figure 26: Price comparison of the participants before purchasing from Asda

Findings: The analysis results depicted in Table 14 and Fig. 26, showed that a total of 25 participants (80.70%), agreed (38.70%) to strongly agreed (42%) that they compare Asda's product price with other brands' products before making a purchase decision. Those who neither agreed nor disagreed with the statement consisted of 5 participants (16.10%), while there was only 1 participant (3.20%) who disagreed on the question. 'Strongly disagree' option was not selected by any of the participants.

Discussion: The final results on this question correlates with the survey conducted by Wiser Solutions (2019) which identified that 96% of the shoppers make price comparisons before making a purchase. On the other hand, Akirin (2021) has identified that consumers compare selective products, like beauty products, electronic appliances and devices, automobiles, decoration items as well as holiday trips. Hence, Asda should ensure that these products are available to the customers at best price than the competitors.

Question 15: Do you think Asda offers its product at a better price than its competitors?

Options	Responses	Percentage
Yes, all of its products	10	32.2%
Yes, most of its products	5	16.1%
Neutral	11	35.6%
Only a few of its products	5	16.1%
None of its products	0	0%
Total responses	31	100%

Table 15: Participants' opinion if Asda offers better product price than its competitors

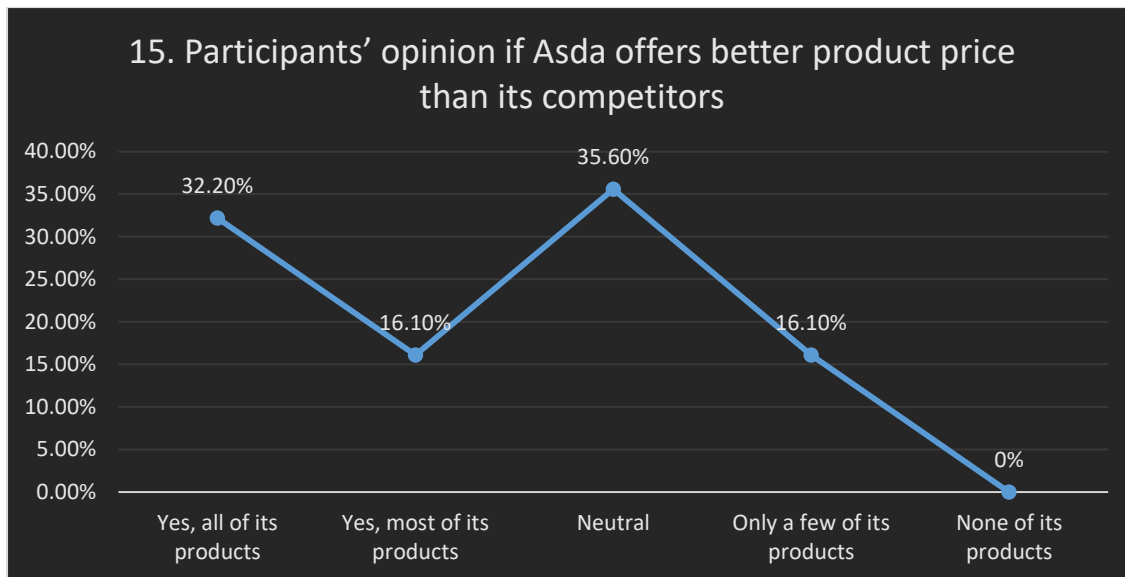


Figure 27: Participants' opinion if Asda offers better product price than its competitors

Findings: As per the data presented in Table 15 and Fig. 27, there was considerable difference in participants' opinion when they were asked if Asda offered better product price than its competitors. 10 out of 31 (32.20%) claimed that Asda offers all its products at a better rate than competitors, whereas nearly equal number of them (11 out of 31 or 35.6% of them) had a neutral opinion about comparative price of Asda's products. Exact equal number of participants had contradicting views, wherein 5 participants (16.10%) stated that Asda offers most of its products at better price, while other 5 of them (16.10%) mentioned that the price of only a few of its products is better. 'None of its products' option was marked by any participant in this study.

Discussion: The neutral opinion of 11 participants could be due to lack of awareness about the pricing of Asda and other retailers for similar characteristics of products. Further, it can be assumed that the positive opinion of nearly half the participants (32.20% and 16.10%), who stated that 'all' or 'most' of Asda's products are better priced than the competitors, could be from the participants who are the frequent buyer of Asda's products. In terms of past surveys, Simmonds and Walsh (2024) had found that Asda was ranked as the cheapest brand, as of January 2024, offering a wide range of products (188 items) at lower price than Tesco, Sainsbury's, Morrison's, etc.

Question 16: How satisfied are you with the pricing offered by Asda, in comparison to other supermarkets?

Options	Responses	Percentage
Extremely satisfied	7	22.6%
Satisfied	9	29%
Neutral	14	45.2%
Dissatisfied	1	3.2%
Extremely dissatisfied	0	0%
Total responses	31	100%

Table 16: Participants' satisfaction with Asda's pricing in comparison to other supermarkets

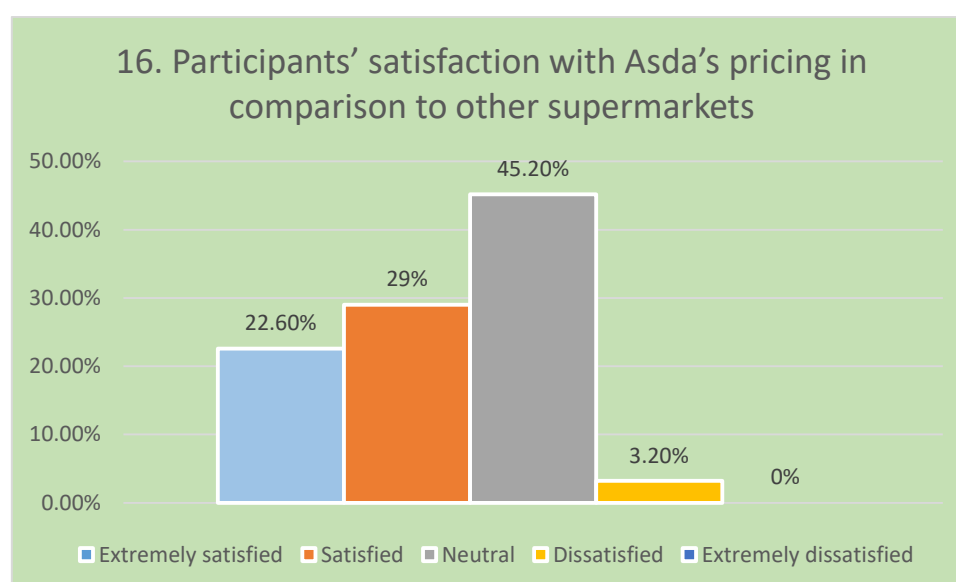


Figure 28: Participants' satisfaction with Asda's pricing in comparison to other supermarkets

Findings: Results of the survey responses, as illustrated in Table 16 and Fig. 28, showed that half of the participants (14 of them) had a neutral opinion on this question. However, a total of 16 participants (51.60%) were satisfied with the pricing of Asda in comparison to other supermarkets. Only 1 participant (3.20%) showed dissatisfaction with the pricing of Asda. Additionally, there was no participant who was extremely dissatisfied with comparative pricing of Asda.

Discussion: As identified in the earlier question, the higher satisfaction could be from among the participants who must be Asda's regular shoppers. However the neutral opinion of 45.20% of the participants indicates high lack of awareness about product pricing of different supermarkets in the UK. Additionally, there are possibilities that the participants must have randomly marked the answers, resulting in increased neutral opinions.

Question 17: How expensive is Asda in comparison to other supermarkets?

Options	Responses	Percentage
Highly expensive	6	19.4%
Little expensive	11	35.5%
Same	6	19.4%
Little cheaper	7	22.5%
Highly cheaper	1	3.2%
Total responses	31	100%

Table 17: Asda's expensiveness in comparison to other supermarkets

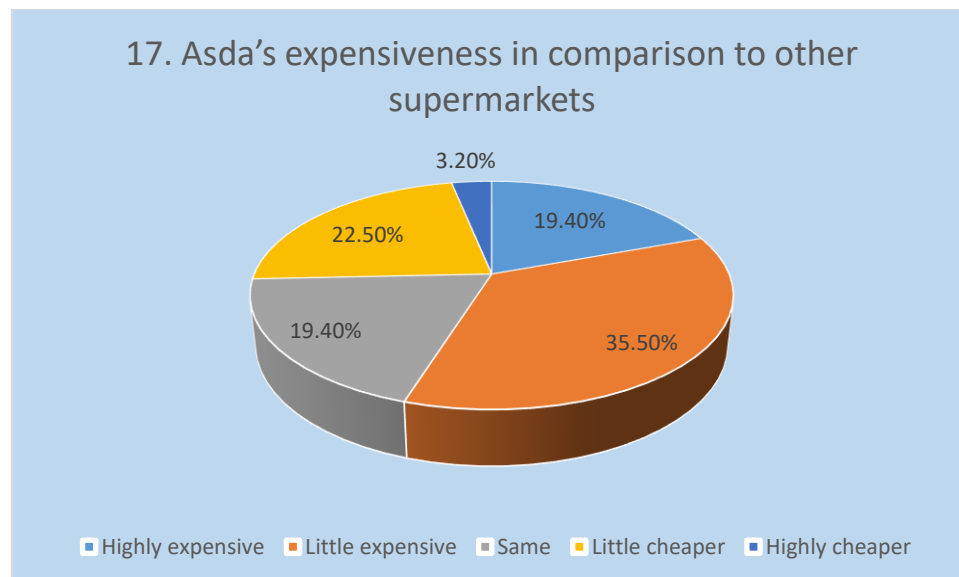


Figure 29: Asda's expensiveness in comparison to other supermarkets

Findings: Participants in this study had diverse opinions with regards to Asda's expensiveness in comparison to other supermarket chains in the UK. Table 17 and Fig. 29 showed that the maximum number of participants (54.90%) believed that Asda is 'highly' to 'little' expensive as compared to its competitors. On the contrary, a quarter of them (25.70%) stated that Asda is comparatively cheaper than other brands. Further, 6 participants (19.40%) felt that Asda is as expensive or cheaper as other supermarkets.

Discussion: In terms of expensiveness, the monthly survey by 'Which' revealed that 72 grocery items of 'Aldi' and 'Lidl', which included private-brand chicken thighs, full fat milk, potatoes and so on, were comparatively less expensive than Asda. Additionally, this study includes student and millennial participants who are extremely price-sensitive and may have marked Asda as the expensive brand among other retailers. However, to emerge as a most affordable brand in the retail industry, Asda can adopt a price matching strategy with Aldi and Lidl to entice customers.

Question 18: I think a lot when buying from a high-priced supermarket

Options	Responses	Percentage
Yes	17	54.8%
No	12	38.7%
Not sure	2	6.5%
Total responses	31	100%

Table 18: Participants think a lot when buying from a high-priced supermarket

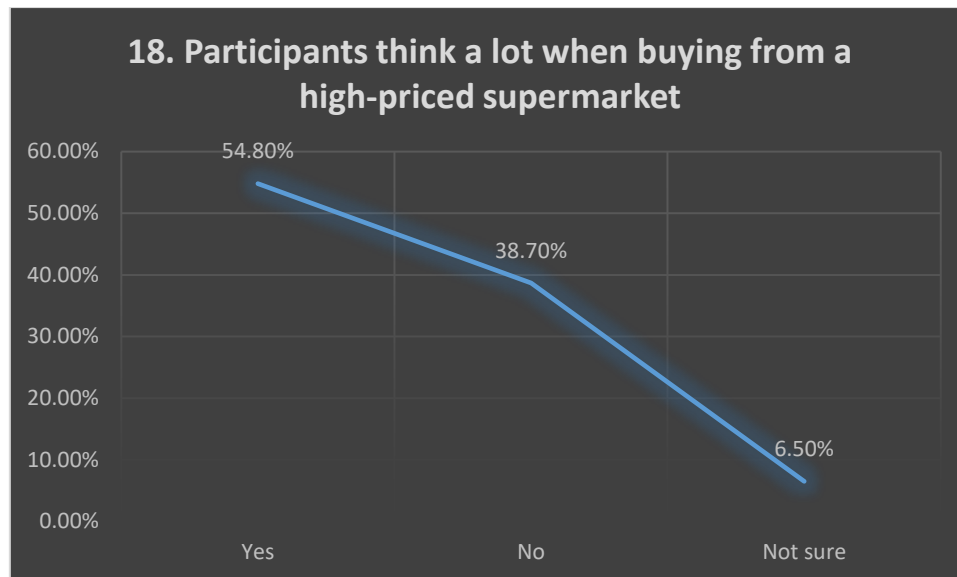


Figure 30: Participants think a lot when buying from a high-priced supermarket

Findings: When participants were asked about their thoughts in relation to buying from a high-priced supermarket, over half of the participants (54.80%) stated that they indulge in extensive thinking before making a purchase. However, as revealed in Table 18 and Fig. 30, 12 participants (38.70%) did not think a lot when making high-price market purchase decisions. Of 31 participants, 2 (6.50%) were unsure if they indulged in thinking before buying from an over-price brand.

Discussion: It is assumed that the 'yes' responses to the statement can be from the price-sensitive participants, especially students and millennials, who generally prefer low-priced supermarkets due to lower disposable income and increased affordability associated with low-priced brands. However, the 'no' responses to the statement can be from older age group participants (above 30 years of age), having good disposable income ranging from £1000-£5000. These participants can be among the quality-conscious consumers who do not overthink when buying from high-priced supermarkets offering good quality products (First Insight, 2021).

Question 19: I prefer choosing high-priced retailers/supermarkets as they offer better quality products than low-priced retailers

Options	Responses	Percentage
Strongly agree	8	25.8%

Agree	9	29%
Neither agree nor disagree	7	22.6%
Disagree	6	19.4%
Strongly disagree	1	3.2%
Total responses	31	100%

Table 19: Participants prefer choosing high-priced retailers/supermarkets as they offer better quality products than low-priced retailers

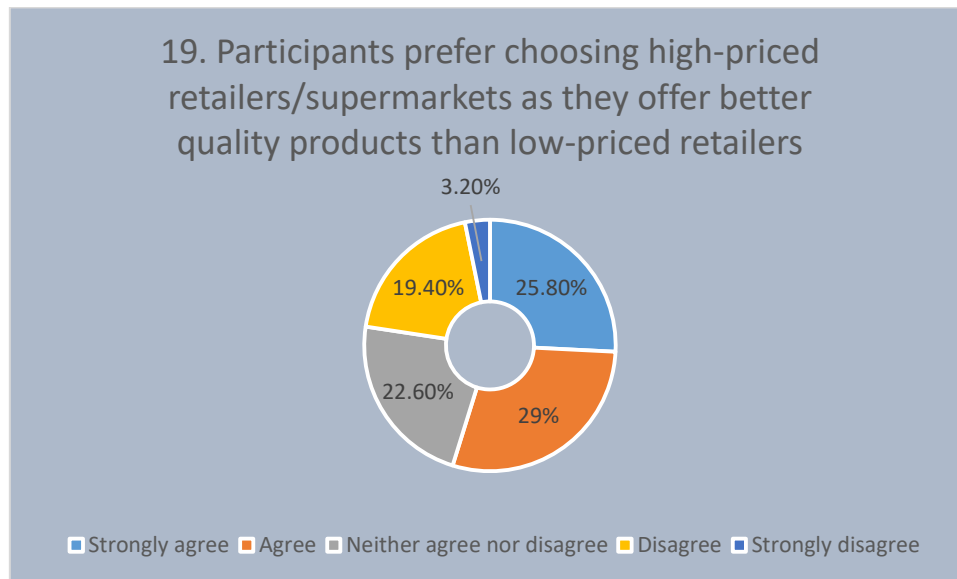


Figure 31: Participants prefer choosing high-priced retailers/supermarkets as they offer better quality products than low-priced retailers

Findings: The result in Table 19 showed that an equal number of participants either agreed or disagreed or had a neutral opinion about the statement. However, on a closure analysis of the results shown in Fig. 31, it can be said that a total of 17 participants (54.80%) preferred choosing high-priced retailers to get a better quality products, whereas less than a quarter (22.60%) disagreed to strongly disagreed selecting high-priced brand over low-priced ones.

Discussion: As mentioned in the literature review, high-priced retailers use premium pricing strategies, like value-based pricing and price skimming to entice the quality-sensitive consumers. Varying responses to question 19 could be due to both price-sensitive and quality-conscious respondents that had participated in this study. It is assumed that within the participants, those with high quality-consciousness must be preferring high-priced retailers over low-priced ones and vice-a-versa. Thus, it is

advisable that Asda should use a mixture of pricing strategy for its wide range of product-line to meet the demand of both price and cost sensitive consumers.

Question 20: I prefer choosing low-priced retailers/supermarkets as they offer affordable products than high-priced retailers

Options	Responses	Percentage
Strongly agree	6	19.4%
Agree	15	48.4%
Neither agree nor disagree	7	22.6%
Disagree	3	9.6%
Strongly disagree	0	0%
Total responses	31	100%

Table 20: Participants prefer choosing low-priced retailers/supermarkets as they offer affordable products than high-priced retailers

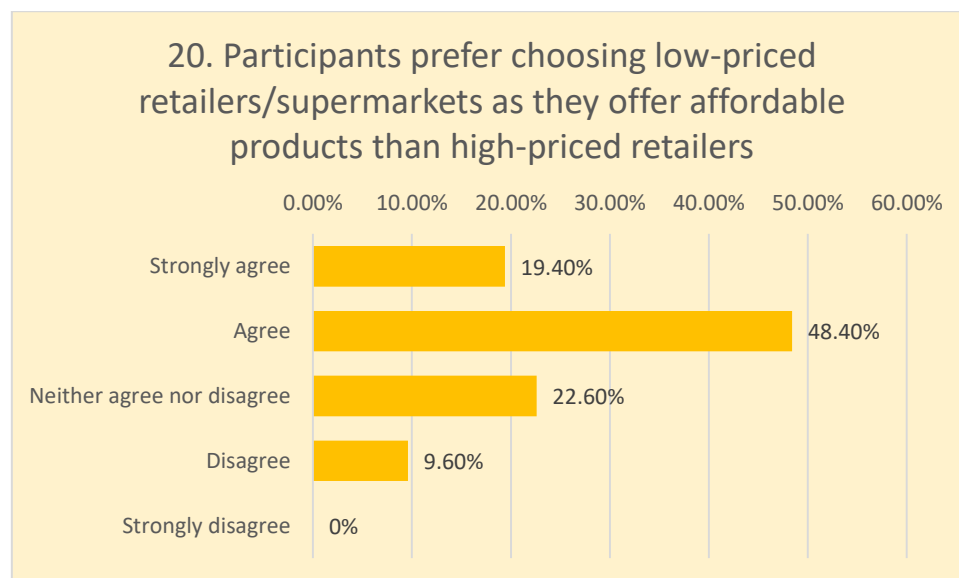


Figure 32: Participants prefer choosing low-priced retailers/supermarkets as they offer affordable products than high-priced retailers

Findings: On the contrary to the previous question, the results on this question showed that a high number of participants (21 of them accounting for 67.80% responses) 'strongly agreed' to 'agreed' about choosing low-priced retailers than

high-priced brands in order to avail affordable products. Only 7 participants (22.60%) had neutral opinion on the statement, as highlighted in Table 20 and Fig. 32, and 3 of them disagreed about choosing low-priced brands over high-priced brands to get affordable products. No participants had strongly disagreed with the statement.

Discussion: Participants' responses for this question are highly inclined towards the price factor. Due to more price-sensitive respondents participating in this study, there is a higher percentage of agreed and strongly agreed responses (67.80%). As mentioned in the previous questions as well as in the literature review section, most student and Gen Z consumers, look for affordable brands due to low income spectrum and tight budget (Desai and Talukdar, 2003). However, this study results contradict with the findings of Manley, et al. (2023) who found that most Gen Z populations look for sustainable brands and are willing to pay extra pounds for good quality sustainable products offered by them.

Question 21: I prefer to purchase from high-priced retailers/supermarkets when they offer their products at discounted price.

Options	Responses	Percentage
Strongly agree	8	25.8%
Agree	11	35.5%
Neither agree nor disagree	7	22.6%
Disagree	5	16.1%
Strongly disagree	0	0%
Total responses	31	100%

Table 21: Participants prefer to purchase from high-priced retailers/supermarket when they offer their products at discount price



Figure 33: Participants prefer to purchase from high-priced retailers/supermarket when they offer their products at discount price

Findings: For this question, participants had given mixed opinions in terms of their purchase preference from high-price retailers if they offered their products at discounted rate. Although a high number of the participants, as shown in Fig. 33, had agreed (35.50%) to strongly agree (25.80%) with the statement, there were 16.10% of the participants who showed disagreement and 22.60% who held a neutral opinion. There was no ‘strongly disagree’ response for the 21st question.

Discussion: It was identified in Chapter 2, that most retail brands across the globe used different competitive strategies to attract its customer base (Bashir, et al., 2018). For high-price supermarkets, quality of the product is of utmost importance to attract the quality-conscious consumers. However, when such brands offer products at a discounted rate, using price skimming or dynamic pricing strategies, it attracts maximum customers’ attention (Spann, 2015). Thus, participants of this study, although maximum of them were price-sensitive, preferred buying from high-priced supermarkets if they offered products at a discounted rate.

Question 22: Which supermarket brand, from the list below, offers low priced and quality products? (Select at the most 3 options)

Options	Responses	Percentage
Tesco	26	83.9%
Asda	26	83.9%
Lidl	9	29%
Aldi	10	32.3%
Sainsbury's	11	35.5%
Morrison's	3	9.7%
Iceland	8	25.7%
Marks and Spencer	0	0%
Spar	0	0%
The Co-operative Food	0	0%
Total responses	93	300%

Table 22: List of supermarket brand offering low priced and quality products



Figure 34: List of supermarket brand offering low priced and quality products

Findings: The survey required the respondents to select up to 3 brands that offered both low-priced as well as quality products. As shown in Table 22 and Fig. 34, there were equal responses recorded for Tesco and Asda as being the top brand offering affordable products without compromising on quality. Followed by these brands, Table 22 depicted that, Sainsbury's had received 11 responses (35.5%), Aldi had 10 responses (32.3%), Lidl had 9 responses (29%), Iceland had 8 responses (25.7%),

and the least opted brand was Morrison's with 3 responses (9.7%). However, the participants did not believe that Marks and Spencer, Spar and The Co-operative Food offered affordable quality products and therefore had 0 responses recorded against them.

Discussion: The brands with highest responses, i.e., Tesco and Asda resonated more with the participants as the most affordable brand offering best quality products. As identified in the literature review chapter, although Aldi and Lidl were surveyed as the cheapest brand offering 72 items at lower rate than other supermarkets (Simmonds and Walsh, 2024), the participants in this study must have considered them as low in terms of product quality. This study results contradicted the findings of Simmonds and Walsh (2024) who identified Morrison as the top second brand, after Asda, offering lower price for 188 items. However, this study had given least responses to the brand with regards to the proposed statement.

Question 23: Compared to all the brands listed in the previous question, how do you perceive Asda's products in terms of value for money?

Options	Responses	Percentage
Highly worse value	4	12.9%
Little worse value	3	9.7%
Neutral	20	64.5%
Little better value	3	9.7%
Highly better value	1	3.2%
Total responses	31	100%

Table 23: Asda's products in terms of value for money

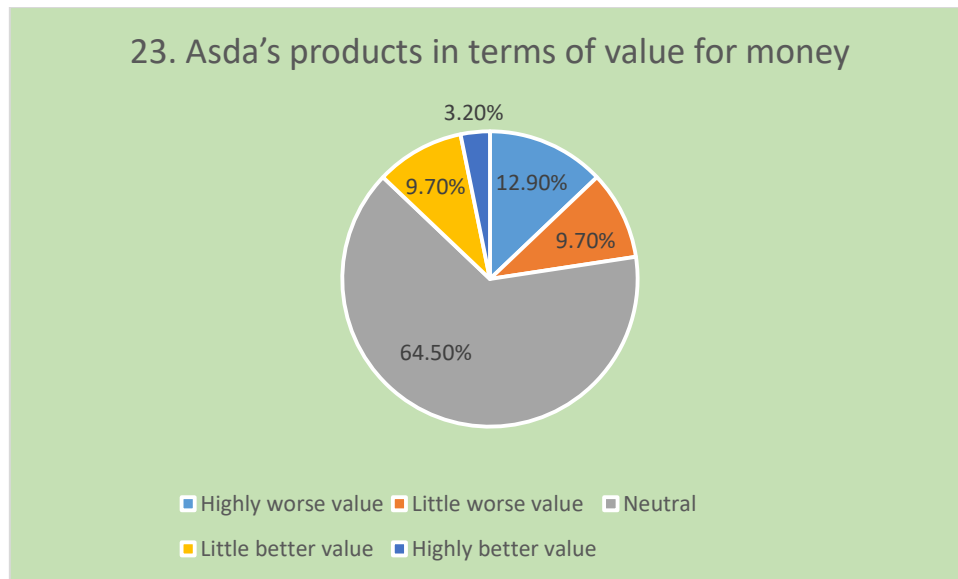


Figure 35: Asda's products in terms of value for money

Findings: Data analysis results, shown in Table 23 and Fig. 35, revealed that a large portion of the participants (64.50%) had a neutral opinion when asked if Asda's products offered value for money. Contradicting responses were given by equal number of participants, wherein 3 of them (9.70%) suggested that Asda's products were little worse value for money, while the other 3 participants (9.70%) stated that the company's products were little better valued. Similarly, there were varying opinion on 'highly worse' and 'highly better' value for money options, which showed that only 1 participant (3.20%) believed that Asda offered highly better value for money, while 4 of them (9.70%) denied saying the brand offered highly worse value for money.

Discussion: It can be assumed that the difference in the participants' responses can be due to the mixed of both price-sensitive and quality-sensitive respondents present in the study. Those participants who were satisfied with Asda, its product quality and price may have reported that the brand offers better value for money, however, the participants who were unsure or unhappy but the product quality and pricing of Asda may have stated that the brand offers worse value for money. However, the literature review demonstrated that when Asda was tested against Marks and Spencer (M&S) for quality and taste of its product, Asda's private-labelled food was analysed as better than M&S.

Question 24: Will you prefer Asda over other retailers if it increased the price of its products?

Options	Responses	Percentage
Yes, regardless of the price increase	12	38.7%
No, I will move to other retailers	10	32.3%
Prefer Asda, if price is increased up to a certain limit	9	29%
Total responses	31	100%

Table 24: Participants' preference for Asda over other retailers if it increased the price of its products

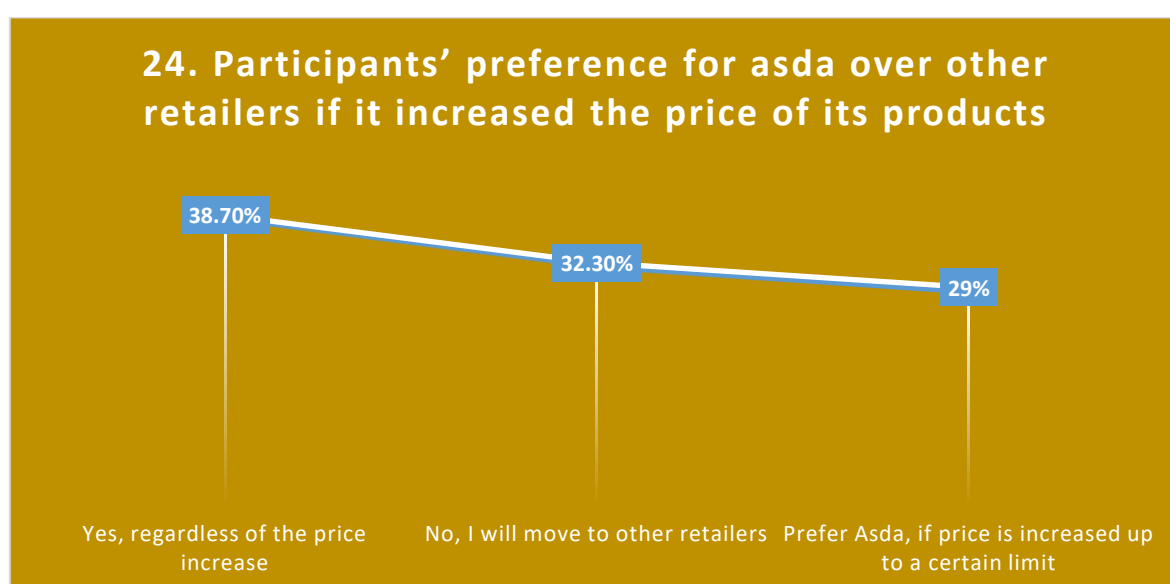


Figure 35: Participants' preference for Asda over other retailers if it increased the price of its products

Findings: The survey results in Table 24 showed that nearly equal number of participants stated that they would stay loyal to Asda regardless of its price increase (38.70%), or move to other retailers (32.30%) or would prefer Asda if price is raised by certain limit (29%).

Discussion: Fig. 35 illustrates that maximum percentage of participants will stay with Asda even if it increased its product price. This indicates high loyalty of the customers towards the brand. Further, 29% highlighted that they would prefer the brand in case the product price is raised a little, shows that customers are satisfied with the brand and its product quality and are willing to pay for products with a small

price raise. However, 32.30% of the participants can be assumed to be the most price sensitive who may swift their loyalty to rival brands if Asda raise its product price.

Question 25: Competitive pricing strategy can help Asda to

Options	Responses	Percentage
Attract more consumers to the business	15	48.4%
Boost revenue and market shares	4	12.9%
Increase customer satisfaction and loyalty	5	16.1%
Drive brand awareness	0	0%
All of the above	7	22.6%
Others (Please specify)	0	0%
Total responses	31	100%

Table 25: Participants' opinion on impact of competitive pricing strategy on Asda

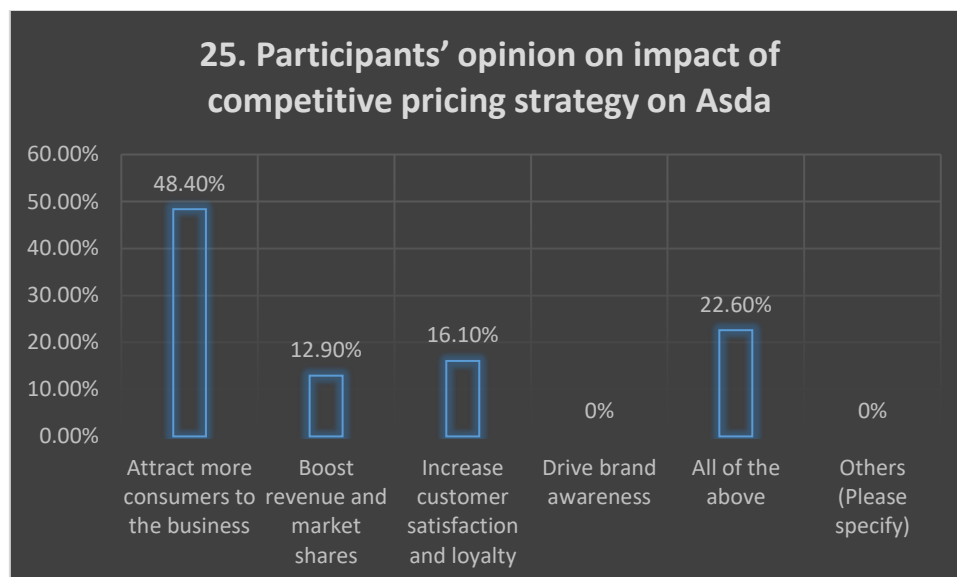


Figure 36: Participants' opinion on impact of competitive pricing strategy on Asda

Findings: As depicted in Table 25 and Fig. 36, 7 participants (22.60%) opined that CP strategy can help Asda to attract maximum number of consumers towards the business, boost revenue and market shares, increase customer satisfaction and loyalty and drive brand awareness. However, when participants' opinion on individual parameters were identified, nearly half of the participants (48.40%) stated that CP strategy can help to attract consumers, 4 participants (12.9%) mentioned that it increases sales and revenue, and 5 of them (16.1%) stated that it leads to increased customer satisfaction and loyalty. However, 'drive brand awareness' parameter was not individually marked by the participants. Further, no participant suggested any other impact of CP strategy on Asda.

Discussion: The findings of this study related with several past study, as identified in the literature review. Peachey (2022) had identified customer attraction resulting from CP strategy, while Chan, et al. (2015) had found that CP strategy can lead to 2 to 7% increase in the sales and revenue. Baker, et al. (2014) identified it can lead to 8.7% increase in profitability. Further, Faster Capital (2023) illustrated that value-based CP strategy can help to win customer satisfaction and loyalty.

Chapter 5: Conclusion and Recommendations

5.1 Introduction

This final chapter of the study will offer a summary of the main findings obtained through both primary and secondary data analysis. Research aim and objectives will be restated and correlated with this study as well as previous study findings to identify whether proposed aims and objectives were achieved in the end. Following the conclusion, practical recommendations, on the basis of the study results, will be given to Asda. Further, the chapter will acknowledge research limitations encountered during the course of this study, and lastly give a direction for conducting research in future in the similar field or area.

5.2 Conclusion

The aim of this study was to investigate the influence of competitive pricing strategy of Asda on the brand preference of the consumers in the retail industry. This study mainly focused on the brand selection and purchase intention behaviour of the consumers when evaluating the impact of CP on brand preference. At the end of this study, the research aim was successfully achieved by thoroughly reviewing the past studies and literature in relation to the study topic. Additionally, the results from the data analysis also helped to identify the real-time influence of CP on consumers' brand preference and purchase intention. Along with the research aim, Chapter 1 had highlighted following objectives:

Objective 1: To investigate the competitive pricing strategies used in the retail industry as well as in Asda

It was identified in Chapter 2 that the most commonly used CP strategies in the retail industry included lower-price, higher-price and equal price strategies. In terms of influences on the customer preference and purchase intention, lower price strategies, like EDLP, bundle pricing, penetration pricing, promotional pricing, and psychological pricing were highly preferred by the price-sensitive consumers. Further, the literature identified that bundle pricing strategy, like buy one get one free, influenced 93% consumers purchase intention (Convercart, 2023). In terms of promotional pricing, 60.1% of the consumers preferred easy access to sales

promotions and discounts (Yopto, 2021). Nevertheless, psychological pricing contributed to 24% increase in sales and revenue as identified by Poundstone (2011). However, the study results showed that maximum number of the participants (39%) preferred all different types of lower CP strategies, 32% of them preferred everyday low price strategy. This shows that in the retail industry, CP highly influences the brand preference and purchase intention of the consumers.

In terms of Asda's CP strategy, the literature review identified that Asda uses EDLP, price leadership, price matching, promotion and discounts events, private label and value-based pricing for its vast range of product line. Similarly, the study results also showed that maximum participants (38.70%) believed that Asda is the top supermarket brand offering lower priced products to its consumers, while most participants associated 'quality of the products' attribute with Asda depicting that the brand offers good quality products at a lower price.

Objective 2: To identify the advantages and disadvantages of competitive pricing strategy for the retailers

The main advantages of CP strategies in the retail industry, as illustrated in the literature review, included attracting maximum customers' attention wherein Peachey (2022) opined that 6 out of 10 consumers are highly influenced by CP. Other advantages included increase in sales and revenue by 2 to 7% (Chan, et al., 2015), expansion of market shares by 8.7% (Baker, et al., 2014), increase in customer loyalty, as well as clear communication with the consumers, adaptability to changing market condition, and clear differentiation from the competitors' products. However, the main disadvantages of CP strategies mentioned in the literature review included, reduction in profit margin due to constant low pricing strategy, change in consumer perception as brand being cheap or of low quality, impact on the brand image, decreased loyalty of the customers, lack of innovation, vulnerability of price war and negative impact on service quality.

On the other hand, the survey results showed that most participants (48.40%) illustrated that effective CP strategy can help brand to attract maximum consumers. Additionally, 22.60% of the participants also mentioned that along with consumer attraction, CP can aid in boosting revenue and sales, increasing customer satisfaction and loyalty, and drive in brand awareness. In terms of disadvantages,

32.30% of the participants stated that they will move to rival brands if Asda increased its product price. This shows that CP can impact the brand loyalty of the consumers.

Objective 3: To examine the relationship between competitive pricing strategy and brand preference

As identified in the literature review, past studies showed that CP strategy had a positive correlation with the brand preference and purchase intention of the consumers (Danziger, et al., 2014; Familmaleki, et al., 2015; Knutsson, 2011; Dominique-Ferreira and Antunes, 2020). A research by Tighe (2022) also identified that 66% of the respondents regarded CP as the most important factor in influencing their purchase intention. Likewise, this study results had also shown that a large number of participants (93.50%) reported price as the most influential factor when selecting a brand. Further, Mohammad (2023) found that along with price, quality of the products had a relationship with brand preference and purchase intention of the consumers. Similarly, in this study 48.40% of the participants highlighted quality of the products as the essential factor in brand selection and purchase intention. Additionally, both literature review and this study results examined that students, comprising of Gen Z and young millennials were highly influenced by the competitive pricing strategy of a brand.

5.3 Recommendations

5.3.1 Recommendation for this Study

The result of this study will help Asda in realising the most influential competitive pricing strategy that the brand can use to persuade its consumer, to increase its revenue and to boost its profitability. However, this study offers some suggestions, based on the survey result analysis, which Asda can consider in its business operation and when designing effective marketing strategy. These include:

- The study result had reported that 'good customer service' is the least known attribute of Asda. Therefore, it is important for the brand to focus on this aspect in order to attract more consumers towards the business. For this purpose, Asda can offer necessary training to the workforce who can enhance the in-store experience of the customers.

- This study had surveyed a limited group of participants, however, Asda can conduct in-store survey to analyse the most valued pricing strategy by the customers.
- Instead of just price matching with the cheapest brands, like Aldi and Lidl, Asda can match quality attributes of competitors' products to attract maximum quality-conscious consumers towards the business.
- Asda should focus on using a mixture of CP strategies on a regular basis to retain the customers, maintain their satisfaction and win their loyalty.
- The survey results also shows that Gen Z and millennials are highly price-sensitive, therefore Asda should ensure that there should be options, like student discounts, available on most of its product-line.
- Overall, Asda should focus on offering both low-priced and high quality products to win the loyalty of both quality and price conscious customers.

5.3.2 Recommendation for Future Study

- This study had considered a very small research sample of 31 participants, however, future research can focus on accessing bigger target sample, like 500-1000 participants in order to gain a better understanding about the impact of CP on brand preference.
- Due to lack of sufficient time, this study had adopted cross-sectional research method, however, in future longitudinal research method for collecting and analysing data can be taken into consideration to obtain more relevant results.
- The study sample included people located in the UK, other research and studies can shift their focus to different region to compare the intensity of the impact of CP on consumer brand preference.
- This research only focused on the competitive pricing strategy, but the future researcher can study value-based and cost-based strategy in more detail to analyse the impact.
- A simple data analysis technique was used in this research, wherein the primary data was analysed in Microsoft Excel and were depicted through bar and charts. In future, more meaningful analysing methods, like regression, correlation, etc. can be used to identify different in the outcome.

5.4 Research Limitation

This research limitations included:

- Small size of sample of only 31 participants that makes it difficult to generalise the results to a large group of retail consumers
- Limited time period which restricted the use of longitudinal research method, use of large sample simple, consideration of advanced data analysis technique and so on.
- Time constraint had also resulted in selection of participants from among the social group of the researcher. This may result in biases when selecting the participants.
- Conducting survey online gave limited chance to the researcher to observe the interest of the participants in the research study. Due to unsupervised survey conduction, there are possibilities that participants must have randomly selected the answers to each questions.

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Appendix 1: Survey Questionnaire



Analysing the impact of Competitive Pricing of Asda on Brand Preference of the consumers in the retail industry

Dear Participants,

You are cordially invited to participate in this web-based survey conducted by Jay Patel, as a part of his master dissertation project for his MBA course at University of Wales Trinity Saint Davis.

Purpose of the study: Is to analyse the impact of competitive pricing of Asda on the brand preference of the consumer in the retail industry.

Voluntary Participation: Your Participation is completely voluntary. You have the right to withdraw from survey at any time, or you can not answer questions if that it finds you uncomfortable.

Anonymity and Confidentiality: Your responses will be strictly used for academic purpose. No personal details will be collected. Your data will be stored securely and will only be accessible to me and my supervisor. Data will be retained for the duration of the dissertation and will be deleted upon its completion.

Duration of the Survey: Please read all the questions carefully and answer them all. Click on the option which you think is most appropriate for that particular question. It should take approximately five minutes to complete this questionnaire. Do not forget to click on submit after you have finished answering all the questions.

Contact Information: If you have questions at any time about the study or the procedures, you may contact the researcher via email at: 2227424@student.uwtsd.ac.uk.

Sincerely,
Jaykumar

Image title

ASDA

Name *

Short-answer text

Email *

Short-answer text

Survey Questions

Please select your choice below. Selecting 'I Agree' indicates that *

- You have read the above-given information
- You voluntarily agree to fill this questionnaire and thus participate in this research study

- ☐ I agree
- ☐ I disagree

1. Gender *

- ☐ Male
- ☐ Female
- ☐ Do not prefer to say

2. Age Group *

- ☐ 18- 25
- ☐ 26- 35
- ☐ 36-45
- ☐ 46-55
- ☐ Over 55
- ☐ Do not prefer to say

3. Occupation *

- ☐ Employed
- ☐ Unemployed
- ☐ Entrepreneur/ Self-employed
- ☐ Student
- ☐ Do not prefer to say

4. Income (in GBP) *

- ☐ 500-1000
- ☐ 1001-1500
- ☐ 1501-2000
- ☐ 2001-5000
- ☐ Over 5000
- ☐ Do not prefer to say

5. Are you a price sensitive consumer? *

- ☐ Yes
- ☐ No
- ☐ Not sure

6. Does pricing influence your brand selection in the retail/supermarket industry? *

- ☐ Yes
- ☐ No
- ☐ Not sure

7. What influences your brand selection in the retail industry? *

- ☐ Price of the products
- ☐ Quality of the products
- ☐ Brand name
- ☐ Discounts and promotions
- ☐ Others (Please specify) _____

8. Which pricing strategy do you prefer? *

- ☐ Seasonal sales
- ☐ Promotional codes
- ☐ Everyday low price
- ☐ Discounted price over a period
- ☐ All of the above

9. Which retail/supermarket brand offers low priced products? *

- ☐ Asda
- ☐ Tesco
- ☐ Aldi
- ☐ Lidl
- ☐ Sainsbury's
- ☐ Others (please specify) _____

10. How frequently do you purchase from Asda? *

- ☐ Once a week
- ☐ Once in 2 week
- ☐ Once a month
- ☐ Never purchased

11. Which of the following attributes do you associate with Asda? (Select at the most 2 options) *

- ☐ Affordable price
- ☐ Quality products
- ☐ Good customer service
- ☐ Others (Please specify) _____

12. When I purchase from Asda, I am more concerned about the price of the product. *

- ☐ Strongly agree
- ☐ Agree
- ☐ Neither agree nor disagree
- ☐ Disagree
- ☐ Strongly Disagree

13. When I purchase from Asda, I am more concerned about the quality of the product. *

- ☐ Strongly agree
- ☐ Agree
- ☐ Neither agree nor disagree
- ☐ Disagree
- ☐ Strongly Disagree

14. Before purchasing from Asda, I compare the price offered by different supermarkets so that I get the best priced product. *

- ☐ Strongly agree
- ☐ Agree
- ☐ Neither agree nor disagree
- ☐ Disagree
- ☐ Strongly Disagree

15. Do you think Asda offers its product at a better price than its competitors? *

- ☐ Yes, all of its products
- ☐ Yes, most of its products
- ☐ Neutral
- ☐ Only a few of its products
- ☐ None of its products

16. How satisfied are you with the pricing offered by Asda, in comparison to other supermarkets? *

- ☐ Extremely satisfied
 - ☐ Satisfied
 - ☐ Neutral
 - ☐ Dissatisfied
 - ☐ Extremely dissatisfied
-

17. How expensive is Asda in comparison to other supermarkets? *

- ☐ Highly expensive
- ☐ Little expensive
- ☐ Same
- ☐ Little cheaper
- ☐ Highly cheaper

18. I think a lot when buying from a high-priced supermarket *

- ☐ Yes
- ☐ No
- ☐ Not sure

19. I prefer choosing high-priced retailers/supermarkets as they offer better quality products than low-priced retailers *

- ☐ Strongly agree
- ☐ Agree
- ☐ Neither agree nor disagree
- ☐ Disagree
- ☐ Strongly Disagree

20. I prefer choosing low-priced retailers/supermarkets as they offer affordable products than high-priced retailers *

- ☐ Strongly agree
- ☐ Agree
- ☐ Neither agree nor disagree
- ☐ Disagree
- ☐ Strongly Disagree

21. I prefer to purchase from high-priced retailers/supermarket when they offer their products at discount price. *

- ☐ Strongly agree
- ☐ Agree
- ☐ Neither agree nor disagree
- ☐ Disagree
- ☐ Strongly Disagree

22. Which supermarket brand, from the list below, offers low priced and quality products? (Select at the most 3 options) *

- ☐ Tesco
- ☐ Asda
- ☐ Lidl
- ☐ Aldi
- ☐ Sainsbury's
- ☐ Morrison's
- ☐ Iceland
- ☐ Marks and Spencer
- ☐ Spar
- ☐ The Co-operative Food

23. Compared to all the brands listed in the previous question, how do you perceive Asda's products in terms of value for money? *

- ☐ Highly worse value
- ☐ Little worse value
- ☐ Neutral
- ☐ Little better value
- ☐ Highly better value

24. Will you prefer Asda over other retailers if it increased the price of its products? *

- ☐ Yes, regardless of the price increased
- ☐ No, I will move to other retailers
- ☐ Prefer Asda, if price is increased up to a certain limit

24. Will you prefer Asda over other retailers if it increased the price of its products? *

- ☐ Yes, regardless of the price increased
- ☐ No, I will move to other retailers
- ☐ Prefer Asda, if price is increased up to a certain limit

25. Competitive pricing strategy can help Asda to *

- ☐ Attract more consumers to the business
- ☐ Boost revenue and market share
- ☐ Increase customer satisfaction and loyalty
- ☐ Drive brand awareness
- ☐ All of the above
- ☐ Other (Please specify) _____