Economy Pricing Strategy and Customer Retention – An Analysis

By

Prof. Dr. Satya Subrahmanyam
Business School Holy Spirit University of Kaslik Jounieh, Lebanon
Email: satya.sub@usek.edu.lb

Sara Azad Fouad Arif
Department of Business Administration Lebanese French University Erbil, Kurdistan Region, Iraq
Email: sarah.barzanji@lfu.edu.krd

Chiman Ahmed Hamad Ameen
Department of Business Administration Lebanese French University Erbil, Kurdistan Region, Iraq
Email: chiman.ahmed@lfu.edu.krd

Abstract

The new global economy is growing more and more focused on the consumer in the twenty-first century. One of the key relationship marketing ideas focused on creating and preserving a long-term customer-hospitality industry connection is customer retention. Since the majority of hospitality businesses began to experience discernible customer loss and the difficulty and high expense of gaining new customers, the importance of customer retention has risen. In contrast to a price strategy, which would indicate how hotels might reach their pricing targets, a strategy is involved with determining how a hospitality business will achieve its goals. For hospitality leadership, developing successful price strategies is essential, thus a pricing plan needs to be established and developed well in advance. The research aims to measure the relationship between pricing strategies (economy pricing) and customer retention in international hotels in Kurdistan. Though, based on the findings, the current research confirmed that pricing strategies (economy pricing) had a positively associated with customer retention.

Keywords: Pricing Strategy, Economy Pricing, Customer Retention, Hospitality Industry, Global Economy

Introduction

Throughout the last decade, international hotels have developed significantly, raising the bar for international hotels attempting to gain a competitive advantage in the competitive market environment. The highly competitive business environments have forced international hotels to seek for strategies to enhance their long-term goals. One of the key affected changes has happened in international hotel pricing, with the execution of new and different pricing strategies to adjust services and product prices. One of the keys to success in international hotels is pricing strategy. The price must be competitive, accurate and consistent (Zu & Chen, 2017).

Corporate entities in particular should apply effective pricing strategies that can improve business performance and result in positive outcomes like customer happiness, loyalty, and retention (Fedorco & Hospodka, 2013). Pricing strategy is a crucial component of

building a competitive, sustainable advantage that helps businesses retain customers and increase customer satisfaction. Effective pricing strategies provide corporates with an edge over rivals by giving customers less value in exchange for cheaper costs or higher prices that are justified by extra advantages and services. When a corporate's expenses are lower than its rivals, a cheap price may be leveraged to attract consumers. This is why pricing determination is important to corporate leadership. Furthermore, firms have utilized price lowering as a strategy to increase or maintain market share. Customers frequently use price as a proxy for a product's quality, particularly when they are forced to make judgments based on little information (Vives, et al. 2018).

Research Problem

There are many research studies concerning pricing strategies and customers; many scholars focused on the concept of marketing strategy and retaining customers, however, almost none of the scholars focused on the pricing strategy such as economy pricing strategy on customer retention, moreover, almost none of the scholars and academicians concentrated on the influence of this pricing strategy on customer retention at hotels. For the above-mentioned reasons; the research decided to investigate the influence of the economy pricing strategy on customer retention at selected international hotels in the Kurdistan Region.

The Aim of the Study

Successful variant pricing strategies had been developed to enhance the development of international hotels' services in the competitive environment; consequently, this research will investigate the existing economy pricing strategy to determine their level of usage and their impact on customer retention in the international hotels' sector in the Kurdistan Region.

Significance of the Study

Information about the economy pricing strategy that comparable corporates may use to keep customers will be made available by the research. This will give them the chance to evaluate their present pricing strategies, keep using them, and adjust to any new retention methodologies. The corporate leadership will offer direction on how effectively the corporates are employing the price plan as a retention strategy, identify any gaps that may limit retention, and strive to improve customer retention. The corporate leaders will learn more about which retention technique is effective and which is underutilized.

The results of this research shall help corporate leaders instil the right measures towards the retention of their market share intending to improve on performance. Leaders of other corporate shall also benefit from the findings in that the findings shall help them in reviewing policies governing the retention of customers.

Research Objectives

The main research objectives are as follows:
RO1: To examine the relationship between economy pricing strategy and customer retention at international hotels located in Kurdistan Region.
RO2: To determine the most effective economy pricing strategy to enable and increase customer retention at international hotels located in Kurdistan Region.

Research Questions

The research will aim to answer the following two research questions:
Research Question 1: Is there any relation between economy pricing strategy and customer retention in International Hotels in Kurdistan Region?

Research Question 2: Does economy pricing strategy positively influence customer retention?

Conceptual Framework

The research plan, which has customer retention as the dependent variable and economy pricing strategy as the independent variable, is illustrated by the conceptual framework. The link between the independent variable and dependent variable is depicted in the research model below, and based on this relationship, the researcher established a research hypothesis that would be tested throughout this research.

Economy Pricing Strategy	H_1	Customer Retention

Research Hypothesis

H_1: There is a significant and positive relationship between economy pricing strategy and customer retention.

Review of Literature

The Concept of Pricing

Asamoah & Chovancová, (2011), price is the main factor in the marketing mix that produces income for the business. Price is an adaptable thing that can be changed relying upon purchasers' requests in the market. Zhang, et al. (2017), Price decides the sum that can be paid for services or products relying upon the purchasers' choice. Price is among the four P's of the marketing mix that must be considered before settling on the decision of purchasing the product or services in the market. With regards to purchasers, three vital viewpoints must be remembered, for instance, purchasers' observation as the item offers esteem, what number of purchasers there are, and that they are so sensitive to changes in price. Nevertheless, gathering information on the extent of particular sectors, a corporate must endeavour to decide how price-sensitive purchasers are (Azad & Subrahmanyam, 2022).

Similarly, essential is how much purchasers will pay for the product or services. Making sense of how purchasers will react to prices includes judgment and inquiries about. Price flexibility, or individuals' affectability to price changes, which influences the interest in items. Flexibility refers to the measure of extension or change, price flexibility = rate change in the amount requested ÷ rate change in price. According to Agwu, (2018), when purchasers are exceptionally sensitive to the price change of an item—that is, they purchase a greater amount of it at low prices and less of it at high prices—the interest for it is price flexible. Individuals will probably purchase items/merchandise when their prices drop and are less inclined to get them when their prices rise. By differentiation, when the interest for an item stays moderately the same and purchasers are not priced sensitive to changes in its price, the request is price inflexible (Collado, et al. 2017).

Role of Pricing in Marketing

Pricing strategy has a significant role in marketing since it influences both income and purchasing decisions. The entire pricing condition is accordingly viewed, first from the perspective of the corporate and its systems and after that from the part of the purchasers. In any event, it must be remembered that there are other, external influences on price, including those of government and corporate rivals (Chen, et al. 2015). A buyer might be a firm or individual that buys the finished product in its whole or one that buys pieces of it.

By purchasing a certain item or group of things, the buyer is attempting to satisfy a need

or set of requirements. To specifically satisfy these requirements, the customers employ a few parameters to determine the quantity they will use or the price they will pay (Subrahmanyam & Azad, 2022).

After taking these factors into account, various pricing systems are examined, and some thought is given to how to effectively implement such tactics, how estimation levels might be balanced, and how such methods impact consumers (Geng, et al. 2018). Financial elements have made an effort to understand pricing and estimation methods, but reliable pricing models continue to be smooth, as shown by Chen, et al. (2016).

Pricing Strategy

Price strategies are frequently used when an item moves through its life cycles and frequently occur when a corporate introduces a new product to the market. Before determining the price, they take into account the customers' enthusiasm for the product or changes in the environment. A corporate can offer a product using a variety of pricing strategies. For each item sold, the price can be adjusted to maximize productivity, or it can be determined by the broader market. It can be used to protect an existing market from new rivals, to increase the size of a corporate's total presence within a market, or to join a different market (Subrahmanyam & Azad, 2019). Due to this, the hotel conglomerate only provides a little quantity of the product while still making a significant profit from the sales. Setting a low price on another product to gain ground and pique people's interest in buying it is known as market entry pricing. Market entry creates a sizable market for a product; it makes use of hotels specifically to enter a national market and gather large numbers of clients to purchase their product in a remote setting (Lusch, & Vargo, 2014).

Economy Pricing

Bodey, et al. (2017), economy pricing is broadly utilized in the retail food business for groceries such as canned and frozen goods sold under generic food brands where marketing and production costs have been kept to a minimum. Moreover, they addressed pricing from the point of view of financial theories. They provided an economic pricing model that considers the qualities of inventories, significantly changing interest, and high fixed expenses. Key factors for this pricing strategy from a financial viewpoint are request, competition, and cost. Economy pricing is broadly utilized as a part of the retail business for basic needs, for instance, canned and frozen merchandise under nonspecific food brands where promoting costs have been kept to a base.

In terms of hotels, according to Dai & Zhang, (2017) specified that room rates are balanced by the room interest for future entry dates. In other words, essential economic standards are connected to pricing and room stock control. Costs are brought down when the request is feeble, and costs are raised when the request is strong or high. It takes after the definition recently expressed that costs play out an economic capacity of real extent. This framework is known as the price component and depends on the rule that lone by enabling costs to move naturally will the supply of any given where coordinated request. If supply is over the top, costs will be low, and creation will be decreased; this will make costs ascend until there is adjust of interest and supply. Similarly, if supply is deficient, costs will be high, prompting an expansion underway that thusly will prompt a decrease in costs until the point both free market activities agree.

Neubert, (2017) expressed that this for the most part implies that returns are more accessible further far from the entry date and that costs increment as the landing date gets closer. Economy pricing depends on having the capacity to influence hotel room requests by rising and bringing down the cost of rooms, as indicated by (Malar, et al., 2017). The initial

phase in assessing hotel room interest is to part of the market into momentary, gathering and contract classes. Gathering and contract rates are set between hotel deals directors and meeting organizers and carriers far ahead of the time of landing dates.

Customer Retention Management

As per (Ascarza, et al., 2018), the sole reason for a hotel is to "make a customer." Today however keeping the customer has moved toward becoming similarly essential, this happened since detailed that an expansion in customer retention created an increment in customer net present esteem. (Del Rio Olivares, et al., 2018), revealed that a five-for-each-penny increment in CR created an expansion in customer net present estimation of between 20 for each penny and 90 for each penny over an extensive variety of hotel conditions. There was a developing acknowledgement that customers, similar to items, have an existence cycle that hotels can endeavour to oversee. Customers are gained, held and can be developed in an incentive after some time. They climb an esteem staircase or esteem stepping stool from suspect, prospect and first-time customer to larger part customer and at last to accomplice or backer status (Han, & Hwang, 2018).

As per (Hanaysha, 2018), numerous hotels underestimated their customers before and with quickly developing markets hotels did not stress over completely fulfilling their customers. Accordingly, hotels were picking up and losing customers continually. This is known as the "broken basin" hypothesis. This high customer "beat" includes higher expenses than if a hotel held its customers and picked up no new ones. Customers who are lost to stateless is a customers absconding and if the number of customer rebellions in a hotel is decreased for instance by 5 for every penny at that point hotels can enhance benefits from between 20 to 100 for every penny (Razzaq, et al. 2018).

Factors Affecting Customer Retention

As per (Kung, & Zhong, 2017), customizability and consistency during the time spent settling on choices and placing them into training impacts the customer retention designs of a hotel. (Lee & Fay, 2017) also discussed his faith in adaptability during the time spent settling on choices for he trusts that all techniques and procedures of a hotel move around the thoughts chosen by product or services. The abilities that hotel workers demonstrate that are aloof exceedingly influence the level of customer retention. (Luo, et al., 2018), in his exploration found that best product and friend's workers don't have reasonable and extraordinary learning about the need and consequences of customer maintenance. Top product or services does not profoundly take CR as a genuine issue and delicately takes a gander at it as only a by-hotel component. Customer retention is an essential component that ought to dependably be incorporated into the procedures of an association. Missions and destinations in a hotel ought to be outlined such that they form practices of representatives into grasping customer retention and giving it an upper need (Reen, et al., 2017).

Leadership ought to give check controls and offer learning chances to the workers which over the long term will inspire the entire part of customer retention (Subrahmanyam, 2018). This will additionally elevate the general execution of a hotel. The best technique in customer retention isn't a restricted system yet rather a blend of different procedures that hotels use before putting their merchandise on the market. The best thought behind this is meeting the perfect individual at the ideal time by utilizing the best accessible systems with a specific end goal to impact the deals in the correct way like limited-time offering (Azam, & Karim, 2017).

Pricing Strategies and Customer Retention

As indicated by (Kang & Kim, 2017), the way to build customer connection is to making to regulate customer esteem and fulfilled customers will probably be steadfast and

faithful customers will probably give the hotel an expansive offer of their hotel. Very fulfilled customers deliver a few advantages to the hotel. They remain faithful longer and purchase more as the hotel presents new items and redesigns the current item to speak positively about the hotel and its items playlist. Regard for brand and publicizing and are is less administration to value offering a product or services ideate to the hotel and cost less to serve the new customer since exchange are examined, they require less training and are disappointed with the procedure (Subrahmanyam & Farwq, 2020).

A hotel request originates from two gatherings of new customers rehash customers customarily advertisers have concentrated on pulling in new customers and making the exchange with the in the present showcasing natural. However, changing statistics monetary and aggressive components imply that there are fewer new customers to circumvent the cost of pulling in new customers are rising. Even though finding new customers stays critical the accentuation is moving toward pivoting gainful customers and building an enduring association with them hotels have likewise found that losing a customer implies a solitary scale, as well as lifetime work of procurement and referrals hence attempting to keep productive customers bode well the way to customer connection, is prevalent customer esteem and fulfilment because of this numerous hotel will keep their customer fulfilled (Ampofo, et al. 2017).

Methodology

Research Design

The research design is a crucial strategy that guides and supports the stage of data collection and analysis. The overview provided by the research design outlines the types and amounts of information that must be acquired as well as how that information will be gathered. Additionally, it explains and describes the kinds of data to be utilized in research analysis as well as the kinds of research techniques the researcher will use to look at the effect or relationship between variables. Additionally, it is noted that this approach's goal is to convey and demonstrate the research's consequences and findings, both of which have been independently verified.

The researcher used a quantitative strategy in this study since it uses statistical data as a tool for time savings and requires less work and resources. Additionally, the researcher used this approach because it is the best way to quantify and analyze relationships between variables. In the present research, the researcher made an effort to quantify the economy pricing strategy as the independent variable to determine the relationship with client retention at chosen international hotels in the Kurdistan Region.

Sample Size and Sampling Method

In Sulaymaniah, Duhok, and Erbil, seven international hotels received questionnaires from the researcher. The number of rooms in each hotel was used by the researcher to determine the sample size. To ensure that each consumer would have an opportunity to contribute to the research, the approach adopted in the current study was random sampling. According to the sample size calculation, the researcher delivered questionnaires to the Rotan, Dedeman, and Divan hotels in Erbil; the Grand Millennium, HighCrest, and Titanic hotels; and the Rixos hotel in Sulaymaniyah and Duhok cities, respectively.

Data Collection

As was noted in the preceding part, the researcher used a quantitative technique and a questionnaire to investigate the connection between international hotels' economy pricing

strategies and guest retention in Iraq's Kurdistan Region. A survey consists of several questions that respondents are asked depending on their opinions and prior experiences with a certain hotel. This strategy is frequently used to obtain data for certain imperial research projects. As will be discussed in the following part, the researcher used a survey that was based on several scholarly sources. The researcher sought to collect respondents' personal information, such as their age, education, gender, and marital status, in the first half of the survey. The second section of the survey included questions about the economy pricing strategy and customer retention.

Instruments

The researcher used a questionnaire that was adapted from reliable academic works that were published in reputable international publications. Each question in the questionnaire was evaluated by the researcher using a Likert scale. The range of the scale was from 1 for strongly disagree to 5 for strongly agree. The questionnaire, however, was modified from (Njeru, 2017) and (Rao, 2009).

Methods of Analysis

This research was carried out in International hotels in Kurdistan Region by focusing on customers. The researcher used a quantitative research method to collect relevant information regarding the pricing strategies and their relationship with customer retention. The researcher gathered data for the research by distributing questionnaires as primary data. The questionnaire was prepared and distributed to a customer who visits Kurdistan Region. Moreover, the researcher gathered data for conducting research work from a customer database of International hotels after obtaining permission, then the researcher contacted customers and gathered information by using a questionnaire. The research used the reliability analysis to find out the reliability of the questions that were used in this research, also the relationship analysis was applied to find the association between independent variables and dependent variables, in this research the economy pricing strategy was the independent variable and customer retention as the dependent variable. Finally, the research applied multiple regression analysis to measure each research hypothesis developed according to the research model.

Analysis and Results

Demographic Analysis

The findings of background data collected from respondents who took part in the study, such as gender, age, education level, and marital status, are included in this section.

Customers' Gender

According to table (1) and figure (1), the researcher discovered that customers' gender played a role in this thesis. 320 male customers from seven international hotels in the Kurdistan Region participated in the current research, as did 97 female customers from the same seven international hotels. It may be said that the majority of the participants in the current thesis were men.

Table 1: *Customers' Gender*

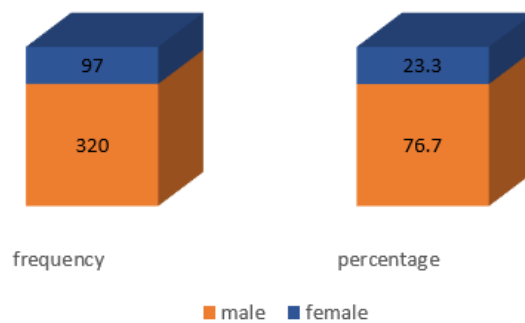| Gender		
Items	Frequency	Per cent
Male	320	76.7
Female	97	23.3
Total	417	100.0

Figure 1: Customers' Gender

Customers' Age

According to table (2) and figure (2), the researcher discovered that participants' ages had a role in this thesis. A total of 26 guests from seven international hotels in the Kurdistan Region who took part in the research varied in age from 18 to 23 years old; the age range of the 57 participants in the research, who stayed at seven international hotels in the Kurdistan Region, was between 24 and 28 years old; the research included 57 clients from seven international hotels in Kurdistan Region, ranging in age from 29 to 34 years old; 72 clients from seven international hotels in Kurdistan Region participated in the research, ranging in age from 35 to 40 years old; the age range of the 77 participants in the research, who came from seven international hotels in the Kurdistan Region, was between 41 and 45 years old; the age range of the 88 participants in the research, who stayed at seven international hotels in the Kurdistan Region, was 46 to 50 years old; In the research, 40 guests from seven international hotels in the Kurdistan Region took part. Their ages varied from 50 and above. It may be deduced that the majority of the respondents to the research were between the ages of 46 and 50.

Table 2: *Customers' Age*

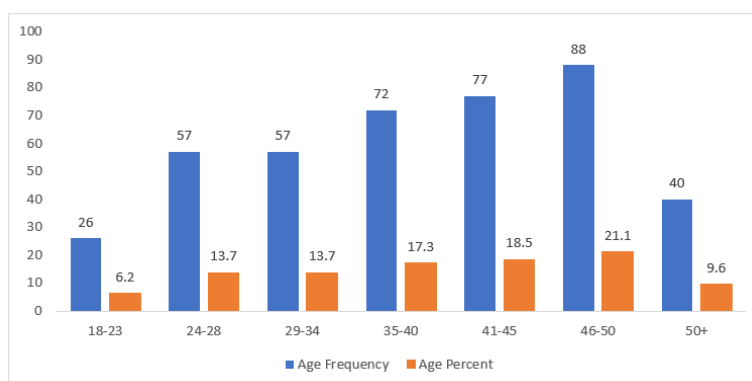| Age		
Items	**Frequency**	**Per cent**
18-23	26	6.2
24-28	57	13.7
29-34	57	13.7
35-40	72	17.3
41-45	77	18.5
46-50	88	21.1
50+	40	9.6
Total	417	100.0

Figure 2: Customers' Age

Customers' Marital Status

According to table 3 and figure 3, the researcher discovered that customers' marital status played a role in this research. 290 married customers from seven international hotels located in the Kurdistan Region participated in the current research, 119 single customers from seven international hotels located in the Kurdistan Region participated in the current research, and 5 widowed customers participated from seven international hotels located in the Kurdistan Region. Married clients made up the majority of the research's participants.

Table 3: *Customers' Marital Status*

Items	Frequency	Per cent
Married	290	69.5
Single	119	28.5
Widowed	5	1.2
Divorced	3	.7
Total	417	100.0

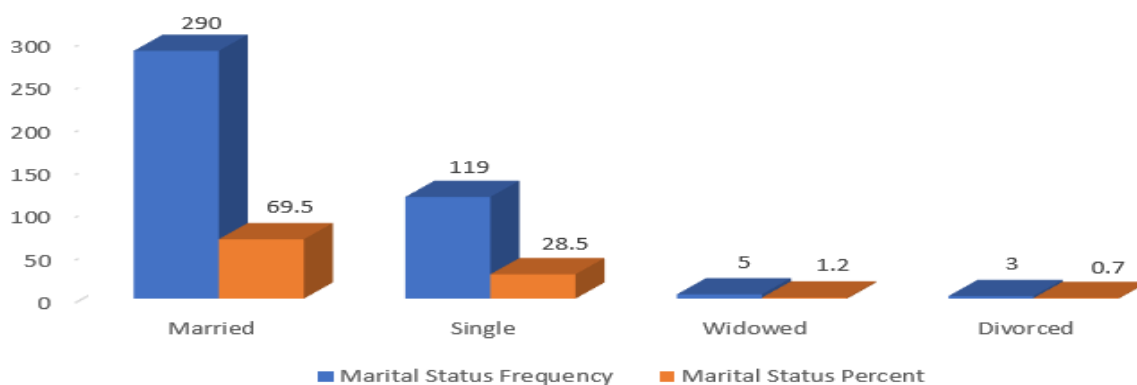*Source: Researcher by using SPSS: 2019*

Figure 3: Customers' Marital Status

Customers' Education

According to table (4) and figure (4), the researcher discovered that customers' educational backgrounds played a role in this research. Eight customers with high school diplomas from seven international hotels in the Kurdistan Region participated in the current research, 26 customers with institute certificates from seven international hotels in the Kurdistan Region participated in the current research, and 265 customers with university certificates participated in the current research. In the current research, 90 guests with graduate degrees from seven international hotels in the Kurdistan region participated, and 28 guests with certificates other than those listed also participated from those same seven hotels. It may be said that the majority of the research's participants were college graduates.

Table 4: *Customers' Education*

Education		
Items	**Frequency**	**Per cent**
High School	8	1.9
Institute	26	6.2
University	265	63.5
Graduate School	90	21.6
Other	28	6.7
Total	417	100.0

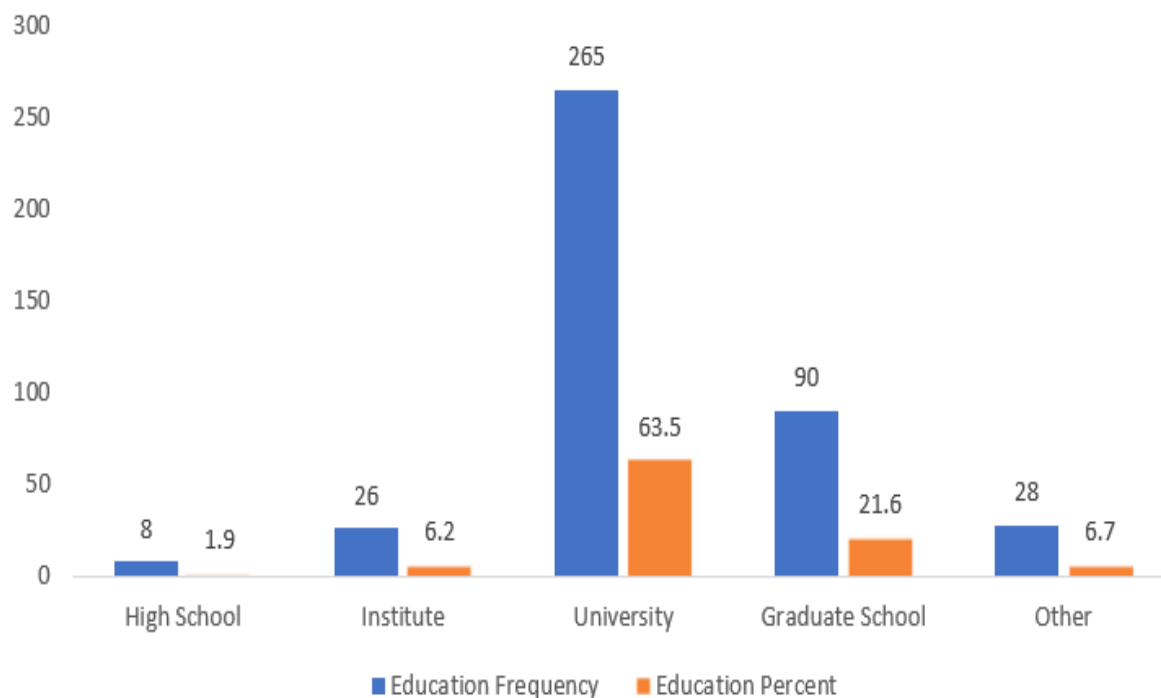*Source: Researcher by using SPSS: 2019*

Figure 4: Customers' Education

Testing Research Hypothesis

In this part, the information acquired through questionnaires from seven various international hotels in the Kurdistan Region is analyzed. As was said before in the conceptual framework, the researcher made an effort to quantify and evaluate the research hypothesis that had been generated. To test each research hypothesis, the researcher first used reliability analysis to assess the dependability of the independent and dependent variables, a relationship method to assess the relationship between the independent and dependent variables, and multiple regression analysis to assess the developed research hypothesis.

Testing Hypothesis: Reliability Analysis of (Economy Pricing Strategy and Customer Retention)

From table (5) it was found based on the reliability test used to examine four questions related to economic pricing, as for the first question stated whether the specific international hotel is setting prices low to attract more customers to stay at their hotels, and the Alpha value was .843 question which stated that whether the specific international hotel is providing continuously discounts for its customer. As for the second question related to economic pricing which stated whether a specific international hotel usually does its best to provide the lowest price compared to other international and local hotels located in the region., the Alpha value was .855 which is considered reliable to be measure as an item of economic pricing to examine the relationship with customer retention at international hotels in Erbil. As for the third question related to economic pricing which stated whether a specific international hotel applies a certain pricing strategy to enable itself to compete with other international hotels to attract more gusts, the Alpha value was .847 which stated that whether a specific international hotel offers services and activities within the hotel with reasonable price. As for the fourth question related to economy pricing which stated whether a specific international hotel sets the low price for rooms by providing fewer services, for instance, rooms without breakfast, the Alpha value was .848 which is considered reliable to be measured as an item of economy pricing to examine the relationship with customer retention at international hotels in Erbil.

**Table 5:** *Reliability Analysis (Economy Pricing Strategy and Customer Retention)*

Questions	Cronbach's Alpha
Q1 This hotel does not offer frequent discounts	.843
Q2 This hotel always strives to have the lowest price on the market	.855
Q3 The price of additional activities offered at this hotel (i.e., prices of food and drink, prices of souvenirs, prices of handcrafted products, prices of excursions, prices of beauty and relaxing programs.) are favourable.	.847
Q4 This hotel sets the price at lower with low services	.848

Source: Researcher by using SPSS: 2019

The relation between the independent variable and dependent variable

This section consists of the results of the relationship analysis between the independent variable (economy pricing strategy) and the dependent variable (customer retention).

The relationship between economy pricing strategy and customer retention.
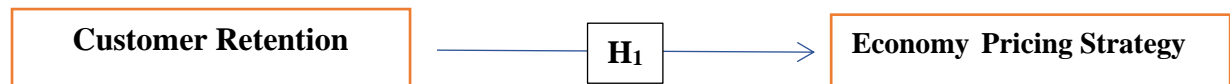
Customer Retention	H_1	Economy Pricing Strategy

H_1: There is a significant and positive relationship between economy pricing strategy and customer retention.

As can be seen in table (6), we used Crosstab to find the relations between variables, the result revealed that 53 customers out of 471 customers rated as low concerning the relation between economy pricing strategy and customer retention at selected international hotels in Kurdistan, 198 out of 417 customers rated as fair concerning the relation between economy pricing strategy and customer retention at selected international hotels in Kurdistan, 166 out of 417 customers rated as high concerning the relation between economy pricing strategy and customer retention at selected international hotels in Kurdistan. Based on the above results, we can conclude that the majority of customers rated as fair (medium) concerning between economy pricing strategy and customer retention at selected international hotels in Kurdistan.

Table 6: *Crosstab*

		Custom Retention Classes			Total
		Low	Fair	High	
Economic Classes	**Low**	14	27	12	53
	Fair	2	96	100	198
	High	0	42	124	166
Total		16	165	236	417

Source: Researcher by using SPSS: 2019

As we can find in table (7), the chi-square statistic seems in the Value column of the Chi-Square Tests table directly to the right of "Pearson Chi-Square". The results showed that the value of the chi-square statistic is 116.867. The *p*-value is found in the same row in the "Asymptotic Significance (2-sided)" column (.000). The finding is significant because the P-value is less than .05. This proved that there is a significant relation between economy pricing strategy and customer retention at selected international hotels in Kurdistan.

Table 7: *Chi-Square Tests*

Chi-Square Tests			
	Value	**df**	**Asymptotic Significance (2-sided)**
Pearson Chi-Square	116.867[a]	4	0.000
Likelihood Ratio	87.858	4	0.000
Linear-by-Linear Association	71.591	1	0.000
N of Valid Cases	417		

Source: Researcher by using SPSS: 2019

Multiple Regression Analysis

This section presents the results of multiple regression analysis to measure the research hypothesis developed according to the research model.

Model Summary

Based on the model summary as can be seen in the table (8) that the value of Adjusted R Square is .690 this means that 70% of variables were explained.

Table 8: *Model Summary*

Model Summary				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. The error in the Estimate**
1	.833[a]	0.695	0.690	2.515
a. Predictors: Economy Pricing Strategy				

Source: Researcher by using SPSS: 2019

ANOVA

As shown in table (9), ANOVA analysis, it was found that the value of F was 155.481, and the significant level was equal to .000. The finding is significant because the P value is less than .05, this indicated that there are a positive association among each pricing with customer retention at chosen international hotels in Kurdistan.

Table 9: *ANOVA*

ANOVA						
	Model	**Sum of Squares**	**df**	**Mean Square**	**F**	**Sig.**
1	Regression	5901.626	6	983.604	155.481	.000[b]
	Residual	2593.741	410	6.326		
	Total	8495.367	416			
a. Dependent Variable: Custom Retention						
b. Predictors: (Constant) Economy Pricing Strategy						

Coefficients

The researcher applied multiple regression tests between economy pricing strategy as independent variables and customers' retention as the dependent variable to measure the research hypothesis which was developed earlier. As shown in table (10), multiple regression analysis was applied to measure the relationship between economy pricing strategy and customer retention at the selected international hotels in Kurdistan. As for the research hypothesis which stated that there is a positive and significant relationship between Economic pricing strategy and customer retention, it was found that the value of B was .238 and the value of Beta was .116 with a significant level of .000 this means that the finding is significant because the P value is less than .05. From the results indicated that research hypothesis was

supported which stated that there is a positive relationship between Economic pricing strategy and customer retention.

Table 10: *Coefficients*

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 Economy	0.238	0.072	0.116	3.296	0.000
a. Dependent Variable: Customer Retention					

Source: Researcher by using SPSS: 2019

Discussion

Numerous external effects influence customer retention in the hotel industry. Pricing significantly is a vital phase in retaining hotels' customers and confirming customer loyalty. Successful pricing strategies had been developed to enhance the development of international hotels' services in the competitive environment; consequently, this research will investigate the existing economy pricing strategy to determine their level of usage and their impact on customer retention in the international hotels' sector in Kurdistan. The results of the current research provided primary data to scholars and researchers interested to chase research in a similar domain. Research findings were significant to international hotels as they continue indulging in price wars with competitors in the competitive market environment.

As for the hotel sector, the results guided how well the hotels are utilizing the pricing strategy as a retention strategy, identifying any gaps that may prevent retention and working towards improving customer retention. The corporate leaders additionally obtained extra knowledge on which retention strategy is well utilized and the one that is less utilized. The findings of current research assisted corporate leaders to instill the right measures towards the retention of their market share intending to improve performance. In this research, the researcher used an independent variable (economy pricing) on the other hand dependent variable which is customer retention.

According to the research hypothesis which stated that there is a positive and significant relationship between Economy pricing strategy and customer retention, to find the relationship between economic pricing and customer retention at international hotels in Kurdistan, the researcher used Crosstab, and the result revealed that 53 customers out of 471 customers rated as low concerning the relation between economy pricing strategy and customer retention at selected international hotels in Kurdistan, 198 out of 417 customers rated as fair concerning the relation between economy pricing strategy and customer retention at selected international hotels in Kurdistan, 166 out of 417 customers rated as high concerning the relation between economy pricing strategy and customer retention at selected international hotels in Kurdistan.

Based on the above results, one can conclude that the majority of customers rated as fair (medium) concerning between economy pricing strategy and customer retention at selected international hotels in Kurdistan. Moreover, the chi-square statistic seems in the Value column of the Chi-Square Tests table directly to the right of "Pearson Chi-Square". The results showed that the value of the chi-square statistic is 116.867. The *p*-value is found in the same row in the "Asymptotic Significance (2-sided)" column (.000). The finding is significant because the P-value is less than .05. This proved that there is a significant relation between economy pricing strategy and customer retention at selected international hotels in Kurdistan.

As for the research hypothesis which stated that there is a positive and significant relationship between Economy pricing strategy and customer retention, it was found that the value of B was .238 and the value of Beta was .116 with a significant level of .000 this means that the finding is significant because the P value is less than .05. From the results indicated that third research hypothesis was supported which stated that there is a positive relationship between Economy pricing strategy and customer retention. A similar result was found by (Dai & Zhang, 2017), they stated that economy pricing is broadly utilized in the retail food business for groceries such as canned and frozen goods sold under generic food brands where marketing and production costs have been kept to a minimum. Moreover, they addressed pricing from the point of view of financial theories. They provided an economy pricing model (i.e., top load estimating theories) that considers qualities of inventories, significantly changing interest and high fixed expenses.

Key factors for this pricing strategy from a financial viewpoint are request, competition, and cost. Economy pricing is broadly utilized as a part of the retail business for basic needs, for example, canned and frozen merchandise under nonspecific food brands where promoting costs have been kept to a base. In terms of hotels, according to Bodey, et al. (2017), specified that Room rates are balanced by the room interest for future entry dates. In another word, essential economic standards are connected to pricing and room stock control. Costs are brought down when the request is weak, and costs are raised when the request is strong or high. It takes after the definition recently expressed that costs play out an economic capacity of real extent. This framework is known as the price component and depends on the rule that lone by enabling costs to move naturally will the supply of any given ware coordinates request. If supply is over the top, costs will be low, and creation will be decreased; this will make costs ascend until there is adjust of interest and supply. Similarly, if supply is deficient, costs will be high, prompting an expansion underway that thusly will prompt a decrease in costs until the point both free market activities agree.

Conclusion

This section is dedicated to showing the results of the relationship between the independent variable (economy pricing strategy) and dependent variable (customer retention), and all the results are shown in table (11).

Table 11: *Summary of Results*

Factors	Hypothesis	P-Value	B	Result
Economy Pricing	The relationship between economy pricing strategy and customer retention	.000	0.283	Supported

Source: Researcher by using SPSS: 2019

The researcher developed two research questions, the first of which asked whether there is a relationship between the pricing strategy mentioned above and customer retention in certain international hotels in the Kurdistan Region. The findings showed that there is a positive and significant relationship between the pricing strategy mentioned above and customer retention at certain international hotels.

References

Agwu, E. (2018). A Review of the Effect of Pricing Strategies on the Purchase of Consumer Goods. *International Journal of Research in Management, Science & Technology, 2*(2), 88-102.

Ampofo, G. K. M., Yabani, A. A., & Senadzo, P. (2017). Does Sales Promotion practices promote Customer retention in the Oil Marketing Industry? A case of Goil Ghana Limited Dome-Kwabenya. *Journal of Research in Marketing*, 8(2), 669-674.

Asamoah, E. S., & Chovancová, M. (2011). The influence of price endings on consumer behaviour: An application of the psychology of perception. *Acta Universitatis Agriculturae et Silviculturae Mendelianae Brunensis*, 7, 29-38.

Ascarza, E., Neslin, S. A., Netzer, O., Anderson, Z., Fader, P. S., Gupta, S., ... & Provost, F. (2018). In pursuit of enhanced customer retention management: Review, key issues, and future directions. *Customer Needs and Solutions*, 5(1-2), 65-81.

Azad, S., & Subrahmanyam, S. (2022). Penetration Pricing Strategy and Customer Retention – An Analysis. *Journal of Positive School Psychology*, 6(5), 7058-7072.

Azam, S. F., & Karim, K. S. (2017). Factors Influencing Customers 'satisfaction On Bangladeshi Telecommunication Service Providers. *European Journal of Management and Marketing Studies*, Volume 2, Issue 3, 115-135.

Bodey, K. L., Shao, W., & Ross, M. (2017). Localization and Customer retention for Franchise Service Systems. *Services Marketing Quarterly*, 38(2), 100-114.

Chen, C. M., Lin, Y. C., Chi, Y. P., & Wu, S. C. (2016). Do competitive strategy effects vary across hotel industry cycles? *International Journal of Hospitality Management*, 54, 104-106.

Chen, C. M., Yang, H. W., Li, E. Y., & Liu, C. C. (2015). How does hotel pricing influence customer satisfaction by the moderating influence of room occupancy? *International Journal of Hospitality Management*, 49, 136-138.

Collado, E., Xu, E. L., Li, H., & Cui, S. (2017). Profit maximization with customer satisfaction control for electric vehicle charging in smart grids. *environments*, *AIMS Energy,* 5(3): 529-556.

Dai, R., & Zhang, J. (2017). Green process innovation and differentiated pricing strategies with environmental concerns of South-North markets. *Transportation Research Part E: Logistics and Transportation Review*, 98, 132-150.

Del Rio Olivares, M. J., Wittkowski, K., Aspara, J., Falk, T., & Mattila, P. (2018). Relational Price Discounts: Consumers' Metacognitions and Nonlinear Effects of Initial Discounts on Customer retention. *Journal of Marketing*, 82(1), 115-131.

Fedorco, Ľ., & Hospodka, J. (2013). Airline Pricing Strategies in European Airline Market. *Faculty of Transportation Sciences*, 2(8), 33-41.

Geng, X., Tan, Y., & Wei, L. (2018). How Add-on Pricing Interacts with Distribution Contracts. *Production and Operations Management*, 27(4), 605-623.

Han, H., & Hwang, J. (2018). Growing competition in the healthcare tourism market and customer retention in medical clinics: New and experienced travellers. *Current Issues in Tourism*, 21(6), 680-702.

Hanaysha, J. R. (2018). Customer retention and the mediating role of perceived value in the retail industry. *World Journal of Entrepreneurship, Management and Sustainable Development*, 14(1), 2-24.

Kang, J. Y. M., & Kim, J. (2017). Online customer relationship marketing tactics through social media and perceived customer retention orientation of the green retailer. *Journal of Fashion Marketing and Management: An International Journal*, 21(3), 298-316.

Kung, L. C., & Zhong, G. Y. (2017). The optimal pricing strategy for two-sided platform delivery in the sharing economy. *Transportation Research Part E: Logistics and Transportation Review*, 101, 1-12.

Lee, S. H. S., & Fay, S. (2017). Why offer lower prices to past customers? Inducing favourable social price comparisons to enhance customer retention. *Quantitative Marketing and Economics*, 15(2), 123-163.

Luo, C., Huang, Y. F., & Gupta, V. (2018). Dynamic Pricing and Energy Management Strategy for EV Charging Stations under Uncertainties. *arXiv preprint arXiv:1801.02783*.

Lusch, R. F., & Vargo, S. L. (2014). *The service-dominant logic of marketing: Dialog, debate, and directions*. Routledge.

Malar, M., Vanithamani, M. R., & Srinivasan, D. (2017). Customer retention Strategies at shopping malls. *Imperial Journal of Interdisciplinary Research*, 3(9).

Neubert, M. (2017). International Pricing Strategies of High-Tech Start-up Hotels. In *Innovation Management, Entrepreneurship and Sustainability (IMES 2017)* (pp. 675-685). Vysoká škola ekonomická v Praze.

Njeru, I. M. (2017). *Influence of pricing strategies on consumer purchase decision: a case of supermarkets in Nairobi County* (Doctoral dissertation, Strathmore University).

Rao, V. R., & Kartono, B. (2009). Pricing objectives and strategies: a cross-country survey. *Handbook of pricing research in marketing*, 9-36.

Razzaq, A., Razzaq, Z., Awan, H. M., & Ansari, N. Y. (2018). The Significance of Pull-In and Push-Back Force in Creating Customer Loyalty among Millennials Telecommunication Use: A Pakistani Perspective. *World Academy of Science, Engineering and Technology, International Journal of Economics and Management Engineering*, 5(1).

Reen, N., Hellström, M., Wikström, K., & Perminova-Harikoski, O. (2017). Towards value-driven strategies in pricing IT solutions. *Journal of Revenue and Pricing Management*, 16(1), 91-105.

Subrahmanyam, S. (2018). Corporate Leadership: A Privation for Improvisation of Techniques. *International Journal of Commerce and Management Research*, 4(6), 25-30.

Subrahmanyam, S., & Azad, S. (2019). Carrefour's Competitive Strategy – Cost Leadership and Differentiation: A Case Study. *Pacific Business Review International*, 11 (8), 137-145.

Subrahmanyam, S., & Azad, S. (2022). Premium Pricing Strategy and Customer Retention – An Analysis. *International Journal of Early Childhood Special Education (INT-JECS),* 14(3), 2064-2075.

Subrahmanyam, S., & Farwq, Z. (2020). Using the Training Intervention of Human Resources for Advancement in Learning Organisations. *Solid State Technology*, 63(6), 19731-19741.

Vives, A., Jacob, M., & Aguiló, E. (2018). An online hotel demand model for two resort hotels in Mallorca. *Revista Turismo & Desenvolvimento*, 2(27/28), 251-254.

Zhang, X., Song, M., & Liu, G. (2017). Service product pricing strategies based on time-sensitive customer choice behaviour. *Journal of Industrial & Management Optimization*, 13(1), 297-312.

Zu, Y., & Chen, L. (2017). Myopic versus Far-Sighted Behaviors in Dynamic Supply Chain Coordination through Advertising with Reference Price Effect. *Discrete Dynamics in Nature and Society*, 1-15.