

The Effect of Leading Pricing on Sales Performance in Pakistan's Aviation and Airline Sector

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ABSTRACT

The purpose of this study is to see how competitive pricing affects sales numbers as in Pakistan aviation industry. The information was gathered using a constructed survey method from two seventy respondents in Pakistani air travel services. The data was examined using the Simple linear regression analysis. The findings show that discriminatory, penetration, and reduced prices (Independent Variables) strategies in the Pakistan aviation industry had positive and significant impact on sale performance which is Dependent Variable. The researchers indicated that fair pricing was crucial for increasing and improving the Pakistan aviation industry's sales performance. Based on the study's dimensions and relevant literature, four hypotheses were developed. A questionnaire with twenty questionnaires the dimensions and research hypothesis were designed to collect data, analyse the hypothesis, and reach conclusions. The questionnaires were then distributed to passengers of Pakistan Airline. The data collection yielded 230 completed questionnaires, 200 of which was processed for further research. Overall, Results of this study findings provide and support the study's model. As a result of the overall analysis, Hypothesis 1 and 2 are assumed to be rejected, while Hypothesis 3 and Hypothesis 4 are assumed to be accepted.

Keywords: Leading Pricing, Sales Performance, Pakistan's Aviation Sector, Discriminatory Pricing, Pricing for Penetration, Price Reduced, and Pricing Psychology.

Introduction

Pricing is the primary strategy used by new businesses to differentiate their products in market. It reflects that the company's ambition and seriousness in dealing with the upcoming competition. A business model that can withstand your brand would include detailed competitor information, consumer interests, and market data 2017 (M Kienzler).

Cost - based method strategy helps you to improve your odds against increased enjoy tournament and newly emerging as the plan allows you to understand and act on any trends and customer options that other agencies had overlooked, as well as to grow and expand your own pick educational establishment of trusted new clients and in the future. The strategy can even demonstrate to others that you have carefully considered how to charge product that is innovative, specific and profitable—increasing chances of a steady income and earning motives for exporters to fiscally back you. (LC Kung, 2017) Purchasing new products is extremely difficult.

Because the product is still in its early stages, which is difficult to sell it for the 1st time and allow an impression. Also, to resolve these gaps, we use relationship marketing to hypothesis that determinants of brand loyalty among airline consumers in Pakistan differ based on WOM data. We have to analyse the indirect impact of links between the variables of repurchase intention first, and then conditional indirect effects were tested using advanced statistical techniques. They must choose one of three fee structures from which to work.

Market scanning pricing, market potential pricing, and estimated sales curve are examples of these strategies. The price determines whether it is rejected or accepted. It is critical to investigate the impact of aggressive rates on the sales performance of the Pakistan aviation Sector. (CA Enz, 2016).

Problem Statement

In our area, an item's value is determined by its price. The general perception among consumers is that the quality of a product is determined by its price and services. Use of a good pricing system when new products introducing is appreciated by our region's consumers.

Determining whether Pakistan's aviation industry's aggressive pricing strategy has an impact on the current overall economy and the environment.

Determining whether competitive pricing has an impact on consumer behavior.

Determine whether profit planning has resulted in cost reduction.

Research Objectives

The study's objectives can be derived from the problem definition, which are:

- i. To investigate whether consumers' purchasing habits are influenced by the country's pricing strategy.
- ii. To investigate how the country's pricing strategy affects consumer purchasing habits.
- iii. To observe that aggressive pricing selection no longer relies on estimations of potential demand rather than knowledge of service value.

Purpose of Study

The primary goal of this study is to achieve the following objectives:

- i. To determine the competitive pricing strategy impact on Pakistan's aviation industry.
- ii. To establish the productivity of a good pricing approach in Pakistan's aviation industry.
- iii. To learn about the various factors that influence price decisions in the aviation industry.
- iv. The significance of pricing decisions on firm profit and efficiency is investigated in this study.
- v. We can establish whether yield management results in cost savings through this research.

Scope and Significance of the Study

This type of research work may be limited to the scope of how the control of the industry airline performance of the servicing zone is being motivated by the selection of its earnings planning and

valuation method in order to achieve the specified objectives of the studies within the fields of marketing to measure the implications of low-price strategy on sales performance.

The focus of the investigation will be on Pakistan's aviation industry.

The objectives of this article are to serve as a reference for airline companies in utilizing the most pricing useful techniques in light of their distinctive contexts in order to increase profitability in the short and long term. It may even assist them in preventing the use of irregular fees as a result of the unique conditions and critical factors. It acts as a guide for deciding a pricing method that quickly establishes a balance between what customers are willing to pay for a type of product and the rate at which the company is likely to sell. This academic research may also be beneficial to the economy in the sense that if organizations have extensive control over their rate setting rather than their pricing, the economy will support. Client behavior can have an impact on overall output profits and, as a result, network welfare 2015 (DE Griffth).

Inside that large percentage of research, all of the statistics required were collected, but there were a number of limitations. The time and cost constraints are the first constraints that have influenced this study's artwork. There isn't always enough or reasonable time to ensure that accuracy and reliability are maintained. Theories that are reluctant to include a few useful statistics, despite the fact that the statistics were only used for educational purposes. Regardless of the issues, it is still believed that the purpose of this examination is being met. Finally, this research portrait may be valuable for those conducting additional research in this or related topics.

Research Questions

Is the country's competitive pricing strategy affecting the current economic situation?

Does this aggressive pricing strategy influence customer behavior in a positive way?

How does the charging method affect the new product?

Literature Review

The role of price in helping to ensure the competitive strength, viability, profit growth, and population increase of airlines is critical (MB Ahmad, 2016). The amount of money that enters an airline is determined by its price, which affects its financial strength, profit, productive capacity, and marketing communications performance. Due to the significant roles played by charge, (MA Saleem, 2017) airlines have developed an interest in charging in order to harness its potential for profit through the use of various pricing techniques.

As a result, there has been a string of forceful clashes among airways over the concept of charging. (K Ahmad, 2018). Competitive pricing strategies are different pricing strategies that airline can use to compete favourably in the marketplace against rival companies (C Shen, 2021) In a practical sense, airlines use a variety of pricing techniques in their promoting products, the most notable of which are: skimming, loss leader, insertion, bundle, cut-price, spiritual and discriminatory pricing. These methods are determined by a method known "pricing," which is based entirely on a popular vote system and outside branding elements.

Pricing is the method of determining and assign charges for products and services based on consideration specific factors such as cost of production, return on investment and revenue mark-up desired, method is intended, and the competition view pricing as a structured methodology of comparing the enterprise environment in order to determine and appoint charges for a company's commodities and offerings. Likewise, pricing is defined well-known as act of establishing costs of offering services. At the other hand Charge is the cost of service or product expressed in monetary terms. It is the amount of money that a product is truly worth and that it can be transferred for charge is a product's expressed fee in finding relevant. They add that the charge is the anticipated economic fee for a service or product.

Price has been and continues to be one of the most important advertising tools for determining an organization's success, profitability, competitiveness, and survival. To support this claim,

acknowledges that charge is both an offensive and defensive weapon available to businesses in order for them to compete, function, and thrive in a free-market economy. That warns all that companies should pay special attention to the methodology and provision of pricing techniques effective because their success is highly dependent on their charges. Furthermore, believe that pricing is critical to a company's success because it determines how many customers buy its products, influences customers' decision to stay loyal to the company, determines the amount of sales and profits a company generates, and allows businesses to capture additional market share while successfully protecting existing ones. In the framework of the Pakistani aviation industry, pricing plays a critical role in the preservation, profitability, and profitability of airline companies. Airlines have long competed fiercely alongside pricing lines due to their reputation for this capability. Pakistan airlines were experimenting with various pricing strategies in order to overtake one another, profitability and increase revenue, also market management and seize market proportion from within the market. As a result, the business is surprisingly competitive, making it more difficult to thrive, compete, and operate than in previous years.

Clients in this industry, based on empirical observation, are very fee-driven and sensitive, patronize, may accept, and remain loyal to airways with highest satisfactory shipper which is best at the least charge. This results in a scramble among airlines within the industry to provide top-notch air travel services at a low cost.

As a result, charge plays an important role in this business. This research looks at the effects of low pricing on revenue overall performances within the Pakistan aviation industry, based on the importance of charge within the Pakistan aviation industry. As a result, the purpose of this investigation is to see how aggressive pricing affects revenue performance within the Pakistan aviation sector. (BL Lee, 2019).

Independent Variable

Discriminatory Prices: Price Discrimination is a basic economic pricing approach in which identical or similar commodities or services are purchased in different markets at different prices utilizing the same source. **Relationship:** In the Pakistani aviation business, discriminatory pricing has little effect on sales success.

Pricing for penetration:

Penetration pricing is a strategy that reduces the price of a product initially in order to capture the largest possible market share and start spreading word of mouth. This strategy is predicated on the assumption that customers will switch to a new brand because of the low price.

Relationship: In the Pakistani aviation business, penetration price has no effect on sales performance.

Price Reduction: Discount pricing is a form of pricing technique in which the price of a product is reduced. The goal of the discount approach is to boost customer traffic, get rid of antique inventory, and improve sales.

Relationship: In the Pakistan aviation business, discount pricing has had no substantial impact on sales success.

Pricing Psychology: Psychological pricing is a sales promotional strategy based entirely on the notion that a given charge has a mental influence. Retail cost are frequently expressed merely beneath the figure, that hardly much less than the almost accurate number, using this pricing strategy.

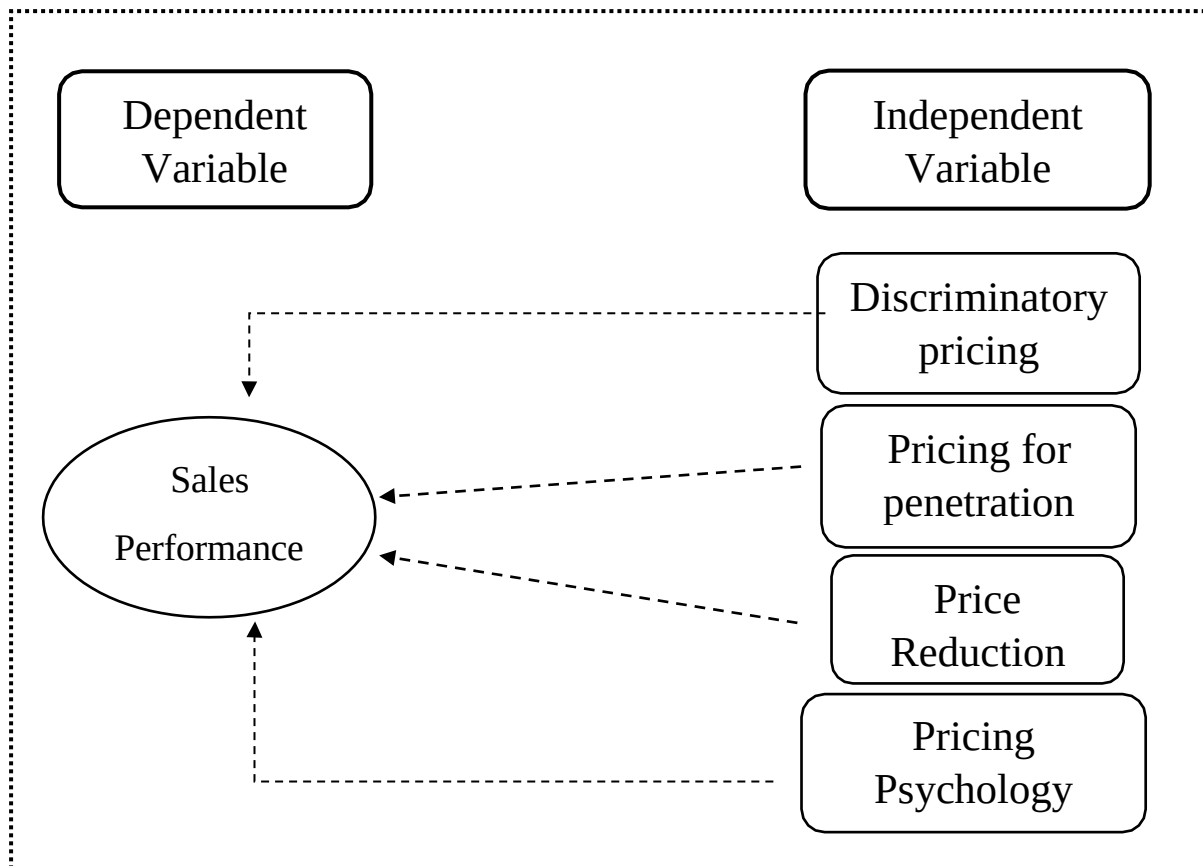
Relationship: In the Pakistan aircraft business, psychological pricing has had no major impact on sales success.

Dependent Variable:

Performances in Sales: The personal or overall efficacy of sales team in sales operations is referred to as sales performance. Ability to meet sales targets.

Relationship: Varying independent factors have different effects on sales performance.

Theoretical Framework



The present study's theoretical framework is based on four factors: "Discriminatory Pricing," "Pricing for Penetration," "Price reduced," and "Pricing Psychology" as well as one dependent variable, "Sales Performance." Because of the wide-spread effect of the (impartial) variable on structured variable, we can recommend a conceptual framework of the research.

Hypothesis

These hypotheses investigate the related impact of the independent variables "Pricing for Penetration," "Discriminatory Pricing," "Price Reduced," and "Pricing Psychology" upon that

dependent variable, Sales Performance.

- Hypothesis 1: There in Pakistan aviation business, discriminatory charging has no significant impact on sales performances.
- Hypothesis 2: In the Pakistan aircraft business, penetration price has been no significant impact on sales performance.
- Hypothesis 3: With in Pakistan aviation sector, reduced pricing has no significant sales success impact.
- Hypothesis 4: In Pakistan aircraft business, psychological pricing has had no significant impact on sales success.

Research Methodology

Research Designed

Research design is a simple strategy that lays out steps needed to complete a research study. Descriptive research entails gathering information on an event, organizing it, aggregating it, showing it, and explaining it. (1984, Glass & Hopkins). As a result, the study's main focus is on the impact of attractive sales on growth prices in Pakistan aviation industry, which provides a perfect context for data collection.

Population

The totality of all individual units or aggregate members is defined as the population. It might be alive or dead, abstract o concrete, depending on its traits and interests. The sampling units are the subsets of a population or cosmos. Because it specifies the number of troops to be researched, it could be determined according with priorities and aims of our surveys. In our example, the airline industry in Pakistan will be our population, and will execute our research among 350 to 400 respondents of airline industry.

Sampling Technique

Sampling is the process of collecting samples from complete population. The convenience

sampling technique was used in selecting many users of Pakistani air travel service, from whom primary data was acquired using (structured) questionnaire forms. We shall utilise a time-based sampling strategy in our situation. The data collection strategies for our research will be split into 2 parts: the first will focused on the demographic parameters for our research as well as instructions for completing our questionnaires. The second section will concentrate on the study's primary variables. The premium pricing's strategy impact on Pakistan airline sector of sales performance of will be defined in the second section.

Sampling Size

For our research, around 350 to 450 questionnaires will be produced and distributed.

Research Instrument

Questionnaires will be designed as a data collection instrument for our research, and will be used to capture the responses of employees and management in the Pakistan aviation business.

Data Collections

The most time-consuming challenging and aspects of research is data collection. Whenever it comes to information gathering, researchers typically utilize one of two methods: primary or secondary data collection. Observation, interview/survey methods, case research approach, and projection methods are all examples of primary data methods. On the other hand, Secondary data is data which has already been acquired by another researcher and is not intended for a specific study or investigation. I'd like to use a primary research approach that incorporates employee and management surveys in the Pakistani aviation business.

Validity and Reliability

It is essential if need to determine what properly formulated declaration measures. The quantity whereby the same solution may well be obtained more than once using the same equipment is referred to as reliability. Simply expressed, if our study is associated with high dependability, other researchers should be able to achieve the same results using the same research methodologies under

similar conditions.

The majority of the survey's questions were derived from previous research on the effects of sales performance on competitive pricing within Pakistan aviation sector, confirming its validity and trustworthiness. 2nd Part of questionnaire includes question regarding each aspect which may reflect effect of competitive rates on sales.

Performance of Pakistan's air transportation, which is directly tied to the survey questions. The second portion of survey is designed to keep respondents away by asking sensitive topics like designation, department and expertise to prevent respondents from survey interrupting. We will create valid and accurate empirical research project questionnaire for this also, the questionnaire approach is advantageous for data collection procedure in term of time constraints, analytic pattern and the most essential element, cost. The demographics of staff member's employees will be addressed in Section 1 of the questionnaire.

The independent variables Discriminatory Pricing, Price Reduced, Pricing for Penetration and Pricing Psychology will be addressed in Section 2 of the questionnaire. Our dependent variable, Sales Performance, will be discussed in Section 3 of our questionnaire.

Research Data Analysis Tool

Second correlations coefficient Pearson's product was used to determine impact of premium pricing on Pakistan aviation business earnings. To investigate the data acquired from established surveys, use the statistical application software MS Excel Add in Data and SPSS17.zero Analysis. Mode, Mean, median, kurtosis, general deviation and skewness were the statistical tools employed in the evaluation.

Analysis

Construct reliability and validity

Table 1 displays the reliability values. To ensure the reliability of the research, composite, Cronbach's Alpha and average variance derived reliability methods were used. Cronbach's alpha,

according to Tavakol and Dennick [101], varies from 0.70 to 0.95, albeit there are conflicting accounts on its acceptability. A low Cronbach's alpha could be due to poor cross among items or heterogeneous conceptions, as well as a lesser number of questions. Cronbach's alpha reliability scores for this study range from 0.174 to 0.158, which are satisfactory.

Table 1(Construct reliability and validity)

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
LEADING PRICE_	0.158	0.312	0.566	0.304
SALE PERFORMANCE	0.174	0.260	0.297	0.279

Furthermore, a composite reliability (CR) value of 0.566 or higher is acceptable, as is an amount of variance extracted (AVE) value of 0.304 or higher [102]. In this study, the lowest value of CR is 0.158, which is greater than the minimum appropriate value, and the least value of AVE is 0.278, which also is higher than the minimum optimal limit. As a result, the construct's level of variance (AVE) and the less biased estimation of reliability (CR) are both acceptable in this investigation.

Discriminant validity

The Fornel-Larcker criterion plus cross-loading examination were largely used to assess discriminant reliability [103]. The Fornel-Larcker approach, on the other hand, did not accurately quantify discriminant validity. As a result, the current study used different ways to assess discriminant validity, such as in the multitrait-multimethod matrix. The ratio of heterotrait-monotrait correlation was also used.

Table 2 (Fornel-Larcker criterion)

	Leading Price_	Sale Performance
LEADING PRICE_	0.551	

SALE PERFORMANCE	0.328	0.528
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Table 3 shows the quality perceptions of the path coefficient, which decide whether or not links exist. H1 is acknowledged, indicating a relationship between the perception financial standpoint and perceived sales performance. The values show that H1 is recognized, and that the resulting financial standpoint has a beneficial impact on perceived sales performance. The significance level would be less than 0.08. The P and T values are above the allowed ranges, implying that the perceived financial outlook has no positive impact on long-term development ($p = 0.000$, $t = 3.771$).

Table 3 (Mean, STDEV, T-Values, P-Values)

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
LEADING PRICE_ -> SALE PERFORMAN CE	0.328	0.358	0.087	3.771	0.000

We predict and accept the alternative hypothesis and come to the conclusion that psychological pricing has a major impact on the Pakistan aviation sector sales performance.



Figure 2. Confirmatory factor analysis.

Managerial Implications

This research has significant consequences for practitioners. First, as evidenced by the results of indirect and direct variable interactions, the findings highlight the importance of continually enhancing service quality and creating trust in order to boost customer happiness, enhance repurchase intentions, and improve airline brand image. As a result, airline marketers should focus on improving that pre-purchase, post-purchase, and real service encounter stages of the customer journey. Passengers' travel experiences are orchestrated in numerous ways, beginning before they head to the airport and extending yet after their plane has landed. Airlines might improve the pre-purchase consumer experience by collaborating with tickets sellers to provide both human and digital touch points.

This could lead to increased customer interaction with the service provider, increased trust, and a positive first image of the airline. Additional possible pre-flight services encompass online tools to help with destination planning, travel booking, discount prices, and flight cost calculation. Domestic airlines should be able to compete in other categories where foreign airlines now dominate by improving in-flight services to an international standard. Second, customer satisfaction's mediating function in forecasting the relationship between service quality and reliability on purchase intention has been statistically significant. Although the airline business in Pakistan has placed a greater emphasis on customer satisfaction, methods are needed to determine customers' primary needs and desires in order to better build a service that gives optimal exchange value.

This may necessitate following up with consumers after each service contact to address any complaints they may have. Finally, our results on how to moderate sales performance can help design marketing strategies for retaining existing customers. To build positive WOM, businesses must cultivate intimate ties with their customers. Customers' favourable word-of-mouth about the

company's services improves the company's image and improves customer satisfaction, increasing to repurchase intentions. As a result, it's critical to figure out how to develop valued customer relationships and how to effectively spread positive word of mouth among current and potential customers. Pakistan airlines created policies and procedures that can be used to develop an integrated marketing communication system.

Conclusion

By assessing so many customers of air travel services, this study looked into the impact of competitive rates on overall sales as in Pakistan aviation industry. According to the findings, discriminating, penetration, discount, and psychological pricing tactics all have considerable beneficial effects on overall sales in the aviation business. As a result, it is argued that fair pricing was critical to strengthening and improving airline sales performance there in Pakistan aviation industry.

As a result, it is suggested that airlines focus more on the creation, implementation, and analysis of aggressive pricing policies in order to improve their sales performance over time. According to the findings, difference in sales performance strategy has a major impact on airline performance in Pakistan. Each airline must improve their products according on the tactics that they have been pursuing in the aviation sector. This is also what gives them an edge over the competition. Because they have well-trained and easily available agents, the airline business should really have close airline-passenger ties to ensure service delivery assurances. Employees at the airline are dependable and sensitive to consumer requests.

Research Limitations and Future Directions

This study, like every research, has flaws that could lead to further research. First, because the research was conducted from frequent flyer participants alone, the findings' generalizability is limited. As a result, future research should include basic categories of airline travel customers in their sample. Second, our study only looked at WOM as a conceivable moderating effect on the

relationship among both service quality and trust, as well as customer satisfaction and brand image; but even so, there may be some significant observations as a moderator between perceived quality and brand image, as well as repurchase intentions.

Finally, this research can be expanded by include a comparative examination of domestic and foreign airlines in the very same framework, demonstrating how customers' views of modelled variables differ across two demographic groups. This is especially essential in the context of airline image, since customers perceive multinational airlines to have unique identities. Future research should explore the influence on multiple operational levels including such high, middle, and operating levels, to determine the magnitude of the effect at each stage.

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