

Analysis Of Consumer Preference To Price Strategies In The Retail Industry

Deni Ramdani¹
Universitas Wanita Internasional

Ghina Ainaya Azzahra²
Universitas Wanita Internasional

Correspondence : Deni Ramdani (deniramdani653@gmail.com)

Abstract

Globally, the retail sector is among the most vital and rapidly expanding economic industries. This sector includes everything from online stores to supermarkets and shopping complexes. (online commerce). The objective of this study is to examine the manner in which retail industry pricing strategies impact consumer preferences. This article employs a qualitative methodology in conducting library research or study. Comparing and differentiating various theories from the research literature in order to examine existing theories is the purpose of this article. It has been determined through literature evaluations of articles published in national and international periodicals that price strategy in the retail industry is positively impacted by consumer preferences.

Keywords: Preference , Consumer, Industry , Retail

Introduction

The retail industry is one of the most important and fast-growing economic sectors around the world. This industry covers all kinds of, ranging from supermarkets, malls, to online stores (e-commerce) (Afrianto and Irwansyah, 2021). Memah, et al.,(2015) One of the key aspects in the retail industry that has a significant impact on company success is price strategy. Price strategy covers a variety of factors, such as pricing, discounts, promotions, and price engagement that companies plan to attract and retain customers.

Hutri and Yuliviona (2022) Analysis of consumer preferences to price strategies is an important topic in the context of the retail industry. Consumer preferences are key factors that influence their purchasing decisions, and understanding how consumers respond to various price strategies can help companies plan more effective strategies. In this page, we will discuss the background of the importance of analyzing consumer preferences to price strategies in the retail industry as well as its situation.

Competition Influence: The retail industry is highly competitive, with many competitors competing to attract consumer attention. Proper pricing strategy can provide a competitive advantage for companies in attracting customers. To this, companies must understand consumer preferences related to price.

Changes in Consumer Behavior: Consumer behavior is constantly changing as trends, economic conditions, and other factors change. Analysis of consumer preferences can help companies identify changes in consumer price preferences and adjust their strategies accordingly.

Increasing consumer bidding power: With more and more information available to consumers through the Internet and social media, consumers have more competitiveness in making purchasing decisions. Therefore, it is important for companies to know how to influence consumer preferences through pricing strategies.

Situation analysis of consumer preferences to price strategies in the retail industry can vary greatly depending on various factors, including the type of product or service offered, geographical markets, and current economic conditions.

For instance:

1) E-commerce: E-commerce has emerged as a significant participant in the retail sector during the digital era. Price analysis pertaining to e-commerce consumers encompasses concerns such as cross-platform price comparisons, discount code utilization, and dynamic pricing strategies.

2) Shopping centers: Pricing strategies in physical shopping centers are frequently correlated with seasonal discounts and promotions. In this context, consumer preference for discounts and special offers can be highly relevant.

3) Supermarkets: The supermarket sector encompasses an extensive array of merchandise, including domestic goods and culinary items. When examining consumer preferences in this industry, price, quality, and brand may be taken into account.

To conclude, The examination of consumer preferences in relation to pricing strategies is a critical determinant of achievement for businesses operating in the retail sector. Gaining insight into consumer reactions to different pricing strategies can assist organizations in maximizing profits, fostering customer loyalty, and contending with rivalries in a market that is becoming more intense. The methodology and framework that can be employed to analyze consumer preferences in relation to pricing strategies in the retail industry will be elaborated upon on the following page

A. Consumer preferences encompass the inclination and selection of a specific product, service, brand, or course of action by an individual or group from the vast array of alternatives at their disposal. These preferences serve as the foundation for consumers' purchasing decisions and reflect their likes and desires. Numerous elements can impact consumer preferences, such as environmental factors, individual psychology, experience, culture, price, quality, and brand.

B. Pricing approach A company's price strategy is a deliberate and calculated approach to establishing the cost of its products or services, devised to accomplish a particular business objective. Respected Afrillita (2013). Pricing is a critical component of marketing and sales management due to its substantial influence on consumer behavior, firm profitability, and market standing. The following are critical elements that are linked to a pricing strategy:

1) The first step in formulating a pricing strategy is price determination, during which organizations ascertain the amount they are willing to pay for the services or products they offer. A variety of elements, including production costs, market demand, competition, and profit objectives, can influence pricing.

2) Price differentiation: In certain situations, businesses employ price differentiation, which entails setting distinct prices for products with unique attributes or benefits or for distinct consumer segments. This may assist businesses in maximizing profits or appealing to various market segments.

3) Promotions and discounts In addition to promotions and discounts, the pricing strategy incorporates special offers and discounts. It may be utilized to sell defective products, entice repeat purchases, or attract new customers.

4) The psychological cost Frequently, consumer perceptions of product quality and value are influenced by price. Certain companies employ price structures that conclude with the number "99" (e.g., \$9.99) in order to create the perception that their products are more reasonably priced.

C. Retail sector The retail industry, alternatively referred to as the retail sector or retail trade, encompasses the economic sector that involves the direct sale of goods or services to ultimate consumers for their personal or domestic utilization. It is one of the most expansive and heterogeneous sectors of the economy, encompassing a vast array of products and business categories that span numerous industries. The following are several salient attributes that characterize the retail sector:

1) The retail industry, which comprises the industrial sector, encompasses a vast array of business categories, such as malls, restaurants, physical stores (brick-and-mortar), specialty shops, wholesalers, and e-commerce. The sector is extremely diverse, catering to a wide range of consumer requirements.

2) Interaction directly with customers, The retail industry is distinguished by the direct engagement that takes place between businesses and consumers. Consumers access e-commerce platforms or visit physical locations in order to examine, select, and purchase goods and services.

3) Variation of Products: The retail industry offers a wide array of products, spanning from services such as travel, health care, and entertainment to commonplace consumer goods including food, apparel, and electronics

Methods

This article uses a qualitative approach to library research or library study. This article aims to compare and differentiate the various theories, as found in the research literature, to study the existing theories. The literature used consists of scientific articles containing national and international financial

management calculations based on research findings or reviews. Google scholar and the literacy data search engine Mendeley are the source of all the articles used. Writing surveys is using appropriate methodological techniques is a kind of subjective examination of research writing. It's used in an inductive way to avoid asking additional questions. Since qualitative research has exploration characteristics, it's done. In addition, there is an in-depth discussion in the section of the related library or the reviewed library as this section serves as a basis for formulating the hypothesis and will then serve as a comparison material with the results or findings of previous research to demonstrate the truth of the existing theory. (Permatasari dan Jaelani, 2021).

Results and Discussion

According to A. Consumer Preference versus Price Strategy in the Kotler Retail Industry (2012), consumer preference refers to an individual's inclination towards or aversion towards the particular product, service, or commodities that are being utilised. Consumer preferences disclose the inclination towards a diverse array of products that are accessible. According to their investigation into consumer preference variables, the researchers discovered that the majority of consumers favour established brands.

The study "The Impact of Consumer Perceptions and Preferences on Purchasing Decisions of Hunian Green Products" by Wardani (2015) revealed that purchasing decisions are significantly impacted by consumer preferences. A study titled "Analysis of the Effect of Perception and Consumer Preference on Buying Decision" (Fantana & Mayliza, 2018) revealed that purchase decisions are significantly influenced by perceptions and preferences. Specifically, the study found that consumer preferences had a substantial effect on purchasing decisions.

According to Martínez-Rolán (2016), digital marketing is characterised as the implementation of traditional marketing methods and techniques through the Internet. Nevertheless, the intricacies of the digital realm and its implications for marketing have propelled the creation of channels, formats, and languages that have given rise to strategies and tools that were previously unimaginable. In order to be successful, digital marketing strategies must be customised to align with business objectives, consumer demands, and market developments. Successful implementation, ongoing evaluation, and strategic foresight will enable businesses and organisations to achieve their objectives and derive advantages from their digital marketing endeavours.

Irwan (2014) states: Consumer preferences are optimistic inclinations towards a particular good or service. There are multiple phases involved in the decision-making process, including need identification, product information gathering prior to purchase, and alternative evaluation. It demonstrates that purchasing interest serves as a motivating factor for decision-making, which is a crucial process in shaping consumer behaviour. Consistent with the findings of Irawan (2014), which concluded that purchase interest has a positive and significant impact on the product purchase decision, the results of this study support this conclusion. Sun Retail Establishment.

Conclusion

It has been determined through literature evaluations of articles published in national and international periodicals that price strategy in the retail industry is positively impacted by consumer preferences.

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