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Pricing Strategies and Marketing Performance of Telecommunication Firms in Port Harcourt

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Abstract: *This study is descriptive, and examines pricing strategies and marketing performance of Telecommunication firms in Port Harcourt. The source of data used in this study was mainly secondary with the review of relevant literature that bothers on both variables. The study reveals that a well-tailored pricing strategy that considers the perception and sensitivity of target customers, as well as organizational goals, will have a positive impact on organizational marketing performance. The study found out that there is a positive relationship between values based pricing and marketing performance. Also, the study reveals that there is a positive relationship between costs based pricing and marketing performance. Based on the findings, the study concludes that there is a positive relationship between pricing strategies and marketing performance. With this, the study recommends that telecommunication firms in Port Harcourt that seek to improve in their marketing performance should determine and implement right pricing strategies such as value based pricing strategy and cost based pricing strategy.*

Keywords: *Pricing Strategies, Marketing Performance, value-based pricing, cost based pricing, customer satisfaction, customer loyalty*

INTRODUCTION

The period we are today can be said to be the most competitive era in the history of business. The level of competition has greatly increased in virtually all areas of business, including the telecommunication sector. Most businesses today rise and fall while some others fail out-rightly. This is an indication that businesses lagging behind, lack proper pursuance and execution of appropriate business strategy. The result of this is a jeopardized organizational performance and sustainability (Ambler and Roberts, 2008). The right strategy when applied is seen to help organizations out-perform competitors and achieve above average profits (Jobber, 2004).

Pricing strategy is an important part of an organization's marketing focus that is capable of elevating or deterring a company's performance. This calls for the need for businesses to get their pricing strategies right. Pricing strategy simply refers to the method used by organizations to price their products. It can also be seen to be activities used in finding a products optimum price. A pricing strategy is targeted at organization's selected or defined customers; it is also targeted against competitors. A pricing strategy focuses on: segments, segments ability to pay, the actions of competitors, market conditions, trade margins, input costs, etc.

There has been a realization of the impact of pricing strategies on the marketing performance of an organization. Economic and technological changes have made consumers more educated, conversant and curious about the product they want to buy, this has made the pricing strategy of organizations, extremely important. The advent of the Internet, e-shopping and e-commerce has made consumers to get information about a product both from the organization and external sources as well. Therefore, it is needful for organizations especially in the telecommunication industry, to get their pricing strategies right, since it deals directly with the transmission of information (Armstrong & Kotler, 2008). Furthermore, it is seen that the fortunes of an organization depends on its ability to satisfy and retain customers, since they are a top priority to the attainment of marketing goals (Coyles & Gokey, 2005). An adoption of a good pricing strategy is pivotal to firms in the telecommunication industry as it allows for competitive advantage that births a positive marketing performance. The importance of a good marketing performance is transparent as it helps to equip, fortify, and sustain the telecommunication firms against competition (Mwangeka, Mtomba, Omindo & Nyatichi, 2014).

Customer satisfaction and loyalty does not only boost high profitability, but also minimizes customers switching. This establishes and strengthens the relationship between the organization and customers, which is beneficial for a business and its survival (Armstrong & Kotler, 2008). According to Singh and Khan (2012), a satisfied and retained customer earns a firm a goodwill and high reputation since they are most likely to offer good words of mouth to friends and relatives, this in turn increases patronage. It is to this end that the need to care for the customers is paramount for the telecommunication industry. This care is not limited to the delivery of quality services, but also an application of a pricing strategy fair enough to satisfy and retain the desired customers (Storbacka, 2011).

Price is very important in the telecommunication industry as it plays a vital role in the market, especially for the mobile telecommunication service providers (Kollmann, 2000). The price here consists of the price of SIM Card, Recharge Voucher, Call Rate, SMS Charge, Internet Charge, Phone Price e.t.c. A network with a fair price may well attract a large subscriber-base which will lead to an impressive marketing performance. The income gotten from the number of call minutes is the determinant of the basic commercial success for the network providers (Kollmann, 2000). Kollmann also stated that the success of this sector depends on continuing usage and pricing policies that requires consideration on several levels. As it is seen, the telecommunication firms in Port Harcourt are put into lots of pressure because of increase in competition. Various strategies are formed to satisfy customers in order to make them loyal. One of the key strategies is an effective pricing strategy.

There has been an intense rivalry among telecommunication operators that brought about reduction in tariff, introduction of new products, different types of adverts, a rise in sales promotion, and an innovative customer service. The essence of all of these is to improve the marketing performance of these firms in terms of satisfying customers, retaining and making them loyal, among others. What further intensified the competition are the lower switching costs among the subscribers of the various networks. This made subscribers frequently enter and leave the networks, which in turn has made it difficult for operators to retain and make existing customers loyal. This rang a bell on the importance of satisfying new and existing customer (Coyles and Gokey, 2005). In the light of the intense competition facing the telecommunication industry, one of the major challenge is the determination and execution of various marketing strategies that will not only attract new subscribers but also to retain and make loyal, the existing ones (Mason & Lancioni, 2005). This is so because, improving the marketing performance of an organization depends on its ability to retain and make loyal, its customers (Pfeifer, 2005). One of the identified marketing strategies to put in place is the Pricing Strategy. Pricing strategies without a doubt has played imperative roles in today's marketing environment. But even with its positives, Singh Kan (2012) noted that some firms in the telecommunication industry have failed to incorporate the right pricing strategies in their marketing plan. Avlonitis & Indounas (2006) also noted that even with its importance, price is seen not to have the deserved attention in some telecommunication firms. The main focus is however placed on product development channels of distribution as well as communication strategies. This can cause undesirable pricing decisions that fail in the area of proper evaluation of market and cost factors (Lancioni, 2005).

With the foregoing, pricing strategy is seen to be treated as the simplest strategy within marketing. This perception is due to the fact that most companies determine their prices on the basis of intuition and Manager's market experience (Sevin, 1965). It is in line with this that this study seeks to X-ray the relationship between pricing strategies and marketing performance of telecommunication firms in Port-Harcourt.

Literature Review

Theoretical Foundation

Van Westerdrop price sensitivity model

In 1976, Van Westerdrop proposed the price sensitivity model. This model is focused on finding an acceptable price that indicates quality. The assumption in this model is that for every category of consumers, reasonable prices exists and for each perceived quality within a category, consumer price decisions are made by balancing value against price, and there is an upper and lower bound to the price a consumer will pay for a product. The VW model emphasised on the concerns of low quality, indicating low quality and also too high pricing.

The model suits this study as it reminds organizations of the need to pay attention to their pricing strategies, so as to determine and implement the appropriate pricing strategies suitable for the target audience, and improve marketing performance in turn.

Conceptual Review

Concept of Pricing Strategies

Pricing strategies are means to determine relative price levels by considering factors which are influential and then realizing particular business objectives in a specific situation (Noble & Gruca, 1999).According to Hinterhuber & Bertini (2011), the main reason for pricing is to adequately cover overhead costs including work and materials costs so as to produce an adequate profit which helps to maintain growth and create sustainability in an organization. Kohli & Rajneesh, (2011) pointed out that product development, promotion and distribution are used to sow the seeds of the success of a business, and an effective pricing is the harvest. This calls for the need to tailor pricing strategies to fit specific products and customers perception of the product's value.

According to Morris (1987), a pricing technique is in addition focused at the characterized clients and against contenders. When selecting a pricing strategy, the businesses as well as financial goals are kept in mind because the elements of a business plan can influence the choice of a pricing strategy. Also, the price assigned to a product also influences the consumer's perception of the product and this in turn impact on their willingness to purchase the product. Furthermore, Ding (2007) noted, that pricing strategy also helps as a market segmentation strategy since it can be used to differentiate products from those of competitors. Pricing has always been an integral component of marketing (Borden, 1964). The only traditional marketing element that creates revenue is pricing (Shipley & Jobber, 2011). According to Morris (2007), one of the most critical decisions facing an organization is what price to charge customers for its products. With the highly competitive nature of today's business environment, a good pricing strategy is needed to help in facilitating customer value creation, structuring pricing decisions, and earning a profit (Lancioni, Schau & Smith, 2005). This is vital because a deficient pricing strategy obstructs profitability (Hinterhuber and Bertimi, 2011). Developing an appropriate pricing strategy is seen to be crucial and highly complex, and as such depends on factors such as the environment, firm's objectives and customer characteristics as well as the pricing situation (Clark, 2000, Diamanto Poulos, 1991, Noble & Gruca, 1999).

The purchase behaviour of consumers can be manipulated using an assortment of pricing strategies (Cooper, 2000). The availability of multiple pricing strategies presents a strategic but tantalizing dilemma to organizations (Ambler, 2000). The challenge is heightened by the consciousness of pricing strategies consistency with company's overall image. Having a pricing strategy which is consistent with company's overall image, sales, profits and ROI is a daunting task. Organizations may choose to price high, low, or become merely price followers (Borden, 1964).For instance, the use of one-dimensional price, quoting a single figure e.g. N100.00 has given way for odd-even pricing strategies targeted at taking advantage of information elaboration process or prospective biases related to specific price presentations (Morris, 1987). An example of this is can be seen in a case where instead of pricing a product at a standard N100.00, the product is priced at N99.99 (Cressman, 2012). This makes the consumer feel he is paying a lower price for the product; this in turn leads to an acceleration of sales.

Value Based Pricing

Value based pricing is the practice to set prices of products in accordance to customer perceived value of that product (Nagle, Hogan, and Zale, 2011). According to Liozu (2016), value based pricing strategy allows managers to device prices based on the perception of customers of product benefits. Ingenbleak, Frambach and Verhallen (2010), also posit that value-based pricing is a pricing practice in which decisions are taken based on the perception of benefits from items offered to customers, and how the benefits are perceived and weighed by customers in relation to the price they pay for the product.

This strategy is to take into consideration how these benefits are perceived in comparison to the price they pay. In other words, the willingness to pay is limited by benefits perceived by the customer (Toyari, Rajala & Alejandro, 2015). They also state that “value based pricing strategy is mainly based on the value a product delivers to customers”. To sum it up, the delivered and perceived value determines the price set for the customer. According to Ding (2007), value-based pricing is highly applicable to services. It is an important conceptual approach for services that uses the benefits of the service offering in order to match the buyer’s willingness to pay with the value received. Ingenbleak, Frambach, and Verhallen (2010) opined that this is an interesting aspect, as there is an increasing need for services when industries are becoming more market oriented. Customized marketing, sales activities as well as individual pricing have increased over the last few decades (Frenzen, Hansen, Kraft, Mantrala, and Schmidt, 2010). Customers now request for differentiated offerings which are well adapted for their specific needs, instead of standard products (Oyedijo, 2012).

When a value-based strategy is adopted, different prices are set for different segments; this is as a result of the different values each segment receives from products (Morris & Calantone, 1990). Here, the customer’s willingness to pay is the determinant of the price settings; this dictates how high prices can be. According to Sevin (1965), this strategy is better in a case where there are few alternatives for customers to choose. Due to the difficulty of defining it, most organizations often discard value-based pricing. This strategy takes a great amount of time and effort; it is also complex because of the charge in the perceived value over-time (Coster, 2015).The value could be measured in terms of financial gains, total savings, or customer’s satisfaction derived from the use of the product (Nagle & Hogan, 2006).Also, value is connected to emotions oftentimes, for this, customers might not be able to define desired value themselves (Davidson, 1999). A firm must therefore, differentiate their products and more away from commodities so as to achieve value.

Cost Based Pricing

Cost-based pricing is the most common, simple, and popular strategy for setting prices. According to Simon (1992), this strategy is the most common because of its ability to carry a sense of financial prudence. Liozu (2016) added that it is the most common since it provides unambiguous ways where the cost of making a product available are summed-up and a profit margin is added. This implies that a profit margin is added on cost. What happens in this case is that, sales level are first of all determined, followed by the calculation of the unit and total cost, afterwards, the organizations profit objectives are set and finally the prices are established. Ambler and Roberts (2008) charged professionals involved in this process to show customers, enough value on products so as to justify the prices which the organization is charging.

Hitesh (2017) identified three factors capable of interfering with cost-based pricing strategy. The first is the intensity of competition. The intensity of competition in a highly competitive market marketing result in contribution and profit margins loss due to the pressure of trying to make prices equal to the prices of competitors. In this scenario, cost becomes a highly relevant element as it determines the limits of prices to be charged on the products. The second is the company size. Here, companies which are larger, have a greater influence on prices. This is so because they have the capacity to act as a guide for the price ranges which are prevalent in the market. Another reason for their influence is because of their frequent scale gains. The type of industry is the third factor capable of interfering with cost-based pricing strategy. The high investments on physical facilities, and resources used in the process of manufacturing has made manufacturing industries have higher expenses compared to other industries. This has made it difficult for manufacturing industries to accurately define the cost of products, which in turn force an increase on the total cost of the product. According to Morris (2013), there seem to be a greater focus on price setting that is based on costs. With this, the cost-based pricing strategy encourages organizations to make use of better expenditure techniques. Cost based pricing is easy to apply as little information is required to put it into effect. All the information needed is within the organization and much won't be needed gaining market and consumer insight (Kohli and Rajneesh, 2012).

Marketing Performance

Marketing performance refers to marketing result compared against set objectives. This can also be said to be indicators managers use to assess the progress of marketing activities of a business or unit in a business (The Marketing Science Institute, 2004). According to O'sullivan (2007), marketing performance is the end result of marketing activities. At one level it may seem so simple like this definition, while at a different level, the notion might be both intriguing yet continually disappointing.

With the well-established research on marketing performance, it is a thing of surprise that there is no explicit definition of the term (AMA 1959; Feder, 1965). Bonoma and Clark (1998) also gave a nod on this when they noted that marketing performance has been resistant to conceptualization, definition and application more than other concepts in marketing's short history. The only general agreement in strategic and marketing literature is the view that marketing performance is multidimensional in nature (Clark and Amber, 2001; Vorhies and Morgan, 2003). Even on this note, what constitute a superior marketing performance may be different for different organizations (Vorhies & Morgan, 2003).

The effectiveness and efficiency aspect of performance may not be seen as the same and may not even be related in the short term, for this organizations make important decisions that reflect an emphasis on either effectiveness or efficiency in setting marketing goals and allocating resources (Walker and Ruekert, 2013). According to Homburg (2007), marketing performance is the effectiveness and efficiency of an organization's activities based on market related goals like revenues, market share growth etc. even with the consensus on how marketing performance should be measured, and some general trends its studies. In the history of performance measurement, Clark (1999) provided a review and suggested three different shifts. The first one is the shift from financial measures to nonfinancial measures of output. The main focus on the early work on marketing performance was on financial measures such as profits, sales unit and value, and cash flow (Bonoma & Clark, Feder, 1965, Sevin, 1965). Eccles (1991) however noted that there is some unease about the usage of financial measures in the assessment of business performance. There has been a criticism on traditional accounting systems for not considering long term factors (Chakravarthy, 1986). According to Clark (1999) new measures which are nonfinancial such as customer loyalty, brand equity, customer satisfaction etc. has gotten the interest of research. Davidson (1999) emphasized that intangible assets such as brand, customer loyalty, technology and competence are gradually becoming more important measures of business performance. This, on his path is recognition of the importance of non-financial measures of performance. The second shift is the shift from the measurement of just the yielded output to the inclusion of the input as well. Marketing activities like market orientation, marketing audit and implementation lead to outcomes such as brand equity, customer satisfaction, and loyalty, which at the end, results in financial output. The outcomes are termed marketing assets (Srivastava, Shervani and Fahey, 1998) that are capable of producing financial performance. The third shift is the emphasis from the use of one dimensional to multidimensional measures of performance. Bonoma and Clark (1988) and Walker and Ruekert (1987) suggested the inclusion of the assessment of marketing efficiency and marketing effectiveness in the measurement of marketing performance. Here there was an agreement on the multidimensional nature of marketing performance by more researchers (Ambler kokkinaki and Puntoni, 2004; Vorhies and Morgan, 2003).

Customer Satisfaction

Customer satisfaction has been a popular topic in marketing practice and academic Research since Eccles (1991) initial study of customer effort expectations and satisfaction. Customer satisfaction is regarded as the head of all marketing activities. According to Coyles and Gokey (2005), “the principal purpose of marketing is to satisfy customer needs and wants. Satisfying customers is essential because satisfied customer will reward firm with favourable behaviour”. It is found that “enhancing customer satisfaction brings about a higher future profitability” (Anderson et al, 2006). “Increase consumer willingness to pay a higher price, make a good accommodation and use the product frequently” (Chakravarthy, 1986) and develop customer loyalty (Hitesh, 2017). All these points to the fact that, “customers satisfaction play a significant role in generating long term benefits for companies” (Davidson, 1999).

These are many attempts on the definition and the clarification of what customer satisfaction is in marketing literature. Oyedijo (2012) defines customer satisfaction as “the customer fulfilment response”. It is a judgement that a product or service feature, or the product itself, provided (or is providing) a pleasurable level of consumption related fulfilment, including level, of under or over fulfilment. According to Ambler and Kokkinaki (1997) Satisfaction is a kind of stepping away from an experience and evaluating it. One could have a pleasurable experience that caused dissatisfaction because even though it was pleasurable, it wasn’t as pleasurable as it was supposed to be. So satisfaction / dissatisfaction is not an emotion, it’s the evaluation of the emotion; Satisfaction is seen to be the evaluation or feeling that results from the disconfirmation process”. It is not the comparison itself (i.e. the disconfirmation process), but it is the customers response to the comparison. Satisfaction has emotional components. customer satisfaction is an emotional response to the experiences provided by associated with particular product or services purchasers, retail outlet, or even molar patterns of behaviour such as shopping and buying behaviour as well as the overall market place (Cronin, Bradley and Hult, 2000).Oyedijo (2012) equally supported this view when he said “Customer Satisfaction is the summary psychological state resulting when the emotion surrounding disconfirmed expectations is coupled with the consumers’ prior feelings about the consumption experience”. Customer satisfaction is the satisfactory post-purchase experience with a product given an existing purchase expectation (Cooper, 2000). It is also said to be the buyer's cognitive state of being adequately rewarded for the sacrifices he has undergone (Morris, 1987). Nobla & Grace (1999) define it as "the consumer's response to the evaluation of the perceived discrepancy between prior and expectations and the actual performance of the product as perceived after its consumption". Bonoma & Clark (1988) argued that since customer satisfaction is influenced by the availability of customer services, the provision of quality customer service has become a major concern of all businesses. They see customer satisfaction as typically a post consumption evaluative judgement concerning a specific product or service. It is the result of an evaluative process that contrasts pre-purchase expectations with perceptions of performance during and after the consumption experience.

Customer Loyalty

Customer loyalty is the customer attitude to prefer a brand over that of competitors. According to Singh and Khan (2012), customer loyalty is a repetition of customer's visiting and meeting or repetition of purchase behaviour, including emotional commitment and the expression of favourable attitude towards an offering. Loyalty comes when customers are satisfied. The main tool of getting loyalty is getting customers to recommend your firm to others. Rowleys & Dawes (1999) explained that the main tool for customer satisfaction measurement should be customer loyalty. According to Allender and Richard (2012), customer loyalty comes as result of a firm creating a benefit that will help maintain and increase the times customers patronise them. Loyal customers are not moved by constraints or influences inherent in the business environment. At the peak of loyalty, customers begin to advocate for a firm at no fee, and patronage extends to a long period of time (Ambler and Kokkinaki, 1997). Loyalty is the result of developing past positive experiences with the customers and having them return to the company, irrespective of its product, price or service delivery (Adeleke, and Aminu, 2012). Canina and Enz (2010) demonstrates that loyalty is more than a repetition of bahaviour .

According to Hammond et al (1996), "loyalty is a customer's inclination to re-buy a particular brand through actions which is measurable and significantly affect sales". Allender and Richard (2012) sees it as "a profoundly accommodated steadfastness, to repurchase the product frequently in the future, by that giving rise to repetitions identical brand or identical brand-set buying, notwithstanding environmental influences and switching behaviour". On the other hand Lehman (2004) sees it as a "sentiment of the fidelity to or fondness for a firm's people or products". Scholars have different opinions as to how loyalty should be measured. According to Anderson, Kumar, & Narus (2007) loyalty should be measured by using "re-buys dynamics and recommendations". Ambler et al (2014) and Morris (1987) supports this view but Simon et al (2008) argues about this by saying "loyalty is not an attitudinal function and thus, should be measured through a purchase parameter so as to include cognitive captured consumer and habitual purchases among others".

Pricing Strategies and Marketing Performance

An examination of various literatures shows that studies were undertaken on pricing, pricing strategies, and organization performance (Allender and Richards (2012) Moore, Kenney and

Fairhurst (2003), Rowley and Dawes (1999), Shipley and Jobber (2001), with different modes. In their studies, Ambler & Roberts (2008), Ambler, Kokkinaki, & Punting (2014) pointed that pricing strategies are root causes of performance in industries. Anderson, Kumar, & Narus (2007), Pfeifer (2015) stated that pricing policy is a reliable tool necessary for the coordination of decision across all channels of marketing so as to maximize profitability. The performance of any organization may be obstructed by the type of marketing strategies adopted and these are influenced by the forces of pricing strategies.

Cooper (2000); Noble & Gruca (1999) in their study also gave an affirmation that pricing strategy is positively related to advertisement activities as well as sales strategies needed to improve performance as well as organizational benefits. For a firm to have an increase in market share, it must choose a fast approach of buying market share through an appropriate pricing strategy (Roos, & Krogh, 2004). Pricing and price control must be well considered, as it is a critical factor in marketing and competitive strategy that determines an organization marketing performance (Shipley and Jobber, 2001). Through price, industrial and commercial customers consider the value of a product and this is seen to have a strong impact on the selection of band among alternatives. According to them, pricing is vital if sales products must grow and expand, because it attracts demand. Nwokah, Ugoji and Ofoegbu (2009) in their view stated that a company's performance cannot be better than their sales performance, and one key determinant of sales level is the price. Organizations with poor price marketing lose control over them, at the detriment of their sales performance and subsequently, their profitability (Nagle and Hogan 2007).

Even in an industry or sector where competition is fierce and organizations engage in a war of producing the best products, the pricing strategy can make a firm stand out. This is supported by Alinezhad et al (2012) when they opined that when the quality of a product is equal competitors in the face of fierce competition, price comes out as the most vital factor to use in maintaining and attracting customers as well as their loyalty and satisfaction. It is believed that pricing strategies properly and timely applied will enhance customer patronage, loyalty, satisfaction and retention (Borden, 1964; caning & Enz, 2010; Fibich et al 2005; Ambler & Roberts, 2008).

Furthermore, Cooper & Kleinschmdt (1987) documented that the perception of price fairness of a customer influences his perceived value, satisfaction and for that bring about different emotions and behavioural responses by the customers. What is means is that a positive perception will lead to a positive response and behaviour. In the same vain, a negative perception of perceived price fairness will lead to a negative behaviour. Considering how well consumer behaviour impacts on the profitability of a firm, they are therefore encouraged to strategically note their pricing strategies so as not to lose their customers due to poor pricing. Srikanjanrak and Ramayah (2009) noted that service quality is not the only aspect that positively relates with price fairness. Satisfaction is a result of customer's perception (Cronin, Brady and Hult, 2000). This was supported by Choi and Mattila (2006) when they stated that there is a positive influence of perceived value on the satisfaction of the customer. In addition to what others found out, Anderson, Narus, & Rossum (2006) concluded in their study, that perceived price fairness affects customer satisfaction. The study of Dutta et al (2002) correspondingly reveals that price fairness is positively related to customer satisfaction and loyalty.

Value-Based Pricing and Marketing Performance

Value-based pricing is a strategy that safeguards the long term profitability or value of a firm as imitating it is not always easy. Nagle and Hogan (2006) gave a nod on this when they stated that value-based pricing is a strong competitive advantage as competitors are unable to copy it instantly. This way, companies can achieve profitability by controlling their prices (Alinezhad Sarokolaee et al. 2012). Nagle et al (2011) saw that adopting a value-based strategy impacts positively on organizational profit margin. According to Anderson, Jain, & Chintagunta (1993) in their study, the factors influencing organizational performance mostly are related to achievement of goals by the introduction of new offerings. What it means is that, organizations that achieve sales and profit margin objectives shoved a better organizational performance. It is therefore identified that organizational success is linked to the introduction of new products which are of value to the customers (Cooper 2000).When this is considered and followed with an appropriate pricing strategy; there is a greater possibility of a positive marketing performance in an organization (Anderson & Narus, 1998).

Ding (2007) has it that a higher price is a selling point for some consumers; this is more pronounced when items are regarded as a status symbol or makes a statement. If these customers are attracted to your offerings, then success comes when a price that communicates the worth of your product and the need to pay extra is employed. This is applicable to other areas of pricing strategies. Ingenbleek, Debruyne, Frambach, and Verhallen (2003) showed that the use of value-based pricing is a vital pricing practice for getting larger returns as well as for creating comparative advantage for organizations offers. This was demonstrated by Harmon, Raffo, & Faulk (2009) in a study carried out on medium-sized companies in Austria. The authors identifies that the companies that employed the value-based strategy had larger contribution margins compared to others. Thus, value-based pricing is seen to be a superior approach in bringing about a positive marketing performance (Liozu and Hinterhuber, 2013). It is important to note that products which customers attach higher value tend to generate better returns to the organization (Kohli and Rajneesh, 2011), this is so because customers will be ready to pay more for the product and thus, generate more profit (Anderson, Kumar, and Narus, 2007).

According to Hinterhuber and Bertini (2011), value-based products are more resistant to economic downturn. It is an obvious fact that people tend to watch their money closely during economic downturns, this means also that people become more interested in the value they get for their money. When value pricing shows real added value in terms of extra attributes or services, that quality brings in a slight increase in the price (Cooper, 2000). In tough times those who chose similar luxury-priced products are seen to switch to the value-priced items, so as to save money (Anderson, Thomson and Wynstra, 2000). Value-based pricing rewards an organization for its expertise, skills and expediency (Ding, 2007). This can be seen in an example sighted by Cressman (2012) when he compared the hours a new web designer uses to design & code a project. He stressed that the new designer will spend more time compared against when more experience is gained. The saved time can be used for other activities of profitable nature. He is thereby rewarded with more profit because of his expertise.

Cost Based Pricing and Marketing Performance

Several studies (Zeithaml, 1988; Fibich et al, 2005; Khan, 2010; Nwangeka Mjoba, Omindo & Nyatichi 2014; Khan, 2013) has indicated the relationship between cost-based pricing strategy and marketing performance. Some researchers (Guilding, Drury and Tayles, 2005); Simon, 1992, Hitesh, 2017; Berge, 2003) have also found out that one of the determinants of the relationship between cost-based pricing strategy and marketing performance is customer satisfaction. Yoo, Lemak, and Choi (2006) showed that customer satisfaction results to repeat purchase, intention to revisit and future patronage. Diamantopoulos (1991) opined that in an environment where customers are aware of the cost of production (especially cost of superior product), cost-based strategy will boost the confidence of customers lower prices in this regard tend to loose customer's trust, as products will be though to be made with inferior materials. With the current economic situation, organizations are having a hard time with limited resources (Dutta, Zbaracki, and Bergen, 2003). Every organization strives to employ fewer resources in making products available, while still remaining profitable (Fibich et al, 2005). It takes few resources to make use of this strategy as a lot of market research is not needed (Manson and Lancioni, 2005).

Hitesh (2017), Ding (2007); Liozu et at (2011) and Yoo, Lemak, and Choi (2006) showed that cost-based pricing provides overall coverage of cost employed, and also consistency in the rate of return.

Discussion of Findings

The findings from literature reveal that there is a relationship between pricing strategies and marketing performance, in that pricing strategies influences marketing performance. As noted by Lancioni et al (2005), "a pricing strategy is positively related to advertisement activities as well as sales strategies needed to improve performance as well as organizational benefits. In their study, Dutta, Zbarachi and Bergen (2003) concluded that price fairness is positively related to customer satisfaction and loyalty. It was also found that there is a positive relationship between values based pricing and marketing performance. Value based pricing is seen to have an influence on marketing performance as Nagle, Hogan and Zale (2011) noted that value based pricing is a strong competitive advantage that helps firms achieve profitability and competitive edge.

It was also revealed that cost based pricing have an influence on marketing performance. Hinterhuber and Bertini (2011) showed that consumers are more educated and informed in this era; this has made it easier for consumers to the cost of producing and making products available. For this reason when a price is relatively low consumers might term the product an inferior one. In the same vein, when the price is too high, dissatisfaction sets in. in other words, when cost based pricing strategy is properly applied, customers tend to view the firm a transparent one, and subsequently get satisfied (Shipley and Jobber, 2001). This in turn betters the marketing performance of a firm.

Conclusion and Recommendations

Based on the findings from literature, we conclude that pricing strategies are prerequisites for marketing success in our contemporary business environment. This is because obtaining a positive marketing performance requires strategic activities such as appropriate pricing strategies. Our business world is characterised by unpredictability, dynamism, and uncontrollability. As such, the right pricing strategies are necessary to cushion the effect of these variables on the firm and its offerings. In other words, firms that pays attention to their pricing strategies by determining and implementing the appropriate one suitable for their target market will stand out in their marketing performance.

We also conclude from the findings that there is a positive relationship between value based pricing and marketing performance, as value based pricing has an influence on marketing performance. Also, there is a positive relationship between cost based pricing and marketing performance. The following recommendations are hereby made;

1. Telecommunication firms in Port Harcourt that seek to improve their marketing performance should treat their pricing strategy as one of the most important strategies in their marketing plan.

2. Telecommunication firms in Port Harcourt that seek to have a positive and improved marketing performance should adopt a value based pricing strategy.

3. In order to improve marketing performance, telecommunication firms in Port Harcourt should include a cost based pricing strategy in their plan.

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